

# Comparisons of Salespeople in Multilevel vs. Single Level Direct Selling Organizations

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This study is the first to explore the differences in demographic, behavioral, and attitudinal characteristics of direct selling salespersons in multilevel (ML) versus single-level (SL) types of direct selling organizations. A study with 469 ML and 204 SL direct salespersons in the UK showed numerous differences between these two groups that are reported and discussed. Implications for managers and members of direct selling organizations are provided.

Direct selling is a marketing method exhibiting substantial growth in sales revenues, and is particularly noteworthy because it involves so many salesperson participants. Defined as "face-to-face selling away from a fixed retail location" (Peterson and Wotruba 1996, p. 2), direct selling organizations in the U.S. grew in sales volume from \$16.5 billion in 1994 to \$25.6 billion in 2000 according to the trade association representing U.S. direct selling organizations (Direct Selling Association US 2001). That same source reported that the number of salespeople participating in this activity in the U.S. grew from 6.3 million in 1994 to 11.0 million in 2000. Worldwide sales by direct selling organizations reached nearly \$84 billion from the efforts of over 40 million salespeople in 49 countries (World Federation of Direct Selling Associations 2001). Direct salespeople 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. Clearly, direct selling is a business activity of significant importance both in financial and human terms.

Of particular note has been a shift in the nature of direct selling organizations. This shift involves the relative incidence of the two types of organization structures, identified as multilevel and single level (Berry 1997; Biggart 1989; Brodie, Stanworth, and Wotruba 2002; Peterson and Wotruba 1996). In a multilevel (ML) organization, direct salespeople recruit, train, and supervise other direct salespeople who become part of the recruiter's downline. In return, the recruiting salesperson receives compensation on the sales of downline members as well as on his or her own sales. In a single level (SL) organization, the salespeople 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. In 1990, the proportion of member firms of the U.S. Direct Selling Association that had ML organization structures was about 25%, with 75% being SL in nature. In 2000, however, the corresponding proportions were 78% ML and only 22% SL. Worldwide data are not available on this shift, though a recent report on direct selling in the UK shows that the share of total sales by ML organizations has grown substantially over the decade of the 1990s there as well (Direct Selling Association UK 2000).

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## Purpose of this Study

The purpose of the current study is to determine whether salespeople in ML types of direct selling organizations differ from those in SL types of organizations on behavioral, motivational, or descriptive characteristics reported in prior research for direct salespersons in the aggregate. The extent to which such differences occur can have major implications for recruiting practices, as well as sales force management issues of training, supervision, and motivation. Prior research regarding direct salespeople in the aggregate has investigated characteristics such as job satisfaction, performance, effort, organizational commitment, met expectations, propensity to quit, and some demographic measures (Beltramini and Evans 1988; Brown and Peterson 1994; Tyagi and Wotruba 1993, 1998; Wotruba 1989, 1990a, 1990b; Wotruba and Tyagi 1991, 1992). The aim of the present study is to measure these same variables in a research design that will provide comparisons and allow distinctions between ML and SL salesperson groups.

This exploratory research is not hypothesis-driven. It is based on the premise, however, that there are differences

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between salespeople in ML and SL direct selling organizations because of the different natures of these organizations. The salesperson in a ML organization has more management and administrative responsibilities for those recruited into his or her downline, while the salesperson in a SL organization has no organization or downline and is focused entirely on selling. These differences may lead to corresponding and identifiable differences in the characteristics of salespeople in these positions, such as the job characteristics they value and how well their expectations are met. Subsequent studies can then investigate the differences within a more focused theoretical framework and propose more specific recommendations for managing these sales organizations and improving their achievement of company objectives.

### Existing Studies

Research on all aspects of direct selling has been sparse (Albaum 1992; Peterson and Wotruba 1996). The research studies that do exist have not distinguished between ML and SL modes of operation nor drawn any comparisons of salespersons' characteristics in each type of organization. In fact, an entire issue of the *Journal of Marketing Channels* (1992) was devoted to direct selling, and none of the articles discussed ML or SL modes of organization or comparisons between them. A detailed profile of direct salespeople was presented by Bartlett (1994), based on research done for the U.S. Direct Selling Association, but no comparisons between ML and SL salespeople were noted. Grayson (2000) studied direct sellers in Germany and the UK, but made no distinction between ML and SL salespeople. Recently one article appeared focusing specifically on the ML type of organization, but it likewise offered no comparisons between ML and SL salespeople in terms of behavior, motivations, or descriptive characteristics (Coughlan and Grayson 1998).

