

## **DSEF Research, In Progress 2017-2018**

### **1. U.S. Direct Selling Socio-Economic Impact Study**

**Purpose:** In July 2016, DSEF in partnership with DSA, launched a Socio-Economic Impact Study (SEIS) of Direct Selling in the United States that measure and report on the economic and social impact of direct selling operations. This research investigated the full economic impact of Direct Selling activity in a 5-state analysis overview (CA, UT, FL, OH, NY). The study highlights the *Direct Effect* (direct economic impact of sales due to direct selling), *Indirect Effect* (upstream or supply sales due to direct selling), and the *Induced Effect* (downstream sales due to household spending associated with the direct and indirect effects) that collectively represent the economic impact of direct selling activity on the nation's economy. The economic impact report will be finalized and released later this summer.

**Partner:** Dr. Robert Peterson, Associate Dean for Research, John T. Stuart III Centennial Chair in Business Administration and Charles Hurwitz Fellow at the IC2 Institute, University of Texas at Austin.

**Timeframe:** The second part of the SEIS will focus on the socio impact of direct selling on society. The full report is anticipated by the end of the year.

### **2. DSEF International Grant: An Understanding of Women Entrepreneurs in Direct Selling and Social Media/Digital Marketing**

**Purpose:** DSEF is in the process of forming partnerships with the DSA of South Africa and the DSAs of Lithuania, Latvia and Estonia and their member companies to participate in and co-fund "Emerging and Frontier Markets: An Understanding of Women Entrepreneurs and Social Media/Digital Marketing. In today's changing marketplace, people are more interested than ever in independent work, entrepreneurship and finding fulfilling career opportunities. United by a common mission to educate key audiences about direct selling – as a legitimate go-to-market business strategy and a pathway to micro-entrepreneurship – DSEF and the national DSAs can tell the story of how entrepreneurship can make a profound difference in people's lives.

**Partners:**

Principle investigators are: Dr. Victoria Crittenden, Professor and Chair, Marketing Division, Babson College and Dr. William Crittenden, Professor of International Business and Strategy, D'Amore-McKim School of Business, Northeastern University.

Local academic partners are: Dr. Sigitas Urbonavicius, Marketing, Business Administration and Social Psychology at Vilnius University, Lithuania and Editor-in-Chief of the Organizations and Markets in Emerging Economies journal and Dr. Amaleya Goneos-Malka, PhD in Marketing Management from University of Pretoria, South Africa and currently Head of Digital for Wealth at Standard Bank, the largest bank in Africa. Dr. Goneos-Malka also produces and hosts a weekly gender-based radio program called Womanity – Women-in-Urbanity, broadcasted across Africa.

**Timeframe:** The survey was fielded in South Africa in spring 2017. Research project was discussed briefly on Womanity radio program and research feedback will be shared with delegates attending DSA South Africa's Award Luncheon in July. Project is nearing completion and draft academic research paper is under way. Preliminary findings expected Winter/Spring 2018.

### **3. Student Attitudes and Knowledge of Direct Selling: A Survey of Students in Sales Programs at U.S. Universities**

**Purpose:** This research will survey students in university sales programs across the United States about their knowledge and perceptions of direct selling. Objectives of the study include comparing students' attitudes and knowledge of direct selling against their attitudes toward traditional selling careers and against a profile of student traits.

**Partner:** Dr. Larry Chonko, Thomas McMahon Professor in Business Ethics at the University of Texas at Arlington.

**Timeframe:** Expected release date: Fall 2017.

## **DSEF Research Completed**

### **1. Join Stay Leave: A Study of the Salesforce**

**Purpose:** This study analyzes the responses 13,000 salespeople who participated in DSA's National Salesforce survey to identify the individual motivations for joining, staying or leaving direct sales over the lifecycle of a distributor. Insights will be shared on the process of discovery, during which the direct seller determines whether direct sales is the right opportunity for them (impacting their decision to stay or leave).

**Partners:** Principle investigators are Dr. Anne T. Coughlan, Polk Brothers Chair in Retailing, Professor of Marketing, Kellogg School of Management, Northwestern University, and Dr. Manfred Krafft, Director of the Institute of Marketing at the University of Muenster, Germany and Editor of the Journal of Personal Selling. Research assistant, Julian Allendorf, doctoral candidate at the University of Muenster, Germany.

**Timeframe:** Completed. Dr. Coughlan presented key findings in a workshop at DSA's annual meeting in June and Julian Allendorf, research assistant on the project, won the Gran Sasso Science Institute's (GSSI) Best Doctoral Student Paper award on June 8, 2017. The academic paper revisions have been completed and submission to the American Marketing Association is anticipated by the end of summer.

### **2. Satisfaction Rates of Direct Selling Independent Contractors Compared to Franchising Entrepreneurs**

**Purpose:** The purpose of the research project is to compare satisfaction levels (and related perceptions of work and personal outcomes) of two sets of business entrepreneurs: independent direct selling contractors and franchisees. This goal relates directly to the DSEF 2016-2017 research priority #4: Survey of Satisfaction Rates among Independent Contractors in Direct Selling Compared to Employees in Other Comparable Industries.

