THE PERCEPTION OF MULTI LEVEL MARKETING BY ITS MEMBERS IN TURKEY

ŞEBEKE YOLUYLA PAZARLAMA SİSTEMİNİN TÜRKİYE'DEKİ ÜYELERİ TARAFINDAN ALGILANMASI

Dr. Öğr. Üyesi Hülya AKDEMİR CENGİZ

Karabük Üniversitesi/Safranbolu Turizm Fakültesi/Turizm İşletmeciliği Bölümü/Turizm İşletmeciliği Anabilim Dalı

hulyacengiz@karabuk.edu.tr

ABSTRACT

Multi Level Marketing (MLM), which is an alternative distribution channel for especially product selling firms, has some benefits to firms, sellers and consumers. In MLM which is a different selling method, firm becomes partners with person who sells its products. In the same time, seller can register a new member and receive a share from this new member. MLM system which is based on motivation and performance, with its untraditional structure and mechanism causes both excitement and suspicion for peoples who meet the system first. In this study, a fieldwork intended for member of BioBellinda firm is presented. BioBellinda is the firm that carries out MLM system in Turkey. The findings are evaluated about how members perceive MLM system.

Keywords: MLM, Direct Selling, Turkey

ÖZ

Özellikle ürün satan firmalar için alternatif bir dağıtım kanalı olan Çok Düzeyli Pazarlama'nın (MLM) firmalara, satıcılara ve tüketicilere bazı faydaları vardır. Farklı bir satış yöntemi olan MLM'de firma ürünlerini satan kişi ile ortak olur. Aynı zamanda, satıcı yeni bir üye kaydedebilir ve bu yeni üyeden bir pay alabilir. Motivasyona ve performansa dayanan MLD sistemi, alışılmadık yapısı ve mekanizmasıyla, sistemi ilk önce karşılayan insanlar için hem heyecan hem de şüphe uyandırıyor. Bu çalışmada, BioBellinda firmasının üyelerine yönelik bir saha çalışması sunulmuştur. BioBellinda, Türkiye'de MLM sistemini yürüten firmadır. Bulgular, üyelerin MLM sistemini nasıl algıladıkları hakkında değerlendirilmektedir.

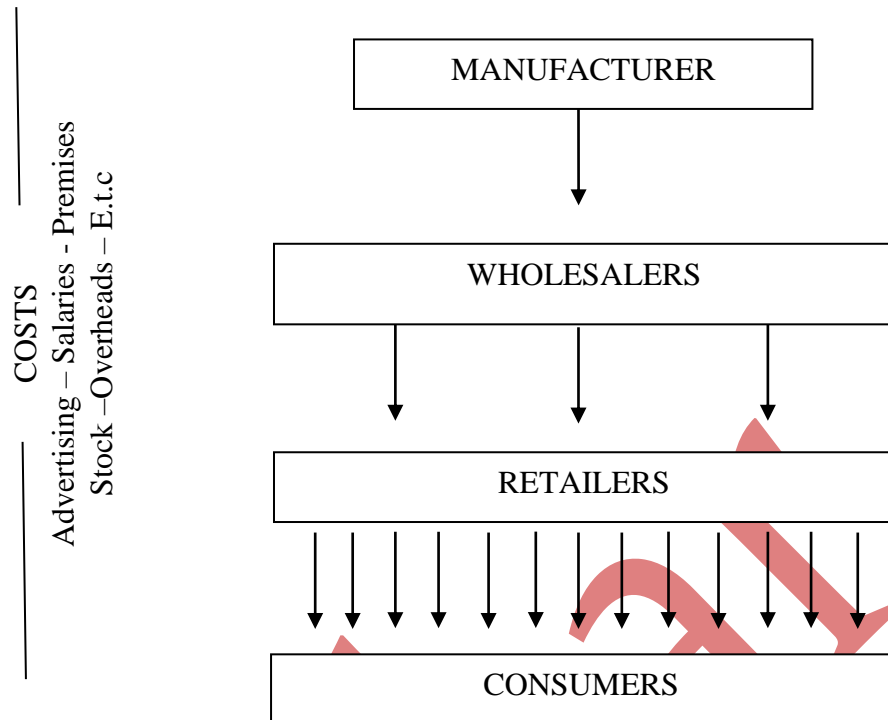*Anahtar Kelimeler: MLM, Doğrudan Satış, Türkiye*

1. INTRODUCTION

Multi Level Marketing (MLM) is a subsection of direct marketing included non-store retailing. MLM can be defined like that: MLM is to sell products to customers directly by means of a network that they improved introducing distributors to others (Clothier 1992). American Marketing Association has another definition of MLM. According to this definition, MLM is a strategy that is performed by Direct Selling firms who service as a distributor and have independent sellers. The distributors sell products to other distributors for the purpose of re-selling them.[1] (marketingpower.com)

The most obvious difference between customary marketing and multilevel marketing is that there are distributors in MLM system instead of retailer and wholesaler. Each distributor is a supplier of other distributors, customers and himself. In traditional marketing, manufacturer search available wholesalers for the purpose of selling products. In the same way wholesalers will supply goods to retailers. In MLM system each distributor is been introduced to business personally by an existing distributor. In conventional business salespersons are usually permanent workers. In MLM system salespersons are distributors and these distributors are free workers. In Figure 1 product flow (stream) scheme is given in traditional marketing. In Figure 1 consumers and retailers can supply products at a single level (Clothier 1992).

