

A Study of Consumers Who Buy from MLM Channel in Taiwan

[Marketing]

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Abstract

Multi-level marketing(MLM), also called network marketing, is a relatively new industry but its size and reputation are growing rapidly. According to the Direct Selling Association (DSA), direct selling is a US\$75 billion industry worldwide with an annual growth rate of around 10 percent. The industry offers an alternative marketing channel to traditional retail selling that accommodates our changing marketplace.

Multi-level marketing was brought into Taiwan from the US just over a decade ago. Its unique operating format seems to contravene all traditional sales principles. In Taiwan, the number of people involved in direct sales has already hit the two million mark. According to the Fair Trade Commission (1997), about 11.01 out of every 100 people have participated in the direct selling business full-or part-time.

This study surveys 200 customers in Taiwan area concerning their motivation of buying from MLM company, their demographic characteristics and their attitudes as consumers towards MLM products. In addition, we also compare the consumer satisfaction of MLM products to that of the similar products on traditional market.

The results showed that the major motivation factors of purchasing MLM products are the “special functions of the MLM products” and the “pressure from friends or relatives”. We also found that “effectiveness” is the main reason for the consumers to purchase the MLM products again and the “high price” is the key factor for not purchasing or not repurchasing. It shows that the consumer satisfaction on some attributes, such as “good after-sales-service”, “payment variety”, “high quality product”, “likable salesperson”, and “refund policy” is significantly more positive for MLM products than for the similar products of traditional retail selling.

1.Introduction

Multi-level Marketing(MLM), also known as Network Marketing, is an about 50 year old industry. According to The Network Marketing Emporium (The Focal Point on the InterNet for MLM), over 150,000 people worldwide, are joining a Multi-level Marketing company each and every week. This business provides a perfect vehicle to take back our life and offers the most level playing field of any career opportunity. There are no barriers to race, age or experience. However, most people had a biased impression about the Multi-level Marketing business since there were illegal companies called “Rat Club” that used the Pyramid Scheme to collect money. According to the Fair Trade Commission (FTC) (1997), since the passage of the “Multi-Level Marketing Regulations” in 1992, which gave a legal foundation for the MLM business, the number of people in this business has increased sharply in Taiwan.

By the end of 1996, Taiwanese had joined direct sales groups a total of 2,961,000 times. After deducting redundancies such as one individual joining two or more companies, the figure is 2,364,000 people. It means that 11.01% people is estimated to have experience in a direct sales organization.

In order to find the key factors influencing the MLM consumer behavior, this study was designed to investigate the consumer satisfaction in MLM products from 4 aspects:

- 1.determine the purchasing motivation and the information availability.
- 2.investigate the consumer satisfaction in MLM products—the reasons of purchasing and not purchasing.
- 3.find the major factors influencing the purchase of MLM products.

4. compare the customer satisfaction in MLM goods to that of the similar products of conventional market.

2. Literature review

Direct selling is a method of distribution of consumer goods involving face-to-face contact between salesperson and buyer away from a fixed business location (Bernstein 1984; Wotruba 1992). Although it is a centuries-old set practices and is the bread and butter of a number of successful organizations today, there was a paucity of published empirical research on direct selling until the late 1980s.

General knowledge about the consumer which has been widely disseminated in the industry stems from two studies. The first was conducted for the Direct Selling Association in 1976 by Louis Harris and Associates (Direct Selling Association, 1977). A total of 18 product categories were investigated. The objective of the study was to assess attitudes toward the direct selling industry, focusing on its strengths and weaknesses. According to Louis Harris and Associates (1977), consumers reported that direct selling (especially the use of cold calls) represented an intrusion, and that they were concerned about letting strangers into their homes, being subjected to high sales pressure and the use of misleading and unfair sales tactics, ending up buying products they didn't need, and paying an unfair price for products sold direct. About six years later the Nowland Organization (1982) did a study for the Direct Selling Education Foundation. The objectives of that study were to update the Harris study and obtain specific information on three major segments of direct selling : repetitive person-to-person, non-repetitive person-to-person, and party plan. According to Nowland (1982), consumers hold generally negative views about the very idea of direct selling, and many perceived that direct salespeople were overly

aggressive, unmotivated (substituting transitory contacts for true salesmanship), and capitalized on friendships, or emphasized selling business opportunities and premiums rather than merchandise and delivery.

