
FACTORS INFLUENCING CONSIDERATION ON
MULTILEVEL MARKETING (MLM) ENROLLMENT

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Abstract

Many people get involved in the Multilevel Marketing (MLM) business for various reasons most of which fall under four categories i.e. ability to generate extra income, consumption of the products, social consciousness and ability to develop own business. However, the relationship for the major drives for enrolling into the MLM has been unknown in Malaysia. This paper, therefore, sought to answer the questions of “How does relationship of sources of income influence public consideration to enrol in MLM business,” “How does relationship of consumptions of product influence public consideration to enrol MLM business,” “How does relationship of social consciousnesses influence public consideration to enrol in MLM business” and “How does relationship of business developments influence public consideration to enrol in MLM business.” A pair of hypotheses was generated for each of the research questions and quantitative observational study design using simple random sampling and a questionnaire was used among the target population of Malaysia residents. Sample of size of 600 adult respondents was used and the resultant data analyzed using descriptive statistics and hypotheses tested using Spearman’s rho correlation coefficient on (SPSS) software. The result show that majority of the respondents actually consider enrolling into the MLM business because of all the factors includes income source, consumption of the products, being social consciousness and the ability to develop own business. It is concluded that positive relation between the factors influence consideration on MLM enrolment that determine the success of the business. However, further research is necessary to evaluate the social and economic impact of the MLM business on its agents.

CHAPTER 1

INTRODUCTION

1.0 Introduction

This chapter begins with a research background and problem statement to discuss the factors influencing consideration on the enrolment of multilevel marketing business. This give the clear understanding on the relational factors that includes sources of income, consumption of product, social consciousnesses and business developments that influencing public consideration to become a member of the MLM business. This is follow by the research objectives, the research questions, research justification, research aim and objectives.

1.1 Research Background

Multilevel Marketing (MLM) which is also known as network marketing direct selling organisation(NM DS) and network marketing (NM) has received considerable amount of attention from researcher due to its exponential growth in the current century. According to Direct Selling Association (DSA) in US, in 2012 nearly 16 million Americans engaged in direct selling whether as full-time entrepreneurs seeking to build a business and some as part-time representatives hoping to earn a little extra money (“The Direct Selling”, 2013). And as of to date there is 72 company registered as the member of Direct Selling Association of

Malaysia (DSAM), a national trade association founded in 1978 that aimed at promoting the direct selling industry in Malaysia (“Member List”, n.a). “Direct sales people are usually independent contractors, not company employees, and opportunities with direct selling companies are open to persons from all backgrounds, experience levels, and personal characteristics” (Brodie, Stanworth & Wotruba, 2002, p.67).

Albaum & Peterson (2011) defined MLM as “a form of retail direct selling (i.e., face-to-face selling away from a fixed retail location) that by definition has a multilevel compensation structure”. Generally the business model of direct selling company is to produce and sell their final product directly to the consumer without going through conventional distribution channel like the wholesaler and retail distributor. And saving made from the reduction of product distributing cost will convert to become a form of compensation or commission to the individual distributor in the respective direct selling company. While many companies are adopting the direct selling strategies to take advantage of the new communication platforms like social networking sites, the ability to reach more people who are potential buyers of a product from own circles is gaining more place (Tussyadiah, 2012). Even of a higher stimulus is the ability to generate income from sale of products of a MLM selling company as an individual or a group. MLM companies and industry is making billion in terms of gross income annually and the exponential growth comes with similar increases in the income generation capabilities that determine the ability of its recruits, agents or individual sellers to make fortunes out of their ability to persuade those in their social networks to also be part of the sales team (Keep & Nat, 2014).

Buell (1954) concluded in his investigation on door to door selling that a well formulated and carefully implemented direct selling program offered an opportunity for the individual manufacturer to secure a special competitive advantage. Cook (1967) study on the programmed instruction incorporated by Luzier, a direct selling cosmetic company in US has resulted 38% growth in sales for their distributor who has completed the product knowledge test after the training using programmed instruction. Subsequently the firm further uses the result of the test to gauge the potential performance of their newly enrolled

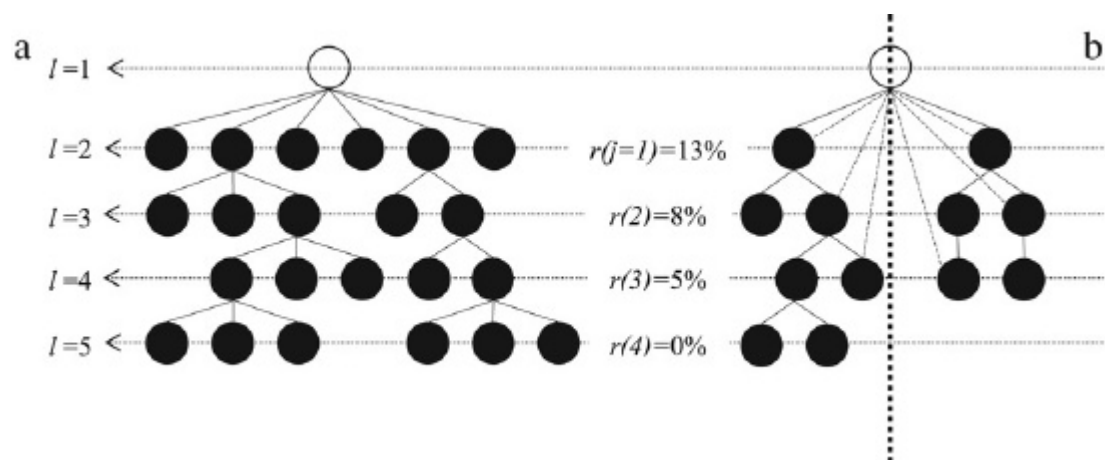
distributors or consultant. While the finding on the case study conducted by Seitz (1991) on the success story of the implementation of sophisticated direct marketing techniques named “Direct Support Program” by the Director of Strategic Market Development for Mary Kay Cosmetics support the important of the marketing plan on the performance of the individual direct sales person and ultimately to the growth of the firms itself.

In MLM business, the recruiting sales person or individual distributor receives compensation or commission on the sales of their down line members or distributors and also on their own sales. This incentive is common the key motivator to direct these direct sales people to continuously recruiting, training, and supervising other direct selling people who has enrolled to become part of the recruiter's down line. While most people still trust their close relations like friends and relatives, others believe in that source by someone they know, values them and can only wish them the best out of life (Keep & Nat, 2014). Because of the influencers, the consumption of MLM or NM items has increased tremendously and continues to do so. The products are either available close to the potential buyers such as in the case of direct selling or they are marketed locally with increased focus and intensity (Tussyadiah, 2012). Persuasion among people who are most likely to listen to the seller rather than take them for mass marketing that befalls the eyes and ears of myriad of non-segmented customers, most of whom are unlikely to need the product marketed, is emphasized. The business model of MLM appeal to most sellers and individuals without any other employment or those partially employed because the offer of flexible work schedules that enables them to also have a side job that can sustain them against their living costs (Keep & Nat, 2014). Still, there are groups and individuals who sell on NM models exclusively for a living as the profit margins are realistically able to generate enough income for a sales person who dedicated self to sale of the products on an MLM company as the sole means of livelihood (Keep & Nat, 2014).

Calculation of the bonuses or commissions is, therefore, also an exponential in patterns that enable the recruiters to earn more by recruiting more (Legara, Monterola, Juanico, Litong-Palima & Saloma, 2008). Sometimes the recruiter

earns also from those recruited by those they recruited in a chain that may not end. As can be seen in Figure 1.1a and b, the web of interconnectivity among the agents continues to grow with time and the same way sales volumes and the earning capability of the agent. In the Figure 1a scenario, there is hierarchy in which the recruits per recruiter are mostly three. These recruits mean additional earning to the recruiter in the order of the hierarchy. Also, in Figure 1.1b, the recruits are mostly two meaning that there is ability of the recruiters to earn from the two recruits. The number of recruits under a supervision of any one particular MLM member can be limited as deemed appropriate in order to sustain the network at manageable sizes per first level MLM member. Also, the ability to earn from late recruits relate to an MLM members is also determined. Some earnings abilities may be extended to even the tenth recruit in a down line hierarchy while it can be limited to the third recruit form the first lateral line MLM members (Legara, Monterola, Juanico, Litong-Palima & Saloma, 2008).

Figure 1.1: MLM model



Note. From Legara, E. F., Monterola, C., Juanico, D. E., Litong-Palima, M., & Saloma, C. (2008). Earning potential in multilevel marketing enterprises. *Physica A: Statistical Mechanics and its Applications*, 387(19-20), 4889-4895.

In its simplest explanation, MLM survives due to the large numbers of sellers who may only make dismal profits but this enables the companies to not only stay above the wares but also make huge net profits especially when the network is nearing maturity (Tussyadiah, 2012). The options for sellers are either to the recruits or to non-members. In the latter case, the profit to the agent is even higher than in the former scenario. However, the non-members would benefit the agent

by being a recruit who generates commissions or bonuses to the recruiter (incumbent agent) for a longer time than when as a buyer who is a non-member buyer (Legara, Monterola, Juanico, Litong-Palima & Saloma, 2008).

The constant recruiting activity by the existing distributor for new down line in MLM is common to be related to the illegal pyramid scheme. In pyramid schemes, public willing to pay to enter the scheme and to be enriched by subsequent recruits doing the same thing. However this business structure are not commercially sustainable and such schemes are usually short-lived and those who enter last have virtually no chance of recovering their entry fee much less benefiting from the scheme. On another hand MLM is not a type of marketing but rather is a form of compensation in a direct sales company where the salesperson can earn money on his or her own personal retail sales and also on the sales of people he or she personally recruited into the business and on the sales of people recruited by their recruits (Albaum and Peterson, 2011). In systems that have enough checks and balances against loss of items, the MLM member can have the goods supplied by an MLM company without making prior payments in the trust that the sales generated by passing the items down in the social network will be used in paying for the products at the supplier company (Keep & Nat, 2014). However, many systems begin by the agent or MLM member meaning that an initial deposit with the supplying MLM company for the supply of the first consignment (Legara, Monterola, Juanico, Litong-Palima & Saloma, 2008). This may be termed the initial capital or the MLM member who then enjoys other benefits such as marketing of the products done by the MLM supplying company and branding. The MLM members take the opportunity to reinforce the effects of the marketing efforts by the supplying company, such as mass marketing, by going to individual persons within their social networks and approaching them to either buy the products or be recruited also as MLM members (Nat & Keep, 2002).

The hierarchical nature of earnings for the agents in a manner that sometimes seem that they just gain by doing nothing has always raised attention with those concerned with ethical practices in business operations such as governments and trade unions (Nat & Keep, 2002). However, many studies show that MLM model

is a sound business strategy that can be ethical when the rules are observed keenly without any violation (Nat & Keep, 2002). In fact, many researchers have studied the differences between standard pyramid schemes, that are outlawed, and an MLM system that is acceptable as a business strategy (Keep & Nat, 2014). The outstanding differences is that the MLM schemes must have the products to move among the salespersons without relying on the recruitment fees as the main income generation avenue for an MLM company and its agents (Koroth & Sarada, 2012). And the results of the survey conducted by Chonko, Wotruba & Loe (2002) suggested a high degree of ethical consciousness observed among MLM executives. Nevertheless the constant promotion and enforcement of ethical code is crucial in the effort to raise the ethical conscience of the sales people as well as the top executive of the management team of the direct selling industry.

Statistical data from the MLM industry shown that health, beauty and wellness focused product is always dominated the MLM business arena and expected this trend will continue in the coming year (Albaum and Peterson, 2011). Granfield & Nicol (1975) investigation categorized the product sold by the MLM firm into four essential characteristics.

- a. Dependable quality.
- b. Unconditional guarantee.
- c. Subject to effective demonstration.
- d. Potential for frequent repeat sales of the original product or some aspect of it.

Although it's common in the past that consumer is more skeptical on the products sold by MLM firm, however studies in recent year have observe significant improvement in product quality. Moreover MLM firms is now offering unconditional return and even money back guarantee if the customer is not happy with the product as what the firms have promoted (Lahiri and Das, 2012). Specifically when the product unable to deliver the effect or the result that they have emphasized and this condition has increased the confidence level of consumer to buy from these firms. Lahiri & Das (2012) found products from MLM firms which deliver more value compared to other brands found in regular department and hence the products are positioned under the value for money

dimension. Similarly Ong & Run (2007) study concluded that product based factors are the main factors which influence Malaysians to continue to remain in the industry. With significant discount provide to the individual distributor of the respective MLM firms for the purchase of product for either internal consumption or resell is a main driver of recurrence business for these firms. Consequently the quality, price, promotion and availability of the product from the MLM company will have tremendous impact on the positioning of these products in the preference set by the customer.

All businesses using the MLM strategy must observe the term and condition in order to be legal. In return, they have been praised as an alternative employment avenue for many populations in the world (Koroth & Sarada, 2012). This comes from prove that MLM upholds the integrity necessary to maintain public welfare at the centre of its operations (Keep & Nat, 2014). Indeed, evidence reveal that the earning ability at low costs of initial capital puts the MLM at the centre stage in poverty eradication in many settings, especially in the developing worlds. In such settings, becoming an MLM recruit is seen as a way of earning a living that is competitive enough compared to other forms of employment (Legara, Monterola, Juanico, Litong-Palima & Saloma, 2008). However, MLM does competitively well in the developed world (Keep & Nat, 2014). Indeed, many known MLM firms are originated from the developed countries and are fast expanding into the other horizons due to the exponential growth factors.

Ability of the MLM networks to grow and enables an early adopter as MLM member to gain income from the rest of the recruit related to self has made the capability to recruit new MLM members reinforced. However, there are many factors that remain the source of doubts among the potential MLM recruits that make it a considerably hard task for an existing MLM agent to recruit a new member (Legara, Monterola, Juanico, Litong-Palima & Saloma, 2008). Apart from the expected doubts that an MLM may be a pyramid scheme, other factors also play in the decision-making among potential new recruits to accept and be part of the sales network. For instance, entrepreneurial zeal is found to be just one of the drivers to be part of a sales force. Others may be the relation of income, the

nature and type of the product sold using the MLM model, social and ethical orientations of a person as well as the level of knowledge on the mechanisms of operations of the MLM schemes.

1.2 Problem Statement

It is not only the business regulators such as the government agencies and the trade unions that worry about the existence of the MLM model businesses. Even the potential recruits are ever worried of the possible pitfalls of MLM models becoming exploitive pyramid scheme style of businesses (Nat & Keep, 2002). While this worry exist and bars some of the members of the public who are still not MLM agents from becoming MLM members, there are other factors that may drive them to accept the role as MLM agents. Bearing in mind the ability to make more profits is directly related to the size of the sales network, businesses using the MLM model are ever in need of new recruits to increase their volumes of sales (Keep & Nat, 2014).

The businesses require the additional personnel in the sales workforce every day in order to expand and penetrate new markets through the personal selling and social networking strategy. However, the factors that play in the decision-making of the potential recruits may slow down or stall the process of acquiring new recruits (Koroth & Sarada, 2012). Therefore, it is important for businesses to indentify the driving factors for the new recruits to accept and become active members of the MLM network in order to be more competitive in the industry making the model even a better success than ever before. However, the factors that drive the decision-making of a potential recruit of MLM to become part of the sales agent network has not been ascertained by previous researches to help the businesses using MLM model to gain more recruits faster and retain them longer for better growth and sustainability.

MLM members also need to identify these drivers as they are vital in their efforts to recruit the new members. Growth of the business is only possible by having more recruits supervised (Koroth & Sarada, 2012). Therefore, a recruiter who has

the ability to appeal to more potential recruits would have the best chance of growing personal earnings from bonuses or commissions from the sales of the other people recruited. On the contrary, inability to indentify these trigger points among potential recruits can paralyze the growth of a recruiter's network thereby leading to stagnation. In other instances, the recruiter may have only temporary or inactive new recruits who do not generate enough sales for the system and the recruiter. In fact, the rate of job attrition in the MLM models is higher than in any other work setting (Tussyadiah, 2012). Therefore, the recruiter would want to approach only individual who will not only be active salesperson but also remain in the system long enough to ensure sustained earning. These can only be achieved if the reasons for agreeing to be enrolled in the MLM network are identified and used to appeal to the most affected by the drivers among the potential new MLM recruits. Unfortunately, these driving factors have never been determined by any sound research.

By identifying the factors that influence the decision of a potential MLM agent to enrol as one, both business and those already in the MLM network as sales persons will be having a business leverage that will act as a new selling point when the potential recruits are approached to be part of the system. As enrolment increased, the revenue base for the business will increase exponentially in a similar way the bonuses or commissions of the existing agents will also improve. The marketing strategy of the firms and agents involved in MLM models will change in a way they persuades the potential recruits more easily and enable them be retained within the system for longer to sustain gains. This will happen only when the businesses and the agents of MLM models identify those who are most driven by the factors served as benefits of the model thereby get enrolled into the system to satisfy their personal needs that they value as their top priorities.

1.3 Research Questions

To fully explore the factors influencing the potential MLM agents to enrol and become part of the network, several research questions need to be answered.

These would support the attainment of the research objectives as well as the hypotheses to be assessed. The research questions to be answered by the study are;

1. How does relationship of sources of income influence public consideration to enrol multilevel marketing business?
2. How does relationship of consumptions of product influence public consideration to enrol multilevel marketing business?
3. How does relationship of social consciousness influence public consideration to enrol multilevel marketing business?
4. How does relationship of business developments influence public consideration to enrol multilevel marketing business?

1.4 Research Justification

MLM business model is prove to be effective and is used among many companies owing to its long term existence of almost ten decades now (Keep & Nat, 2014). Serving as an improvement to the traditional direct selling of the local peddlers and an innovation of the commission on single sealed sales deals, MLM has become one of the most applauded models in business operations (Koroth & Sarada, 2012). Most of the credit is owed to its ability to generate income to the agent or distributor at a rate higher than the two mentioned models in isolation (Tussyadiah, 2012). The opportunity to generate increased income as a business and as an agent using the MLM model has, however, been facing challenges of high member attrition and many inactive MLM members due to many factors some of which are known (Koroth & Sarada, 2012). In the United Kingdom (UK) and other developed worlds, many people have seen the business of MLM as a waste of time because the amount of money generated may not be enough to call qualify it as a fulltime employment. In fact, many relationships may have broken as a result of the uses of MLM products among the inner circles of a person when the ethical or moral values of the two parties differ on what amounts to exploitation (Nat & Keep, 2002).

In other instances, the networks of MLM remain dormant with only a few agents observably active generating significant income for the MLM companies through the volumes of sales (Koroth & Sarada, 2012). Observed scenarios among the dormant agents come as a result of other too little sales due to lack of a non-member to sell to or an impaired ability to expand the networks by recruiting new members (Legara, Monterola, Juanico, Litong-Palima & Saloma, 2008). In either scenario, a reduced model of the network is observed whereby the agents sell only to themselves (Koroth & Sarada, 2012). For instance, a product that would have been passed on to other recruits to sell but is now consumed only by the first hierarchy MLM member. The overall result is reduced sales that may force the business to close down. Indeed, sustained losses from the result of these factors may mean that the company makes losses and goes bankrupt with the final option of going out of business.

A problem of poor sales due to inactive sales force or high attrition rate of the agents can, however, be solved by only including the most motivated people to be MLM members. When most fitting and most motivated individuals are recruited for the position of the MLM model agent, the rate of agent turnover is reduced and the ability to make profits is increased due to increased volumes of sale and larger marketing network compared to scenarios when dormancy and attrition rates are high (Legara, Monterola, Juanico, Litong-Palima & Saloma, 2008). The problem is the ability to determine the individual who are motivated and fitting for the job that would not leave the network soon for other jobs or remain dormant in the system. Therefore, ability to identify the most appealing drives for the potential MLM agent to enrol in the network of sales force is essential to enable the MLM operating companies and their agents remain at the viable levels or increase their growth more than the presently possible rates. This paper addresses the gap of lack of knowledge on the main drivers of the potential MLM recruits to be enrolled in the system thereby providing invaluable information for the parties involved in the MLM model of doing business to increase their competitiveness and profitability. The results of the study will benefit both the business using the MLM model and the sales persons who need to recruit more agents to gain bonuses or commissions.

1.5 Research Aim and Objectives

The aim of this study is to identify the relation of source of income, consumption of product, social consciousness and business development that influence general public in Klang Valley, Malaysia on the enrolment in multilevel marketing business. The specific research objectives are;

1. To assess the relationship between sources of income that influence public consideration on multilevel marketing enrolment.
2. To determine the relationship between consumption of product that influence public consideration on multilevel marketing enrolment.
3. To ascertain the relationship between social consciousnesses that influence public consideration on multilevel marketing enrolment.
4. To establish the relationship between business developments that influence public consideration on multilevel marketing enrolment.

CHAPTER 2

LITERATURE REVIEW

2.0 Introduction

This chapter reviews the literature including research, writings and scholarly opinions discussing the factors influence public consideration on the enrolment of MLM business. This literature review provides the necessary background in order to understand the relational factors that deem to influence the public consideration on MLM enrolment. The broad spectrum of theories and approaches concerned by the critical views and opinions of researchers are discussed in detail. The arguments discussed reflect the diversity of views within the field of multilevel marketing form the foundation for the hypotheses development.

2.1 Review of Literature

2.1.1 Multi Level Marketing (MLM)

Direct selling which existed widely for decades is a form of retail channel of distribution for manufacturer wherein sales person are in business for themselves and operating as independent contractors. According to Albaum and Peterson (2007) research findings that the most popular form of direct selling is Multilevel Marketing (MLM). And report from Direct Selling Association (as cited in Albaum et al, 2007) shown that approximately 84 percent of the direct-selling companies and 83% of the direct selling sales people in the United States in 2004 were involved in multilevel marketing. While Ho's study (as cited in Albaum and Peterson, 2011) further revealed that globally 80% of direct-selling companies were involved in multilevel marketing in 2004. In 2012, there are 4.25 million independent distributors generating RM9.94 billion sales turnover for direct selling companies in Malaysia with an increase to RM12.4 billion in 2013 ("DSAM Newsletter-Highlights of 2014", 2015). And according to Albaum and Peterson (2011) finding the major direct selling product categories includes leisure/educational services, personal care, home/family care, and wellness product. Many of the major MLM companies are well known internationally, such as Amway, Avon, JAFRA Cosmetics, Herbalife, and Mary Kay Cosmetics.

Brodie, Stanworth and Wotruba (2002) study which comparing the difference characteristic of sale people in single level and multilevel marketing defined the following. In a single level marketing business, the individual salespeople or distributor do not build their own organizations via recruiting and training, but rather focus their efforts on selling and achieving compensation based on their own sales. As in contrast with single level marketing organisation, the salespeople or distributor in multilevel marketing organisation will recruit, train, and supervise other recruited direct salespeople or distributor as known as the down line in their own organization. In return, the recruiting distributor beside of receives compensation on their own sales but also on the sales of the down line in their organization. Similarly Vander and Keep' research (as cited in Albaum et al, 2011) identified MLM is a way of distributing products or services in which

distributors earn income from sales made by other direct and indirect recruits as well as from their own retail sales.