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[1] "Dictionary of Marketing Terms", http://www.marketingpower.com/mg-dictionary.php, Reaching Date: 18.11.2007

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Fig. 1. Traditional Marketing (Clothier 1992)

Fundamental difference in MLM system is seen in Fig. 2

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                    │    MANUFACTURER     │
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│ M │              │    DISTRIBUTORS     │              │ M │
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BONUSES – COMMISSIONS
COSTS
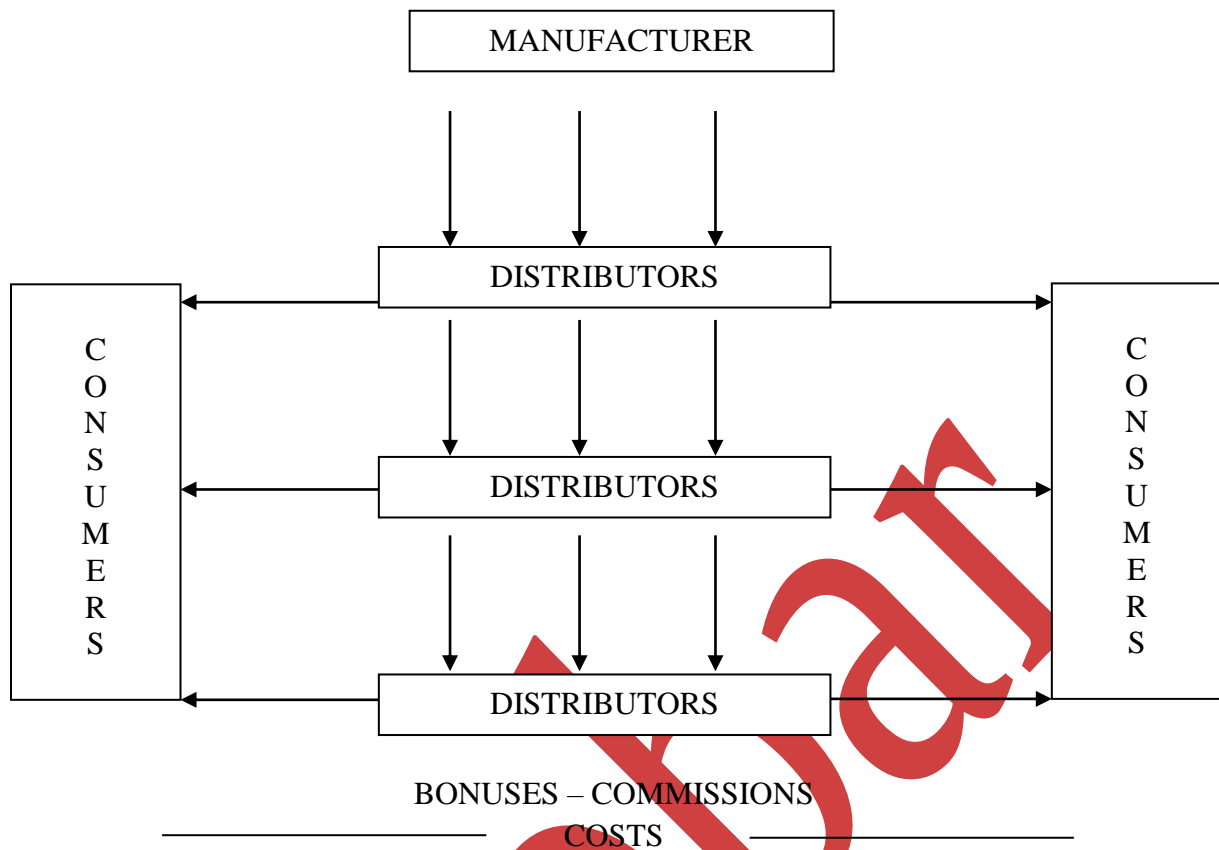
Figure 2. Multilevel Marketing System (Clothier 1992).

2. LITERATURE REVIEW

MLM system includes a face to face marketing and it is away from a constant retailing location. That's why many firms using this system don't advertise or have a retail storefront presence. In this system, products are sold either one to one or to a group as a party plan (Dyer 2001). In this way, retail selling power motivation is provided (Coughlan and Grayson 1998).

In MLM system there are distributors that they are a part of a network or a part of business. It is likely that the network is like that because of the system allows distributors to register sellers and distributors that they are at lower level according to hierarchical structure (Delgado 2000).

In MLM many distributors are categorized according to their experience in marketing, education and practice deficiency. That is why MLM considerably differ from traditional marketing system. Because it is not required experienced and equipped distributors in MLM (Delgado 2000). Distributors do not only sell products but also try to register new members. In MLM, firms sell every kind of products from cosmetic to food (Dyer 2001). In MLM, high quality products are the most important factor in being successful. These

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are the products that customers will like, use and suggest to others. Customers, who is satisfied from products, do not only try to improve distributors' business by increasing product sales but also they are excellent potential distributor sources due to they know the products and use them every day (Nakip and Gedikli 1996).