One of the first of the “new wave” studies of the consumer side of direct selling is that of Peterson, Albaum, and Ridgway (1989). This study partially up-dates the Harris (Direct Selling Association, 1977) and Nowland (1982) studies on selected consumer-related issues. The Peterson, Albaum, and Ridgway (1989) study sought to:

1. Determine the extent to which consumers buy from direct sales companies and document the demographic characteristics of purchasers and nonpurchasers.
2. Obtain perceptions of the advantages and disadvantages of buying from a direct sales company.
3. Investigate the perceived risk of buying through other modes of retail selling.

The research is descriptive and is based on a national sample of 1,600 consumers drawn from a national consumer mail panel. The 988 people responding are viewed as representing middle-class American. A nationwide survey revealed that 57 percent of the respondents had purchased a product or service from a direct sales company in the year preceding the survey. Purchasers tended to be younger, more educated, and more affluent than nonpurchasers. Convenience was perceived to be the major advantage of buying from a direct sales company; the major disadvantage was perceived to be pressure tactics or pushy salespeople. The risk of buying from a direct sales company was viewed as being greater than that of buying from a retail store, but less than that of buying from an unsolicited telephone call.

Similar type data were obtained from 492 people in the study by Raymond

(1990). Since the sample of consumer used by her was provided by participating direct selling companies, findings are not directly comparable to those of Peterson, Albaum, and Ridgway (1989). Moreover, Raymond's (1990) study examined other issues such as well-incentives for repeated purchasing and for increasing order size, and improvements consumers would like to see in direct selling companies.

A study for the consumers' perspective also looks at how a company might best integrate one or more direct marketing techniques-e.g., direct mail or telemarketing-with its direct sales operation (Massey & Seitz, 1991). A mail survey of 4,000 U.S. households was conducted resulting in responses from 1,100 purchasers and non-purchasers of direct selling companies. The original sample was provided by direct selling companies and included active and inactive customers. The study investigated purchasing and shopping behavior, generalized orientation toward buying beliefs associated with direct selling, attitudes toward direct selling programs, and perceived satisfaction among users of this method of distribution.

A study by Barnowe and McNabb (1992) describes findings from an investigation of consumers' experiences with and attitudes toward direct selling methods, based upon face-to-face interviews with 491 residents in three Pacific Northwest metropolitan areas. Most of this study's households (92%) had experienced direct selling attempts in the past three years than were reported in the Harris (1977) survey for a five-year period (88%). This study's findings also reinforce previous studies which have indicated that women make more purchases through direct selling than men do. As was the case in earlier studies by Harris and Associates (1977) and Nowland Organization (1982), consumers in this study complained about pushy, untrustworthy salespersons and about the inconvenience

(intrusiveness) of some direct selling encounters. More than in the previous studies, consumers in this study criticized the poor quality of products and services, and of follow-up service, including warranties and recourse in event of problems. On the positive side, direct selling provides, for some consumers, a set of strong attractions : personalized attention in the convenience of one's own or another's home, the chance to ask questions, and the chance to try products or have them personally demonstrated.

The study by Wotruba and Pribova (1996) reports on a survey of 1,571 households in the Czech and Slovak Republics concerning their experiences of buying from direct salespeople, their demographic characteristics and their attitudes as consumers towards direct selling. The results are also compared with similar studies in the US done in 1977 (Harris), 1982 (Nowland) and 1989 (Peterson, Albaum and Ridgway). They found that the best potential buyer are younger with higher levels of education and income and an above-average household size. Women seem more amenable to direct selling than men, perhaps because many of the products sold by direct sellers have more direct appeal to women. Buyer do attribute more advantages and fewer disadvantages to direct selling than do non-buyer in both the Czech/Slovak market and the US studies. But the relative strengths of various advantages and disadvantages differ between these two market situations. The Czech/Slovak consumers are less concerned than the US consumers with convenience and privacy intrusion and more concerned with the ability to examine the products and the difficulty in returning them if not satisfactory.