Unlike single level marketing, Ouyang and Grant (2004) found the sales in network marketing organisation are dependent upon the active recruitment activity of direct sales people who recruit, train, and supervise new direct sales people who become part of what is known as the recruiter's "downlink". This promise to pay downlink commissions serves as a powerful incentive to accept membership in a network marketing organization. World Federation of Direct Selling Associations (as cited in Albaum et al, 2007) defined MLM technically is not a type of marketing but rather is a form of compensation in a direct selling business where beside the commission made from the sales person's personal sales, this sales person also can earn money on the sales of people he or she personally recruited into the business and further extend to the sales of people recruited by these recruits. Thus, to the MLM distributors, organisational commitment might be interpreted as commitment to the organisation he or she is creating (Brodie et al, 2002).

In Brodie et al (2002) study, salespeople in MLM is found to be older in term of age, higher educated, more years of total work experience. In addition, these salespeople or distributors are typically having other jobs in addition to their direct selling activity and also less likely to be involved with multiple direct selling companies. And Roche's study (as cited in Albaum et al, 2007) noted that Neil Offen, former president of the United States Direct Selling Association, has identified six distinct types of direct selling salespersons, including those working for MLM organisation. The various types of sales persons are based on individual motivations for joining a direct selling company. The six distinct type of direct selling sales person is been tabulated in the following table.

Table 2.1. Six Distinct Types of Direct Selling Sale Persons.

| Type of Direct Selling Sale Person | Definition Of The Type |
|------------------------------------|---|
| Career Seller | Direct selling for this distributor is his/her major source of income. |
| Part-Time Seller Permanent | This distributor needs the income, but has only a limited amount of time available. |
| Short-Time Seller Objective | This distributor has a specific objective in mind, such as earning enough money to buy a refrigerator. Such a person may be in and out of direct selling throughout the year. |
| Socially Conscious Seller | This distributor believes strongly in a product's value to society and wants to share it with others. |
| Social Contact Seeker Seller | This distributor is in direct selling for the recognition that is given to people for their efforts. |
| Internal Consumption Seller | This distributor purchases a product or service at a discount for personal or family use. |

Note. Adapted from Albaum, G, and Peterson, R. A. (2007). On the Ethicality of Internal Consumption in Multilevel Marketing. *Journal of Personal Selling & Sales Management*, 117(4), 317-323.

Albaum et al (2007) study also found that the World Federation of Direct Selling Associations also categorizes direct selling salespeople in a similar manner. Depending on their individual and changeable motivations, the individuals in direct selling business can move from one type to another and often are more than one type at a time. Wirthlin's study (as cited in Brodie et al, 2002) observed that direct sellers under traditional single level marketing systems were more likely to enjoy selling, while direct sellers in MLM systems were more likely involved for

financial gain. In addition, the study reported that direct sellers in single level marketing business had longer tenure on average and worked more hours per week than did those in MLM business. These patterns can be interpreted as suggesting that single level marketing salespeople have a stronger focus on achieving results through personal efforts of selling specific products or services while sales people in MLM may have moved beyond a need to achieve sales results and view the process of building and nurturing a direct selling organisation (or numerous such organisations) as intrinsically motivating.

This has led to MLM companies being continually scrutinized by government regulatory agencies in the United States, the European Union, and also in the People's Republic of China (Albaum et al, 2011). In Malaysia, member companies of DSAM are required to adhere to a stringent Code of Conduct adopted by DSAM in every aspect of their business. The DSAM Code of Conduct, endorsed by the Ministry of Domestic Trade and Consumer Affairs, was launched in April 1998 and enhanced on 18 June 2009 by the Minister ("DSAM Code of Conduct", n.a). The claim is commonly made that the multilevel retailing channel of distribution of MLM companies and their specific method of compensation of distributors are illegal pyramid schemes. Whereby the business structure in pyramid schemes are not commercially sustainable and such schemes are usually short-lived and those who enter last have virtually no chance of recovering their entry fee much less benefiting from the scheme. This claim has eventually contributed to deter public to consider joining a MLM organization.

2.1.2 Selling Points in MLM Business Model Recruitments

Businesses operating under the MLM model are always under spotlight in order to guard them against adopting the pyramid scheme model in the name of direct selling. The implications of this close monitoring is that the new recruits have to also be worry of the kind of scheme that they are about to enrol as agents or distributors (Ong & Run, 2007). Minimal data that ever exist about the economic gains of the MLM business show that early adopters as agents who become the first level distributors, are always the most earners with the earning ability

reducing as one moves down the levels. Keep and Nat (2014) show shocking data that about 80% of the MLM members drop out of the scheme in less than one year of participation. These agents drop out either due to lack of substantial profits to compensate the time invested in the MLM business or are unable to afford the little capital that is required to purchase the new products for resell (Keep & Nat, 2014).

With the multilevel system, also, those who are at the top level earn more than half of the total net profits as the individual distributors at the bottom of the tier get only 1% of the net gains (Keep & Nat, 2014). The fear of losing out as a late adopter in the MLM business, as a recruit, is also apparent and disturbing (Keep & Nat, 2014). The recruiters of new MLM members, therefore, have to overcome the fear and entice the potential new recruits with selling points that would appeal to the members of the public who are still non members of MLM model (Ong & Run, 2007). Still, the individuals have the ability to make personal decision to join the social network of sales force or decline the offer. However, just like in sales the recruiters acts to open up all the possible advantages that would turn into benefits of the potential recruits to lure into registering and becoming part of the sales force.

The economic viability is a selling point that the recruits of new MLM members use to entice the potential new members to join the sales force (Ong & Run, 2007). It turns out that individual confidence level in the ability to grow own recruit network is important in deciding whether if the MLM model will benefit a person (Ong & Run, 2007). Also, the level that one enters at would matter in determining the economic viability (Ong & Run, 2007). The recruiters of MLM model business usually purport that the chain of recruitment is unlimited. However, research reported by Legara, Monterola, Juanico, Litong-Palima and Saloma (2008) proved that there is a limit to the ability to recruit new members based on the level the incoming MLM member will fall under in the business. Another recent study by Makni (2014) confirms that the law of diminishing returns applies to the MLM business as well contrary to the earlier thoughts that the exponential growth was endless.

The other related question that comes to mind is the viability of the MLM business models. A viable business, in this context, would be sustainable returns at any level of adoption (Legara, Monterola, Juanico, Litong-Palima & Saloma, 2008). The ability of members to earn only indiscriminately as early adopters but dismally as the late adopters is raising the ethical status of such businesses. The new recruits, therefore, have to get a substantive reason to get involved in the MLM business despite the apparent fears of non-viability of the business opportunity presented by the model. However, the two selling points of sustainable earning and high viability remain the core to MLM recruiter.

Market saturation is another factor that any MLM recruiter has to deal with. The new recruits must be able to have enough people to sell to so that they make profits. Even more importantly, they need to have other potential recruits within their circles in order to benefit from the bonuses and commissions. Despite this major setback to gaining more recruits, the recruiters of MLM business always purport that there are enough people to sell to at any given time (Attri & Chaturvedi, 2011). This drives the new recruits to enrol even at the time when there is hardly any extra non-MLM member to sell to or to recruit. However, the final decision rests with the potential recruit who agree that it is possible to have the new markets to sell to or even draw own recruits from their social network. It is therefore, vital to evaluate the influences that drive the new recruits to enrol as the MLM agent despite the apparent worries and the eminent pressure from the recruiters to be part of their bonuses-earning chain.

2.2 Conceptual Framework

The recruitment activities of the MLM models, just like other direct selling business operation, can be likened to the contemporary business scenario where the top managers in the department of sales carries out the recruitment exercises for the new sales personnel. Just the same way the sales manager oversees the enrolment and orientation of the new sales person in the office setting is the same

way the MLM model does the recruitment of the new sales agents in a more informal settings (Koroth & Sarada, 2012). This is the innovative point in the MLM model of business as compared to the usual business models of top down systems. The sales manager would be expected to earn more than those he recruited and the same applies to the recruiter of new sales agents into an MLM system (Koroth & Sarada, 2012). The model therefore conforms to the usual modern business model but with a twist in the setting and the level of informality of the dealings.

The same motives that attract the new aspiring business people to the traditional business models also lure the potential new recruits into the MLM business. Indeed, it has been shown that business development, that is core of the well known “standard” business model is also a motivator to enrol in the MLM business systems (Daquis, Castañeda, Sy & Abgona, 2013). The same applies to taking the MLM business as a source of income. Therefore, the two factors play a major role in the enticing the potential new MLM members to enrol and start enjoying the benefits abound. Still, MLM businesses have unique selling points that attract the potential new MLM members to enrol into the schemes.

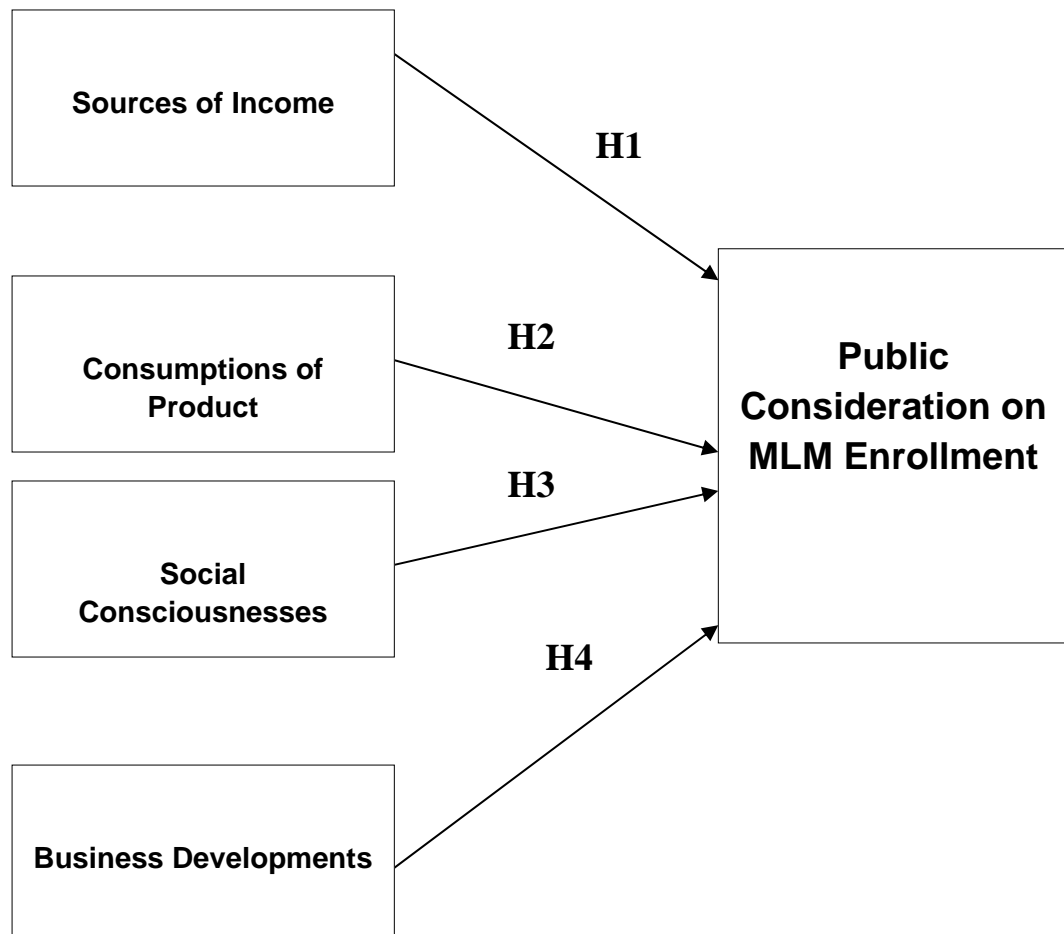
One of the unique selling points in MLM model is social consciousness where the incoming sales person believes that the value attached to the products to be sold have moral and social values that can ensure the growth of the social relation with the colleagues, friends and relatives to whom the products are sold or recruits are drawn (Daquis, Castañeda, Sy & Abgona, 2013). Examples of such items are the health-improving one deemed appropriate in increasing the health quality of life for households. Again, the ability to gain access to products for own consumption directly supplied from the manufacturer or the first line dealer as a member of the MLM network ensures that savings are increased and the confidence in the performance of the products are improved (Daquis, Castañeda, Sy & Abgona, 2013). Own consumption, therefore, also performs a major role in determining the enrolments decision-making of a potential MLM agent.

As provided in the conceptual model of Figure 2.1, the factors of business development opportunities, social consciousness, product consumption, and

income generation play a role in the determination of whether or not a potential MLM recruit becomes an actual member of the sales force. The recruiter may have the capability to lure the potential recruit in isolation or in synergy (Dai, Teo & Wang, 2010). Indeed, it would be expected that each of them have a significant power to determine the enrolment of a potential MLM agent thereby indicating that their combined efforts are even greater than when acting in isolation (Daquis, Castañeda, Sy & Abgona, 2013). However, it is vital to investigate the correlation between each of the factors that affect the decision making of the members of the public to enrol as MLM agents in isolation. Each of them would suitably serve as the hypothesis tested to evaluate the major drivers of the non MLM member to become registered and participate in MLM selling model.

The growth of many MLM firms can be enhanced if the informed knowledge for the trigger points of the new recruits in any MLM system is well defined. This will allow the incumbent MLM agents to use them as the selling points when considering recruiting or even selling product or services to the non-MLM members. Each of the factors in Figure 2.1 makes a hypothesis that is examined using the methodology outline in the next section. The synergistic force of the combined effects of any two or more of the variables will be expected but not measurable by this study.

Figure 2.1: Conceptual Model of the Factors that Influence Public Consideration on MLM Enrolment



2.3 Hypotheses Development

2.3.1 Source of Income as an Influencing Factor in MLM Recruitment

The ability of the MLM system to offer employment opportunities for the many people who wish to make extra income enrol as distributing agents is enticing (Ong & Run, 2007). Ong and Run (2007) study found that financial rewards is the reason of most of Malaysian joins MLM and continue to remain in this business. It is just another means of gaining financial stability as a consumer and a micro-entrepreneur. This role of the MLM agents in the localities that they operate elevates the demand for their products. Giving an example of Bulgaria, Makni (2014) indicates how the growth of the business model through the 1990s had impacted on the lives of millions of sales persons annually. Derived L-distribution used to arrive at the income capability of a sales representatives engaged in MLM or direct marketing signals that the ability to earn extra income from the business model is eminent and is the first consideration many new recruits value in enrolling as distributors in MLM networks (Makni, 2014). Taking the Bulgarian case study, the author finds out that majority of the participants in MLM network distribution are women who require additional income apart from their mainstream earnings (Makni, 2014). This scenario is found to concur with findings of other researchers Girish and Dipa (2015), who also find consistency that women are more into the MLM business to add income to their main sources of money in India.

Lahiri & Das (2012) study found that selling their product directly to the customers is not the only source of earnings of independent distributors in MLM. As contrast to single level marketing business, MLM are dependent upon the effectiveness of continuous recruitment activity in the individual distributor organisation (Ouyang and Grant, 2004). According to Albaum et al (2007) study, MLM refers to a type of compensation structure wherein agents in the MLM business earn income from their own sales as well as commissions from the sales made by their down lines. This can be further breakdown into three ways how agents can earn the compensation from their respective MLM company. First, it is the margin made by the agent from selling the MLM product to the consumer who

is non-member of the MLM company. And second, is the commission paid by the MLM company to the agents on what they directly or personally sell. Lastly is the commission on the sales made by the recruited down line in the agent's own organisation. The person at the top can earn a commission based on a percentage of the sales from all those recruited, which subjected to the structure of the organisation's compensation plan (Kustin and Jones, 1995).

In Bulgaria, the income increase among the agents drive even the second majority populations of youths and individuals on pension to take part as distributors (Makni, 2014). The earning ability of the participants is as pegged on the density of the population served. The research found that income among the agents in densely populated towns and cities are higher than those in the smaller towns with fewer people (Makni, 2014). May be the most important aspect of the Bulgarian case study is that majority of the recruits in the MLM model of business are the low income earners in other from other avenues. Coupled with the low restriction in joining the MLM membership, the ability to make extra money from the kind of business run under the MLM strategy is increasing (Ong & Run, 2007). In general, the recruiting agent receives compensation from the sales of their respective new recruit who known as down line as well as their own sales. Hence how effective the agent recruit, train and supervise their down line is the factor which determine the level of the income receive from the MLM companies. And the promise to pay the commission from multi level of down line served as a powerful incentive that leaves the desire to create income for the new recruit as the major drive to take part in this kind of network marketing business.

On the other hand the difficulty to continuously recruiting deters a person to join a multi level marketing business. Poe's study (as cited in Lahiri et al, 2012) concluded that the critical task of the network marketing is to continuously selling the hope and dream to their distributors on this money making business. Ironically only very little from the large pool of distributors in term of millions have the chance to make great financial and material gain from this business. This may eventually lead to people's reluctances to enrol to a multilevel marketing business.

In order to further study the relationship between source of income and public consideration to MLM enrolment, this study proposed that;

H1₀: There is no relationship between source of income and public consideration to enrol multilevel marketing business.

H1_a: There is a relationship between source of income and public consideration to enrol multilevel marketing business.

2.3.2 Consumption of Product as Factor Determining the Decision to Enrol In MLM Business

MLM agents are supplied with products from an MLM company with the understanding that they are to be sold to other consumers at a profit. Interestingly, the distributor is also a consumer and may decide to take stock from the distribution for own consumption (Attri & Chaturvedi, 2011). According to Ong et al (2007) findings in their study on reason why Malaysian join MLM business concluded that the opportunity to consume the quality products at the discounted price from the MLM companies is important reason for these distributors' enrolment to MLM business. Harris's study (as cited in Albaum, 2007) has suggested that it is difficult for the sales people in any direct selling business to actively sell the product or service if they themselves does not really believe in the product or service that they are selling. The profit that would be earned in reselling the product to the down lines is turned into sales discounts on the marked prices (Talukdar, Gauri & Grewal, 2010). This can be significant depending on the volume of sales and the nature of the products consumed. For instance, home appliances like refrigerators can cost much more when bought from other retailers as opposed to buying it directly from an MLM network as a member. Indeed, it should be taken as a way of earning indirectly through savings on the moneys that would have been sent on the exact retail prices of the products if sourced from other outlets other than the MLM network as a member (Talukdar, Gauri & Grewal, 2010).

While Albaum and Peterson (2011) study defined MLM is a form of retail direct selling with a multilevel compensation structure, the sales people of these MLM companies selling product to consumers, which including themselves, and as such MLM is a form of consumer marketing. MLM generally offers quality products with premium price and today its common tendency for consumer to make cost benefit analysis before purchasing of any product. Lahiri et al (2012) study revealed MLM products are positioned under the 'value for money' dimension as MLM product deliver more values compared to other non-MLM brands. And Lahiri et al (2012) research on brand loyalty of MLM and Non-MLM observed that customers are more loyal for their MLM due to the availability, quality, price and promotion of MLM products. Hence internal consumption of the product may be a reason why people joining the MLM business especially the benefits of the product exceeded the cost when distributors purchase at discounted price from their respective MLM company. Still, other MLM members are just in love with a given type of product (Attri & Chaturvedi, 2011). For instance, the women products like fashion apparel may be cheaper and may be bought recurrently by the target consumers. It is an advantage to the MLM member, who is a woman, to buy these directly from an MLM company as an agent rather than as a non MLM member.

Though product consumption to self is viewed as a way of rendering the agent dormant, because the sales volumes cannot be matched to when the item are sold to other non MLM agents or the down lines, it determines the decision to be part of the sales force. Another sub-factor to the urge to take part in the MLM model is the buying preference of product consumer that posted high levels of trust to the trusted products as opposed to those sold by strange sales persons (Talukdar, Gauri & Grewal, 2010). There are many questions about the functionality, benefits and features of the products can be answered directly by the supplying company since the consumer becomes part of the sales force training programs as well (Talukdar, Gauri & Grewal, 2010). This advantage enables the consumers who are also MLM agents to choose the best products that not only suits their needs but also serve them in the manner intended by the manufacturer.

However internal consumption is also suggested by government agencies in the European Union and the United States as one potential indicator of pyramiding (Albaum and Peterson, 2007). This is because in pyramid schemes, public willing to pay to enter the scheme and to be enriched by subsequent recruits doing the same thing. And the act of internal consumption may miss lead to be interpreted as the act for public to enter the pyramid scheme. This may create a negative relationship for consumption of product to be public consideration to enrol MLM business. Albaum et al (2007) findings in their study shown that it's common practice for employer or the company the employee or company representative represents to sell to them the company's product or service at a discount from the regular market or consumer price. Moreover there are 14 percent of the 400 households who participated in their nationally representative have one or more family members working for a company that offered the employee a discounted price on their products or services.

In order to further study the relationship between consumption of product and public consideration to MLM enrolment, this study proposed that;

H2₀: There is no relationship between consumption of product and public consideration to enrol multilevel marketing business.

H2_a: There is a relationship between consumption of product and public consideration to enrol multilevel marketing business.

2.3.3 Social Consciousness as an Influencing Factor in MLM Enrolment

The success of the MLM depends on large number of members group up together to sustain their organisation whereby also created ability for these members to socialise with each other's under friendly environment. Moreover to grow the organisation, MLM agents are keen to expand their social network to open more recruitment opportunity which in deed benefits to those who enjoy socialise. Still the ability to excel in the MLM models is by knowing their social network well

since most sales or new recruitments of MLM members are made to those whom one knows personally. Those who know lots of people and are personally connected to them are able to approach them with the right sales message packaged in the right manner (Attri & Chaturvedi, 2011). Consequently, they are able to take up the MLM agent roles faster than those who have little knowledge of their social network in terms of composition.

Ong et al (2007) study concluded the opportunity to consume the quality products at the discounted price from the MLM companies is important reason for these distributors' enrolment to MLM business. Wellness related product is one of the major products under direct selling product categories (Albaum et al, 2011). Person with high level of health consciousness tends to enrol into MLM company for long term consumption of quality wellness product at discounted price. Hence the decision to enrol in the MLM program as an agent also depends on the level of health consciousness of a person. When the social awareness is coupled with the sales skills, succeeding as an MLM agent is guaranteed. Both Makni (2014) and Girish et al (2015) studies shown that many women who require additional income enrolled into MLM business. While Keep et al (2014) research found that some dedicated sales person agreed the income generated from MLM business serve as their sole means of livelihood. These incomes generated from MLM business allows these sales persons to have more time for their family without have to work long hour on their routine job.