Representatives make money through both markups on the sale of goods and other distributors' sale revenues in their down-line. In MLM distributors don't get a salary, as many other salespersons do (Dyer 2001). Distributors' pays depend on the commissions and retail markups. This makes the MLM system very heavily performance-oriented (Coughlan and Grayson 1998). One of the most important characteristics of MLM is not to be faced an obstacle from governments or local business communities while entering foreign markets. Thus, MLM has become an international marketing channel (Delgado 2000). Because the business relies on word-of-mouth sales, an MLM company does not need to spend much money on marketing and advertising costs (Faltinsky 1992).

In this system it is needed that peoples must allocate time for doing business in order to learn fundamental principles of the system. The principles, which is shown below and considered as eight steps for

successful, are practical rules that make distributors successful (Nakip and Gedikli 1996):

- To determine goals and purposes
- To be %100 consumer of the products
- To organize a list of potential customers and distributors
- To call peoples to meetings
- To present products and business opportunities
- To improve relationships between customer and potantial distributors
- To help new distributors
- To generate leaders in the group

Despite their rapid growth, MLMs often attract controversy in part because they are associated with chain letters[2], pyramid schemes[3], and other fraudulent business practices. What distinguishes true MLMs from classic pyramid schemes is whether members' earnings come primarily from product sales to ultimate consumers instead of from recruiting new members. Importantly, in legitimate MLMs, earnings generated by recruiting must be limited to commissions from recruits' sales andnot

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[2] In a chain letters application which is an illegal direct selling organisation, it is demanded from members to transmit messages generated with inaccurate and emotional stories to non-members as soon as possible. Thus in this fake business application it is aimed to increase number of members rapidly.

[3] Pyramid Scheme is an illegal business model. Pyramid Schemes mainly include money exchange without a product or service delivery in order to register new members. In short, it includes to pay former members through membership fee.

from recruiting itself. MLMs feature an unusual and fluid organizational structure with little formal hierarchy due to members' independent ownership of their MLM distributorships. Older members can advise and assist the new members they recruit, but cannot direct and supervise the new members' work activities (Sparks and Schenk, 2001).

In Multi-level Marketing: A Practical Guide to Successful Network Selling, Clothier (1992) says that: "It all sounds too good to be true; there must be a catch somewhere. No catch!"

The many other books on the subject pretty much echo this message of the opportunity of a lifetime. Is there really a catch somewhere? It is obvious that there are many people who make money from MLM. But there is a catch. The problem, in general, is that way of recruiting peoples into MLM schemes is unacceptable socially and psychologically to most people in our society (Bloch, 1996). The biggest problem in MLM is to separate from direct selling organizations that is called pyramid selling and it is illegal. Around the world, the term pyramid selling is used synonymous with schemes that are commercially unsound at best and illegal at worst. The only similarity between a pyramid scheme and network marketing is that both of them offer an incentive to every new participant to introduce others.

However, these incentive efforts carry with them two principal opportunities for abuse. The first one is an incentive which, while it may offer rewards to the first participant, is commercially unsustainable. Second is to provide to members fast and easy way towards to successful that will be take place with a good beginning investment in inventory. This is a practice which distinguishes an illegal organization from any good diret selling one (Berry 1997). Furthermore, investment opportunity is sold in fake network schemes. There is no good or service selling. The payment grants only the right to sell someone else the opportunity to invest (Biggart 1990).

In the studies that are made about this subject Brodie and his team quantified perceptions of peoples about MLM (Brodie 2004). Furthermore, perceptions of customers have been examined about MLM in Australia in a study, which was made by Kustin and Jones (Kustin and Jones 1995).

3. HISTORY OF MLM IN TURKEY

The history of direct selling in Turkey is not short as supposed by many peoples. In 1960's and 1970's a very large population bought many books, encyclopedias. But the acceleration of the growth of this sector and the large access of it to society became

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reality in 1990's. Those years are the years that the international direct selling firms started to discover Turkey. First a Sweden-based cosmetic firm Oriflame entered to Turkish market. The big demand of multilevel marketing model that Oriflame introduced to Turkey surprised many people at the beginning. After that Oriflame Avon established a partnership with Eczacıbaşı in 1993 and entered to Turkish market. In 1994 Amway entered to Turkish market. The period between 1992 and 1997 was period that Tupperware joined these three international firms and that these firms established Direct Selling Association to be the voice of sector. To describe this period as a large growth wave is dominant will not be wrong. In the period between 1997 and 2001 Turkish direct selling sector entered a serious stagnation. Even another international big firm Herbalife entered to Turkish market, the dominant wave in market was stagnation. Beyond this there wasn't any outer factor. The reason was that some of them seen in press and different firms had inner problems coincidently in those years. In late times of this period another international big firm Forever Living entered to Turkish market. In the beginning of 2002 direct selling firms started to establish the new growth wave in Turkey. They solved managerial problems and they

understood the dynamics of market and started to approach Turkish market by this way. So, this caused a big change in the sector (Ozmoralı 2007).