3.Research Design

3.1 Theoretical foundation

Kotler (1995) pointed that business and academic marketing researchers have invested much energy in studying the relationship between marketing stimuli and consumer response and their starting point is the stimuli-responses model shown in Figure 3-1 below.

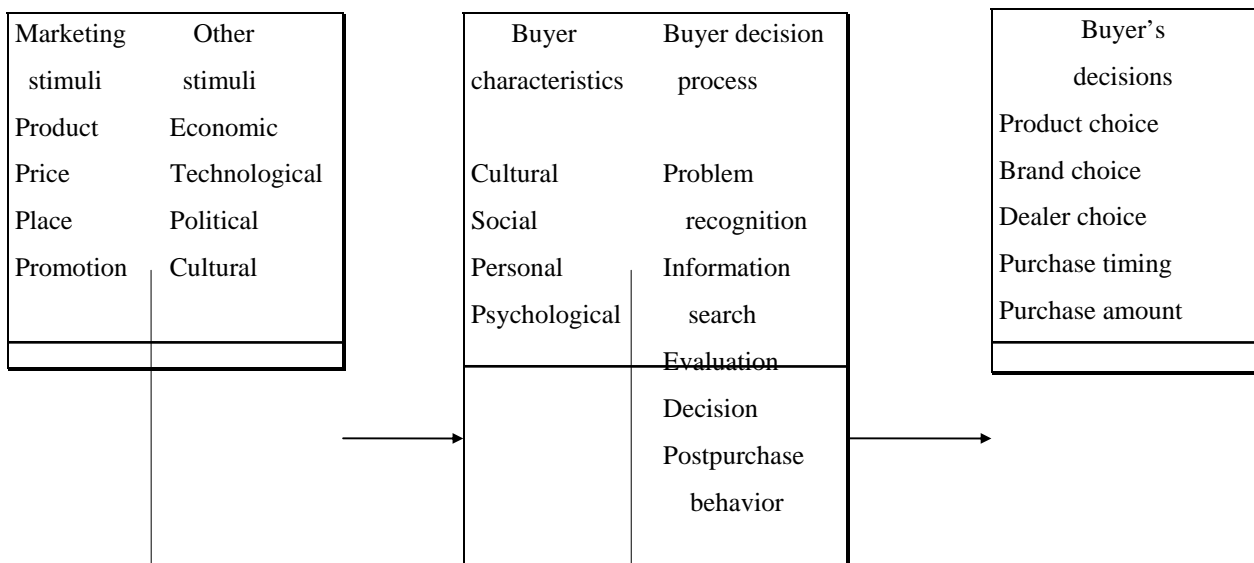


Figure 3-1 Model of Buyer Behavior

Source: Philip Kotler, Marketing Management---Analysis, Planning , Implementation , and Control, 8th, ed. 1995.

This figure shows marketing and environmental stimuli that enter the buyer's consciousness. The buyer's characteristics and decision process lead to certain purchase decisions. The consumer's satisfaction or dissatisfaction with the product will influence subsequent behavior. If the consumer is satisfied, then he or she will exhibit a higher probability of purchasing the product again. This theory is the foundation of our study.

3.2 Structure of the questionnaire

The questionnaire asked study participants about their usage experience and

satisfaction with MLM products. First, respondents were asked whether they were MLM distributor, what were their motivation of purchasing MLM products, and what were the major information source of MLM. Next, they were asked to relate the reasons for repurchasing or nonpurchasing to the products they had purchased, such as skin care product, nutrition product, personal/household cleaning product, and so forth. They were then questioned about the importance of attributes of MLM products. The final questions asked about their satisfaction on attributes between MLM and conventional marketing products.