**Partners:** Principle investigators: Dr. Dianne H.B. Welsh, Hayes Distinguished Professor of Entrepreneurship and Director, Entrepreneurship Cross-Disciplinary Program and Dr. Bonnie Canziani, Associate Professor, both at the Bryan School of Business and Economics, University of North Carolina – Greensboro.

**Timeframe:** Completed. Preliminary results were shared at DSA’s annual meeting in June 2017. Working to identify academic journals publications for submission of academic paper.

### **3. Success Drivers of High Performers: How Internal and External Motivations Drive Success**

**Purpose:** The study identifies the internal and external motivations of successful direct sellers, highlights the traits and skill-level of distributors, and discusses the common factors associated with high performers, including the level of training provided by uplines and companies.

**Partner:** Principle investigators are Dr. Anne T. Coughlan, Polk Brothers Chair in Retailing, Professor of Marketing, Kellogg School of Management, Northwestern University, and Dr. Manfred Krafft, Director of the Institute of Marketing at the University of Muenster, Germany and Editor of the Journal of Personal Selling. Research assistant, Julian Allendorf, doctoral candidate at the University of Muenster, Germany.

**Timeframe:** Completed. Research findings were presented in a workshop during the DSA’s annual meeting in June and they are working to identify appropriate academic framework(s) to share findings.

## **DSEF Research Pending**

### **1. Economic Impact of Direct Selling Opportunity in Less Populated Markets with Limited Economic/Employment Options**

**Purpose:** The study will document the positive impact of entrepreneurial opportunities created in rural or economically disadvantages areas by direct selling companies and the impact on local economies.

**Partner:** Joe Kapp, Entrepreneur-in-Residence, Eastern West Virginia Community & Technical College and Advisor to the US Department of Commerce and Dr. Andy Gold, Business Administration and Entrepreneurship Professor, Hillsborough Community College.

**Timeframe:** Preliminary research proposal received.

### **2. The Dynamics of Join, Stay, Leave Study**

**Purpose:** Based on new data from the 2014, 2016 and 2018 DSA National Salesforce Studies (NSF), Drs. Coughlan and Krafft will analyze and compare individual responses of the NSF studies. This smaller study, “The Dynamics of Join, Stay, Leave,” will explore changes over time in the life cycle of direct selling distributors.

**Partner:** Dr. Anne T. Coughlan, Polk Brothers Chair in Retailing, Professor of Marketing, Kellogg School of Management, Northwestern University, and Dr. Manfred Krafft, Director of the Institute of Marketing at the University of Muenster, Germany and Editor of the Journal of Personal Selling.

### **3. Research Proposal – Understanding the Cultural and Economic Drivers of the Direct Selling Entrepreneurship Opportunity**

**Purpose:** This study will identify which conditions are necessary for an individual to embrace and be successful in direct selling, and that these conditions may be predictors of direct selling attractiveness for individuals and certain demographic groups, e.g. U.S. Hispanics. Research suggests that certain cultural characteristics, when combined with limited economic opportunity, begin to clarify those that are the most receptive to the direct selling business model. Thus, group normative culture coupled with limited economic opportunity in traditional occupations may be predictors of direct selling attractiveness for individuals and groups. Not only must an individual be attracted to the direct selling opportunity, but their natural social groups (networks) must be receptive as well. Refining and testing these proposed conditions may allow us to actually identify and target high potential groups for direct selling. Managerial implications - by better understanding the cultural and economic drivers, direct selling organizations can tailor their resources to nurture and support the special needs of these high potential groups.

**Partner:** Dr. Charles Ragland, Executive Director, Center for Global Sales Leadership, Kelley School of Business, Indiana University, Bloomington.

### **4. Research Proposal - Social and Service Motivations of Direct Sellers**

**Purpose:** The proposed study, “Investigating the Integrative Justice Model (IJM) as Framework for Addressing Challenges and Motivations in a Direct Selling Context,” focuses on using qualitative business statistics and qualitative customer feedback as a foundation for strategic planning, product development and marketing strategies. The IJM is a framework for market engagement with vulnerable consumers and fair engagement practices, based on ethical management principles, corporate social responsibility, stakeholder theory and value co-creation with consumers. The research objectives include investigating the most prominent business challenges faced by direct sellers, the social and service motivations of direct sellers and using the IJM framework to identify and resolve business challenges in a way that facilitates the development of a sustainable direct selling enterprise.

**Partner:** Dr. Tina Facca-Meiss, Director of Nonprofit Administration and Associate Professor of Marketing, Boler School of Business, John Carroll University.

**Partner:** Dr. Telin Chung, Professor of Marketing, Apparel, Events, and Hospitality, College of Human Sciences, Iowa State University.