Direct selling is started to use in products such as cosmetics, utensils etc. those need demonstration. And big developments are seen in the Turkey applications of the big firms such as Avon (cosmetics), Oriflame (cosmetics, personal care products), Tupperware (utensils), Electrolux (white goods, vacuum cleaner). Also, some firms in Turkey use multi level marketing for some of their products. For example, İhlas tries to apply this system in presentation of some products such as washing carpet machine and water heater. Emsan Five Star Steel Saucepan is sold by door step selling and this is an example of multi level marketing. But the deviations from the general qualifications of the system and the abuse of the system by illegal firms shake the confidence to big firms (Cetin 2001).

4. AN APPLICATION IN TURKEY

4.1. Questionnaire and Sample

BioBellinda is one of the firms which carry out MLM system in Turkey. So, it has been selected for the survey. Some of the reasons, in selecting BioBellinda, are firm's positive attitudes towards to the survey and having

many members. Universe of the survey is all members of the firm. According to data of BioBellinda it has nearly 51.000 members. For the research the participants are chosen from the population by random sampling method which is a probability sampling method. In random sampling method every unit in the population is known beforehand and has an equal potential to be chosen. In other words, every unit that forms the population is chosen separately. This method guarantees the units those form the population that their chance to be chosen to sample are evident and equal. This is the guarantee for the representation of population irregardless of sample size (Nakip 2006).

4.2. Methodology

The data that will be used in application part is collected by survey method. Survey form was distributed by a survey method mail interview method on the web as a web page (Nakip 2006). The members of BioBellinda with whom the polls were taken live in different cities of Turkey. That's why data collecting with mail method has been chosen to reach the members. The survey form has been constituted on the web as a web page to gain the data easier, faster, more reliable and cheaper. The address of the web site that the survey is published is: http://www.anketcim.net/anketix/index.php

?sid=12399&newtest=Y. This site is designed for survey applications. The site takes some measures for the survey security. There is a substructure in the site that gives easiness to researcher. The web site is announced to BioBellinda members in several ways. The firm made an announcement on its web site to give information to members. A section is opened in firm's forum site about survey application and in this section information about the survey about this survey is given to members. Also BioBellinda put a link of survey form which members enter with user name and passwords from the homepage of firm's secure internet brunch. So, the usage probability of the survey by non-members of BioBellinda is tried to be lessen. Also, the membership number is asked from the people who entered to survey forum. By this way it is tried to obstruct the use more than one. The survey form was on air between 1 February 2009 and 22 April 2009. In this period 1200 members entered the site and 216 members have filled out the survey form. It is expected that the number of filled forms is low because of the length of the survey form.

4.3. Data Analysis

In the result of the survey application, the data is got by the answers of the questions. The first analysis is percentage analysis which gives information about the

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participants. Then the perceptions of participants about multi level marketing are evaluated. So, the perceptions of participants can be known about the applications of the firm which they are its members. Some inferences are got by the evaluation of the means and standard deviations of perceptions of participants. In the next step factor analyses is applied to the expressions about the perceptions. So it is tested that to which factors the perceptions are reduced. After factor analysis, single-factor multivariate analysis of variance (MANOVA) is used. Multivariate analysis of variance (MANOVA) is used when there are two or more metric dependent variables. This analysis evaluates whether there is difference between group means (Nakip 2006). With MANOVA the participants are categorized through their various qualifications and they are compared through these categories. The aim is to compare the perceptions of participants who are grouped through their various qualifications about MLM and to get result.

4.4. Findings

4.4.1. The Participants' Demographic Qualifications and Information about Occupation

Table 1 shows the demographic qualifications of participants. When we look at the age dispersion it can be said that participants are majorly between 26 and 40 ages. In multi level marketing job, it can be said that members must have some certain social relations. The people can make a certain social environment and develop social relations after about the age of 20. The people over about age of 40 are not interested in the multi level marketing job.

%92,10 of participants are women. It is stated nowadays that direct sellers consist of women (Biggart 1990). BioBellinda firm's products are intended for women mostly. So that most of participants are women.

185 people who participated to survey (%85,60) is married. MLM is usually an occupation that married couples are interested in. it is stated that married couples, who are included MLM system, are more successful in MLM and they get promotion easier (Clothier 1992)

When looking at the answers that is given to the questions about education, it is seen that highest answer is secondary education with 120 (%55,5). Next one is undergraduate with 47 (%21.75).