For questions about the importance of information search, the importance of buying decision factors and the comparison of consumer satisfaction on MLM products to the similar products of traditional retail market were administered in scale format (Likert-type), requesting the respondents to rate each as very unimportant(=1), unimportant (=2), no idea (=3), important (=4) or very important (=5). (with parallel questions for importance) The score for each attribute category were summed, and the mean for each category was computed.

3.3 Population and sampling method

First, we defined the population to be the adults (over 18 years) who live in Taiwan area and who have purchased MLM products before. While care was taken to ensure that younger, middle-age and older purchasers were all included in the sample, we applied the Quota Sampling Method. Therefore, we review 1994 demographic data, and then scout Taiwan-Fukien Demographic Fact Book to determine the sample size in each age group. Next, data were collected through face-to-face interviews of 200 adult consumers (over 18 years) who had purchased MLM products in Taiwan.

Table 3-1 Age Distribution of Population and Sample

Age	Population	Samples	Percentage
18-20	1,123,352	15	7.6
21-30	3,724,742	50	25.2
31-40	3,735,519	51	25.3
41-50	2,424,305	33	16.4
51-60	1,639,427	22	11.1
over 61	2,131,346	29	14.4
Total	14,778,691	200	100.0

Source: Taiwan-Fukien Demographic Fact Book, R. O. C. 1994, published by Ministry of Interior R.O.C., Taipei, Taiwan, R.O.C.

Table 3-1 shows the age distribution of sample obtained through the quota sampling procedures mentioned above.

4. Results analysis

4.1 Respondent characteristics

The Barnowe and McNabb (1992) findings on gender showed that the percentage of females purchasers is significantly larger than that of male purchasers. Peterson et al. (1989) also found that females made up a larger percentage of purchasers (the respondents had purchased a product or service from a direct sales company) than non-purchasers, though the difference was not statistically significant. In Wotruba and Pribova's study (1996), the Czech/Slovak sample was consistent with those US findings, a significantly larger percentage of females among buyers than among non-buyers. As showed in Table 4-1, the result of this study was consistent with these findings. That is, women (64%) seem more amenable to MLM than men. In addition, buyers are found in relatively large proportions in higher education categories, higher income categories, which matches the past studies. (Nowland 1982,

Peterson et al. 1989, Wotruba & Pribova 1996)

Table 4-1 Sample Demographic Characteristics

Respondent Characteristics	Number of Respondent	Percentage
1.Sex		
male	72	36.0
female	128	64.0
2.Age		
under 20	15	7.5
21-30	50	25.0
31-40	51	25.5
41-50	33	16.5
51-60	22	11.0
60 and older	29	14.5
3. monthly household income (in NT dollars)		
up to 20,000	6	3.0
20,001-40,000	34	17.0
40,001-60,000	42	21.0
60,001-80,000	38	19.0
80,001-100,000	32	16.0
100,001-120,000	26	13.0
over 120,001	22	11.0
4.education level		
junior high school	29	14.5
senior high school	48	24.0
university or college	104	52.0
graduate school	19	9.5
5.occupation		
student	31	15.5
farmer	10	5.0
worker	36	18.0
merchant	51	25.5
self-employed	21	10.5
unemployed	15	7.5
military personnel, public servants and teachers	23	11.5
others	13	6.5

6.marital status		
	single	95 47.5
	married	89 44.5
	divorced or separated	16 8.0

Although MLM is a very popular marketing channel in Taiwan, the result shows that the number of customers who also work as independent distributors in the MLM business is 107 (53.5%), that is, many of the purchasers (46.5%) are simply consumers, who buy MLM products but have no desire to sell the products themselves.

4.2 Motivation of purchasing

Kotler (1995) indicated that a person’s buying choices are also influenced by four major psychological factors —motivation, perception, learning, and beliefs and attitudes. A motive (or drive) produces a need that makes a person to act. Frederick Herzberg (1966) developed a “two-factor theory” of motivation, which distinguishes dissatisfiers (factors that cause dissatisfaction) and satisfiers (factors that cause satisfaction). Sellers should do their best to avoid dissatisfiers and identify the major satisfiers or motivators of purchase in the market and be sure to supply them.