Many policies in the MLM model ensure that the end-consumer is protected (Girish & Dipa, 2015). However, there is an opportunity to commit undue act by violating any of them without any party noticing. For instance, Girish and Dipa (2015) provide that in genuine MLM companies there must be a guaranteed total product buy-back policy. However, there is a possibility of the MLM agent to sell without offering this option to the end consumer (Attri & Chaturvedi, 2011). In this event, the social relationships can be broken as the selling agent refuses to accept the products back for either replacement for money back (Attri & Chaturvedi, 2011). The social consciousness of the agent, then, becomes of no importance and impact to those members who enrol into the MLM to socialise.

Rational social consciousness plays better to fuel the success of an MLM agent than just being aware of the composition and nature of the network. Girish and Dipa (2015) report that the ability of the Indian population to take up roles in an MLM business have been affected mainly by the coupled factors of social consciousness of the potential recruits and their ethical values in relation to their social networks. In their conclusion, the authors agree that social awareness of the existence, importance and expectations of the social networks is vital in the consideration to enrol as an MLM member in the country (Girish & Dipa, 2015). Considering the similarities in the MLM trends all over the world, the Indian experience can be generalized for universal social awareness of the composition and nature of individuals in the social network to lay in the decision-making to take up the role of an MLM agent.

In order to further study the relationship between social consciousness and public consideration to MLM enrolment, this study proposed that;

H3₀: There is no relationship between social consciousness and public consideration to enrol multilevel marketing business.

H3_a: There is a relationship between social consciousness and public consideration to enrol multilevel marketing business.

2.3.4 Business Development as an Influencing Factor to Enrol in MLM Business

As a model in direct selling, MLM provides business opportunity for the participants who work as agents. Albaum et al (2011) defined direct selling as a type of non-store retailing in which virtually all salespeople are non-salaried, independent contractors whose compensation results almost exclusively from sales commissions or profit margins added to a wholesale price. According to Direct Sales Association report (as cited in Rawlins et al, 2005) that 99.9% of all direct sales consultants are independent contractors, small business owners who set their own income goals and their own work schedules. Since its conception

MLM as succeeded as part of direct selling business model for a long time now. People are increasingly buying from the direct selling, NM and MLM systems in their local communities. Albaum et al (2011) reported the result of a survey in several countries in the world and provide the essence of business development opportunity in the systems. According to the authors, over 25% of respondents to the study reported that they purchased from the MLM direct selling business model in Finland alone (Albaum & Peterson, 2011). The European bloc had a sales score of over €10.7 billion in the year 2010 alone served by over 4 million sales personnel in full time mode and more than 16 million agents of part-time basis (Albaum & Peterson, 2011). In 2012, there are 4.25 million independent distributors generating RM9.94 billion sales turnover for direct selling companies in Malaysia with an increase to RM12.4 billion in 2013 (“DSAM Newsletter-Highlights of 2014”, 2015). The business network all over the world is even higher. Albaum et al (2011) reported the statistics for the year 2009 to be at over 74 million distributors or agents generating over US\$117.5 billion globally. These figures must be much higher now and support the argument that MLM and direct selling industry provides a concrete business opportunity that can be invested in for the same reasons that other business ventures are started and maintained. Similarly, the same reason of ability to make money and grow a business is a reason for the enrolment of new recruits into the MLM model of business.

When it is considered that an individual becomes the own boss as an MLM business model participant is even more fulfilling given that the ability to growth of the business is as high as previously evidenced.

Since the organisation of the agent in MLM business is a personal outgrowth of his or her efforts to help other salespeople succeed, this has been related to be a form business development at low operating cost and time involve. This has been supported by Rawlins et al (2005) study that observed the direct selling industry offers particularly women an opportunity to create and manage their own businesses whereby their income is directly related to their own efforts. And therefore the higher income can be earned from a larger sales organisation that they build and manage. Gonzales’ study (as cited in Albaum et al, 2011) observed that agents of MLM build their own down line of independent agents who also build customer base, thereby expanding the overall organisation. The ability to

work at own pace and satisfy only personal goals adds to the enticement that MLM business offers to their potential recruits. Those recruits who wish to have their own businesses started from shoestring budgets would opt to go for the MLM model of businesses. Albaum et al (2011) presented six categories of MLM sellers that all elude to the evidence that ability to grow business, increase the personal business networks and the need for additional income form the basis of entering the MLM business for the members of the public. This resulted positive relationship between business development and the public consideration to join MLM business.

Among the six groups, career seller is a person who lives solely on the direct selling opportunities provided by the MLM model (Albaum & Peterson, 2011). The same applies to the part time sellers who are objectively employed to earn extra money as a side job alongside their mainstream income generating avenues. Still, other new recruits are enticed by the ability to grow personal business network for even better opportunities. Not included in the list of business opportunities is the ability to improve personal selling skills for a better future. The sale person using the MLM systems are socially able to develop a large network bound by the ability to persuade and sustain trust between a seller and the buyers. This linkage is useful to any person who needs to improve own skills as a seller.

Brodie et al (2002) study found that sale people in MLM business are more likely involved in other jobs as well as with other direct selling companies. They do not concentrate on the products and services of any one producer, but rather concentrate on the challenges of building networks that represent extensions of themselves and reflections of their skills and creativity. Multilevel marketing involves the development of social networks that evolve into business alliances (Ouyang et al, 2004). Constantin' study (as cited in Lahiri et al, 2012) revealed MLM can be considered as a powerful tool of relationship marketing.

In order to further study the relationship between business development and public consideration to MLM enrolment, this study proposed that;

H4₀: There is no relationship between business development and public consideration to enrol multilevel marketing business.

H4_a: There is a relationship between business development and public consideration to enrol multilevel marketing business.

2.4 Conclusion

This chapter provide extensive review on research findings that why Multilevel Marketing become the most popular form of direct selling, the comparison on the differ characteristic of sale people in single level and multilevel marketing, the types of salespersons who joined MLM based on individual motivations, how individuals in direct selling business can move from one type to another and often are more than one type at a time and the differ between genuine MLM company versus illegal pyramid scheme. This literature review has formed a solid foundation for the development of the theoretical framework.

This review and examination of selling points in MLM business model recruitments revealed that economic viability is a selling point that the recruits of new MLM members and the top level usually earn more than the individual distributors at the bottom of the tier. Therefore, despite the apparent fears of non-viability of the business opportunity presented by the model, the new recruits have to get a substantive reason to get involved in the MLM business. This review and examination of literature have put forward that factors of business development opportunities, social consciousness, product consumption, and income generation play a role in the determination of whether or not a potential MLM recruit becomes an actual member of the sales force.

CHAPTER 3

RESEARCH METHODS

3.0 Introduction

The literature review on the subject in Chapter Two indicates that there are many factors influencing public consideration on the enrolment of multilevel marketing business. Most of these researches were carried out independently, further study to determine the relationship of these factors that influence public consideration on MLM enrolment benefits continuous grow of the MLM business. Base on the theoretical framework proposed in Chapter Two, a research framework was formulated to carry out this study. This chapter first describes the definition of the setting; target population, sample population, and sample size form the basis of initial methodological explanations into the manner the study will be conducted. This is followed by the sampling methods and procedures, the construct instrument resulting from the pilot study, the hypotheses of study, the data collection method and tool, and the data analysis.

3.1 Target Population

The aim of this study is to identify the relation of source of income, consumption of product, social consciousness and business development that influence the public consideration to enrol in multilevel marketing business. The target population is the Malaysian populations who reside in Klang Valley are eligible to enrol in the MLM business networks. Then researcher understands the presence of the MLM business models in the world and its fast introduction into the Malaysian populations. The popularity of the MLM business model in the country is going to excel only by proper understanding of the how it benefits the participants or distributors. Therefore the target population of Malaysian adults needs to know how to go about it by identifying and using the selling points to their advantage. The population of Malaysians can benefit from extra income, consumption of products at lower prices, satisfy their social consciousness and use the MLM model as a strategy in building their own small and micro-businesses.

There are varied ethnic groups in the Malaysia and all of them are considered equally in the study as part of target population because MLM business are made available to all eligible and this enables the researcher to involve all interested parties and those affected by the MLM businesses in the country (Frankfort-Nachmias & Leon-Guerrero, 2014). The target population, which is the adult Malaysian who reside in Klang Valley, will have the ability to enrol in the MLM understanding the way it works and the recruiters in MLM networks will understand the core selling points that appeal to the target population. Therefore, even the MLM companies will be able to excel better by using the system to their advantage.

3.2 Sample Population and Sample Size

The sample population was drawn from the Malaysian population who resides in Klang Valley as outline above as the target population for which generalization will be made according to the results of the study. Bigger sampling size within the

population provides higher precision of the estimation since the larger the sample the higher the ability to have them represents the actual characteristics of the arte population (Frankfort-Nachmias & Leon-Guerrero, 2014). The study aims to achieve considerable accuracy in the determination of the characteristics of the target population, therefore, in order to achieve higher estimation precision, 600 sample size was used in the main study with 50 respondents was in the pilot test (Frankfort-Nachmias & Leon-Guerrero, 2014). This generated a considerable variables as per the study questionnaire as attached in the appendix section.

Inclusion criteria of the sample population included having attained the adult age of 18 years as a means to determining that one may have a social network to sell to or recruit in the MLM model of business, and the ability to answer the questionnaire questions without interpretation as this may introduce the interpreter bias. The exclusion criteria was, therefore, meant that insane or mentally challenged individuals who cannot answer the questionnaire question with accuracy and honesty, the age younger than the adult age of 18 years. The sample population was drawn from either gender by chance and this formed the basis of gender in the demographic data of the questionnaire (Frankfort-Nachmias & Leon-Guerrero, 2014).

3.3 Sampling Methods and Procedures

The study questionnaire was structured in simple and easy to understand presentation, simple random sampling was use to select the sample population for the study (Frankfort-Nachmias & Leon-Guerrero, 2014). The sample population was contacted at any place where they would be found such as the streets of the urban settings, homes, and at work in the Klang Valley. The online survey website link was provided for the potential respondents to answer the study questionnaire at their convenience. Also because the questionnaire was posted online and only took about 10 minutes of the respondents per questionnaire, it was convenient and easy to find the sample population in absolutely any place. The simple random sampling was implemented by using a simple selection of the totally strange persons who are met at the mentioned settings by the researcher.

Before any respondents answered the research questions, each of the respondents had the brief study summary provide on the webpage for them to read on their own so that they get to know what the study is all about. Ethical considerations included the upholding of the honesty and integrity of the any information derived from the sample population in the form of data was adhered (Frankfort-Nachmias & Leon-Guerrero, 2014). Besides, confidentiality of the information derived from the respondents was also upheld. Simple random sampling meant that any potential respondent who turned down the offer to take part in the study was skipped to the next potential respondents (Frankfort-Nachmias & Leon-Guerrero, 2014). Besides, any respondents who agreed to take part in the study and answer the research questionnaire online was allowed to withdraw at any time at will. There was no promise or gifts offered to any respondent for taking part in the study. However, the importance of the study findings to the Malaysia population was included as the possible reason for the sample population to answer the research questions.

3.4 Construct Instrument Resulting from the Pilot Study

The results of the pilot study helped fine-tune the research tools. Of most importance was the ability to know the constructs that determine the factors under study as variables. The independent variables were derived from these constructs as found in Table 3.1.1 below. Despite the large number of constructs, all of them formed into four major factors i.e. income for the recruits, consumption of products, social consciousness and business development. Each of the constructs was treated as a sub-set to the factor it is affiliated to and was consider a constituting element to the existence of the actual factor.

Table 3.1.1: List of Reasons for Joining MLM Business

| |
|---|
| Friends, Like the products, Lower price for member, Redemption scheme, Committed, Ability to finance start-up of own business, Ability to buy items for friends, Ability to buy items for own use, Need for more income, Ability to secure financial self-reliance, To enjoy, Aim to satisfy interests in entrepreneurship, To gain commissions or bonuses, To gain points, Satisfying items, To become an entrepreneur, To excel as an entrepreneur, To create collaborations and linkages, To create a wider social network, To be able to spare time for and spend it with family, Flexible employment, One way of a doing business, To work for self, To have own business dreams, Sound MLM business, Sound marketing strategy, Available product locally, Items of proved high quality, Properly qualified and certified items and products, Social networking, Awards and gifts. |
|---|

Note. Adapted from Ong . S.K, & Run. E.C. (2007). Why Malaysians join and stay on in a multilevel marketing company. *ICFAI Journal of Service Marketing*, 5(4), 37-52.

While Table 3.1.1 is the list of reason why public chosen to enrol into multilevel marketing business forming the main constructs, they were grouped into the four factors as in Table 3.1.2. The target question is designed to identify the relationship of these reasons affecting the public consideration to enrol. Therefore, the factor of income source would capture four variables of need for extra money, redemption scheme, the ability to obtain financial freedom and the benefits of lower member fees as in Table 3.1.2. Also, the other three factors were given the constructs as shown in Table 3.1.2.

Table 3.1.2: Matched Factors and Public Consideration to Enrol in MLM Business

| Factor | Public Consideration to Enrol in MLM |
|------------------------|---|
| Income Source | Want extra money |
| | Redemption scheme |
| | Obtain financial freedom |
| | Lower member price |
| Consumption of Product | Friends |
| | Like products |
| | Quality product |
| | Able to purchase for friends |
| Social Consciousness | Have time for family |
| | To socialize |
| | Health conscious |
| | Environment Friendly |
| Business Development | Self development |
| | Be own boss |
| | As business strategy |
| | Build network |

Note. Adapted from Ong . S.K, & Run. E.C. (2007). Why Malaysians join and stay on in a multilevel marketing company. *ICFAI Journal of Service Marketing*, 5(4), 37-52.

3.5 Hypotheses of the study

Each of the constructs in Table 3.1.2 was considered the independent variables under each of the four factors. The dependent variable was willingness to enrol in the MLM business model. Each of the independent variables was measured at the ordinal level with ranks attached to them. The independent variables under each factor led to the design of research hypotheses aligned to each of the factors.

Therefore, following hypotheses were developed to be evaluated as related to the research questions:

First Hypothesis

H1₀: There is no relationship between sources of income that influence public consideration to enrol multilevel marketing business.

H1_a: There is a relationship between sources of income that influence public consideration to enrol multilevel marketing business.

Second Hypothesis

H2₀: There is no relationship between consumptions of product that influence public consideration to enrol multilevel marketing business.

H2_a: There is a relationship between consumptions of product that influence public consideration to enrol multilevel marketing business.

Third Hypothesis

H3₀: There is no relationship between social consciousnesses that influence public consideration to enrol multilevel marketing business.

H3_a: There is a relationship between social consciousnesses that influence public consideration to enrol multilevel marketing business.

Forth Hypothesis

H4₀: There is no relationship between business developments that influence public consideration to enrol multilevel marketing business.

H4_a: There is a relationship between business developments that influence public consideration to enrol multilevel marketing business.

3.6 Data Collection Method and Tool

Questionnaire posted online was used to collect the data from the sample population. The data collection session was an estimated 10 minutes for each respondent in the form of an online survey. The researcher provided the respondent with the website link to the questionnaire for the respondent to read and respond to as they deemed fit. At this stage, the researcher provided in the online questionnaires a short summary introducing the topic of the study; its contents and its benefits to the society before the question section begin. The study questionnaire was tested at the pilot phase of the research and reviewed for better effectiveness following the flaw noted at the pilot study. The researcher ensured that only structured questions are used in the questionnaire in order to guide the qualitative study so that no deviation was allowed for the respondents from the study topic. This, in turn, ends that the observational descriptive study design of a quantitative nature served the purpose of the study in answering all the questions, addressing the concerns of the objectives and enabling the hypotheses to be evaluated in the most accurate way possible.

The results of the online questionnaires were downloaded and were kept and later used for the data analysis step as outlined in the subsequent subsections.

3.7 Data Analyses

Data analysis was using Scientific Packages for Social Statistics (SPSS) software on a computer platform. Statistical tests done were descriptive statistics on frequencies and proportions for the socio-demographic data. These were the means of showing the various shares of the sample population that fell under the various categories for the socio-demographic data like the age, marital status and the earning brackets. It ensured that the sample population was properly understood and was useful in reinforcing the description of the more detailed analyses that followed. After the descriptive statistics was the test of normality of data that would only be done by running histograms to show the data distribution

patterns for the major independent variables. This was important in design when the parametric test of Pearson's correlation coefficient or its non-parametric equivalents of Spearman's' rho correlation coefficient would be applied in the hypotheses testing. This implies that correlation coefficients were the hypotheses tests used to evaluate the research outcomes.

3.8 Conclusion

The sample size is large enough and represents the true characteristics of Malaysian adult who resides in Klang Valley that met the selection criteria and is in accordance to the definition of Malaysian adult presented earlier such as age group, and excluded insane or mentally challenged individuals who cannot answer the questionnaire correctly. Therefore the results are valid and generalizable. The next chapter presents the descriptive statistics of the samples and the hypotheses results are presented, interpreted and explained.

CHAPTER 4

RESEARCH RESULTS

4.0 Introduction

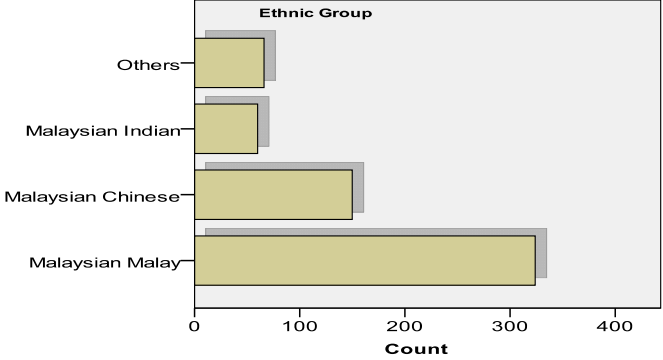
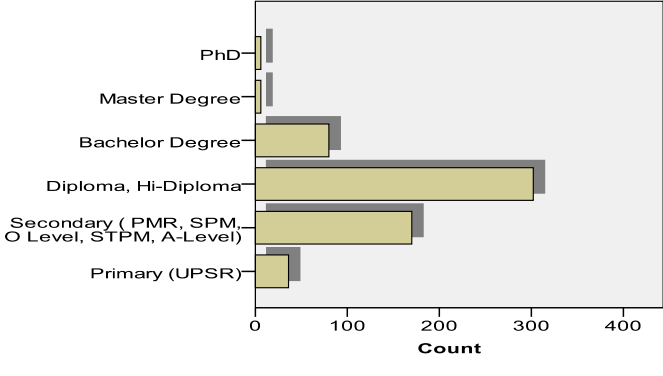
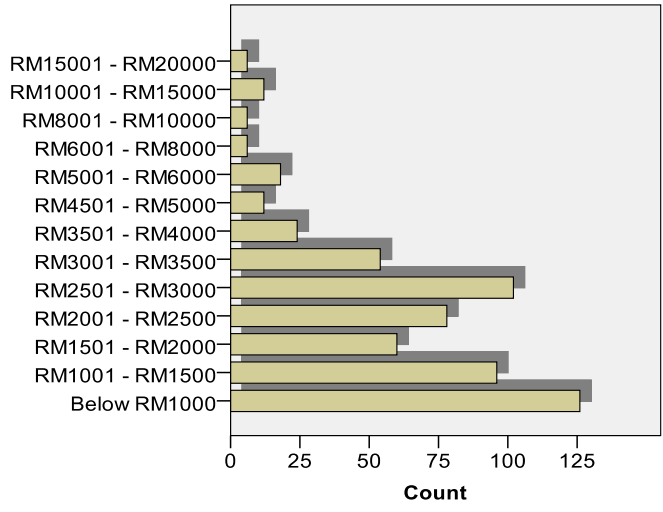
Chapter Three presents an intense description of the methodology applied in this study. This chapter provides the descriptive statistics of main samples of this study and is organized according social background including gender, age group, family detail, ethnic group, educational levels and profession, which serve as the aims to provide a clear understanding of the samples before proceeding to presenting the results of the hypotheses. This chapter is restricted to the presentation and analyses of the collected data, without drawing general conclusions which are later covered in Chapter Five.

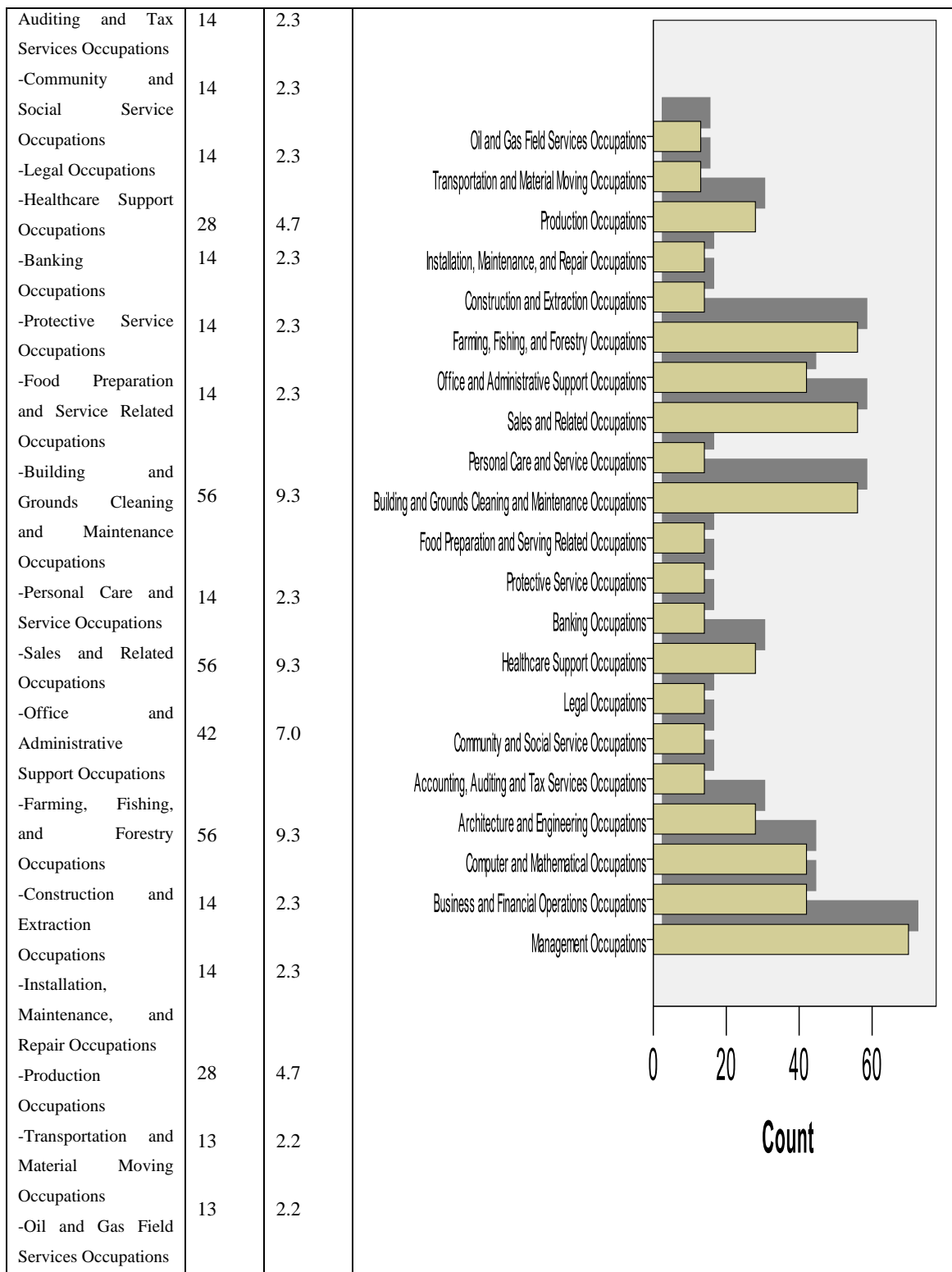
4.1 Descriptive Statistics

The main population of the study comprised of Malaysian adult drawn from different backgrounds who resides in Klang Valley such as gender, age group, ethnic group and educational level. 600 randomly selected general public were selected to participate in this study. Figure 4.1 shown the overall view of the respondent's demographic data.