Table 1. Demographic Characteristics of Participants

Age	Frequency	(%)	Gender	Frequency	(%)
25 and under	41	19,00	Male	17	7,90
26-30	54	25,00	Female	199	92,10
31-35	47	21,80	**Total**	216	100
36-40	43	19,90			
41 and above	31	14,40			
Total	216	100	**Education**	**Frequency**	**(%)**
			Uneducated	1	0,50
Marital Status	**Frequency**	**(%)**	Primary Education	39	18,05
Married	185	85,60	Secondary Education and College	120	55,55
Unmarried	25	11,60	Undergraduate	47	21,75
Widow	6	2,80	Graduate and above	9	4,15
Total	216	100	**Total**	216	100

Table 2. The Informations of Participants about Business

Weekly Working Hours	Frequency	(%)	Number of Downlines	Frequency	(%)
10 or less	150	69,50	100 and less	174	80,60
11-20	21	9,70	101-250	9	4,20
21-30	21	9,70	251-500	7	3,20
31-40	5	2,30	501-750	7	3,20
40 or more	19	8,80	751-1.000	1	0,50
Total	216	100	More than 1.000	18	8,30
			Total	216	100

The participants' informations about MLM are given in Table 2. According to the table 150 of participants (%69,50) spend 10 hours or less in a week. The time allocated for MLM is parallel with income. When looking at number of downlines and income, it is seen that participants did not spend much time for their job. So, naturally they had a few downlines and income.

Table 3 shows the answers of the participants that the question "How many

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hours do you allocate for your downlines?" has been suggested by John R. Sparks and

Joseph A. Schenk (2001) for measuring the downlines' efforts.

Table 3. The Time Participants Allocated for Their Downlines

The Time Allocated For Downlines (hour)	Frequency	(%)
10 or less	148	68,50
11-20	26	12,00
21-30	26	12,00
31-40	7	3,30
40 or more	9	4,20
Total	**216**	**100**

148 of participants (%68,50) allocate time for their downlines less than 10 hours. It is suggested that allocate more time for the business whoever want to be more successful in their business. When a sponsor allocates more time for MLM he can get more downlines. At the same time sponsor provide sales opportunity to the members by trying to increase productivity of members. Thus, both downlines and sponsor gain earnings.

Table 4. Titles of Participants

Titles of Participants	Frequency	(%)
Assistant Manager	147	68,10
Bronze Manager	10	4,60
Silver Manager	18	8,30
Gold Manager	10	4,60
Platinium Manager	5	2,30
Diamond Manager	26	12,00
Total	**216**	**100**

Titles of BioBellinda members who participated to survey are given in Table 4. Most of the participants are assistant manager with 147 persons. Title of assistant manager is given to new members. Highest one is diamond manager. In BioBellinda firm members have titles between assistant manager and diamond manager. As level of manager increase both downlines and income increase, too.

Participants were asked their satisfaction level related to MLM in questionnaire form. Means of answers standard deviation and frequencies are given in Table 5.

Table 5. Satisfaction Levels of Participants about MLM

Satisfaction Level	Mean	Std. Deviation	n	Distribution of The Answers[*]				
				1	2	3	4	5
Participants' satisfaction level by registering to Multi-Level Marketing system	3,99	0,772	216	3	7	26	133	47

[*]**Explanation:** 1-I'm not satisfied at all, 2- I'm not satisfied, 3- I have no idea, 4-I'm satisfied, 5-I'm so satisfied

Most of the 216 participants who are members of BioBellinda stated that they were satisfied from the business. It is seen that mean of answers are 3.99. This value is close to "4- I'm satisfied".

4.4.2. Perceptions of Participants about Implications of Their Firm

Participants were asked about perceptions of BioBellinda firm's implications. It was wanted them to state whether they agree with these 41 expressions or not to. Answers they gave and means are shown in Table 6.

Table 6. Perceptions of Participants about Firm's Implications

Perception Expressions	Mean	Standart Deviation	n	Distribution of The Answers[*]				
				1	2	3	4	5
My firm give education support about products.	3,40	1,19	216	18	35	43	83	37
Members of my firm are also users of the products that they sell.	4,09	0,89	216	5	6	29	101	75
Distributors in my firm know my firm's products well.	3,82	1,03	216	6	19	45	84	62
Returning guaranty facilitates distributors's sellings in my firm.	3,95	0,98	216	5	11	46	82	72
My products are more qualified compared to competitors.	3,83	1,04	216	6	20	42	85	63
Because my products are qualified, their selling is easy.	3,90	1,02	216	6	17	37	89	67
Products are expensive in my firm.	2,81	1,25	216	31	77	32	53	23
My firm gives support to its distributors in the communication of new members to register them and to sell products.	3,34	1,13	216	12	46	47	79	32
In my firm personal communication is used actively.	3,62	1,03	216	8	25	47	97	39
My firm use active communication tools like book, cassette, seminar, conference and some marketing materials in the communication between firm and distributor.	3,46	1,17	216	18	27	47	85	39
In my firm distributors use word of mouth communication actively.	3,82	0,94	216	5	15	44	102	50
In my firm distributors use internet in communication each other.	3,91	0,94	216	7	10	33	111	55
My firm use internet in order to present products and working	3,82	1,02	216	11	13	30	132	50