In this survey, the major motivations of buying MLM products perceived by the respondent which can be more than one factor are the special function of the MLM products (49.5%)and the pressure from friends or relatives (45.0%). (see Table 4-2) In other words, these satisfiers will make the major difference as to which MLM product or brand the customer buys.

Table 4-2 Major Motivations of Buying MLM Products

Factor	Number of Customers	Percentage
special function	99	49.5
pressure from friends or relatives	90	45.0
engaged in MLM for money	53	26.5
popular brand name	36	18.0
high quality product	31	15.5
good after-sales-service	25	12.5
no reasons	22	11.0
low price	20	10.0
fashionable styles	10	5.0
others	7	3.5

4.3 Source of information

Generally speaking, an aroused consumer will be inclined to search for more information. Of key interest to the marketer are the major information sources that the consumer will turn to and the relative influence each will have on the subsequent purchase decision. Consumer information sources fall into four groups: personal sources, commercial sources, public sources and experiential sources. (Kolter 1995) The relative amount and influence of these information sources varies with the product category and the buyer's characteristics. Each information source performs a somewhat different function in influencing the buying decision. The marketer should identify them and evaluate their relative importance.

For this reason, the MLM buyers were asked how they heard about the product, and the relative importance of the different information sources. As shown in Table 4-3, an examination of the five major information source of MLM indicates that friends or relatives are the most popular ones. It implies that the MLM company should set up effective communications through friends or relatives for the target market.

Table 4-3 Mean Importance Ratings of Information Source for MLM Products

Information Source	Mean	Standard Deviation
friends or relatives	4.1	0.365
salesman	3.325	0.405
radio or TV program	3.105	0.382
newspaper or magazine	3.04	0.379
DM	2.74	0.421

4.4 Types of product purchased

Based on “stage models” of the buying process, the buying process starts when the buyer recognizes a problem or a need. The need can be triggered by internal or external stimuli. (Kolter, 1995) The marketer needs to identify the circumstances that trigger a particular need. Therefore, by gathering information from a number of consumers, the MLM marketer can identify the most frequent stimuli that spark an interest in a product category.

Table 4-4 lists, in rank tiers, the product most frequently purchased through MLM. It showed that the major MLM products purchased by the respondents were skin care (75.5%), nutrition (69.5%) and personal/household cleaning (69.0%). Besides, the skin care has the highest repurchasing rate (75.5%), but the health equipment has the lowest one (33.3%). The reason might be that health equipment is an durable good while skin care product is a consumable one. It also indicates that people like to be younger, more healthy or beautiful/handsome no matter what age they are. Accordingly, the MLM marketer can develop marketing strategies that trigger consumer interest.

Table 4-4 Most Frequently Purchased Products

Rank	Product	Initial Purchasing	Repurchasing
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Tier		Rate	Rate
1	Skin care	75.5%	75.5%
2	Nutrition	69.5%	64.0%
3	Personal/Household Cleaning	69.0%	65.9%
4	Home water filter	29.5%	59.3%
5	Health equipment	25.5%	33.3%
6	Others	6.0%	---

4.5 Reasons for repurchasing, nonrepurchasing and not purchasing

After purchasing the product, the consumer will experience some level of satisfaction or dissatisfaction. What determines whether the buyer will be highly satisfied, somewhat satisfied, or dissatisfied with a product? The buyer's satisfaction is a function of the closeness between the buyer's product expectations and the product's perceived performance.(Kolter, 1995) The larger the gap between expectations and performance, the greater the consumer's dissatisfaction. The consumer's satisfaction or dissatisfaction with the product will influence subsequent behavior. If the consumer is satisfied, then he or she will exhibit a higher probability of purchasing the product again.

Table 4-5 shows the major factors of repurchasing , not repurchasing and not purchasing MLM products at all. It indicates that effectiveness and high price are the main reasons for the respondents to repurchase or not repurchase MLM products, respectively. It means that the MLM marketers can minimize the amount of consumer postpurchase dissatisfaction by decreasing price. Although the respondents in this paper were the consumers who had bought from MLM channel in Taiwan, consumers tended to purchase some kinds of MLM products, but not for all of them. Thus, we found that the consumer didn't purchase nutrition product or skin

care product because of unreliable quality; while no contact and high price were the main reasons for not purchasing personal/household cleaning product, health equipment and home water filter. Obviously, the MLM marketer should enhance the quality guarantee and increase the communication with potential consumer to meet buyer needs.