To the extent that differences exist between direct salespeople in ML versus SL organizations, research results from prior studies may not be comparable or consistent over time. For instance, studies of direct salespeople in the aggregate in the early 1990s or before are likely to be heavily weighted by respondents in SL firms and more typically reflective of conditions in SL organizations, while studies from later years are more likely to be heavily weighted with ML salespeople reflecting their characteristics and organizational settings. Suggestions that such differences may exist are found in a study done for the U.S. Direct Selling Association (Wirthlin 1997). This was the first study for that association recognizing possible differences between ML and SL salespeople. Wirthlin (1997) noted that the proliferation of multilevel companies was primarily a recent phenomenon, and observed that direct sellers under "traditional" (that is, SL) systems were more likely to enjoy selling, while direct sellers in ML systems were more likely involved for financial gain. In addition, the study reported that direct sellers in SL firms had longer tenure on average and worked more hours per week than did those in ML organizations. No other contrasts were noted between ML and SL groups in that study, however. The current study attempts to augment Wirthlin's (1997) work.

### Research Methodology: Sample and Data Collection

Cooperation was obtained from 22 member companies of the Direct Selling Association in the UK to provide respon-

dents for the study. Each company agreed to send a mail questionnaire to their salespeople who were within their first month of association with the company. This was done because substantial attrition occurs among direct salespeople after their first few months of activity, and persons receiving the questionnaire who had already quit their direct selling activity were considered less likely to respond. Selection of companies was based on attaining adequate representation of ML and SL salespeople while recognizing that companies varied in size and would not all be able to provide an equal number of respondents.

The participating companies were as follows:

Amway (ML)	NSA (ML)
Ann Summers (SL)	NuSkin (ML)
Betterware (SL)	NutriMetics (ML)
Cabouchon (ML)	Oriflame (ML)
Dorling Kindersley (ML)	Pippa Dee (SL)
Encyclopedia Britannica (SL)	Princess House (SL)
Herbalife (ML)	Studio Dee (ML)
Kirby (SL)	Tupperware (SL)
Kleeneze (ML)	Vorwerk (SL)
Mary Kay Cosmetics (ML)	World Book Childcraft (SL)
Nature's Sunshine (ML)	World Book Learning Journey (ML)

Each company mailed a questionnaire to their participants that included a cover letter from the researcher and a postage-paid return envelope addressed to the researcher at a UK university. A total of 4,050 potential respondents were mailed questionnaires by the 22 companies, and 722 responses were received for a response rate of 18%. Of this number, 469 were ML and 204 were SL salespeople. The remaining 49 did not report their company affiliation or type of organization and were excluded from the tabulations in this study. Of those who could be categorized, 69.7% (469/673) were ML and 30.4% were SL. A recent UK direct selling report (Direct Selling Association UK 2000) indicated that 67.2% of UK Direct Selling Association member firms were ML. Fifty-nine percent of the companies in this study were ML.

Respondents were offered no inducement to respond, except that a copy of the summary statistics would be sent to those who provided a name and address. Two-thirds of the respondents requested this summary. The results were tabulated for the first 200 responses received, then for the next 300, and finally for the last 222 received. Comparisons done among these sets of responses to assess possible nonresponse bias (Armstrong and Overton 1977) showed no significant differences on the construct measures between any of these respondent groups.

### Research Methodology: Variables

To maintain conformity with past research on direct salespeople in general, the variables chosen for this study are similar to constructs used in past studies. Thus, the following variables were selected for measurement (summarized in Table 2).

*Job characteristics.* Respondents were asked to assess the importance of 26 job characteristics, the same list used by Wotruba and Tyagi (1992). Respondents rated each characteristic on a five-point scale ranging from "1"=not at all important to "5"=extremely important.

*Job satisfaction.* A nine-item job satisfaction scale was used, based on the job satisfaction subscales of the Job Diagnostic Survey (JDS) developed by Hackman and Oldham (1974, 1975) and used to study direct salespeople by Wotruba (1990b).