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system.							
My firm gives every kind of educational support that is necessary.	3,50	1,15	216	15	30	43	87	41
In my firm, required information is given about business before one becomes a distributor.	3,58	1,13	216	11	32	39	88	46
In my firm required education seminars are given.	3,40	1,22	216	21	29	49	76	41
In my firm education activities are enough to equip distributors with information that they need.	3,40	1,21	216	19	33	48	75	41
In my firm marketing system is told in ideally.	3,54	1,18	216	13	33	45	75	50
In my firm successful distributors are appreciated.	3,80	1,00	216	8	13	47	95	53
My firm motivates sponsors and distributors ideally.	3,53	1,14	216	13	29	48	82	44
Income calculation method that is used in my firm motivate distributors.	3,59	1,08	216	11	25	47	91	42
My firm gives support in order to increase sponsors' and distributors' business performance.	3,50	1,15	216	14	31	45	85	41
In my firm members get so much personal satisfaction.	3,55	1,05	216	9	26	57	85	39
In the general meaning, my firm's members are satisfied from business that they do.	3,80	0,94	216	6	14	43	107	46
The rules and procedures, which are carried out in my firm, facilitate distributors' activities.	3,77	0,98	216	6	20	38	106	46
In my firm distributors are satisfied from incomes.	3,45	1,06	216	8	40	46	91	31
In my firm distributors have the chance to get a promotion in their business.	3,89	0,96	216	5	17	32	105	57
In my firm sponsor meet distributor's information need in time and ideally.	3,67	1,08	216	8	26	47	84	51
In my firm sponsors support their downlines.	3,60	1,08	216	8	31	45	87	45
In my firm distributors register new members easier.	3,84	0,93	216	7	13	33	118	45
My firm's members use internet actively for the purpose of register new members.	3,86	1,00	216	8	11	44	93	60
In my firm distributors' benefit is supreme.	3,58	1,02	216	7	24	62	83	40
In my firm distributors work independently.	3,82	0,94	216	6	13	43	106	48
In my firm distributors can protect their rights.	3,78	0,92	216	6	11	50	106	43
My firm constitutes specific purposes for distributors.	3,69	0,98	216	7	16	56	94	43
My firm gives a high income opportunity to distributors.	3,63	1,05	216	8	25	49	91	43
There is a pretty good friendship between distributors in my firm.	3,61	1,04	216	7	27	53	86	43
My firm's members work with their firms for a long time.	3,76	0,90	216	6	8	59	101	42
In my firm best income plan has been constituted.	3,60	1,00	216	8	20	60	90	38
Social life of my firm's members to make a good progress.	3,84	0,93	216	5	14	41	106	50
Members' loyalty to the firm increase in my firm.	3,81	0,95	216	6	14	43	104	49
General Total	**3,66**	**1,04**		**394**	**946**	**1834**	**3780**	**1922**

* **Explanation:** 1-Strongly Disagree, 2- Disagree, 3- Neutral, 4- Agree, 5- Strongly Agree

General mean of answers is 3,66. Expressions which have highest values are given below;

"Members' being also a user of the products that they sell" (4,09) facilitation of Returning guaranty to sales (3,95)", "Using internet of distributors' in communication with firm and each other (3,91)" and "facilitation of product quality" (3,90). Also, the expression that

has the lowest perception value is "in my firm products are expensive" (2,81).

4.4.3. The Factors Those Affect Participants' Perceptions About MLM

41 perception expressions, which are asked to participant, were analyzed with factor analysis. It was seen that coefficient of Cronbach Alfa of scale was %97,9. According to this result we can say that the scale is reliable. As a result of factor analysis, it was seen that the perceptions categorized into three factors. These factors explain %66.004 of total variance. (KMO measure of sampling adequacy: %96, Bartlett's Test of Sphericity: 8729,323, p<0,000).

40 of 41 expressions are categorized into 3 factors and fourth factor has only one expression. Thus, fourth factor is removed from analysis and also it's expression too.

Table 7. The Factors That Effect Perceptions of Members of BioBellinda about MLM

Expressions	Factor Loadings	Percent of Variance	Characteristic Value
Factor 1: Support		**55,698**	**22,836**
Giving support increase distributors' business performance.	0,802		
Motivating sponsors and distributors ideally.	0,787		
Telling marketing system to members ideally.	0,762		
Holding seminars that are necessary.	0,754		
Equipping distributors with information that they need through education activities.	0,752		
Giving every kind of education support to distributors.	0,742		
Motivating distributors through income calculation method.	0,714		
Giving required information about business before one becomes a distributor.	0,710		
Being satisfied of distributors from incomes.	0,703		
Using of active communication tools like book, cassette, seminar, conference and some marketing materials in the communication between firm and distributor.	0,688		
Giving support to distributors in the communication of new members to register them and to sell products.	0,675		
Facilitation of distributors' activities through the rules and procedures.	0,668		
To get personal satisfaction from business.	0,668		
A pretty good friendship between distributors.	0,659		
To be supported downlines by sponsor.	0,654		
To constitute best income plan for distributors.	0,650		
To be met distributor's information need in time ideally by sponsor.	0,645		
Giving education support about products.	0,626		
Giving high income opportunity to distributors.	0,590		
Being satisfied of members from their business in the general meaning.	0,546		
To be appreciated successful distributors.	0,532		
To be used personal communication actively.	0,490		
Factor 2: Easiness		**6,319**	**2,591**
Using internet for the purpose of registering new members.	0,768		
Registering new members easier.	0,750		
Getting a promotion opportunity for distributors in their business.	0,741		
Independently working of distributors.	0,701		
Working of members with their firm for a long time.	0,696		
Protecting of distributors' rights.	0,674		
Improving social life of whose is registered to the firm.	0,663		
Using internet of distributors' in communication with firm and each other.	0,655		
Defining certain goals of firm for distributors.	0,644		
Preferring the distributors' benefits to everything from the firm.	0,582		
Increasing of members' loyalty to firm.	0,531		
Facilitation of returning guaranty to the sales.	0,496		
Distributors' using of word of mouth communication actively.	0,487		
To be used internet in order to be presented firm, product and working system.	0,461		
Factor 3: Product Quality		**3,987**	**1,635**
Facilitation of qualified products to sales.	0,766		
Being more qualified of products compared to competitors.	0,722		
Distributors know the firm's products very well.	0,663		
Members' being also a user of the products that they sell.	0,559		