Figure 4.1: Demographic Data of Respondents

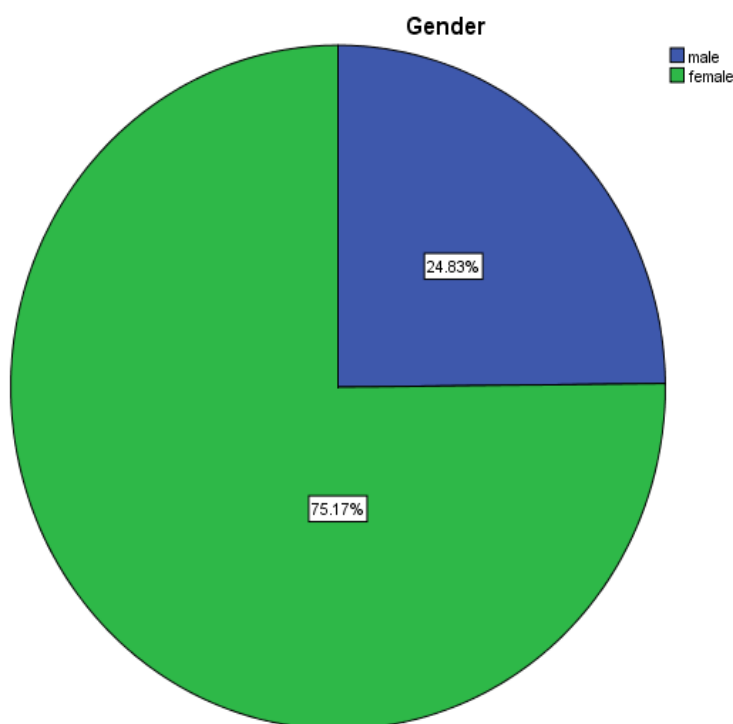
| | N | % | |
|------------------------|-----|------|---|
| Gender | | | |
| Male | 149 | 24.8 | <p>A horizontal bar chart showing the distribution of respondents by gender. The y-axis lists 'Female' and 'Male'. The x-axis is labeled 'Count' and ranges from 0 to 500. The bar for 'Female' extends to 451, and the bar for 'Male' extends to 149.</p> |
| Female | 451 | 75.2 | |
| Age Group | | | |
| 18-20 | 26 | 4.3 | <p>A horizontal bar chart titled 'Age Group (Years)'. The y-axis lists age groups: 18-20, 21-25, 26-30, 31-35, 36-40, 41-45, 45-50, 51-55, 56-60, and Above 60. The x-axis is labeled 'Count' and ranges from 0 to 125. The bars represent the number of respondents in each age group.</p> |
| 21-25 | 70 | 11.7 | |
| 26-30 | 138 | 23.0 | |
| 31-35 | 30 | 5.0 | |
| 36-40 | 58 | 9.7 | |
| 41-45 | 76 | 12.7 | |
| 45-50 | 102 | 17.0 | |
| 51-55 | 40 | 6.7 | |
| 56-60 | 40 | 6.7 | |
| Above 60 | 20 | 3.3 | |
| Marital Status | | | |
| Single | 118 | 19.7 | <p>A horizontal bar chart showing the distribution of respondents by marital status. The y-axis lists 'Single', 'Married', 'Divorced', and 'Widow/Widower'. The x-axis is labeled 'Count' and ranges from 0 to 300. The bars represent the number of respondents in each status.</p> |
| Married | 292 | 48.7 | |
| Divorced | 122 | 20.3 | |
| Widow/Widower | 68 | 11.3 | |
| No. of Children | | | |
| Nil | 72 | 12 | <p>A horizontal bar chart showing the distribution of respondents by the number of children. The y-axis lists 'Nil', '1', '2', '3', and '4 and Above'. The x-axis is labeled 'Count' and ranges from 0 to 200. The bars represent the number of respondents in each category.</p> |
| 1 | 114 | 19 | |
| 2 | 154 | 25.7 | |
| 3 | 144 | 24.0 | |
| 4 and Above | 116 | 19.3 | |

| Ethnic Group Malay Chinese Indian Others | 324 150 60 66 | 54.0 25.0 10.0 11.0 |  <table border="1"> <caption>Ethnic Group Data</caption> <thead> <tr> <th>Ethnic Group</th> <th>Count</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Malay</td> <td>324</td> <td>54.0</td> </tr> <tr> <td>Chinese</td> <td>150</td> <td>25.0</td> </tr> <tr> <td>Indian</td> <td>60</td> <td>10.0</td> </tr> <tr> <td>Others</td> <td>66</td> <td>11.0</td> </tr> </tbody> </table> | Ethnic Group | Count | Percentage | Malay | 324 | 54.0 | Chinese | 150 | 25.0 | Indian | 60 | 10.0 | Others | 66 | 11.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|--|---|------------------------|-------|------------|--------------|-----|------|-----------------|-----|------|-----------------|-----|------|-----------------|----|------|-----------------|-----|------|-----------------|----|-----|-----------------|----|-----|-----------------|----|-----|-----------------|----|-----|-----------------|---|-----|------------------|---|-----|-------------------|----|-----|-------------------|---|-----|
| Ethnic Group | Count | Percentage | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Malay | 324 | 54.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Chinese | 150 | 25.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Indian | 60 | 10.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Others | 66 | 11.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Educational Level Primary Secondary Diploma Bachelor Master PhD | 36 170 302 80 6 6 | 6.0 28.3 50.3 13.3 1.0 1.0 |  <table border="1"> <caption>Educational Level Data</caption> <thead> <tr> <th>Educational Level</th> <th>Count</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Primary</td> <td>36</td> <td>6.0</td> </tr> <tr> <td>Secondary</td> <td>170</td> <td>28.3</td> </tr> <tr> <td>Diploma</td> <td>302</td> <td>50.3</td> </tr> <tr> <td>Bachelor</td> <td>80</td> <td>13.3</td> </tr> <tr> <td>Master</td> <td>6</td> <td>1.0</td> </tr> <tr> <td>PhD</td> <td>6</td> <td>1.0</td> </tr> </tbody> </table> | Educational Level | Count | Percentage | Primary | 36 | 6.0 | Secondary | 170 | 28.3 | Diploma | 302 | 50.3 | Bachelor | 80 | 13.3 | Master | 6 | 1.0 | PhD | 6 | 1.0 | | | | | | | | | | | | | | | | | | | | | |
| Educational Level | Count | Percentage | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Primary | 36 | 6.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Secondary | 170 | 28.3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Diploma | 302 | 50.3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Bachelor | 80 | 13.3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Master | 6 | 1.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| PhD | 6 | 1.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Monthly Income Below RM1000 RM1001-RM1500 RM1501-RM2000 RM2001-RM2500 RM2501-RM3000 RM3001-RM3500 RM3501-RM4000 RM4501-RM5000 RM5001-RM6000 RM6001-RM8000 RM8001-RM10000 RM10000-RM15000 RM15001-RM20000 | 126 96 60 78 102 54 24 12 18 6 6 12 6 | 21.0 16.0 10.0 13.0 17.0 9.0 4.0 2.0 3.0 1.0 1.0 2.0 1.0 |  <table border="1"> <caption>Monthly Income Data</caption> <thead> <tr> <th>Monthly Income Bracket</th> <th>Count</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Below RM1000</td> <td>126</td> <td>21.0</td> </tr> <tr> <td>RM1001 - RM1500</td> <td>96</td> <td>16.0</td> </tr> <tr> <td>RM1501 - RM2000</td> <td>60</td> <td>10.0</td> </tr> <tr> <td>RM2001 - RM2500</td> <td>78</td> <td>13.0</td> </tr> <tr> <td>RM2501 - RM3000</td> <td>102</td> <td>17.0</td> </tr> <tr> <td>RM3001 - RM3500</td> <td>54</td> <td>9.0</td> </tr> <tr> <td>RM3501 - RM4000</td> <td>24</td> <td>4.0</td> </tr> <tr> <td>RM4501 - RM5000</td> <td>12</td> <td>2.0</td> </tr> <tr> <td>RM5001 - RM6000</td> <td>18</td> <td>3.0</td> </tr> <tr> <td>RM6001 - RM8000</td> <td>6</td> <td>1.0</td> </tr> <tr> <td>RM8001 - RM10000</td> <td>6</td> <td>1.0</td> </tr> <tr> <td>RM10000 - RM15000</td> <td>12</td> <td>2.0</td> </tr> <tr> <td>RM15001 - RM20000</td> <td>6</td> <td>1.0</td> </tr> </tbody> </table> | Monthly Income Bracket | Count | Percentage | Below RM1000 | 126 | 21.0 | RM1001 - RM1500 | 96 | 16.0 | RM1501 - RM2000 | 60 | 10.0 | RM2001 - RM2500 | 78 | 13.0 | RM2501 - RM3000 | 102 | 17.0 | RM3001 - RM3500 | 54 | 9.0 | RM3501 - RM4000 | 24 | 4.0 | RM4501 - RM5000 | 12 | 2.0 | RM5001 - RM6000 | 18 | 3.0 | RM6001 - RM8000 | 6 | 1.0 | RM8001 - RM10000 | 6 | 1.0 | RM10000 - RM15000 | 12 | 2.0 | RM15001 - RM20000 | 6 | 1.0 |
| Monthly Income Bracket | Count | Percentage | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Below RM1000 | 126 | 21.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| RM1001 - RM1500 | 96 | 16.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| RM1501 - RM2000 | 60 | 10.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| RM2001 - RM2500 | 78 | 13.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| RM2501 - RM3000 | 102 | 17.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| RM3001 - RM3500 | 54 | 9.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| RM3501 - RM4000 | 24 | 4.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| RM4501 - RM5000 | 12 | 2.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| RM5001 - RM6000 | 18 | 3.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| RM6001 - RM8000 | 6 | 1.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| RM8001 - RM10000 | 6 | 1.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| RM10000 - RM15000 | 12 | 2.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| RM15001 - RM20000 | 6 | 1.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Profession -Management Occupations -Business and Financial Operations Occupations -Computer and Mathematical Occupations -Architecture and Engineering Occupations -Accounting, | 70 42 42 28 | 11.7 7.0 7.0 4.7 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |



The gender of the respondents are as shown in Table 4.1.1 below as males 24.8% (n=149) and the females 75.2% (n=451). This means that the majority of the respondents, making up to three quarters of the total sample size, are females with the remaining quarter as males.

Figure 4.1.1: Pie chart of proportions of respondents by gender



The proportions of the respondents by gender is represented in a pie chart as in Figure 4.1.1 whereby the quarter share for the males is eminent with the majority three quarter shares left for the females.

Table 4.1.1: Proportions of respondents by gender

| Gender | | Frequency | Percent | Valid Percent | Cumulative Percent |
|--------|--------|-----------|---------|---------------|--------------------|
| Valid | male | 149 | 24.8 | 24.8 | 24.8 |
| | female | 451 | 75.2 | 75.2 | 100.0 |
| | Total | 600 | 100.0 | 100.0 | |

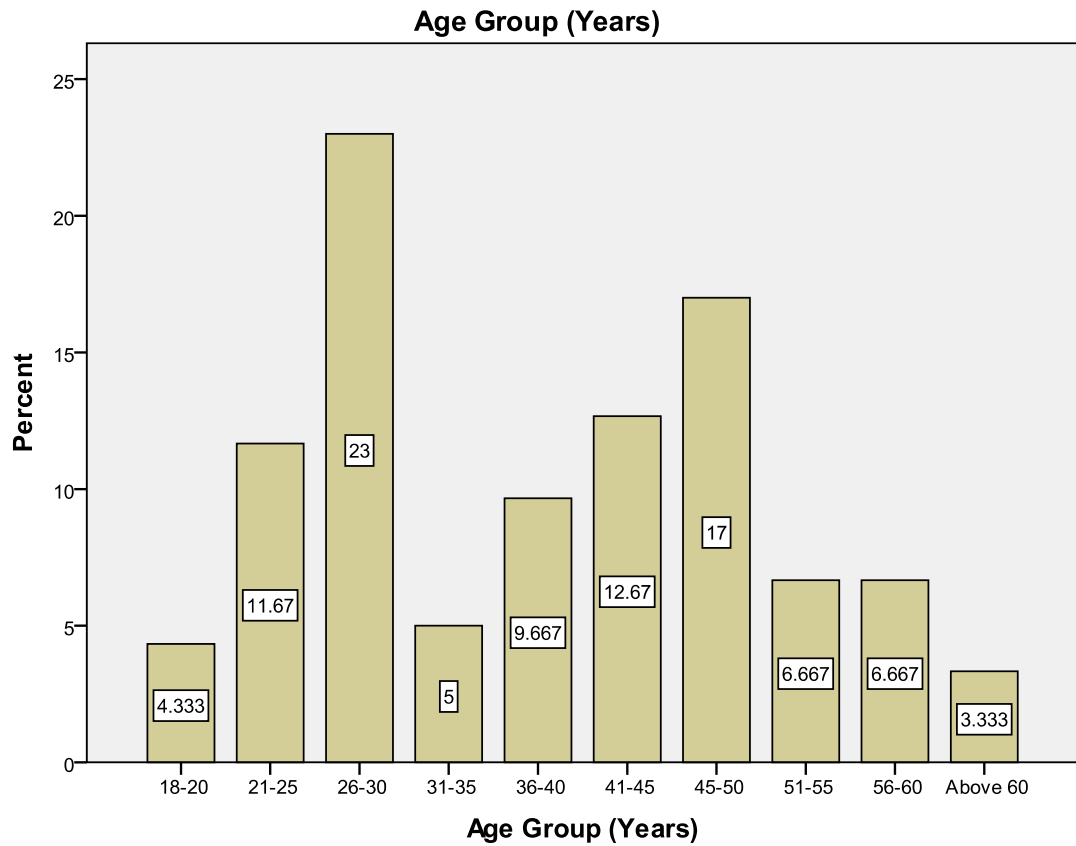
By age groups, majority of the respondents are youths within the age bracket of 26 years and 30 years reaching a proportion of 23.0% (n=138) followed by the age group of 45 years and 50 years (17.0%, n=102). The least age group is that above 60 years (3.3%, n=20) nearly as minimal as the age bracket of between 18 years and 20 years (4.3%, n=26). The rest of the age groups are as shown in Table 4.1.2.

Table 4.1.2: Proportions of respondents by age groups

| | | Age Group (Years) | | | |
|-------|----------|-------------------|---------|---------------|--------------------|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | 18-20 | 26 | 4.3 | 4.3 | 4.3 |
| | 21-25 | 70 | 11.7 | 11.7 | 16.0 |
| | 26-30 | 138 | 23.0 | 23.0 | 39.0 |
| | 31-35 | 30 | 5.0 | 5.0 | 44.0 |
| | 36-40 | 58 | 9.7 | 9.7 | 53.7 |
| | 41-45 | 76 | 12.7 | 12.7 | 66.3 |
| | 45-50 | 102 | 17.0 | 17.0 | 83.3 |
| | 51-55 | 40 | 6.7 | 6.7 | 90.0 |
| | 56-60 | 40 | 6.7 | 6.7 | 96.7 |
| | Above 60 | 20 | 3.3 | 3.3 | 100.0 |
| Total | | 600 | 100.0 | 100.0 | |

The same information on the age groups of the respondents can be made clearer than in a table form by having a bar graph to represent them as in Figure 4.1.2. Similarly, the majority of the respondents are youths within the age bracket of 26 years and 30 years reaching a proportion of 23.00% followed by the age group of 45 years and 50 years (17.00%). The least age group is that above 60 years (3.33%) nearly as minimal as the age bracket of between 18 years and 20 years (4.33%). The rest of the age groups are as shown in Figure 4.1.2.

Figure 4.1.2: Bar graph of proportions of respondents by age groups



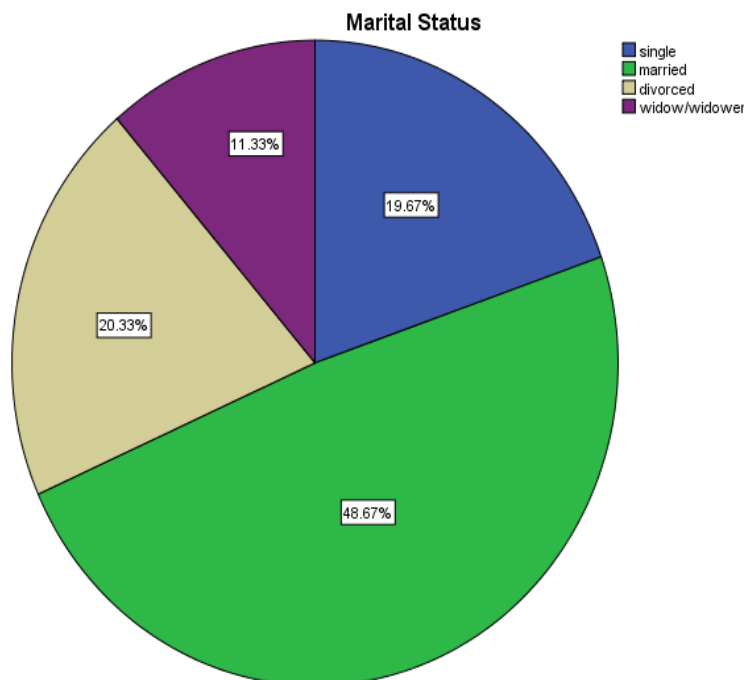
According to marital status, majority of the respondents are married (48.7%, n=292) followed by those who are divorced (20.3%, n=122) then those who are single (19.7%, n=118) as in Table 4.1.3. Minority of the respondents are either widowed or widowers (11.3%, n=68) as in Table 4.1.3.

Table 4.1.3: Proportions of respondents by marital status

| Marital Status | | Frequency | Percent | Valid Percent | Cumulative Percent |
|----------------|---------------|-----------|---------|---------------|--------------------|
| Valid | single | 118 | 19.7 | 19.7 | 19.7 |
| | married | 292 | 48.7 | 48.7 | 68.3 |
| | divorced | 122 | 20.3 | 20.3 | 88.7 |
| | widow/widower | 68 | 11.3 | 11.3 | 100.0 |
| | Total | 600 | 100.0 | 100.0 | |

The proportions of the marital status of respondents are shown in a pie chart of Figure 4.3.1 to be similar to the previous table. Again, the majority of the respondents are married (48.67%) followed by those who are divorced (20.33%) then those who are single (19.67%) before those who are widowed (11.33%).

Figure 4.1.3: Pie chart of proportions of respondents by marital status



As for the number of children per respondents, majority of them have two children (25.7%, n=154) seconded in proportion by those with three children (24.0%, n=144). The minority were those without any child (12.0%, n=72) then the other

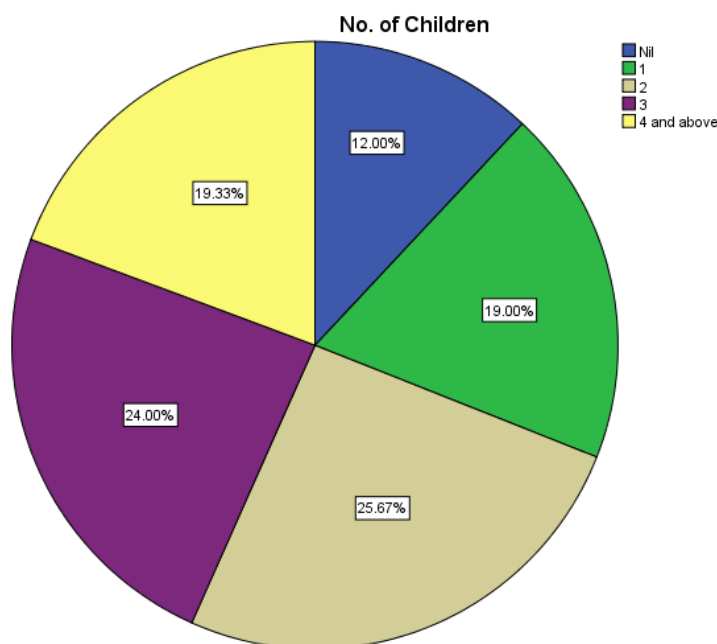
two categories of one child and 4 children and above scored 19.0% (n=114) and 19.3% (n=116) respectively as in Table 4.1.4.

Table 4.1.4: Number of children per respondent

| No. of Children | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-----------------|-------------|-----------|---------|---------------|--------------------|
| Valid | Nil | 72 | 12.0 | 12.0 | 12.0 |
| | 1 | 114 | 19.0 | 19.0 | 31.0 |
| | 2 | 154 | 25.7 | 25.7 | 56.7 |
| | 3 | 144 | 24.0 | 24.0 | 80.7 |
| | 4 and above | 116 | 19.3 | 19.3 | 100.0 |
| | Total | 600 | 100.0 | 100.0 | |

A pie chart of the same results, as in Figure 4.1.4, show that indeed majority of the respondents have two children (25.67%) followed by those with three children (24.00%). The minority were those without any child (12.00%) then the other two categories of one child and 4 children and above scored 19.00% and 19.33% respectively as in Figure 4.1.4.

