

**A STUDY ON THE PRACTICALITY OF NEUROMARKETING IN NETWORK  
MARKETING FOR CLIENT ACQUISITION WITH SPECIAL REFERENCE  
TO THE NETWORK MARKETING INDUSTRY, KERALA**

Dissertation submitted in partial fulfillment of the requirements for the Award of the  
Degree of

**MASTER OF BUSINESS ADMINISTRATION  
OF  
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**2022**

## **DECLARATION BY THE STUDENT**

I hereby declare that “**A STUDY ON THE PRACTICALITY OF NEUROMARKETING IN NETWORK MARKETING FOR CLIENT ACQUISITION WITH SPECIAL REFERENCE TO NETWORK MARKETING INDUSTRY KERALA.** ” is the result of the project work carried out by me under the guidance of **Prof. NAVEEN C** in partial fulfillment for the award of Master’s Degree in Business Administration by Bengaluru City University.

I also declare that this project is the outcome of my own efforts and that it has not been submitted to any other university or Institute for the award of any other degree or Diploma or Certificate.

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## **GUIDE CERTIFICATE**

This is to certify that the Dissertation Report **“A STUDY ON THE PRACTICALITY OF NEUROMARKETING IN NETWORK MARKETING FOR CLIENT ACQUISITION WITH SPECIAL REFERENCE TO NETWORK MARKETING INDUSTRY KERALA.”** submitted by **VIMAL GEORGE , MB204957**, to Bengaluru City University, Bengaluru for the award of Degree of Master of Business Administration is a record of work carried out by him under my guidance.

**Place: BENGALURU**

**Date:**

**Signature of guide**

## CERTIFICATE OF ORIGINALITY

This is to certify that the dissertation title “**A STUDY ON THE PRACTICALITY OF NEUROMARKETING IN NETWORK MARKETING FOR CLIENT ACQUISITION WITH SPECIAL REFERENCE TO NETWORK MARKETING INDUSTRY KERALA.**” is an original work of **Mr. VIMAL GEORGE** bearing University Register Number **MB 204957** and is being submitted in partial fulfillment for the reward of the Master’s Degree in Business Administration of Bengaluru City University. The report has not been submitted earlier either to this University /Institution for the fulfillment of the requirement of a course of study **Mr. VIMAL GEORGE** is guided by **Prof. NAVEEN C** who is the Faculty Guide as per the regulations of Bengaluru City University.

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## **ABSTRACT**

The project entitled **“A STUDY ON THE PRACTICALITY O NEUROMARKETING IN NETWORK MARKETING FOR CLIENT ACQUISTION WITH SPECIAL REFERENCE TO NETWORK MARKETING INDUSTRY KERALA.”** is carried out to analyze the role of neuromarketing in network marketing for client acquisition and to provide best in class products to the customers through direct selling. Network marketing is a business model that depends on person to person sales and building sales networks to assist in the lead generation and closing the sales, it provides a significant income and financial freedom. The network marketing industry is one of the fastest growing industries in India. One of the problem that extensively suffered by this industry is the reputational issues related with the previous scams and financial frauds.

The study focuses on the practicality of neuro marketing techniques in network marketing. Neuromarketing is a modern practice in marketing that helps to analyze the brain activity of potential customers to understand their conscious and unconscious responses, perceptions and opinions that can be used in product development and communication. The study will help to understand the concept of network marketing and the importance of network marketing in the current socio-economical scenario. It also analyzed the importance of neuromarketing and its techniques and how it helps to improve customer satisfaction. One of the problem that extensively suffered by this industry is the reputational issues related with the previous scams and financial frauds and it is also important that to provide best in class products to the customers. The study also examines the satisfaction level of customers on the existing direct selling products and how to reach the maximum satisfaction by using neuromarketing.