Table 4-5 Major Factors for Repurchasing, Nonrepurchaing and Not Purchasing MLM Products

	Nutrition	Skin care	Personal / Household Cleaning	Health Equipment	Home Water Filter
repurchase	effectiveness	effectiveness	effectiveness	popular brand name	effectiveness
	popular brand name	high quality product	high quality product		
		reasonable price			
not repurchase	high price	high price	high price	high price	high price
	ineffectiveness	ineffectiveness			bad after-sales-service
not purchase	unreliable quality	unreliable quality	no contact	high price	high price
	high price			no contact	no contact

4.6 Importance of attribute

There is no simple and single evaluation process used by all consumers or even by one consumer in all buying situations. In fact, most buyers will consider several attributes but place different weights on them . If we knew the importance weights that consumers attached to those attributes, we could more likely predict their choices.

Table 4-6 lists, in rank tiers, the attributes importance of buying MLM products. High quality product, reasonable price and refund policy occupy the upper tiers of the attributes which influence consumer’s behavior. Knowing this, the marketer could apply several strategies to influence people to have a greater interest in MLM

products.

Table 4-6 Mean Ratings of Attributes Importance for MLM Products

Rank Tier	Factors	Mean	Standard Deviation
1	high quality product	4.82	0.089
2	reasonable price	4.705	0.144
3	refund policy	4.685	0.188
4	good after-sales-service	4.645	0.179
5	reputation of company	4.575	0.177
6	visible object	4.42	0.247
7	popular brand name	4.265	0.257
8	likable salesperson	4.035	0.317
9	quick deliveries	4.005	0.347
10	wide selection	3.805	0.428
11	payment variety	3.57	0.458
12	elegant packing	3.225	0.302

4.7 Satisfaction of attributes between MLM and conventional marketing products

Consumers, of course, vary in the way they buy a given product. Some consumers will spend a great deal of time seeking information and making comparisons; others will go straight to a retailing store and buy any recommended brand. In order to find the main reasons for consumer to buy from MLM company or traditional retailing store, we compare the satisfaction of attributes between MLM and conventional marketing products. It shows that the consumer satisfaction on “good after-sales-service”, “payment variety”, “high quality product”, “likable salesperson”, and “refund policy” is stronger for MLM products than for the similar products in traditional retailing store.(see Table 4-7) Combining the analysis of attributes importance in 4.6 with this result, clearly, MLM company should pay more attention to improve the price image to attract more buyers.

Table 4-7 Consumer Satisfaction with Product Attributes Between MLM and Traditional Market

Attributes	MLM Products		Traditional Products	
	Mean	Standard Deviation	Mean	Standard Deviation
high quality product	3.795	0.331	3.295	0.329
reasonable price	3.035	0.672	3.145	0.337
refund policy	3.96	0.469	2.945	0.631
good after-sales-service	3.785	0.494	2.885	0.441
reputation of company	3.695	0.311	3.595	0.280
visible object	3.66	0.367	3.8	0.25
popular brand name	3.62	0.338	3.66	0.257
likable salesperson	3.90	0.335	2.98	0.430
quick deliveries	3.675	0.330	3.45	0.299
wide selection	3.565	0.398	3.65	0.289
payment variety	3.42	0.377	3.075	0.350
elegant packing	3.365	0.311	3.415	0.166

4.8 Summary of analysis

According to the importance measure and consumer satisfaction analysis, the MLM product attributes can be divided into 4 categories:

1. Need to keep current good standards (attributes that are very important and satisfied) : “refund policy” , “high quality product” , “good after-sale service” and “reputation of company”.
2. Need urgent improvements (attributes that are important, but dissatisfied) : “reasonable price”.
3. Need less-urgent improvements (attributes that are unimportant and dissatisfied) : “visible object”, “elegant packing” , “wide selection” , “payment variety” and “popular brand name”.
4. Need to revise current strategies (attributes that are unimportant, but satisfied :

“quick deliveries” , “likable salesperson”.