Figure 4.1.4: Pie chart of number of children per respondent



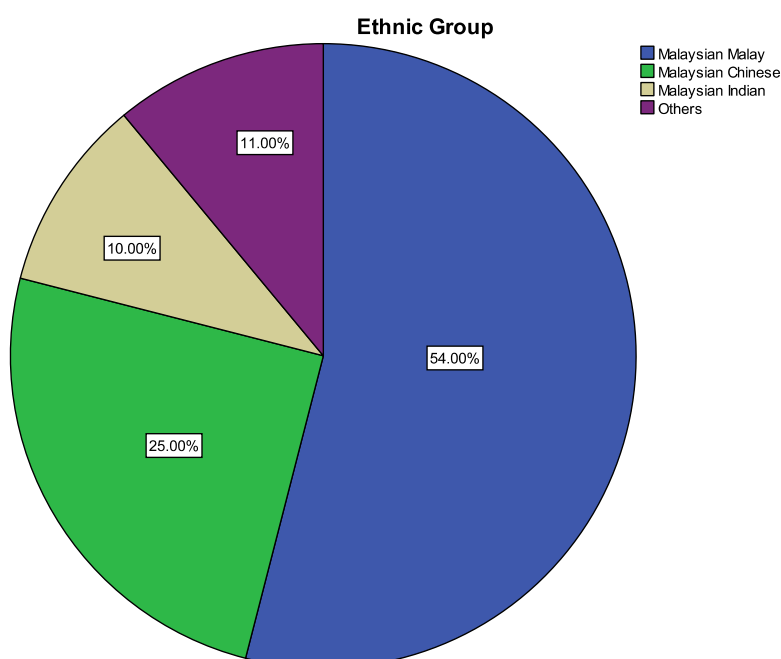
Ethnic groups of the respondents are also investigated. The result show that majority of the respondents are Malaysia Malay (54.0%, n=324) followed by Malaysia Chinese (25.0%, n=150) as in Table 4.1.5. The least ethnic group is Malaysia Indian (10.0%, n=60) then Others (11.0%, n=66) as in Table 4.1.5.

Table 4.1.5: Proportions of respondents by Ethnic Groups

| | | Ethnic Group | | | Cumulative |
|-------|-------------------|--------------|---------|---------------|------------|
| | | Frequency | Percent | Valid Percent | Percent |
| Valid | Malaysian Malay | 324 | 54.0 | 54.0 | 54.0 |
| | Malaysian Chinese | 150 | 25.0 | 25.0 | 79.0 |
| | Malaysian Indian | 60 | 10.0 | 10.0 | 89.0 |
| | Others | 66 | 11.0 | 11.0 | 100.0 |
| | Total | 600 | 100.0 | 100.0 | |

A pie chart of the ethnic groups of the respondents was also generated. The result show similarity to the table above that majority of the respondents are Malaysia Malay (54.00%) followed by Malaysia Chinese (25.00%). The least ethnic group is Malaysia Indian (10.00%) then Others (11.00%) as in Figure 4.1.5.

Figure 4.1.5: Pie chart of proportions of respondents by Ethnic Groups



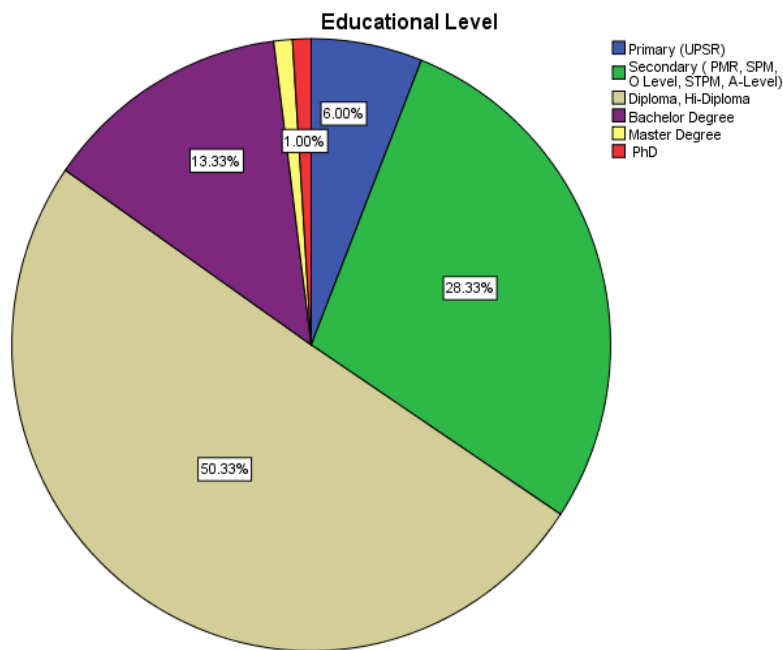
The educational level of the respondents show that most of the respondents have attained a diploma or hi-diploma (50.3%, n=302) followed by those who have attained the secondary level (28.3%, n=170) then those who graduated with a bachelor's degree (13.3%, n=80) as in Table 4.1.6. The least sample population by educational level are those with master's degree and those with Doctor of Philosophy degrees each having only 1.0% (n=6) just above those who are primary school graduates (6.0%, n=36) as in Table 4.1.6.

Table 4.1.6: Proportions of respondents by educational levels

| Educational Level | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------|--|-----------|---------|---------------|--------------------|
| Valid | Primary (UPSR) | 36 | 6.0 | 6.0 | 6.0 |
| | Secondary (PMR, SPM,O-Level, STPM, A-Level) | 170 | 28.3 | 28.3 | 34.3 |
| | Diploma, Hi-Diploma | 302 | 50.3 | 50.3 | 84.7 |
| | Bachelor Degree | 80 | 13.3 | 13.3 | 98.0 |
| | Master Degree | 6 | 1.0 | 1.0 | 99.0 |
| | PhD | 6 | 1.0 | 1.0 | 100.0 |
| | Total | 600 | 100.0 | 100.0 | |

A pie chart of the educational level of the respondents also show that most of the respondents have attained a diploma or hi-diploma (50.33%) followed by those who have attained the secondary level (28.33%) then those who graduated with a bachelor's degree (13.33%) as in Figure 4.1.6. The least sample population by educational level are those with master's degree and those with Doctor of Philosophy degrees each having only 1.00% just above those who are primary school graduates (6.00%) as in Figure 4.1.6.

Figure 4.1.6: Pie chart of proportions of respondents by educational levels



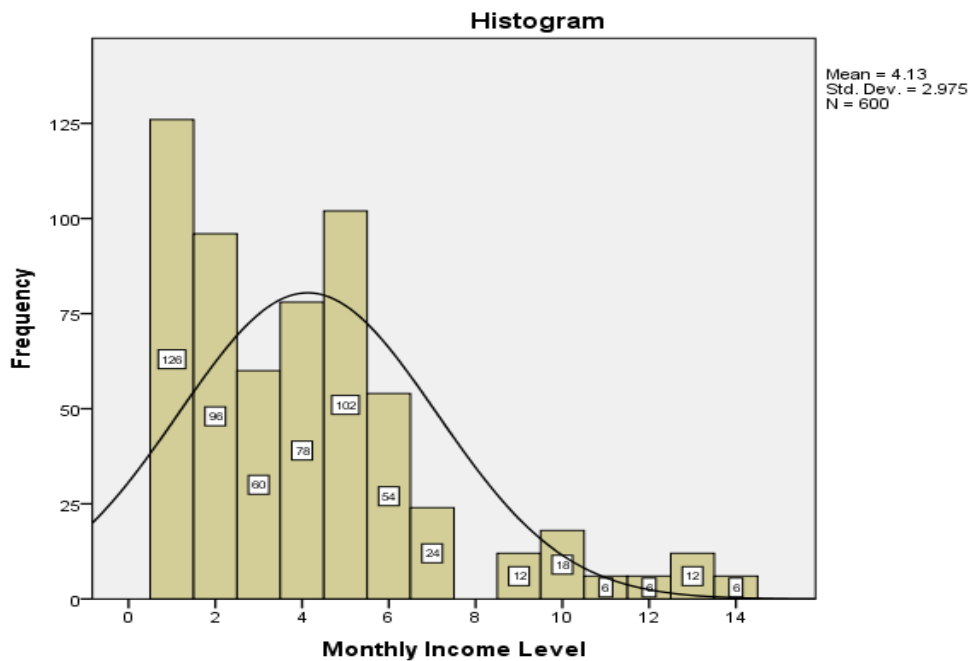
According to monthly income levels most of the participants earn Below RM1000 (21.0%, n=126) followed by those earning between RM2501 and RM3000 (17.0%, n=102) then those who earning between RM1001 and RM1500 (16.0%, n=96) as in Table 4.1.7. The least earning brackets were those between RM6001 and RM8000, RM8001 and RM10000, and RM15001 and RM20000 each 1.0% (n=6) as in Table 4.1.7. The remaining of the earning brackets for the respondents fall under the median monthly earning levels as given in Table 4.1.7.

Table 4.1.7: Proportions of respondents by Monthly Income Level

| Monthly Income Level | | Frequency | Percent | Valid Percent | Cumulative Percent |
|----------------------|-------------------|-----------|---------|---------------|--------------------|
| Valid | Below RM1000 | 126 | 21.0 | 21.0 | 21.0 |
| | RM1001 - RM1500 | 96 | 16.0 | 16.0 | 37.0 |
| | RM1501 - RM2000 | 60 | 10.0 | 10.0 | 47.0 |
| | RM2001 - RM2500 | 78 | 13.0 | 13.0 | 60.0 |
| | RM2501 - RM3000 | 102 | 17.0 | 17.0 | 77.0 |
| | RM3001 - RM3500 | 54 | 9.0 | 9.0 | 86.0 |
| | RM3501 - RM4000 | 24 | 4.0 | 4.0 | 90.0 |
| | RM4501 - RM5000 | 12 | 2.0 | 2.0 | 92.0 |
| | RM5001 - RM6000 | 18 | 3.0 | 3.0 | 95.0 |
| | RM6001 - RM8000 | 6 | 1.0 | 1.0 | 96.0 |
| | RM8001 - RM10000 | 6 | 1.0 | 1.0 | 97.0 |
| | RM10001 - RM15000 | 12 | 2.0 | 2.0 | 99.0 |
| | RM15001 - RM20000 | 6 | 1.0 | 1.0 | 100.0 |
| | Total | 600 | 100.0 | 100.0 | |

A histogram of the same result show similar trends. According to the histogram of the monthly earning level of respondents in Figure 4.1.7, most of the participants also earn Below RM1000 (n=126) followed by those earning between RM2501 and RM3000 (n=102) then those who earning between RM1001 and RM1500 (n=96) as in Figure 4.1.7. The least earning brackets were those between RM6001 and RM8000, RM8001 and RM10000, and RM15001 and RM20000 each (n=6) as in Figure 4.1.7. The remaining of the earning brackets for the respondents fall under the median monthly earning levels as given in Figure 4.1.7. The mean earning is given as 4.13 falling under the earning bracket with 78 respondents, between RM2001 and RM2500. A standard deviation of 2.975 confirms this scenario.

Figure 4.1.7: Histogram of proportions of respondents by Monthly Income Level



Professions of respondents are given as in Appendix C. Most of the respondents are in “Management Occupations” (11.7%, n=70) followed by both “Sales and Related Occupations” and “Farming, Fishing, and Forestry Occupations” each (9.3%, n=56) as in Appendix C. The least occupation represented are both “Transportation and Material Moving Occupations” and “Oil and Gas Field Services Occupations” each (2.2%, n=13) as in Appendix C. The rest of the occupations are also represented as in the Appendix C.

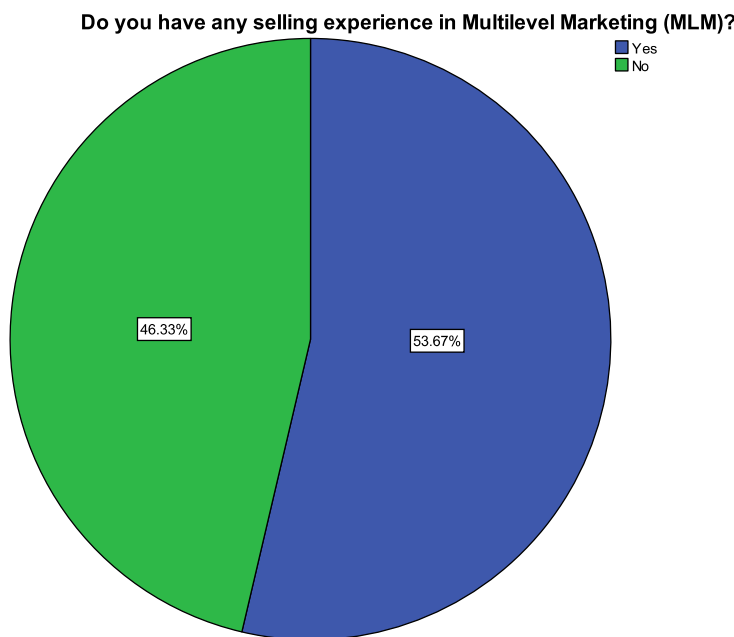
The question on whether the respondents had selling experience in MLM business was answered by majority as “yes” (53.7%, n=322) while the remaining 46.3% (n=278) responded with a “no” as in Figure 4.1.8.

Table 4.1.8: Proportions of respondents by selling experience in MLM

| Do you have any selling experience in Multilevel Marketing (MLM)? | | | | | |
|---|-------|-----------|---------|---------------|--------------------|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Yes | 322 | 53.7 | 53.7 | 53.7 |
| | No | 278 | 46.3 | 46.3 | 100.0 |
| | Total | 600 | 100.0 | 100.0 | |

A pie chart of the same of Figure 4.1.8 shows similarity in findings. The question on whether the respondents had selling experience in MLM business was answered by majority as “yes” (53.67%) while the remaining 46.33% responded with a “no” as in Figure 4.1.8. The inquiry on the willingness to enrol in MLM follows immediately before the reasons for enrolling are explored.

Figure 4.1.8: Pie chart of proportions of respondents by selling experience in MLM



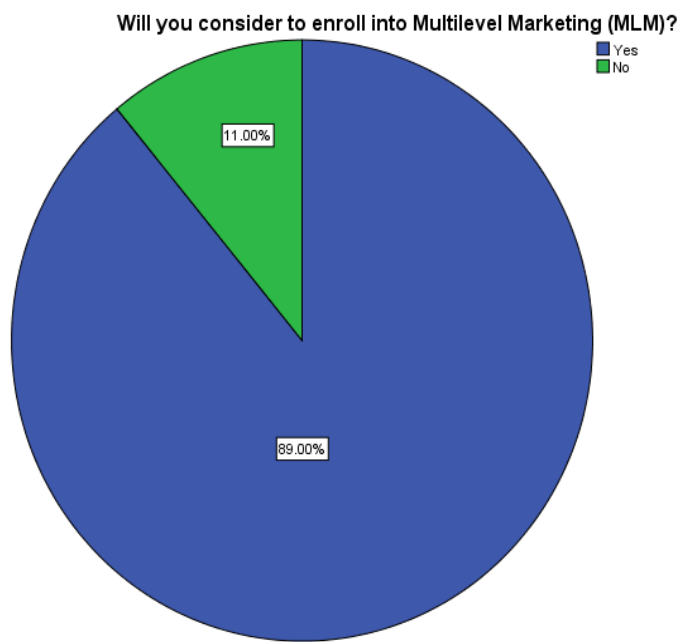
The proportion of respondents who would consider to enrol in the MLM business models is 89.0% (n=534) as in Table 4.1.9. The proportion that is not willing to enrol in the business model is 11.0% (n=66) as in Table 4.1.9. The total number of respondents is given as 600.

Table 4.1.9: Proportions of respondents by willingness to enrol in MLM

| Will you consider enrolling into Multilevel Marketing (MLM)? | | | | | |
|--|-----|-----------|---------|---------------|--------------------|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Yes | 534 | 89.0 | 89.0 | 89.0 |
| | No | 66 | 11.0 | 11.0 | 100.0 |
| Total | | 600 | 100.0 | 100.0 | |

A pie chart of Figure 4.1.9 shows the same results. The proportion of respondents who would consider enrolling in the MLM business models is 89.00% as in Figure 4.1.10. The proportion that is not willing to enrol in the business model is 11.00%.

Figure 4.1.9: Pie chart of proportions of respondents by consideration to enrol in MLM



4.2 Normality Assessment in Data Distribution Patterns

Histograms offer the best ability to show the data distribution pattern based on normality. This information is invaluable in deciding the type of hypotheses test to run for the study. Normally distributed data is tested using the parametric tests while the abnormality distributed ones are best tested using the non-parametric equivalent. Most of the independent variables had the histograms tests done to ascertain the normality in data distribution.

Most of the respondents strongly agree (33.7%, n=202) that they would enrol in MLM business to earn extra money. This was followed by those who were neutral (33.3%, n=200). The least response was for those who strongly disagree (10.8%, n=65). The rest of the responses are also as shown in Table 4.2.1.

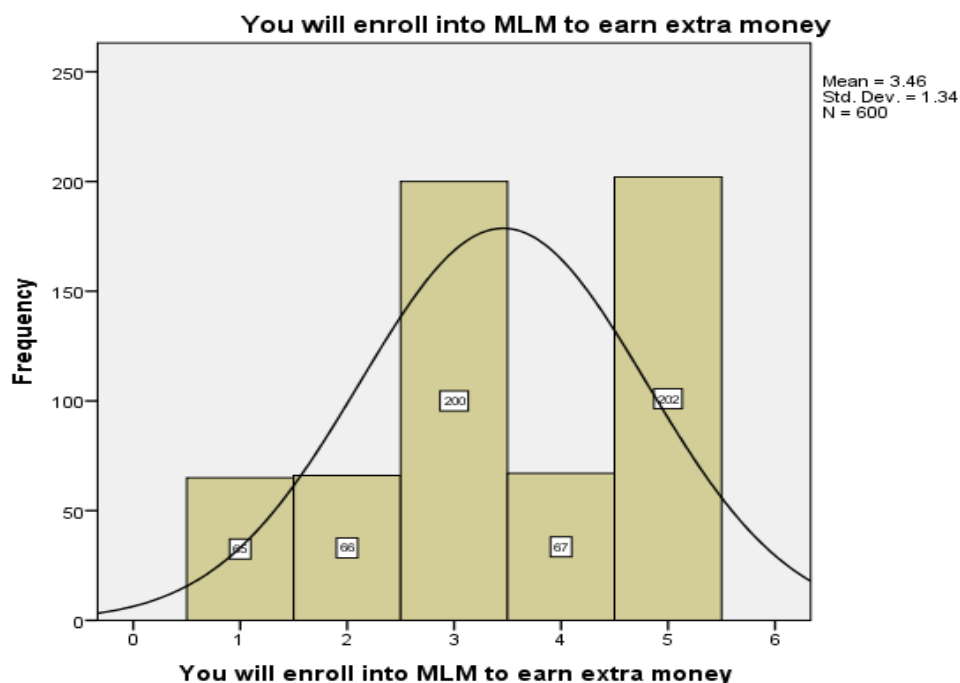
Table 4.2.1: Willingness to enrol in MLM to earn extra money

You will enrol into MLM to earn extra money

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-------------------|-----------|---------|---------------|--------------------|
| Valid | Strongly Disagree | 65 | 10.8 | 10.8 | 10.8 |
| | Disagree | 66 | 11.0 | 11.0 | 21.8 |
| | Neutral | 200 | 33.3 | 33.3 | 55.2 |
| | Agree | 67 | 11.2 | 11.2 | 66.3 |
| | Strongly Agree | 202 | 33.7 | 33.7 | 100.0 |
| | Total | 600 | 100.0 | 100.0 | |

According to a histogram of consideration to enrol in MLM to earn extra money in Figure 4.2.1, most of the participants indicated score of three and five for neutral and strongly agree. The rest of the responses seem to be equal. There is nearly skewness of the data to the left in distribution pattern portrayed by the best line of fit (Garth, 2008). However, a mean of 3.46 indicates that the responses are nearly neutral. A standard deviation of 1.34 (N=600) confirms this scenario.

Figure 4.2.1: Histogram of consideration to enrol in MLM to earn extra money



Majority of the respondents agree (66.8%, n=401) that they would enrol in MLM business because of a redemption scheme. It was followed by both those who were neutral and those who disagree each at (11.2%, n=67). The least response was for those who strongly disagree (10.8%, n=65). There were no responses for those who strongly agreed. The responses are as shown in Table 4.2.2.

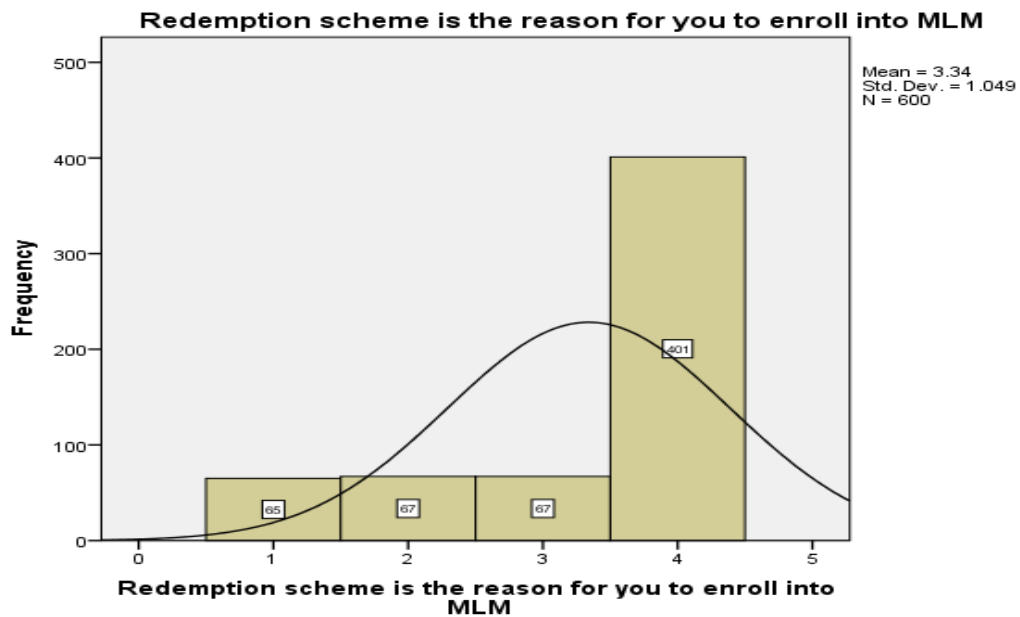
Table 4.2.2: Redemption Scheme as the reason for willingness to enrol in MLM

| Redemption scheme is the reason for you to enrol into MLM | | | | | |
|---|-------------------|-----------|---------|---------------|--------------------|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly Disagree | 65 | 10.8 | 10.8 | 10.8 |
| | Disagree | 67 | 11.2 | 11.2 | 22.0 |
| | Neutral | 67 | 11.2 | 11.2 | 33.2 |
| | Agree | 401 | 66.8 | 66.8 | 100.0 |
| | Total | 600 | 100.0 | 100.0 | |

A histogram of redemption scheme as the reason to enrol in MLM is given in Figure 4.2.2. Most of the participants indicated score of four for agree. The rest of the responses seem to be equal. There is nearly skewness of the data to the left in

distribution pattern portrayed by the best line of fit (Garth, 2008). However, a mean of 3.34 indicates that the responses are nearly neutral. A standard deviation of 1.049 (N=600) confirms this scenario.