**Table 1**  
**Comparison of ML vs. SL Respondents on Various Respondent Characteristics**

<i>Characteristic</i>	<i>ML</i>	<i>SL</i>	<i>Total</i>	<i>Significance of Difference<sup>a</sup></i>
Percent full-time or self-employed prior to start of direct selling activity	50.9%	24.0%	42.7%	.0001
Percent with previous selling experience	42.6	51.7	45.4	.034
Percent with five years or more work experience prior to start of direct selling activity	73.8	63.5	70.7	.035
Percent with other job in addition to direct selling	64.3	34.5	55.2	.0001
Percent for whom direct selling is primary work activity	32.4	62.4	41.4	.0001
Percent who would seek another work activity if no longer involved in direct selling	20.6	9.0	17.0	.001
Percent who work with more than one direct selling company	15.2	10.9	13.9	.092
Percent female	71.2	73.5	71.9	.297
Percent with college or post graduate degree	26.3	11.5	21.8	.0001
Percent married or living as married	69.5	67.1	68.8	.207
Median hours per week devoted to direct selling	6.7	9.4	7.6	.0001
Mean intention to quit (where 1=never thought about quitting; 6=no longer active)	1.75	2.07	1.87	.011
Median age	37.3	33.3	36.0	.013
Median income	£21,229	£15,351	£19,212	.0001

<sup>a</sup> Based on chi-square test comparing ML vs. SL on the distribution of their responses among response choices for each question. Abbreviated or summarized results are shown here. An extended table with the full distribution of responses for each choice on each question is available from the authors.

These items were measured with five-point scales anchored with "1"=extremely dissatisfied to "5"=extremely satisfied.

*Organizational commitment.* The fifteen-item scale termed the organizational commitment questionnaire (OCQ) developed by Porter et al. (1974) was used because it was employed in a study of direct salespeople by Tyagi and Wotruba (1993). These items were measured with five-point scales anchored with "1"=strongly disagree to "5"=strongly agree.

*Met expectations.* The construct of met expectations was measured with the 25 items used by Wotruba and Tyagi (1991) in their study of direct salespeople. For each item, respondents were asked to assess their actual experience to date compared with what they had expected, using five-point scales ranging from "1"=very much less than I expected to "5"=very much more than I expected.

*Image of direct selling.* A set of twelve items somewhat unique to direct selling was employed as used in a study of direct salespeople reported by Wotruba (1990a). Respondents were asked to give their impression of how people feel about direct selling and direct salespeople. Specifically, each respondent was not to give his or her own impression, but rather express what portion of people would agree with each image statement. Choices included 1=all or nearly all, 2=most but not all, 3=just about half, 4=some but not half, and 5=none or almost none.

### Findings: Characteristics of Respondents

Each respondent was asked to indicate his or her demographic categories as well as a variety of work- and experience-related measures. Included in these measures was a measure of propensity to quit the direct selling job (Tyagi and Wotruba 1998; Wotruba 1990a, 1990b; Wotruba and Tyagi 1991) with

larger values indicating greater likelihood of quitting. These results are summarized on Table 1. Of the fourteen characteristics measured, eleven showed a significant difference between SL and ML respondents at the  $p \leq .05$  level or greater.

As compared with MLs, SLs are younger, lower in income, less educated, less likely to have work experience prior to their direct selling job, and have fewer years of total work experience. In addition, SLs are less likely than MLs to have other jobs in addition to their direct selling activity and also less likely to be involved with multiple direct selling companies. SLs are more likely than MLs to have prior selling experience and to consider their direct selling activity as their primary work activity. Further, SLs devote more hours per week to direct selling than do MLs. But paradoxically, SLs are less likely than MLs to seek another work activity if they were no longer involved in their direct selling job and SLs are somewhat more prone to thinking about quitting their direct selling activity than are MLs. No significant differences between MLs and SLs occurred on gender or marital status.

### Findings: Variables

Each multi-item construct was factor analyzed to identify dimensions or subscales that might aid in interpreting the results. All constructs except job satisfaction were found to produce subscales, and these results are shown on Table 2. That table also reports the coefficient alpha reliability measures for each subscale as well as the mean scores for ML and SL respondents and the significance of difference between those means as determined by t-tests. Individual items comprising each construct and its component factors are found in Appendix A, together with their mean scale scores and factor loadings.