Factor 1 SUPPORT: This is the factor that has highest characteristic value and percentage of variance. When looking at the MLM perceptions of participants, it is understood that most important factor that they were affected is Support. Education support, income support motivation support can be sorted in Support factor.

Factor 2 EASINESS: Second factor that is emerged after analysis is Easiness. This factor means that participants prefer easiness while they do MLM. Easiness of communication and selling easiness can be mentioned about Easiness.

Factor 3 PRODUCT QUALIITY: Third factor about participants' perceptions is product quality. Qualified product is the indispensable product of MLM. MLM workers who participated to the survey emphasize the importance of qualified products.

4.4.4. The Comparison of Perceptions of Participants about MLM According to Demographic Characteristics and Information about Business

Single-factor MANOVA (Multivariate Analysis of Variance) was used to compare perceptions of participants about MLM. When the comparison is made, demographic characteristics are sorted to sub groups. Demographic characteristics and information about business are seen in Table 8.

When looking at subgroups in respect to demographic characteristics and information about business, it is seen that there is no numerically difference between women and men. So, this subgroup is removed from analysis.

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Table 8. Demographic Characteristics and Sub-Groups of Information about Business

			N
DEMOGRAPHIC FEATURES	**AGE**	25 and under	41
		Between 26-40	144
		41 and above	31
	GENDER	Woman	199
		Man	17
	MARIAL STATUS	Married	185
		Unmarried	31
	EDUACATION	Primary Education	40
		Secondary Education and College	120
		Graduate	56
INFORMATION ABOUT BUSINESS	**THE TIME ALLOCATED FOR MEMBERS IN A WEEK**	10 hours or less	148
		11 hours and more	68
	TITLES	Assistant Managers	147
		Other Managers	69

4.4.5. Comparison Of Perceptions Of Participants About MLM In Respect To Age Groups

Table 9. Comparison of Perceptions of Participants about MLM in Respect to Age Groups: Result of MANOVA Analysis

	Factors	**Means of Perception**[*]			**F Value**	**Significance Level**
		≤ 25	**26-40**	**≥ 41**		
1	Support	3,74	3,55	3,38	1,517	0,222
2	Easiness	3,84	3,84	3,64	0,983	0,376
3	Product Quality	3,99	3,92	3,73	0,901	0,408
	General Means	**3,86**	**3,77**	**3,58**		
Hotelling's T Test		**F Value = 1,147**	**Degree of Freedom = 6**	**Significance Level = 0,334**		

[*] **Explanation:** 1-Strongly Disagree, 2- Disagree, 3- Neutral, 4- Agree, 5- Strongly Agree

Since Significance Level is bigger than 0.05 (α = 0,334) according to results of Hotelling's T Test, it can be said that perceptions of participants about MLM in respect to the age groups are not differ from each other. Although there is not a significant difference it is seen that as age increase level of perception decrease.

4.4.6. Comparison of Perceptions of Participants About MLM In Respect To Marital Status

Table 10. Comparison of Perceptions of Participants about MLM in respect to Marital Status Result of MANOVA Analysis

	Factors	Means of Perception*		F Value	Significance Level
		Married	**Unmarried**		
1	Support	3,56	3,57	0,004	0,949
2	Easiness	3,82	3,76	0,163	0,687
3	Product quality	3,91	3,90	0,001	0,970
	General Means	**3,76**	**3,75**		
Hotelling's T Test		**F Value = 0,249**		**Degree of Freedom = 3**	**Significance Level = 0,862**

* **Explanation:** 1-Strongly Disagree, 2- Disagree, 3- Neutral, 4- Agree, 5- Strongly Agree

Since Significance Level is bigger than 0,05 (α = 0,862) according to results of Hotelling's T Test, it can be said that perceptions of participants about MLM in respect to the marital status are not differ from each other.