Figure 4.2.2: Histogram of redemption Scheme as the reason for consideration to enrol in MLM



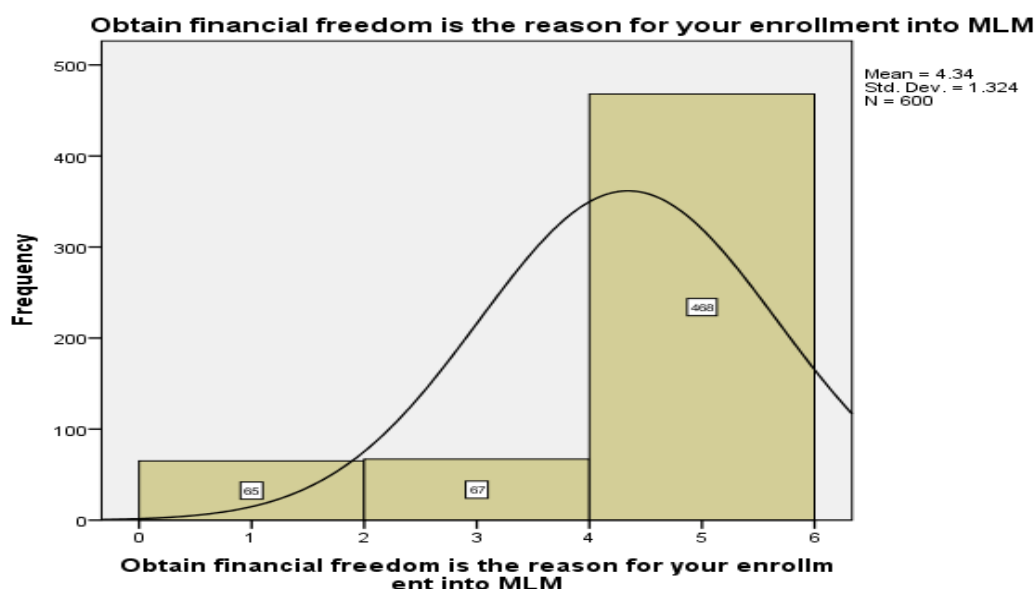
Most of the responded strongly agree (78.0%, n=468) that they would enrol in MLM business to obtain financial freedom. This was followed by those who were neutral (11.2%, n=67). The least response was for those who strongly disagree (10.8%, n=65). There were no responses for those who just agreed. The responses are as shown in Table 4.2.3.

Table 4.2.3: Obtaining financial freedom as the reason for willingness to enrol in MLM

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------------|-----------|---------|---------------|--------------------|
| Valid Strongly Disagree | 65 | 10.8 | 10.8 | 10.8 |
| Neutral | 67 | 11.2 | 11.2 | 22.0 |
| Strongly Agree | 468 | 78.0 | 78.0 | 100.0 |
| Total | 600 | 100.0 | 100.0 | |

A histogram of obtaining financial freedom as the reason to enrol in MLM is given in Figure 4.2.3. Most of the participants indicated score of five for strongly agree. The rest of the responses seem to be equal. There is strong skeweness of the data to the left in distribution pattern portrayed by the best line of fit (Garth, 2008). Also, a mean of 4.34 indicates that the responses are nearly “agree”. A standard deviation of 1.324 (N=600) confirms this scenario.

Figure 4.2.3: Histogram of obtaining financial freedom as the reason for consideration to enrol in MLM



Majority of the respondents disagree (77.8%, n=467) that they would enrol in MLM business to enjoy the lower member price. This was followed by those who agree (11.2%, n=67). The least response was for those who strongly disagree (10.8%, n=65). There were no responses for those who gave neutral responses. The responses are as shown in Table 4.2.4.

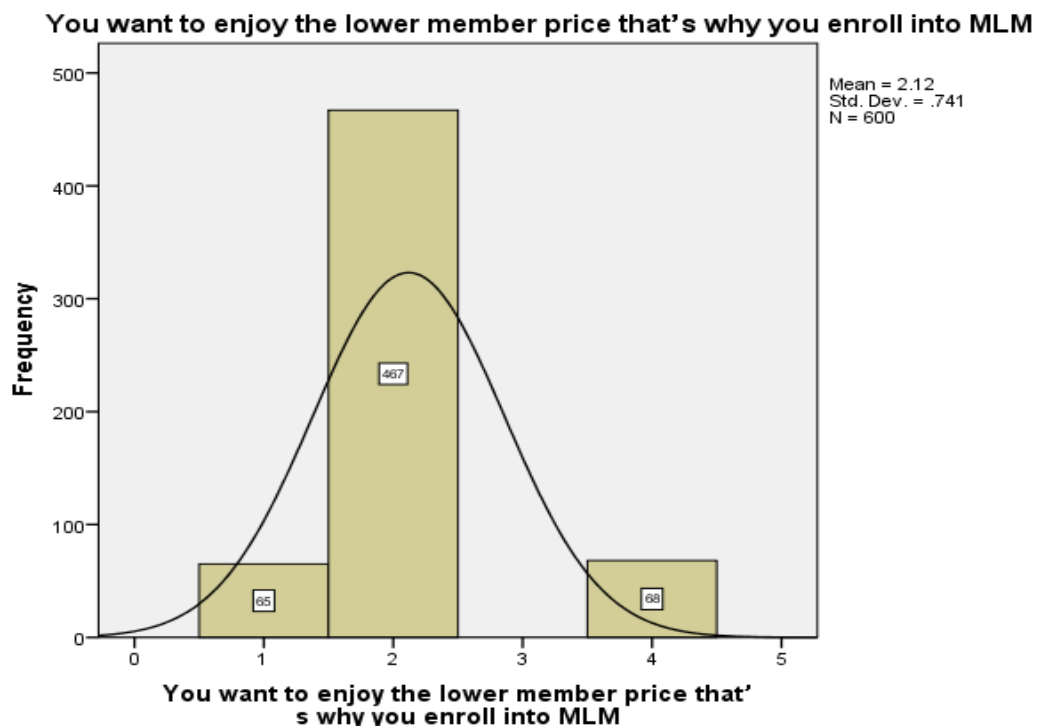
Table 4.2.4: Need to enjoy lower member price as the reason for willingness to enrol in MLM

You want to enjoy the lower member price that's why you enroll into MLM

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-------------------|-----------|---------|---------------|--------------------|
| Valid | Strongly Disagree | 65 | 10.8 | 10.8 | 10.8 |
| | Disagree | 467 | 77.8 | 77.8 | 88.7 |
| | Agree | 68 | 11.3 | 11.3 | 100.0 |
| | Total | 600 | 100.0 | 100.0 | |

A histogram of need to enjoy lower member price as the reason to enrol in MLM is given in Figure 4.2.4. Most of the participants indicated score of two for disagree. The rest of the responses seem to be equal. There is nearly normality of the data in distribution pattern as portrayed by the best line of fit (Garth, 2008). Also, a mean of 2.12 indicates that the responses are nearly “disagree”. A standard deviation of 0.741 (N=600) confirms this scenario.

Figure 4.2.4: Histogram of need to enjoy lower member price as the reason for willingness to enrol in MLM



Majority of the respondents are neutral (66.7%, n=400) that they would enrol in MLM business because friends are consuming the company products. This is followed by those who agree (22.5%, n=135). The least response was for those who strongly disagree (10.8%, n=65). There were no responses for those who strongly disagree. The responses are as shown in Table 4.2.5.

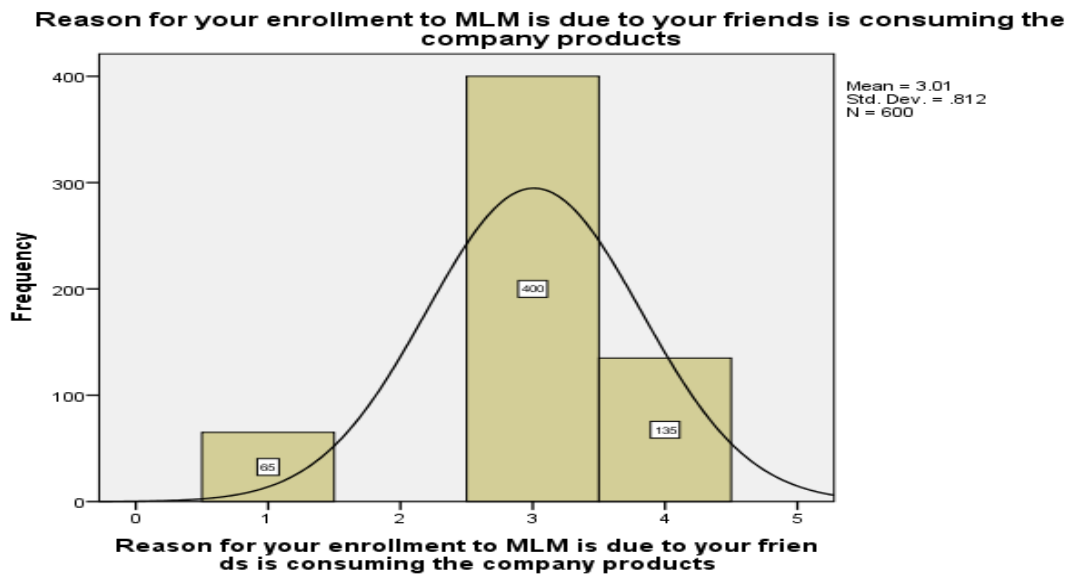
Table 4.2.5: Friends consuming the company products as the reason for Willingness to enrol in MLM

Reason for your enrollment to MLM is due to your friends is consuming the company products

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------------|-----------|---------|---------------|--------------------|
| Valid Strongly Disagree | 65 | 10.8 | 10.8 | 10.8 |
| Neutral | 400 | 66.7 | 66.7 | 77.5 |
| Agree | 135 | 22.5 | 22.5 | 100.0 |
| Total | 600 | 100.0 | 100.0 | |

A histogram of friends consuming the company products as the reason to enrol in MLM is given in Figure 4.2.5. Most of the participants indicated score of three for neutral. This is followed by four for agree and one for strongly disagree. There is nearly skewness of the data to the left in distribution pattern portrayed by the best line of fit (Garth, 2008). Also, a mean of 3.01 indicates that the responses are nearly “neutral”. A standard deviation of 0.812 (N=600) confirms it.

Figure 4.2.5: Histogram of friends consuming the company products as the reason for willingness to enrol in MLM



Most of the respondents disagree (55.5%, n=333) that they would enrol in MLM business because they are able to purchase the products for friends. It is followed by those who agree (22.3%, n=134), then, those who are neutral (10.8%, n=65). There were no responses for those who strongly agree. The responses are as shown in Table 4.2.6.

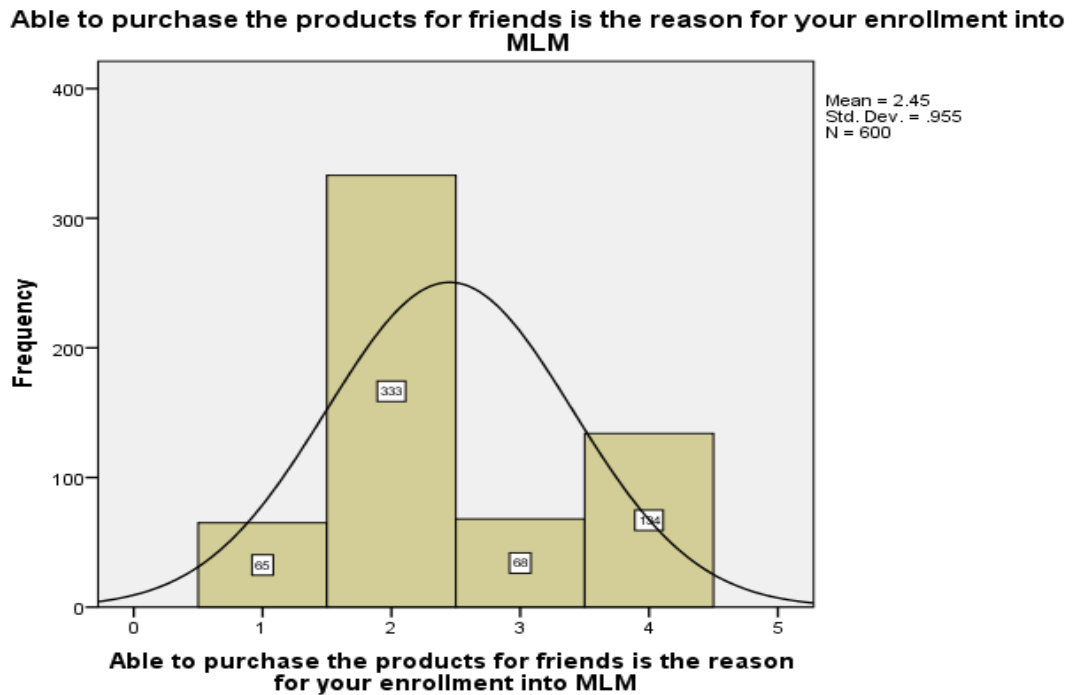
Table 4.2.6: Ability to purchase the products for friends as the to enrol in MLM

| Able to purchase the products for friends is the reason for your enrollment into MLM | | | | | |
|--|-------------------|-----------|---------|---------------|--------------------|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly Disagree | 65 | 10.8 | 10.8 | 10.8 |
| | Disagree | 333 | 55.5 | 55.5 | 66.3 |
| | Neutral | 68 | 11.3 | 11.3 | 77.7 |
| | Agree | 134 | 22.3 | 22.3 | 100.0 |
| | Total | 600 | 100.0 | 100.0 | |

A histogram of ability to purchase the products for friends as the reason to enrol in MLM is given in Figure 4.2.6. Most of the participants indicated score of two for disagree. This is followed by four for agree while both one and three equalled. There is nearly normality of the data in distribution pattern as portrayed by the

best line of fit (Garth, 2008). Also, a mean of 2.45 indicates that the responses are nearly “neutral”. A standard deviation of 0.955 (N=600) confirms it.

Figure 4.2.6: Histogram of ability to purchase the products for friends as the reason to enrol in MLM



Majority of the respondents agree (44.7%, n=268) that they would enrol in MLM business because they consider MLM as their business strategy and closely followed by those who are neutral (44.5%, n=267). The least response was for those who strongly disagree (10.8%, n=65). There were no responses for those who agree and disagree as shown in Table 4.2.7.

Table 4.2.7: Consider MLM as business strategy as the drive to enrol in MLM

You Consider MLM as your business strategy

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-------------------|-----------|---------|---------------|--------------------|
| Valid | Strongly Disagree | 65 | 10.8 | 10.8 | 10.8 |
| | Neutral | 267 | 44.5 | 44.5 | 55.3 |
| | Agree | 268 | 44.7 | 44.7 | 100.0 |
| | Total | 600 | 100.0 | 100.0 | |

A histogram of consider MLM as business strategy as the reason to enrol in MLM is given in Figure 4.2.7. Most of the participants indicated equal score of three and four for neutral and agree respectively. This is followed by one for strongly disagree. There is nearly skeweness of the data to the left in distribution pattern portrayed by the best line of fit (Garth, 2008). Also, a mean of 3.23 indicates that the responses are nearly “neutral”. A standard deviation of 0.91 (N=600) confirms it.

Figure 4.2.7: Histogram of consider MLM as business strategy as the drive to enrol in MLM



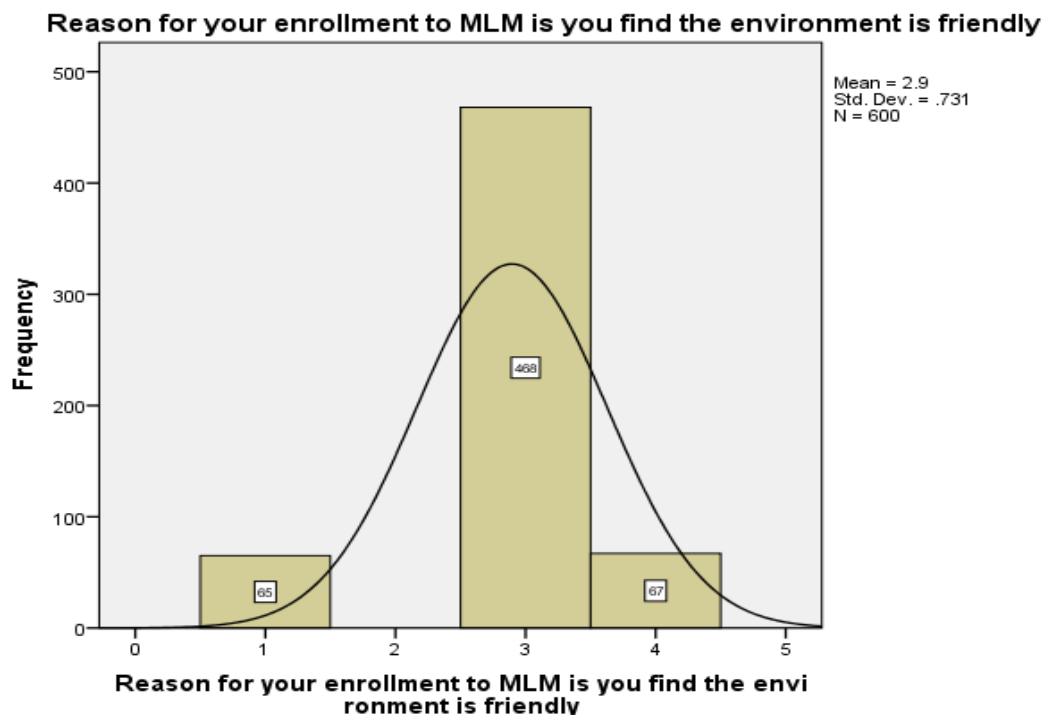
Most of the respondents are neutral (78.0%, n=468) that they would enrol in MLM business the environment is friendly. This was followed by those who agree (11.2%, n=67). The least response was for those who strongly disagree (10.8%, n=65). There were no responses for those who just agree. The responses are as shown in Table 4.2.8.

Table 4.2.8: Friendly environment as the drive to enrol in MLM

| Reason for your enrollment to MLM is you find the environment is friendly | | | | | |
|---|-------------------|-----------|---------|---------------|--------------------|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly Disagree | 65 | 10.8 | 10.8 | 10.8 |
| | Neutral | 468 | 78.0 | 78.0 | 88.8 |
| | Agree | 67 | 11.2 | 11.2 | 100.0 |
| | Total | 600 | 100.0 | 100.0 | |

A histogram of a friendly environment as the reason to enrol in MLM is given in Figure 4.2.8. Most of the participants indicated score of three for neutral. The rest of the responses seem to be equal. There is nearly normality of the data to the left in distribution pattern portrayed by the best line of fit (Garth, 2008). Also, a mean of 2.9 indicates that the responses are nearly “neutral”. A standard deviation of 0.731 (N=600) confirms it.

Figure 4.2.8: Histogram of friendly environment as the drive to enrol in MLM



Majority of the respondents agree (66.8%, n=401) that they would enrol in MLM business because of self development. It was followed by those who disagree (22.3%, n=134) then those who strongly disagree (10.8%, n=65). The least response was for those who strongly disagree (10.8%, n=65). There were no responses for those who strongly agreed or those who are neutral. The responses are as shown in Table 4.2.9.

Table 4.2.9: Self development as the drive to enrol in MLM

| Is self development a consideration for your enrolment into MLM | | | | | |
|--|-------------------|-----------|---------|---------------|--------------------|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly Disagree | 65 | 10.8 | 10.8 | 10.8 |
| | Disagree | 134 | 22.3 | 22.3 | 33.2 |
| | Agree | 401 | 66.8 | 66.8 | 100.0 |
| | Total | 600 | 100.0 | 100.0 | |

A histogram of self development as the reason to enrol in MLM is given in Figure 4.2.9. Most of the participants indicated score of four for agree. This is followed by two for disagree then one for strongly disagree. There is nearly skewness of the data to the left in a distribution pattern portrayed by the best line of fit (Garth, 2008). Also, a mean of 3.23 indicates that the responses are nearly “neutral”. A standard deviation of 1.129 (N=600) confirms it.

Figure 4.2.9: Histogram of self development as the drive to enrol in MLM



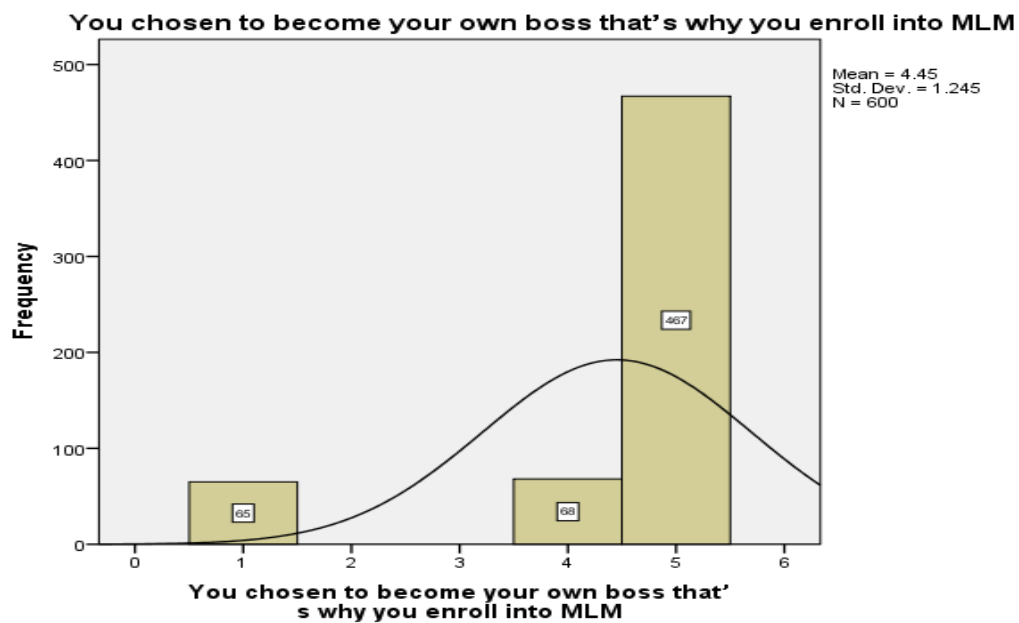
Most of the respondents strongly agree (77.8%, n=467) that they would enrol in MLM business because they choose to become own boss. This is followed by those who agree (11.3%, n=68). The least response was for those who strongly disagree (10.8%, n=65). There were no responses for those who gave neutral responses. The responses are as shown in Table 4.2.10.

Table 4.2.10: Being own boss as the drive to enrol in MLM

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------------|-----------|---------|---------------|--------------------|
| Valid Strongly Disagree | 65 | 10.8 | 10.8 | 10.8 |
| Agree | 68 | 11.3 | 11.3 | 22.2 |
| Strongly Agree | 467 | 77.8 | 77.8 | 100.0 |
| Total | 600 | 100.0 | 100.0 | |

A histogram of being own boss as the reason to enrol in MLM is given in Figure 4.2.10. Most of the participants indicated score of five for strongly agree. The rest of the responses seem to be equal. There is a strong skewness of the data to the left in a distribution pattern portrayed by the best line of fit (Garth, 2008). Also, a mean of 4.45 indicates that the responses are nearly “agree”. A standard deviation of 1.245 (N=600) confirms it.