Table 2  
Comparison of ML vs. SL Respondents on Constructs and Factors

Constructs and Factors (Subscales)	Eigenvalue	Number of items	Alpha	Mean (S.D.) for		Significance of Difference
				ML	SL	
<i>Job Characteristics:</i>						
Factor 1: Proving oneself to others:	10.61	10	.893	33.29 ( 7.75)	35.68 ( 6.78)	.0001
Factor 2: Personal feelings of success:	1.74	7	.866	27.18 ( 4.83)	27.22 ( 4.19)	.91
Factor 3: Work rewards and career growth:	1.21	5	.800	19.42 ( 3.75)	19.44 ( 2.83)	.94
Factor 4: My own boss; in control:	1.08	3	.560	11.54 ( 1.99)	11.66 ( 1.75)	.45
<i>Job Satisfaction:</i>						
Only one factor		9	.894	33.73 ( 5.41)	33.10 ( 5.47)	.18
<i>Organizational Commitment:</i>						
Factor 1: Involvement and loyalty:	6.44	9	.892	32.79 ( 5.90)	31.56 ( 6.10)	.02
Factor 2: Propensity to leave:	1.46	6	.742	22.39 ( 4.02)	20.99 ( 3.82)	.0001
Total scale:		15	.899	55.24 ( 8.97)	52.61 ( 9.03)	.001
<i>Met Expectations:</i>						
Factor 1: Personal growth and well-being:	8.72	7	.905	23.66 ( 4.56)	22.63 ( 4.40)	.009
Factor 2: Achieving and accomplishing results:	1.95	9	.865	30.11 ( 5.47)	29.61 ( 5.16)	.30
Factor 3: Job and its image and rewards:	1.62	4	.570	12.34 ( 2.29)	12.41 ( 2.20)	.75
Factor 4: Undesirable job characteristics:	1.06	5	.542	13.75 ( 2.37)	14.26 ( 2.20)	.01
Total scale:		25	.884	80.07 ( 10.78)	79.15 ( 10.31)	.35
<i>Image of Direct Selling:</i>						
Factor 1: Hard sell, misleading, illegal:	3.06	7	.779	23.55 ( 5.02)	23.66 ( 5.84)	.83
Factor 2: Advantages to buyers and sellers:	2.21	3	.576	7.95 ( 2.30)	8.06 ( 2.32)	.59
Factor 3: Better salespeople than retail stores:	1.02	2	.584	7.05 ( 1.79)	6.98 ( 1.79)	.67
Total scale:		12	.694	38.52 ( 6.24)	38.68 ( 6.72)	.78

Notes: The job characteristics items were not originally devised to form a scale, so no total scale results are reported for that construct. One job characteristics item did not load above 0.4 on any factor. Descriptive phrases for factors were devised by the authors based on the nature of items loading on each factor. Scores for items in Factor 2 of Organizational Commitment, Factor 4 of Met Expectations, and Factors 2 and 3 of Image were reversed so that larger values reflect more positive attitudes. A complete listing of items and factors is found in the Appendix. Significance is based on t-tests.

*Job Characteristics.* Table 2 indicates that the 26 job characteristics items represented four dimensions of job characteristics, and thus four subscales, as determined by the factor analysis. Three of the four produced satisfactory reliability measures, larger than the .6 considered acceptable for exploratory research (Nunnally 1967), but only one of these three showed a significant difference between ML and SL salespeople. Subscale one was significantly more important for SL respondents than for ML respondents. Based on the nature of the items comprising subscale one (see Appendix A), the term "proving oneself to others" was used to describe it. Thus, the importance of proving oneself to others was significantly greater for SL respondents than for ML respondents. Descriptive phrases for the other three subscales are also provided in Table 2.

It should be noted that one of the 26 job characteristics items did not load on any factor, as indicated in Appendix A, and is therefore not represented in Table 2. This item was: "Involves selling a product which is highly competitive." SL respondents (mean=3.86, s.d.=0.87) also found this item to be significantly ( $P<.001$ ) more important than did ML respondents (mean=3.59, s.d.=1.03).

*Job Satisfaction.* Table 2 shows that the nine-item job satisfaction scale did not divide into subscales, as the factor analysis produced only one factor. This scale showed good reliability, but the difference between SL and ML respon-

dents was not statistically significant on this scale overall. Though not reported in the table, ML respondents did show significantly ( $p<.05$ ) greater satisfaction than did SL respondents on two individual items: "The chance to help other people" (means: SL=3.80, ML=3.98; s.d.: SL=0.79, ML=0.80) and "How secure things look for me in the future" (means: SL=3.28, ML=3.44; s.d.: SL=0.89, ML=0.93).