5. Conclusion and Suggestion

MLM purchasers in this study were found to have more income with higher levels of education. The findings in this study also reinforce previous studies which have indicated that women make more purchases through direct selling than do men. In addition, the investigation shows that the major motivation factors of purchasing MLM products are “special functions of the products” and “pressure from friends or relatives”, and the majority of the buyers got the information from friends, relatives or salesmen.

We also found that the major MLM products purchased by the respondents were for skin care, nutrition and personal/household cleaning. The skin care product has the highest repurchasing rate, but the health equipment has the lowest one.

The most important factor determining whether the respondents repurchase or not is the “effectiveness”; and the “high price” is the main reason for nonpurchasing or not repurchasing.

It also shows that the consumer satisfaction with MLM products attributes is stronger than that of the similar products in conventional market in “likable salesperson”, “quick deliveries”, “good after-sales-service”, “payment variety”, “high quality product”, “reputation of company” and “refund policy”.

According to the importance measure and the consumer satisfaction analysis, we can divide the MLM product attributes into 4 categories: 1. keeping current good standards; 2. urgent improvements; 3. less-urgent improvements ; 4. revising current strategies.

The consumer research conducted by Nowland (1982) tells us that the MLM

industry is not going to move ahead as fast as it could if it continues to exhibit a “wholesaling” mentality and widespread lack of a “retailing” orientation in the full sense. On the other hand, the industry can experience sales growth beyond anything it has accomplished to date if it better dovetails itself with today’s buyers. A study conducted by Gottlib, J. B. Grewal, D. Brown, S.W. (1994) indicated that perceived quality affects satisfaction and behavioral intentions is affected by satisfaction. Thus, we suggest that people who are going to open an MLM company have to make some guarantee on the quality of product to secure the consumer’s right.

Furthermore, Hunt K. A. and Keaveney, S. M. (1994) used a model to explain the process by which consumer satisfaction or dissatisfaction with price promotions can influence brand image. The key point in his model is the recognition that price promotions might have both positive and negative effects. That model indicated that a consumer will experience dissatisfaction if the value of the price promotion does not exceed the cost of obtaining the price deal or if it does not lower the effective purchase price below the consumer’s internal reference price. In this case, brand images may be updated to reflect lower brand value. Recognizing these long-term effects on brand image, MLM managers must be careful to design and implement price promotions that create customer satisfaction.

Additionally, consumers in this study complained that some MLM products in terms of quality were no difference from those sold in traditional market, but the prices were higher. Therefore, in addition to trimming the price, MLM company may emphasize that the “effectiveness” on MLM product is different from that on traditional market product to attract not purchasing consumers. Further, most of the consumers thought that the decision of purchasing cleaning products is usually made

by housekeeper, MLM company can deliver the samples to housekeeper, and keep in contact with the housekeeper to find more potential consumers.

According to the four categories of the MLM product attributes derived in this study, MLM company should keep the current condition rather than pay more attention to these attributes, such as “high quality product” and “refund policy”, and should invest a lot of resources in “reasonable price” and “visible object”, and consider to revise their strategies in “quick deliveries”, “likable salesperson”.

Although this research represents an important step in the study of consumers who buy from MLM channel in Taiwan, it does, however, have some weaknesses. Because the sample size is rather small, there may be some sampling bias. In addition, the population is those who have purchased the MLM products before, the potential customers are excluded.

Future research should again focus on the relationships between how consumers from different countries and cultures characterize their decision making to confirm the results found here and to provide generalizability to other cultures. The study presents evidence that customer research can enhance repurchase behavior, but does not address whether personal selling, newspaper, magazine, radio/TV program or DM or a combination of these is best for MLM. Finally, future research needs to understand what activities have effects on the firm’s image, and how negative effects can be avoided.

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