Figure 4.2.10: Histogram of being own boss as the drive to enrol in MLM



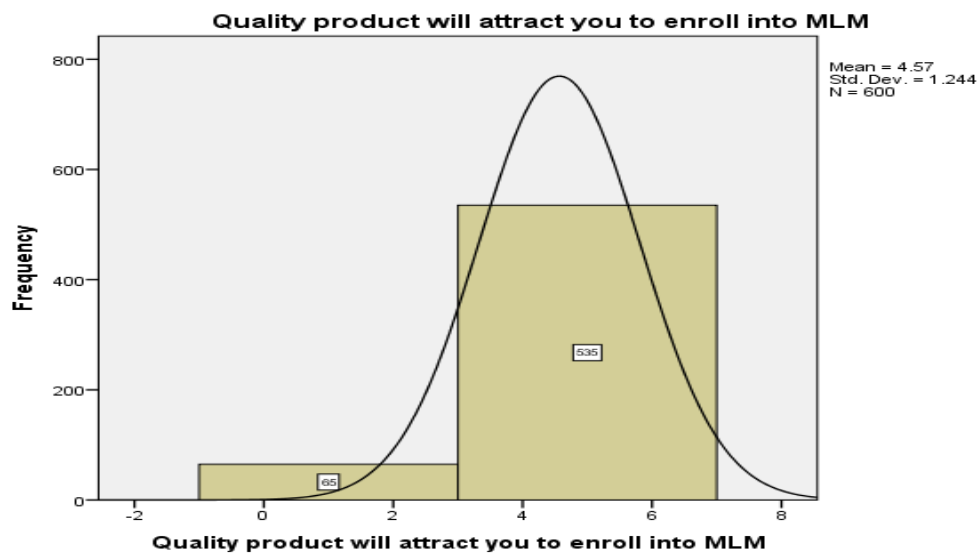
Most of the respondents strongly agree (89.2%, n=535) that they would enrol in MLM business because of quality product. This is followed by those who strongly disagree (10.8%, n=65). There were no other responses other than these as shown in Table 4.2.11.

Table 4.2.11: Quality product as the attraction to enrol in MLM

| Quality product will attract you to enrol into MLM | | | | | |
|--|-------------------|-----------|---------|---------------|--------------------|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly Disagree | 65 | 10.8 | 10.8 | 10.8 |
| | Strongly Agree | 535 | 89.2 | 89.2 | 100.0 |
| | Total | 600 | 100.0 | 100.0 | |

A histogram of quality product as the reason to enrol in MLM is given in Figure 4.2.11. Most of the participants indicated score of five for strongly agree. The rest of the responses seem to be equal. There is a strong skewness of the data to the left in a distribution pattern portrayed by the best line of fit (Garth, 2008). Also, a mean of 4.57 indicates that the responses are nearly “agree.” A standard deviation of 1.244 (N=600) confirms it.

Figure 4.2.11: Histogram of quality product as the attraction to enrol in MLM



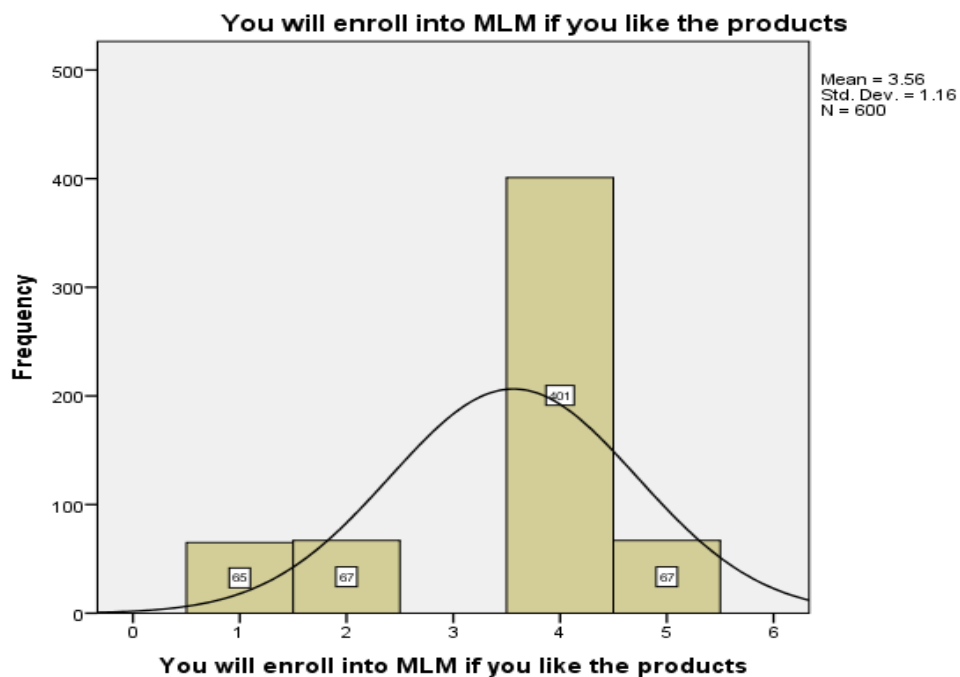
Majority of the respondents agree (66.8%, n=401) that they would enrol in MLM business because they of like the products. It was followed by both those who disagree and those who strongly disagree each at (11.2%, n=67). The least response was for those who strongly disagree (10.8%, n=65). There were no responses for those who are neutral. The responses are as shown in Table 4.2.12.

Table 4.2.12: Liking for the products as the reason to enrol in MLM

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-------------------|-----------|---------|---------------|--------------------|
| Valid | Strongly Disagree | 65 | 10.8 | 10.8 | 10.8 |
| | Disagree | 67 | 11.2 | 11.2 | 22.0 |
| | Agree | 401 | 66.8 | 66.8 | 88.8 |
| | Strongly Agree | 67 | 11.2 | 11.2 | 100.0 |
| | Total | 600 | 100.0 | 100.0 | |

A histogram of liking for the product as the reason to enrol in MLM is given in Figure 4.2.12. Most of the participants indicated score of four for agree. The rest of the responses seem to be equal. There is a nearly skewness of the data to the left in a distribution pattern portrayed by the best line of fit (Garth, 2008). Also, a mean of 3.56 indicates that the responses are nearly “agree.” A standard deviation of 1.16 (N=600) confirms it.

Figure 4.2.12: Histogram of liking for the products as the reason to enrol in MLM



4.3 Spearman's rho Correlation Coefficients

From the evidences of the histograms run on the independent variables show that most of them are abnormality distributed. Therefore, Spearman's rho correlation coefficient is a better alternative to the Spearman's correlation coefficient (Frey, Botan & Kreps, 1999). Spearman's rho correlation is an ordinal measure of association that correlates ranks between two ordered variables (Cooper & Schindler, 2011). Cooper & Schindler (2011) also states that occasionally researchers find continuous variables with too many abnormalities to correct. Then scores may be reduced to ranks and calculated with Spearman's rho. When the relationship between the variable rankings is moderately high, it suggesting agreement between the two measures. The test of the null hypothesis that there is no relationship between the measures ($r_s=0$) is rejected at the .05 level with n-2 degrees of freedom (Cooper & Schindler, 2011).

Spearman's rho correlation coefficient was run for every set of the variables for each of the hypotheses to be tested. Still, the Spearman's rho correlation coefficient is best in analyzing the ranked responses of respondents on the variable that make up the four main factors designed as the study hypotheses.

4.3.1 Source of Income Influence Public Consideration to Enrol in MLM Business

The first Spearman's rho correlation coefficient test was to assess the first pair of hypotheses and the results are as shown in Table 4.3.1. The variable "You will enrol into MLM to earn extra money" and that of "Redemption scheme is the reason for you to enrol into MLM" result in Spearman's rho correlation coefficient of 0.614 which signifies strong positive correlation (Garth 2008). The former variables is also has a weak positive correlation with "Obtain financial freedom is the reason for your enrolment into MLM" with a correlation coefficient of 0.372, and

another strong positive correlation with the variable “You want to enjoy the lower member price that’s why you enrol into MLM” with a correlation coefficient of 0.658 (Frey, Botan & Kreps, 1999). The variable of “Redemption scheme is the reason for you to enrol into MLM” also has a weak positive correlation with “Obtain financial freedom is the reason for your enrolment into MLM” with a correlation coefficient of 0.369, and a moderate positive correlation with “You want to enjoy the lower member price that’s why you enroll into MLM” with a correlation coefficient of 0.590 (Frey, Botan & Kreps, 1999). Then, “Obtain financial freedom is the reason for your enrollment into MLM” has a strong positive correlation with “You want to enjoy the lower member price that’s why you enroll into MLM.” There is, therefore, a positive correlation coefficient for all the variables under the factor of sources of income influence public consideration to enrol in the MLM business model.

Table 4.3.1: Source of income variables' correlation coefficients

Correlations^b

| | | | You will enrol into MLM to earn extra money | Redemption scheme is the reason for you to enrol into MLM | Obtain financial freedom is the reason for your enrollment into MLM | You want to enjoy the lower member price that's why you enroll into MLM |
|----------------|---|--|---|---|---|---|
| Spearman's rho | You will enrol into MLM to earn extra money | Correlation Coefficient Sig. (2-tailed) | 1.000 .000 | .614** .000 | .372** .000 | .658** .000 |
| | Redemption scheme is the reason for you to enroll into MLM | Correlation Coefficient Sig. (2-tailed) | .614** .000 | 1.000 . | .369** .000 | .590** .000 |
| | Obtain financial freedom is the reason for your enrollment into MLM | Correlation Coefficient Sig. (2-tailed) | .372** .000 | .369** .000 | 1.000 . | .617** .000 |
| | You want to enjoy the lower member price that's why you enroll into MLM | Correlation Coefficient Sig. (2-tailed) | .658** .000 | .590** .000 | .617** .000 | 1.000 . |

** . Correlation is significant at the 0.01 level (2-tailed).

b. Listwise N = 600

4.3.2 Consumption of Product Influence Public Consideration to Enrol in MLM Business

The second Spearman's rho correlation coefficient test was to assess the second pair of hypotheses and the results are as shown in Table 4.3.2. The variable "Reason for your enrollment to MLM is due to your friends is consuming the company products" and that of "You will enrol into MLM if you like the products" result in Spearman's rho correlation coefficient of 0.417 which signifies moderate positive correlation

(Garth, 2008). The former variables is also has a strong positive correlation with “Quality product will attract you to enrol into MLM” with a correlation coefficient of 0.648, and a weak positive correlation with the variable “Able to purchase the products for friends is the reason for your enrollment into MLM” with a correlation coefficient of 0.386 (Frey, Botan & Kreps, 1999). The variable of “You will enrol into MLM if you like the products” also has a strong positive correlation with “Quality product will attract you to enrol into MLM” with a correlation coefficient of 0.645, and a weak positive correlation with “Able to purchase the products for friends is the reason for your enrollment into MLM” with a correlation coefficient of 0.384 (Frey, Botan & Kreps, 1999). Then, “Able to purchase the products for friends is the reason for your enrollment into MLM” has a moderate positive correlation with “Quality product will attract you to enrol into MLM.” There is, therefore, a positive correlation coefficient for all the variables under the factor of consumptions of product influence public consideration to enrol in the MLM business model.

Table 4.3.2: Consumption of products variables' correlation coefficients

Correlations^b

| | | | Reason for your enrollment to MLM is due to your friends consuming the company products | You will enroll into MLM if you like the products | Quality product will attract you to enroll into MLM | Able to purchase the products for friends is the reason for your enrollment into MLM |
|----------------|---|--|---|---|---|--|
| Spearman's rho | Reason for your enrollment to MLM is due to your friends consuming the company products | Correlation Coefficient Sig. (2-tailed) | 1.000 . | .417** .000 | .648** .000 | .386** .000 |
| | You will enroll into MLM if you like the products | Correlation Coefficient Sig. (2-tailed) | .417** .000 | 1.000 . | .645** .000 | .384** .000 |
| | Quality product will attract you to enroll into MLM | Correlation Coefficient Sig. (2-tailed) | .648** .000 | .645** .000 | 1.000 . | .596** .000 |
| | Able to purchase the products for friends is the reason for your enrollment into MLM | Correlation Coefficient Sig. (2-tailed) | .386** .000 | .384** .000 | .596** .000 | 1.000 . |

** . Correlation is significant at the 0.01 level (2-tailed).

b. Listwise N = 600

4.3.3 Social Consciousness Influence Public Consideration to Enrol in MLM Business

The third Spearman's rho correlation coefficient test was to assess the third pair of hypotheses and the results are as shown in Table 4.3.3. The variable "You want to have more time for family that's why you enroll into MLM" and that of "You consider MLM as a platform for you to socialize" result in Spearman's rho correlation coefficient of 0.618 which signifies strong positive correlation (Garth, 2008). The former variables is also has a weak positive correlation with "Your health conscious drive you to enrol into MLM" with a correlation coefficient of 0.368, and a moderate positive correlation with the variable

"Reason for your enrollment to MLM is you find the environment is friendly" with a correlation coefficient of 0.491 (Frey, Botan & Kreps, 1999). The variable of "You consider MLM as a platform for you to socialize" also has a moderate positive correlation with "Your health conscious drive you to enrol into MLM" with a correlation coefficient of 0.590, and a very weak positive correlation with "Reason for your enrolment to MLM is you find the environment is friendly" with a correlation coefficient of 0.109 (Frey, Botan & Kreps, 1999). Then, "Reason for your enrollment to MLM is you find the environment is friendly" has a weak positive correlation with "Your health conscious drive you to enrol into MLM." There is, therefore, a positive correlation coefficient for all the variables under the factor of social consciousness influence public consideration to enrol in the MLM business model.

Table 4.3.3: Social Consciousness variables' correlation coefficients

Correlations^b

| | | You want to have more time for family that's why you enroll into MLM | You consider MLM as a platform for you to socialize | Your health conscious drive you to enroll into MLM | Reason for your enrollment to MLM is you find the environment is friendly |
|----------------|---|--|---|--|---|
| Spearman's rho | You want to have more time for family that's why you enroll into MLM | 1.000 | .618** | .368** | .491** |
| | | . | .000 | .000 | .000 |
| | You consider MLM as a platform for you to socialize | .618** | 1.000 | .590** | .109** |
| | | .000 | . | .000 | .008 |
| | Your health conscious drive you to enroll into MLM | .368** | .590** | 1.000 | .368** |
| | | .000 | .000 | . | .000 |
| | Reason for your enrollment to MLM is you find the environment is friendly | .491** | .109** | .368** | 1.000 |
| | | .000 | .008 | .000 | . |

** . Correlation is significant at the 0.01 level (2-tailed).

b. Listwise N = 600

4.3.4 Business Development Influence Public Consideration to Enrol in MLM Business

The fourth Spearman's rho correlation coefficient test was to assess the fourth pair of hypotheses and the results are as shown in Table 4.3.4. The variable "Is self development a consideration for your enrollment into MLM" and that of "You chosen to become your own boss that's why you enroll into MLM" result in Spearman's rho correlation coefficient of 0.369 which signifies a weak positive correlation (Garth, 2008). The former variables also has a weak positive correlation with "You consider MLM as your business strategy" with a correlation coefficient of 0.386, and a strong positive correlation with the variable "Able to build network is the reason you enrol into MLM" with a correlation coefficient of 0.649 (Frey, Botan & Kreps, 1999). The variable of "You chosen to become your own boss that's why you enroll into MLM" also has a strong positive correlation with "You consider MLM as your business strategy" with a correlation coefficient of 0.647, and a strong positive correlation with "Able to build network is the reason you enrol into MLM" with a correlation coefficient of 0.742 (Frey, Botan & Kreps, 1999). Then, "Able to build network is the reason you enrol into MLM" has a moderate positive correlation with "You consider MLM as your business strategy." There is, therefore, a positive correlation coefficient for all the variables under the factor of business development influence public consideration to enrol in the MLM business model.

Table 4.3.4: Business development variables' correlation coefficients

Correlations^b

| | | | Is self develop ment a consid eration for y our enrolment into MLM | You chosen to become your own boss that' s why you enr oll into MLM | You consider MLM as your business strat egy | Able to build n etwork is the r eason you enr ol into MLM |
|-------------------|---|---|--|---|--|--|
| Spearman's rho | Is self develop ment a consid eration for you r enrolment int o MLM | Correlation Coefficient Sig. (2- tailed) | 1.000 . | .369** .000 | .386** .000 | .649** .000 |
| | You chosen to become your own boss that' s why you enr oll into MLM | Correlation Coefficient Sig. (2- tailed) | .369** .000 | 1.000 . | .647** .000 | .742** .000 |
| | You consider MLM as your business strat egy | Correlation Coefficient Sig. (2- tailed) | .386** .000 | .647** .000 | 1.000 . | .594** .000 |
| | Able to build n etwork is the r eason you enr ol into MLM | Correlation Coefficient Sig. (2- tailed) | .649** .000 | .742** .000 | .594** .000 | 1.000 . |

** . Correlation is significant at the 0.01 level (2-tailed).

b. Listwise N = 600

4.4 Conclusion

Chapter Four provides the important descriptive statistics of the samples and vital variables of this thesis. It should be noted that sound understanding of the descriptive statistics is an essential approach to understanding the hypotheses results better. The statistical analyses used to evaluate the hypotheses provide important findings of the study. It was found that there was positive correlation for all the variables under the four main factors that influence public consideration on MLM enrolment. The following concluding Chapter Five presents the summary and discussion of the findings of the study, conclusion and limitation of the study.

CHAPTER 5

DISCUSSION AND CONCLUSION

5.0 Introduction

This chapter discusses the implication of the findings presented in Chapter Four. The first section provides the summary of the socio-demographics of the sample. Following by the second session presents the summary findings of the hypotheses and the discussion of these in reference to possible explanation of the findings and their convergence or divergence with previous literature. The third session provides the discussion of the overall conclusions and research implications of the study. Lastly, the fourth section highlights the limitations of the study and suggestions for future directions within the factors influence public consideration for MLM enrolment.

5.1 Discussion on Socio-demographics

Most of the respondents were female with only almost a quarter as male. The results of the study therefore, have more female opinions than male opinions. While this may be a limitation, it is not major one as most of the other similar studies also find that females are more into the MLM business model than males (Sun & Morwitz, 2010). Also, majority of the respondents were youths; a middle life adults meaning that the MLM business model is attractive to mainly those

with the ability to establish and grow their social networks. The teenagers and those above 60 years or the elderly are rarely in the MLM business model. According to the marital status, most of the respondents are married with those divorced or single forming less than half of the total sample population. Similarly, the number of children per respondent was mostly two followed by those with three children.

The sample population, therefore, had a modern size family that can have the ability to consume the MLM business products or have relatives, colleagues and friend who have sizable families to aid consumption of the products. Also, most of the respondents were Malaysians with diploma followed by those having finished secondary education. Again, most of the respondents come from the lower social classes as shown by their lower end monthly earning. Their occupations fall mostly under the business related courses like sales, management and other technical ones like farming, fish and forestry. More than half of respondents had had some sales experience using MLM business model and almost 90% of the respondents would consider enrolling into the MLM business model.

5.2 Discussion on Hypotheses Outcomes

5.2.1 Sources of Income Influence Willingness to Enrol in MLM Business

All the variables for the factor of source of income are positively correlated enabling the rejection of the corresponding null hypothesis an acceptance of the alternative hypothesis that “there is a relationship between sources of income that influence public consideration to enrol multilevel marketing business.” It’s observed in the study that those who need the product able to enjoy it while them making some extra income for them to achieve financial freedom. This is so because direct selling offers the best opportunity for any person with some time to spend in selling the products to earn some income (Sun & Morwitz, 2010). The

appeal is even better to the underemployed and the unemployed as compared to the fully employed persons. According to Makni (2014), this ability to earn extra income comes as a reprieve to many who have financial shortfalls thereby determining the decision for a potential recruit to enrol in the MLM model. According to the author, network marketing or MLM has a growth potential that benefits the participants through profits directly generated from the sales of the products and the bonuses or commissions on the sales made by those recruited by the incumbent MLM members (Makni (2014). Indeed, it indicates that the earning potential of the MLM businesses is ascertained even amid economic downturns.

The ability to earn money from the business system, either as the sole income-earner or a side job, lures many new recruits to enrol into the kind of business notwithstanding the possible pitfalls discussed earlier. While this may be the most pressing drive to participate in the kind of business, other factors exist that may act in synergy to the income earning ability to accelerate the need to enrol as a new MLM member (Sun & Morwitz, 2010). Despite the ability of the MLM recruiter to discern some of the notions that play negative about the marketing approach, there are likely question that the individual needing to join the MLM workforce has to ponder on in order to make the aspects of the business clear. One of the most disturbing questions is on how the new recruit will derive economic benefits from the system (Ong & Run, 2007). Obviously there are two means of gaining namely by selling the products at a profit and by recruiting others who turn in bonuses for every sale they make. However, with the fact that the late adopters, or those at the lowest level, are unlikely to make substantial gains especially when they cannot grow their own recruit network large enough faces the potential new recruits to back down from enrolling as agents. It is important to identify and recruit motivated individual who potential to become active member that able to grab and leverage the powerful incentive scheme of MLM business.

5.2.2 Consumptions of Product Influence Willingness to Enrol in MLM Business

All the variables for the factor of consumption of product are positively correlated enabling the rejection of the corresponding null hypothesis an acceptance of the alternative hypothesis that “There is a relationship between consumptions of product that influence public consideration to enrol multilevel marketing business.” It is observed in the study that availability of quality product as well as preference to the products promoted the enrolment to the MLM business. And it is in line with Lahiri et al (2012) research on brand loyalty of MLM and non-MLM that observed customers are more loyal for their MLM due to the availability, quality, price and promotion of MLM products. Despite the eminent ability to make extra income from the MLM systems, there are other personal and environmental factors that may limit the capability of a person to achieve significant income from the kind of business. Makni (2014) gives a list of the factors that are individualistic and that bring the disparity in the earning capability of the agents. Some of the MLM agents find that they have some of these personality deficiencies barring them from making the additional income. However, such individuals still find a viable reason to enrol in the MLM networks because the MLM members are just in love with a given type of product (Attri & Chaturvedi, 2011). In addition, colleagues, friends and acquaintances enjoy become business partners together while the web of social networking expands to involve millions of money exchange for the MLM products on regular basis.

5.2.3 Social Consciousnesses Influence Willingness to Enrol in MLM Business

All the variables for the factor of social consciousness are positively correlated enabling the rejection of the corresponding null hypothesis an acceptance of the alternative hypothesis that “There is a relationship between social consciousnesses that influence public consideration to enrol multilevel marketing business.” It’s observed in the study that the MLM agents who value the importance of spending time with their family also considering the network marketing as their platform for

socialize. When the social awareness is coupled with the sales skills, succeeding as an MLM agent is guaranteed. This is in line with Attri and Chaturvedi (2011) study that revealed those who know lots of people and are personally connected to them are able to approach them with the right sales message packaged in the right manner. Consequently, they are able to take up the MLM agent roles faster than those who have little knowledge of their social network in terms of composition.