*Organizational Commitment.* Table 2 reports that the 15-item organizational commitment scale produced two subscales in the factor analysis. Interestingly, the difference in these two subscales corresponds to the differences in direction of wording of the items. As shown in Appendix A, six of the 15 items are worded negatively and interspersed among the other nine to reduce possible bias resulting from a halo effect. The factor analysis produced a nine-item subscale consisting of the positively-worded items and a six-item subscale incorporating the negatively-worded items. The scale responses on the negatively-worded items were reversed (that is, 1=5, 2=4, etc.) so that a more positive indication of commitment is represented for all scale items by a larger scale value. This allows for the combining of all 15 items to produce aggregate scale measures with internal consistency. On both subscales, as well as on the total 15-item scale, ML respondents demonstrated significantly greater commitment than did the SL respondents. Satisfactory alpha measures of reliability occurred in each case.

*Met Expectations.* Table 2 indicates that the 25-item met expectations scale factored into four subscales, though only two of the four (plus the aggregate of all items) produced satisfactory reliability measures. And while two of the four subscales showed a significant difference in mean scores between SL and ML respondents, only one of those two subscales, defined by factor 1, was accompanied by satisfactory reliability. Based on the nature of items in each subscale as reported in Appendix A, each subscale was described with the phrases shown in Table 2.

Subscale one ("Personal growth and well-being") represented expectations that were met to a significantly greater degree for ML than for SL respondents. It is interesting to note that, as in the organizational commitment findings, items considered to be negative or undesirable to respondents grouped together in factor 4. These were items for which a larger scale value (that is, a 4 or 5 indicating that the respondent experienced more than expected) was deemed undesirable. Based on the factor analysis results, the scale responses on these items were reversed so that more positive (or less negative) experiences are represented by larger scale values throughout the 25-item scale. A factor analysis using the reversed scale responses confirmed the same four-factor pattern. Even though the alpha measure for subscale four is low, it is interesting to note that SL respondents indicated more positive experiences than did MLs on these undesirable job characteristics. When all 25 items are aggregated into one scale, the mean responses are not significantly different between ML and SL respondents.

*Image of Direct Selling.* Finally, Table 2 indicates that the twelve-item image scale represented three groups of items based on the factor analysis. Only one of these three subscales produced a satisfactory alpha measure of reliability, and none of the three subscales nor the aggregate scale of all twelve items showed a significant difference between ML and SL respondents. The scale responses on the five items in subscales two and three were reversed so that larger scale values reflected a more positive image of direct selling, as was the case with the items in subscale one. This was done so that when all twelve image items were combined in the aggregate scale, larger values consistently contributed to a more positive image impression.

## Discussion

This study shows that there are several differences between direct salespeople in ML and SL organizations. SL salespeople place significantly greater importance on those job characteristics involving proving themselves to others, such as demonstrating responsibility, gaining attention and support from supervisors, and earning the respect, recognition, and even friendship of others. Because SLs are younger, less educated, less experienced, and lower in income, they may lack the self-confidence and even self-esteem possessed by their ML counterparts.

The greater importance SLs attribute to proving themselves to others may reflect an underlying desire to increase their self-confidence through work experience. Somewhat congruent with this pattern is the greater importance to SLs of selling a product that is highly competitive, since selling such products would boost their confidence as well. It appears that SLs may be somewhat disappointed with their experiences regarding these job characteristics, however. Subscale one of the met expectations construct includes many items similar to those in subscale one for job characteristics, and SLs report

significantly lower met expectations than do MLs on this subscale. MLs, on the other hand, place less importance and report greater meeting of their expectations on these met expectations items than do SLs. Perhaps these results at least partly explain why SLs show a significantly greater intention to quit than do ML salespeople.

Substantial differences between SL and ML salespeople are found also with regard to organizational commitment. MLs show significantly greater commitment than do the SL salespeople. This difference is especially pronounced for the negatively-worded "propensity to leave" items comprising subscale two of this construct, because the MLs' responses indicated even stronger commitment on these items than on the positively-worded items in subscale one. These results can be interpreted in light of the differences in the nature of the ML versus SL job activities. SL salespeople are essentially independent contractors running their own business activity that focuses on selling the products or services made available from a direct selling company. Unlike the MLs, the SLs do not assemble a cadre of other direct salespeople into their own organization or downline. Their success is a function of their own selling skill and how effectively and confidently they put it to use. For instance, one of the component items in job characteristics subscale one involves the opportunity to develop one's selling skills, and this single item was rated significantly more important ( $p < .001$ ) by SLs than by MLs.