4.4.7. Comparison of Perceptions of Participants about MLM in respect to Education Level

Table 11. Comparison of Perceptions of Participants about MLM in Respect to Education Level: Results of MANOVA Analysis

	Factors	Means of Perception*			F Value	Significance Level
		Primary Education	**Secondary Education**	**Undergraduate and Graduate**		
1	Support	3,68	3,63	3,33	2,673	0,071
2	Easiness	3,89	3,89	3,60	3,049	0,049
3	Product Quality	3,98	3,97	3,73	1,682	0,188
	General Means	**3,85**	**3,83**	**3,55**		
Hotelling's T Test		**F Value = 1,085**		**Degree of Freedom = 6**	**Significance Level = 0,371**	

* **Explanation:** 1-Strongly Disagree, 2- Disagree, 3- Neutral, 4- Agree, 5- Strongly Agree

Since Significance Level is bigger than 0,05 (α = 0,371) according to results of Hotelling's T Test, it can be said that perceptions of participants about MLM in respect to the education level are not differ from each other. Although there is not a significant difference, it is seen that as level of education increase level of perception decrease.

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4.4.8. Comparison of Perception of Participants about MLM in Respect to Allocating Time for Members

Table 12. The Comparison of Perception of Participants about MLM in Respect to Allocating Time to Members: Results of MANOVA Analysis

	Factors	Means of Perception*		F Value	Significance Level
		≤ 10 hours	≥ 11 hours		
1	Support	3,47	3,75	4,807	0,029
2	Easiness	3,78	3,89	1,004	0,317
3	Product Quality	3,85	4,04	2,609	0,108
	General Means	**3,70**	**3,90**		
Hotelling's T Test		**F Value = 2,563**	**Degree of Freedom = 3**	**Significance Level = 0,056**	

** **Explanation:** 1-Strongly Disagree, 2- Disagree, 3- Neutral, 4- Agree, 5- Strongly Agree*

Since Significance Level is bigger than 0.05 (α = 0,056) according to results of Hotelling's T Test, it can be said that perceptions of participants about MLM in respect to the allocating time to members are not differ from each others. Although there is no significant difference it is seen that as time allocating for members increase level of perception decrease.

4.4.9. Comparison Of Perceptions Of Participants About MLM In Respect To Their Titles

Table 13. Comparison of Perceptions of Participants about MLM in: Result of MANOVA Analysis

	Factors	Means of Perception*		F Value	Significance Level
		Assistant Manager	Other Managers		
1	Support	3,54	3,61	0,365	0,547
2	Easiness	3,78	3,89	1,042	0,308
3	Product Quality	3,88	3,96	0,438	0,509
	General Means	**3,73**	**3,82**		
Hotelling's T Test		**F Value = 0,408**	**Degree of Freedom = 3**	**Significance Level = 0,747**	

** **Explanation:** 1-Strongly Disagree, 2- Disagree, 3- Neutral, 4- Agree, 5- Strongly Agree*

Since Significance Level is bigger than 0,05(α = 0,747) according to results of Hotelling's T Test, it can be said that perceptions of participants about MLM in respect to their titles are not differ from each other. When looking at general means of the groups, new managers has fewer score than other managers who made a good progress in their business. It can be stated that as make a good progress in

business in respect to titles also increase perceptions about MLM.

5. CONCLUSION

In this research the perceptions of participants who are members of BioBellinda that applies MLM system are evaluated. The findings those were got by the research are given below:

1. The big majority of participants are women. This is because of the preference of women.
2. The big majority of participants express that they are pleasured to be in MLM job.
3. The perceptions of participants are evaluated and the perception values are high in the expressions "Members' being also a user of the products that they sell "facilitation of Returning guaranty to sales", "Using internet of distributors' in communication with firm and each other" and "facilitation of product quality". Also the expression that has the lowest perception value is "in my firm products are expensive". This is based on the thought that participants don't find the products expensive. It can be said that the products of BioBellinda are cheaper than the competitors.

4. The expressions have been reduced to 3 factors according to Factor Analysis. These are the factors that Support, Ease and Product Quality. The participants consider support important about MLM. In the course of application of MLM job it is being important to support the members about education, revenue and motivation by the firm. Ease comes second. A qualification of MLM job is to make it easily. Flexible working times, to be able to act dependent from a working mechanism, not to have a boss or staff make MLM job attractive (Clothier 1992). Quality product is in the third place. One of the reasons of being successful in its own area is to have quality products. These are the products that consumers can like, use and recommend. The consumers who are satisfied from the products not only help to develop the work but also become a perfect potential distribution source. Because they know the product and use the products everyday (Nakip and Gedikli 1996).

5. Using factor analysis 3 factors were acquired. Perceptions of participants were compared in

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respect to demographic characteristics and information about business through these factors. Comparison was made using MANOVA. It was seen that there was no difference in perceptions of participants about MLM between the groups in respect to demographic characteristics and information about business. In addition to this, it was determined these according to MANOVA:

5.1. Although there was no difference in perception in respect to age groups, it is seen that as age increase level of perception decrease according to means of groups.

5.2. Although there was no difference in perception in respect to education levels, it is seen that as education level increase level of perception decrease in according to means of groups.

5.3. It was seen that perceptions of members who is more interested in the business are higher.

5.4. As titles of members increase in MLM their perceptions about business also increase.

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