The social consciousness of an MLM seller must stay to the fact that relationship within the social circles needs to be maintained through honesty and trustworthiness (Attri & Chaturvedi, 2011). A person who has this personal quality is, therefore, able to enrol in the MLM model of business more easily compared to another who does not uphold the values. It also promote a more friendly and trustworthy environment for the agents as well as their new recruits to socialize. To clear the consciousness of the potential sellers, Girish and Dipa (2015) provides comparison that shows the boundaries between the pyramid schemes and the genuine MLM businesses. One of the listed qualities of MLM is that “they offer genuine business opportunities” (Girish and Dipa, 2015, p. 112). This quality lacks in the pyramid schemes that attack the person consciousness that the sole motive is to recruit new members for financial gains. Social consciousness is a moral construct that is defined by differently by varied schools of thought (Attri & Chaturvedi, 2011). However, a unanimous understanding can be drawn that determines what is wrong and that which is right when the doer is at the centre stage of the action.

5.2.4 Business Developments Influence Willingness to Enrol in MLM Business

All the variables for the factor of business developments are positively correlated enabling the rejection of the corresponding null hypothesis an acceptance of the alternative hypothesis that “There is a relationship between business developments that influence public consideration to enrol multilevel marketing business.” It’s observed in the study that MLM is considering being business strategy for the individual who intended to be self employed. It is in line with Albaum and Peterson (2011) study that reported the result of a survey in several countries in the world and provide the essence of business development opportunity in the systems. MLM or direct selling industry provides a concrete business opportunity that can be invested in for the same reasons that other business ventures are started and maintained. In addition self development in MLM business comes as a result of the increased opportunity to understand the consumer even better than in the other methods of direct selling (Dai, Teo & Wang, 2010). The perspectives of the consumers are understood well by an MLM agent and so the ability to grow business is enhanced. The capability to strengthen the relationship between a seller and the consumers make the MLM succeed as part of relationships marketing (Dai, Teo & Wang, 2010). Many new recruits to the MLM model understand the benefits and instil the tendency for individual who opt to be self employed to build a network via MLM business. When the timing to initiate the strong relationship is merged by the needs of the consumer, the MLM model succeeds as a strong business opportunity for the MLM agent (Martin, Ponder & Lueg, 2009). From the opportunity to increase the consumer understanding, most of the business opportunity are found within the circles of an MLM agent thereby reinforcing the ability to succeed in building a strong business using the model. Therefore, many potential MLM recruits who are able to grab the business development opportunities never hesitate to get enrolled into the system.

5.3 Conclusion

Exponential growth of the MLM model of marketing comes as a result of the requirement that the incumbent seller recruits a new individual who also sells the same products to others directly. Hence ability to identify the relationships of the factors that drive the general public to accept and become active members of the MLM business is important for the success of the business. From the findings of the study the following conclusion can be concluded to answer the research questions and research objectives.

The first conclusion is that the sources of income that influence consideration on MLM enrolment are positively correlated. Especially the general public who enrol into MLM to earn extra money is significantly and positively related to those who want to enjoy the lower member price. The more sales persons an agent recruits the higher the earning since bonuses or commissions are earned on each of the recruits who comes after the recruiter. That gives the marketing strategy its generic meaning of “multilevel marketing” as provided in many studies. This extra income can help MLM agents to obtain financial freedom that drive them to enrol into MLM business. This study asserts that the relationship between sources of income that influence public consideration on enrolment is straightforward in the MLM context.

The second conclusion is to study the relationship between the consumptions of product that influencing consideration to enrol into MLM business. This study suggests that all the variables for consumptions of product are significantly and positively related. It should be noted that literature provides ample evidence by many researchers that recommendation from friends and also the quality product offered by MLM business attract people to enrol into the business in order for them to consume these quality product that they like. This study further asserts that availability of quality product that general public like to consume is important to the MLM business.

The third conclusion concerns whether there is relationship between the social consciousnesses that influence consideration on MLM enrolment. The results of this study suggest that the social consciousnesses that influence consideration MLM enrolment including consider MLM as platform to socialize and to have more time for the family is significantly and positively related. The weak correlation of friendly environment with others social consciousness may be due to aggressiveness of MLM members that take advantage of new friends can always be made while they socialise to expand their MLM networks which lead to increase of their earning potential. This study asserts that the social consciousness of the agents involved in MLM model must be clear and also know that trust and honesty are integral values in the social networking marketing or MLM.

The last conclusion is that all variables for business developments that influence consideration in MLM enrolment are positively related. Marketing theorists have provided strong evidence of positive relationship between the opportunities of business ownership as well as opportunities for development of business network in MLM business. The awareness to develop networks and how to turn the network into benefits through creation of sales networks linking distributor to the consumer is a powerful business strategy. This study assert the important of one has a large pull of relatives and friends who form part of their own social as well as business networks to serve as the potential buyer for their business.

5.4 Limitation of Study and Suggestion for Future Study

It should be noted that the actual research was limited to certain geographical area and also limited to only very narrow range of factors influence public consideration on MLM enrolment. In addition, this study did not indulge in complicated formulas but used simple analyses to show the relationship of potential factors influencing public consideration on MLM enrolment. While the ability to know the factors that drives the potential new recruits into the MLM business models, what remains unknown is how the factors of income, business development, social consciousness and consumption of the products translate into economic benefits for the MLM participants. A cost effectiveness analysis would

help in answering this question that the mere perceptions of available benefits of MLM to the new recruits can be accurately determined as the subsequent stage following this invaluable revelation that these factors indeed drive the public consideration to enrol into the MLM business models.

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Appendices

- | | | |
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| 1 | Questionnaire for Survey | A |
| 2 | Data Coding | B |
| 3 | Professions of Respondents | C |

APPENDIX A

Questionnaire for Survey

Factors Influencing Consideration on Multilevel Marketing Enrollment

The result of the study will provide a better understanding for the future researcher or multilevel marketing business operators to identify the reason of enrollment to multilevel marketing business(MLM).

There are four factors will be study in this research which are source of income, consumption of product, social consciousness and business development.

The initiative of the business operator to align their business operation with any shift of public consideration towards the enrollment of multilevel marketing can boost the participation of the public in their business.

The questionnaire will be design to consist two main sections, the classification questions section that related the sociological-demographic variable and another section with structured question or closed questions with fixed set of choices for the target question for this research. It will only take less than 10 min to complete. HIGH APPRECIATED

IF YOU DO NOT WISH TO PARTICIPATE, SIMPLY DISCARD THE QUESTIONNAIRE. RESPONSES WILL BE COMPLETELY ANONYMOUS; YOUR NAME WILL NOT APPEAR ANYWHERE ON THE SURVEY. COMPLETING AND RETURNING THE QUESTIONNAIRE CONSTITUTES YOUR CONSENT TO PARTICIPATE.

KEEP THIS LETTER FOR YOUR RECORDS. IF YOU HAVE ANY QUESTIONS REGARDING THE RESEARCH, CONTACT DR ONG SENG FOK, FACULTY OF ACCOUNTANCY AND MANAGEMENT, UNIVERSITY TUNKU ABDUL RAHMAN (UTAR) LOT PT 21144, JALAN SUNGAI LONG, BANDAR SUNGAI LONG, CHERAS 43000 KAJANG, SELANGOR OR NG KIENG LENG, ADVISOR, +60126482368. IF YOU HAVE ANY QUESTIONS REGARDING YOUR RIGHTS AS A RESEARCH PARTICIPANT, PLEASE CONTACT THE INSTITUTIONAL REVIEW BOARD OFFICE AT THE UNIVERSITY OF TUNKU ABDUL RAHMAN. THANK YOU AGAIN FOR YOUR HELP.

1. Gender

Mark only one oval.

- Male
 Female

2. Age group

Mark only one oval.

- Below 18
- 18-20
- 21-25
- 26-30
- 31-35
- 36-40
- 41-45
- 45-50
- 51-55
- 56-60
- Above 60

3. Marital Status

Mark only one oval.

- Single
- Married
- Divorce
- Widow

4. No. of Children

Mark only one oval.

- Nil
- 1
- 2
- 3
- 4 and Above

5. Ethnic group

Mark only one oval.

- Malaysia Malay
- Malaysia Chinese
- Malaysia Indian
- Malaysia Others

6. Profession

Mark only one oval.

- Management Occupations
- Business and Financial Operations Occupations
- Computer and Mathematical Occupations
- Architecture and Engineering Occupations
- Accounting, Auditing and Tax Services Occupations
- Community and Social Service Occupations
- Legal Occupations
- Education, Training, and Library Occupations
- Healthcare Practitioners and Technical Occupations
- Healthcare Support Occupations
- Banking Occupations
- Protective Service Occupations
- Food Preparation and Serving Related Occupations
- Building and Grounds Cleaning and Maintenance Occupations
- Personal Care and Service Occupations
- Sales and Related Occupations
- Office and Administrative Support Occupations
- Farming, Fishing, and Forestry Occupations
- Construction and Extraction Occupations
- Installation, Maintenance, and Repair Occupations
- Production Occupations
- Transportation and Material Moving Occupations
- Oil and Gas Field Services Occupations

7. Educational Level

Mark only one oval.

- Primary (UPSR)
- Secondary (PMR, SPM,O Level, STPM, A-Level)
- Diploma, Hi-Diploma
- Bachelor Degree
- Master Degree
- PhD
- N/A

8. Monthly Income Level

Mark only one oval.

- Below RM1000
- RM1001 - RM1500
- RM1501 - RM2000
- RM2001 - RM2500
- RM2501 - RM3000
- RM3001 - RM3500
- RM3501 - RM4000
- RM4001 - RM4500
- RM4501 - RM5000
- RM5001 - RM6000
- RM6001 - RM8000
- RM8001 - RM10000
- RM10001 - RM15000
- RM15001 - RM20000
- RM20001 - RM30000
- RM30001 - RM50000
- Above RM50000

9. Do you have any selling experience in Multilevel Marketing (MLM)?

Mark only one oval.

- YES
- NO

10. Will you consider to enroll into Multilevel Marketing (MLM)?

Mark only one oval.

- YES
- NO

11. Will you enroll into MLM to earn extra money?

Mark only one oval.

| | | | | | | |
|-------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------|
| | 1 | 2 | 3 | 4 | 5 | |
| Strongly Disagree | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | Strongly Agree |

12. Will redemption scheme the reason for you to enroll into MLM?

Mark only one oval.

| | | | | | | |
|-------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------|
| | 1 | 2 | 3 | 4 | 5 | |
| Strongly Disagree | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | Strongly Agree |

13. **Will obtain financial freedom the reason for your enrollment into MLM?**
Mark only one oval.

| | | | | | | |
|-------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------|
| | 1 | 2 | 3 | 4 | 5 | |
| Strongly Disagree | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | Strongly Agree |

14. **Will the ability to enjoy the lower member price the reason for you to enroll into MLM?**
Mark only one oval.

| | | | | | | |
|-------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------|
| | 1 | 2 | 3 | 4 | 5 | |
| Strongly Disagree | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | Strongly Agree |

15. **Will you enroll into MLM due to your friends is consuming the company products?**
Mark only one oval.

| | | | | | | |
|-------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------|
| | 1 | 2 | 3 | 4 | 5 | |
| Strongly Disagree | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | Strongly Agree |

16. **Will you enroll into MLM if you like the products?**
Mark only one oval.

| | | | | | | |
|-------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------|
| | 1 | 2 | 3 | 4 | 5 | |
| Strongly Disagree | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | Strongly Agree |

17. **Will quality product attracts you to enroll into MLM?**
Mark only one oval.

| | | | | | | |
|-------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------|
| | 1 | 2 | 3 | 4 | 5 | |
| Strongly Disagree | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | Strongly Agree |

18. **Will ability to purchase the products for friends the reason for your enrollment into MLM?**
Mark only one oval.

| | | | | | | |
|-------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------|
| | 1 | 2 | 3 | 4 | 5 | |
| Strongly Disagree | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | Strongly Agree |

19. **Will ability to have more time for family the reason for you to enroll into MLM?**
Mark only one oval.

| | | | | | | |
|-------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------|
| | 1 | 2 | 3 | 4 | 5 | |
| Strongly Disagree | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | Strongly Agree |

20. Will you consider MLM as a platform for you to socialize?

Mark only one oval.

| | | | | | | |
|-------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------|
| | 1 | 2 | 3 | 4 | 5 | |
| Strongly Disagree | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | Strongly Agree |

21. Will your health consciousness drive you to enroll into MLM?

Mark only one oval.

| | | | | | | |
|-------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------|
| | 1 | 2 | 3 | 4 | 5 | |
| Strongly Disagree | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | Strongly Agree |

22. Will you enroll into MLM if you find the environment is friendly?

Mark only one oval.

| | | | | | | |
|-------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------|
| | 1 | 2 | 3 | 4 | 5 | |
| Strongly Disagree | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | Strongly Agree |

23. Will self development a consideration for your enrollment into MLM?

Mark only one oval.

| | | | | | | |
|-------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------|
| | 1 | 2 | 3 | 4 | 5 | |
| Strongly Disagree | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | Strongly Agree |

24. Will becoming your own boss the reason for you to enroll into MLM?

Mark only one oval.

| | | | | | | |
|-------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------|
| | 1 | 2 | 3 | 4 | 5 | |
| Strongly Disagree | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | Strongly Agree |

25. Will you consider MLM as your business strategy?

Mark only one oval.

| | | | | | | |
|-------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------|
| | 1 | 2 | 3 | 4 | 5 | |
| Strongly Disagree | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | Strongly Agree |

26. Will ability to build network the reason you enroll into MLM?

Mark only one oval.

| | | | | | | |
|-------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------|
| | 1 | 2 | 3 | 4 | 5 | |
| Strongly Disagree | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | Strongly Agree |

APPENDIX B

Data Coding

| Variables | Coding |
|---|---------------|
| Gender | |
| Male | 1 |
| Female | 2 |
| | |
| Age Group | |
| Below 18 | 1 |
| 18-20 | 2 |
| 21-25 | 3 |
| 26-30 | 4 |
| 31-35 | 5 |
| 36-40 | 6 |
| 41-45 | 7 |
| 45-50 | 8 |
| 51-55 | 9 |
| 56-60 | 10 |
| Above 60 | 11 |
| | |
| Marital Status | |
| Single | 1 |
| Married | 2 |
| Divorced | 3 |
| Widow/Widower | 4 |
| | |
| No. of Children | |
| Nil | 1 |
| 1 | 2 |
| 2 | 3 |
| 3 | 4 |
| 4 and Above | 5 |
| | |
| Ethnic Group | |
| Malaysia Malay | 1 |
| Malaysia Chinese | 2 |
| Malaysia Indian | 3 |
| Other | 4 |
| | |
| Profession | |
| Management Occupations | 1 |
| Business and Financial Operations Occupations | 2 |

| | |
|---|----|
| Computer and Mathematical Occupations | 3 |
| Architecture and Engineering Occupations | 4 |
| Accounting, Auditing and Tax Services Occupations | 5 |
| Community and Social Service Occupations | 6 |
| Legal Occupations | 7 |
| Education, Training, and Library Occupations | 8 |
| Healthcare Practitioners and Technical Occupations | 9 |
| Healthcare Support Occupations | 10 |
| Banking Occupations | 11 |
| Protective Service Occupations | 12 |
| Food Preparation and Serving Related Occupations | 13 |
| Building and Grounds Cleaning and Maintenance Occupations | 14 |
| Personal Care and Service Occupations | 15 |
| Sales and Related Occupations | 16 |
| Office and Administrative Support Occupations | 17 |
| Farming, Fishing, and Forestry Occupations | 18 |
| Construction and Extraction Occupations | 19 |
| Installation, Maintenance, and Repair Occupations | 20 |
| Production Occupations | 21 |
| Transportation and Material Moving Occupations | 22 |
| Oil and Gas Field Services Occupations | 23 |
| | |
| Educational Level | |
| Primary (UPSR) | 1 |
| Secondary (PMR, SPM,O Level, STPM, A Level) | 2 |
| Diploma, Hi Diploma | 3 |
| Bachelor Degree | 4 |
| Master Degree | 5 |
| PhD | 6 |
| N/A | 7 |
| | |
| Monthly Income Level | |
| Below RM1000 | 1 |
| RM1001 RM1500 | 2 |
| RM1501 RM2000 | 3 |
| RM2001 RM2500 | 4 |
| RM2501 RM3000 | 5 |
| RM3001 RM3500 | 6 |
| RM3501 RM4000 | 7 |
| RM4001 RM4500 | 8 |
| RM4501 RM5000 | 9 |
| RM5001 RM6000 | 10 |
| RM6001 RM8000 | 11 |
| RM8001 RM10000 | 12 |

| | |
|---|----|
| RM10001 RM15000 | 13 |
| RM15001 RM20000 | 14 |
| RM20001 RM30000 | 15 |
| RM30001 RM50000 | 16 |
| Above RM50000 | 17 |
| Do you have any selling experience in Multilevel Marketing (MLM)? | |
| Yes | 1 |
| No | 2 |
| Will you consider enrolling into Multilevel Marketing (MLM)? | |
| Yes | 1 |
| No | 2 |
| You will enrol into MLM to earn extra money | |
| Strongly Disagree | 1 |
| Disagree | 2 |
| Neutral | 3 |
| Agree | 4 |
| Strongly Agree | 5 |
| Redemption scheme is the reason for you to enrol into MLM | |
| Strongly Disagree | 1 |
| Disagree | 2 |
| Neutral | 3 |
| Agree | 4 |
| Strongly Agree | 5 |
| Obtain financial freedom is the reason for your enrollment into MLM | |
| Strongly Disagree | 1 |
| Disagree | 2 |
| Neutral | 3 |
| Agree | 4 |
| Strongly Agree | 5 |
| You want to enjoy the lower member price that's why you enroll into MLM | |
| Strongly Disagree | 1 |
| Disagree | 2 |
| Neutral | 3 |
| Agree | 4 |
| Strongly Agree | 5 |
| Reason for your enrollment to MLM is due to your friends is consuming the company products | |
| Strongly Disagree | 1 |

| | |
|--|---|
| Disagree | 2 |
| Neutral | 3 |
| Agree | 4 |
| Strongly Agree | 5 |
| You will enrol into MLM if you like the products | |
| Strongly Disagree | 1 |
| Disagree | 2 |
| Neutral | 3 |
| Agree | 4 |
| Strongly Agree | 5 |
| Quality product will attract you to enrol into MLM | |
| Strongly Disagree | 1 |
| Disagree | 2 |
| Neutral | 3 |
| Agree | 4 |
| Strongly Agree | 5 |
| Able to purchase the products for friends is the reason for your enrollment in to MLM | |
| Strongly Disagree | 1 |
| Disagree | 2 |
| Neutral | 3 |
| Agree | 4 |
| Strongly Agree | 5 |
| You want to have more time for family that's why you enroll into MLM | |
| Strongly Disagree | 1 |
| Disagree | 2 |
| Neutral | 3 |
| Agree | 4 |
| Strongly Agree | 5 |
| You consider MLM as a platform for you to socialize | |
| Strongly Disagree | 1 |
| Disagree | 2 |
| Neutral | 3 |
| Agree | 4 |
| Strongly Agree | 5 |
| Your health conscious drive you to enrol into MLM | |
| Strongly Disagree | 1 |
| Disagree | 2 |
| Neutral | 3 |

| | |
|--|---|
| Agree | 4 |
| Strongly Agree | 5 |
| Reason for your enrollment to MLM is you find the environment is friendly | |
| Strongly Disagree | 1 |
| Disagree | 2 |
| Neutral | 3 |
| Agree | 4 |
| Strongly Agree | 5 |
| Is self development a consideration for your enrollment into MLM? | |
| Strongly Disagree | 1 |
| Disagree | 2 |
| Neutral | 3 |
| Agree | 4 |
| Strongly Agree | 5 |
| You chosen to become your own boss that's why you enroll into MLM | |
| Strongly Disagree | 1 |
| Disagree | 2 |
| Neutral | 3 |
| Agree | 4 |
| Strongly Agree | 5 |
| You consider MLM as your business strategy | |
| Strongly Disagree | 1 |
| Disagree | 2 |
| Neutral | 3 |
| Agree | 4 |
| Strongly Agree | 5 |
| Able to build network is the reason you enrol into MLM | |
| Strongly Disagree | 1 |
| Disagree | 2 |
| Neutral | 3 |
| Agree | 4 |
| Strongly Agree | 5 |

APPENDIX C

Professions of Respondents

| Profession | | Frequency | Percent | Valid Percent | Cumulative Percent |
|------------|---|-----------|---------|---------------|--------------------|
| Valid | Management Occupations | 70 | 11.7 | 11.7 | 11.7 |
| | Business and Financial Operations Occupations | 42 | 7.0 | 7.0 | 18.7 |
| | Computer and Mathematical Occupations | 42 | 7.0 | 7.0 | 25.7 |
| | Architecture and Engineering Occupations | 28 | 4.7 | 4.7 | 30.3 |
| | Accounting, Auditing and Tax Services Occupations | 14 | 2.3 | 2.3 | 32.7 |
| | Community and Social Service Occupations | 14 | 2.3 | 2.3 | 35.0 |
| | Legal Occupations | 14 | 2.3 | 2.3 | 37.3 |
| | Healthcare Support Occupations | 28 | 4.7 | 4.7 | 42.0 |
| | Banking Occupations | 14 | 2.3 | 2.3 | 44.3 |
| | Protective Service Occupations | 14 | 2.3 | 2.3 | 46.7 |
| | Food Preparation and Serving Related Occupations | 14 | 2.3 | 2.3 | 49.0 |
| | Building and Grounds Cleaning and Maintenance Occupations | 56 | 9.3 | 9.3 | 58.3 |
| | Personal Care and Service Occupations | 14 | 2.3 | 2.3 | 60.7 |
| | Sales and Related Occupations | 56 | 9.3 | 9.3 | 70.0 |
| | Office and Administrative Support Occupations | 42 | 7.0 | 7.0 | 77.0 |
| | Farming, Fishing, and Forestry Occupations | 56 | 9.3 | 9.3 | 86.3 |
| | Construction and Extraction Occupations | 14 | 2.3 | 2.3 | 88.7 |
| | Installation, Maintenance, and Repair Occupations | 14 | 2.3 | 2.3 | 91.0 |

| | | | | |
|---|-----|-------|-------|-------|
| Production Occupations | 28 | 4.7 | 4.7 | 95.7 |
| Transportation and Material Moving Occupations | 13 | 2.2 | 2.2 | 97.8 |
| Oil and Gas Field Services Occupations | 13 | 2.2 | 2.2 | 100.0 |
| Total | 600 | 100.0 | 100.0 | |