In contrast, ML salespeople recruit other salespeople, who in turn recruit others, and so on, to form a multi-level organization in which each person benefits from the efforts of those in succeeding levels. Thus, to the ML salesperson, organizational commitment might be interpreted as commitment to the organization he or she is creating. Personal selling is not the only focus, and often not even a dominant focus. For the ML salesperson, a challenge is to build and maintain one's organization, and thereby benefit from the work of those in one's downline. While the SL salesperson equates success with outcomes achieved from selling products to customers, the ML salesperson attains success through intrinsic feelings of personal satisfaction from effectively recruiting, training, and motivating others to form a productive and growing organization.

Differences between MLs and SLs on job satisfaction and image of direct selling were not large enough to be significant. But even though MLs and SLs did not differ significantly on job satisfaction overall, MLs showed significantly ( $p = .009$ ) greater satisfaction on the individual item in that scale concerning the chance to help other people (means: SL=3.80, ML=3.98; s.d.: SL=0.79, ML=0.76). Since the ML salesperson's organization is a personal outgrowth of his or her efforts to help other salespeople succeed, he or she may be especially adverse to statements such as those in organizational commitment subscale two containing negative connotations about that organization.

Additional observations can be drawn based on the characteristics of respondents reported in Table 1. SL salespeople are significantly more likely than MLs to consider direct selling as their primary work activity. Their emphasis on the selling activity is supported by their greater likelihood of having previous selling experience, and may help to explain why they devote more hours per week than MLs to their direct selling activity. While this work may be viewed by SLs as a vehicle to prove themselves to others, their experienced lower commitment and met expectations may be reasons why significantly fewer SLs would seek another work activity if they were no longer involved in direct selling.

As already noted, MLs are older, higher educated, have higher incomes than do SLs, and also have more years of total work experience. These factors suggest that MLs may have evolved further than the SLs along the path from a tactical focus on completing tasks to a strategic focus on facilitating the completion of plans through others. MLs may have gained higher levels of self-confidence and perhaps possess greater self-esteem. Additionally, MLs are more likely involved in other jobs as well as with other direct selling companies. They do not center their efforts 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. These patterns can be interpreted as suggesting again that SLs have a stronger focus on achieving results through personal efforts of selling specific products or services while MLs may have moved beyond a need to achieve sales results and view the process of building and nurturing a direct selling organization (or numerous such organizations) as intrinsically motivating.

### Implications for Managers

Comparisons of respondent characteristics in Table 1 indicate some significant differences in the profiles of persons in ML and SL direct selling organizations. Even though direct selling companies place few restrictions on the types of persons who can join their sales forces, Table 1 suggests that direct selling companies with a single-level organization might wish to focus recruiting efforts in population segments with younger and less highly educated persons who are less experienced in prior full-time work and are more likely to view direct selling as their primary work activity. Multilevel organizations may be more attractive in population segments with persons who have greater full-time work experience, are somewhat older, more highly-educated, and wish to maintain another job in addition to their direct selling work. This profile can be passed along in training programs to ML salespeople who are interested in recruiting to build their own downline organizations.

Training for SL salespeople might place greater emphasis on sales skills, product knowledge and competitive advantage, self-motivation, and confidence-building activities. Such activities might also involve motivational programs that help SLs set a series of short-term sales goals so they can focus on building their confidence incrementally through a pattern of increasing achievements. Recognition programs highlighting these achievements may also contribute to boosting confidence and reducing turnover. Compensation payments to SLs should be administered frequently to provide repeated reinforcement of their progress. Contests, if used, should stress individual performance and competition against a personal standard rather than against others in a group.

For the ML organization, these results suggest that activities building group commitment can be valuable. Group meetings of those within a ML salesperson's downline can be scheduled periodically to share experiences in selling or recruiting. Communications or newsletters highlighting group achievements in sales or recruiting can be effective in reinforcing organizational commitment, along with the discussion of training and supervisory techniques that can be applied by each member with new recruits. Even social activities that reinforce affiliation within the group are useful to consider.

### Limitations and Future Research

This study is exploratory in nature, and comments in the discussion and implications for managers above represent possible areas for more conclusive research. Further, this study is cross-sectional in design, so causal relationships cannot be strongly inferred. Whether the demographic differences between SL and ML salespeople are causally related to their attitudinal differences, for example, remains to be examined in the proper research design.

In addition, this study involves respondents in the UK. Direct selling in the UK, the US, and many other countries is basically similar and follows the guidance of the World Federation of Direct Selling Associations, a global professional association. But it is possible that similar research done in other countries or cultural settings might produce different results, which would be of interest to managers in direct selling firms that operate internationally. For example, consumers in China place relatively more importance on the nature of their personal relationship with the direct seller than do consumers in other countries such as Australia (Luk, Fullgrabe, and Li 1999; Merrilees and Miller 1999). This may reflect cultural differences among countries, though legal and organizational differences exist as well. Currently, ML forms of direct selling have been banned in China, and SL direct sellers in that country are not independent contractors but rather company employees working from fixed retail locations (Chan 1999).

Future studies should explore cultural differences as well as other variables. For instance, this study did not involve any measure of performance by ML or SL salespeople. Performance measures in direct selling offer some challenges, however, because different persons in these jobs have different expectations and motivations for taking on this activity (Wotruba and Tyagi 1992), and success for one (for example, desiring high income) might be very different from success for another (for example, wanting to making new friends). The results here support that observation, as reflected in the differences in measures of the importance of job characteristics, organizational commitment, and met expectations. From a management viewpoint, however, some measures of management objectives might serve as performance measures in future studies. These include sales volume generated, longevity, and inactivity or turnover. For ML organizations, additional measures might be chosen to reflect recruiting behavior of salespeople. Finally, other behavioral and attitudinal variables might be considered that have not been used in previous studies of direct salespeople. Self-esteem and self-confidence, as already mentioned, might be singled out for study in more detail. Another example is a measure of locus of control. It is possible, for instance, that those with external local of control are less likely to succeed or feel satisfied with this job than those with strong internal locus of control. Perhaps MLs and SLs are different in their locus of control orientation as might be inferred from the results in this study.

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**Appendix A**  
**Items (with Total Sample Means) Comprising Construct Factors and Their Factor Loadings**

Construct, Factor, Items, and Mean Score	Factor Loading <sup>a</sup>
<i>Job Characteristics (1=not at all important; 5=extremely important):</i>	
Factor 1:	
Receiving attention and appreciation from my supervisors. (3.47)	.798
Provides respect of my fellow salespersons for my performance. (3.29)	.673
Support from my supervisors will be available. (3.93)	.644
Provides the opportunity to work closely with others on a team. (3.33)	.612
Show I can deal with responsibility. (3.42)	.603
Provides opportunity to earn special awards or recognition for good performance. (3.63)	.590
Has high prestige in the eyes of my family and friends. (2.72)	.582
Provides an opportunity to go to sales meetings and conventions. (2.99)	.572
Provides specific opportunities to develop my selling skills. (3.52)	.515
Provides an opportunity to make friends. (3.71)	.454

(continued)

**Appendix A (continued)**  
**Items (with Total Sample Means) Comprising Construct Factors and Their Factor Loadings**

<i>Construct, Factor, Items, and Mean Score</i>	<i>Factor Loading<sup>a</sup></i>
<b>Factor 2:</b>	
Provides an opportunity to be creative and innovative. (3.84)	.713
Makes use of the skills I have. (3.79)	.607
Provides me with feelings of self-fulfillment. (3.78)	.596
Working with a company with which I am proud to be associated. (4.08)	.583
Provides an opportunity in which success depends greatly on effort. (4.08)	.531
Helps increase my self-esteem. (3.60)	.525
Provides me with feelings of worthwhile accomplishment. (4.02)	.449
<b>Factor 3:</b>	
Earnings from my activity will be reasonably predictable. (3.77)	.709
Success will relate directly to my initiative. (4.15)	.677
Provides an opportunity for a high level of income. (4.01)	.671
Opportunity for professional growth. (3.90)	.564
Provides advancement opportunities. (3.60)	.453
<b>Factor 4:</b>	
Provides freedom to perform the activity as I wish. (4.15)	.750
Offers me the work hours I want. (4.28)	.607
Provides an activity in which rejection by prospects is minimal. (3.15)	.494
Did not load on any factor:	
Involves selling a product which is highly competitive. (3.67).	
<i>Job Satisfaction (1=extremely dissatisfied; 5=extremely satisfied):</i>	
Only one factor was extracted:	
The feelings of worthwhile accomplishment I get. (3.67)	.826
The amount of personal growth and development I receive. (3.53)	.764
The amount of challenge. (3.74)	.762
The chance to get to know other people. (3.87)	.758
How secure things look for me in the future. (3.39)	.738
How my contributions to my company result in earnings for me. (3.66)	.737
The amount of independent thought and action I can exercise. (3.92)	.709
The chance to help other people. (3.92)	.661
The people with whom I talk and work. (3.84)	.660
<i>Organizational Commitment (1=strongly disagree; 5=strongly agree):</i>	
<b>Factor 1:</b>	
I am willing to put in a great deal of effort beyond that normally expected in order to help this company be successful. (3.64)	.769
I talk about this company to friends as a great organization with which to work. (3.87)	.757
I am proud to tell others that I am part of this company. (3.94)	.734
I would accept any type of selling task in order to stay working with this company. (2.63)	.724
The company really inspires me to my very best performance. (3.56)	.710
For me, this is the best of all companies with which to work. (3.57)	.667
I am extremely glad that I chose to work with this company, over other companies that I was considering at the time I joined. (3.75)	.629
I really care about the fate of this company. (3.78)	.598
I find that my values and those of the company are very similar. (3.70)	.587
<b>Factor 2:<sup>b</sup></b>	
There is not much to be gained by staying with this company indefinitely. (3.79)	.705
I could work just as well for another company as long as the type of work was similar. (3.01)	.650
It would take very little change in my present circumstances to cause me to leave this company. (3.36)	.649
Often I find it difficult to agree with this company's policies on important matters relating to its salespeople. (3.67)	.566
Deciding to work for this company was a definite mistake on my part. (4.31)	.500
I feel very little loyalty to this company. (3.74)	.486

(continued)



**Appendix A (continued)**  
**Items (with Total Sample Means) Comprising Construct Factors and Their Factor Loadings**

<i>Construct, Factor, Items, and Mean Score</i>	<i>Factor Loading<sup>a</sup></i>
<i>Met Expectations (1=experienced very much less than I expected; 5=experienced very much more than I expected):</i>	
Factor 1:	
Feelings of self-fulfillment. (3.32)	.830
Increasing my self-esteem. (3.35)	.816
Opportunity to be creative and innovative. (3.39)	.750
Development of new skills. (3.40)	.746
Making use of my skills. (3.24)	.690
Feelings of worthwhile accomplishment. (3.31)	.669
Professional growth. (3.30)	.567
Factor 2:	
Opportunity for training. (3.15)	.723
Support and appreciation from supervisors. (3.41)	.690
Getting special awards or recognition for good performance. (3.53)	.623
Opportunity to go to sales meetings and conventions. (3.26)	.610
Respect from fellow salespersons. (3.31)	.608
Feelings of loyal association with the company. (3.36)	.591
Opportunity to make friends. (3.41)	.541
Opportunity to work in a team. (3.19)	.534
Advancement opportunities within the company. (3.34)	.500
Factor 3:	
Prestige of job in eyes of family and friends. (2.83)	.641
Freedom to carry out the activity as I wish. (3.24)	.529
Products are highly competitive. (3.33)	.514
Actual earnings experienced. (2.96)	.417
Factor 4: <sup>b</sup>	
Work hours experienced. (2.85)	.668
Personal operating costs and expenses. (2.63)	.630
Initiative needed. (2.77)	.627
Job responsibility experienced. (2.79)	.524
Amount of rejection by prospects. (2.88)	.449
<i>Image of Direct Selling (1=all or nearly all would agree; 5=none or almost none would agree):</i>	
Factor 1:	
People think that if a product bought from a direct salesperson is unsatisfactory, getting it fixed or replaced is difficult. (3.57)	.789
People think it is hard to find the direct salesperson from whom they bought when they have a question later or want to reorder. (3.54)	.708
People think that products ordered from direct salespeople take too long to be delivered. (3.64)	.698
People think that some of the policies and practices of direct selling companies are of dubious legality. (3.30)	.677
People think that direct selling practices should be more regulated by government. (3.59)	.601
People think that direct salespeople are too aggressive and will try to sell them something they do not need. (2.83)	.560
People think that products sold by direct salespeople are overpriced. (3.10)	.513
Factor 2: <sup>b</sup>	
People think that products sold by direct salespeople are better in quality than similar products sold in retail stores. (2.63)	.710
People think that buying from direct salespeople is more convenient than buying in normal retail stores. (3.09)	.675
People think that a job in direct selling is currently better than most other job opportunities. (2.29)	.656
Factor 3: <sup>b</sup>	
People think that direct salespeople are more knowledgeable about their products than are retail store assistants. (3.54)	.777
People think that direct salespeople are more helpful than retail store assistants in serving customers' real needs. (3.49)	.736

<sup>a</sup>Factor loadings determined by varimax rotation except for the job satisfaction construct where loadings are taken from the principal component analysis.

<sup>b</sup>Scale scores were reversed for all items in these factors, as explained in the text.