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## **CHAPTER 1**

### **INTRODUCTION OF THE STUDY**

## **1.1 INTRODUCTION TO THE TOPIC**

As the technology era began, marketing practices also changed a lot. The traditional outlook and traditional techniques has been changed , this project report titled as **“Study on the practicality of Neuromarketing in network marketing for client acquisition with special reference to Network marketing industry, Kerala”** tries to understand how practical that to apply the modern trend of neuromarketing in the network marketing. Neuromarketing is a modern practice in marketing and that analyze the brain activity of potential customers through different techniques to predict and understand the responses and perceptions towards a particular products and services. The primary objective of this project report is to study the factors affecting client acquisition in network marketing and the practicality of Neuromarketing techniques to overcome the problems related to client acquisition.

Network marketing commonly understood as a business model that emphasis on direct selling by independent representatives and required to build a network of salespeople’s to assist in lead generation and closing sales process. According to Dr. APJ Abdul Kalam; “Network marketing is the fastest growing business of 21 st century which must be joined by every young man and women globally otherwise you can never get the best of your age”, like his words Network marketing and direct selling industry in India in 2021 hits total sales of 15930 crores (According to Indian direct sellers association).It is considered as one of the fastest growing industry in India with an annual average growth rate of 4.7%. Network marketing and direct selling is viewed as one of the quickly developing and best strategy for selling as immediate correspondence between the merchant and purchaser is exceptionally fundamental. Today marking is utilized for a considerable length of time in a wide range of businesses around the world, including the items sold through the approach to coordinate selling. Specialists recommend that purchaser discernment assumes a significant part in the outcome of any immediate selling network. Direct selling enjoys its benefits and disservices from both the imminent of maker as well as buyer. One of the fundamental goals of direct selling is to work on the correspondence as well as to acquire a separation view of purchasing results of direct selling network among clients. The goal is met when the customers like to buy item and lean toward the items to others through their own correspondence to make that the immediate selling is better than other contending selling strategies and methods. Notwithstanding, saw direct selling technique can likewise impact shopper

conduct in a manner that is unwilling to the objectives of the immediate selling network, as purchasers might see the properties of a specific item or items available. The task report likewise points towards assess the familiarity with network marketing and viability of network marketing towards buyers or individuals, since network marketing and direct selling is one of the powerful apparatuses to influence the last buy choice and the volume of deals.

There are many reputable network marketing operations, but some have been denounced as pyramid schemes. The latter may focus less on sales to consumers than on recruitment of salespeople who may be required to pay upfront for expensive starter kits. This credibility and reputation issues now become as the biggest challenge that is faced by these industry. The study address this problem and how to overcome this by using neuromarketing.

## **1.2 BACKGROUND OF THE STUDY**

### **Direct selling and Network marketing**

Marketing is practiced today in every single current country, no matter what their political way of thinking. As global contest has warmed up, the consideration paid to marketing has expanded. Contingent upon conditions, marketing can be indispensable to the progress of association. Lately various assistance firms and non-benefit associations have viewed marketing as essential and beneficial. Each association, enormous or little should have a mission.

The worldwide economy is changing so quickly and the marketing associations need to stay in contact with these changes. Improvement impacts marketing, direct deals including innovation, work practice and frameworks. The marketing idea was conceived out of the mindfulness that marketing begins with assurance of client needs and finishes with the fulfillment of those needs. The client, not the enterprise must be the Center of the business universe. The way to outcome of marketing technique is the fulfillment of requirements and needs of shoppers. The cutting edge marketing idea announces that the way to outcome in any business comprises of deciding the necessities and needs of target advertisers and conveying the ideal fulfillment to buyers more really than other competitors.

Network marketing tends to focus mainly on the sale of products to. They highlight this kind of marketing model where clients spend less cash to obtain an item and offer off these items to individuals at a lot greater cost and create a gain. For network marketing organizations, they enlist members that are not piece of the actual organization to offer off these items to individuals with the expectation of procuring a commission once these deals are finished. In light of the quantity of items accessible, a portion of these organizations will expect members to enlist more individuals to go about as their down lines on the stage. These members who have agent down lines will procure a commission each time one of their down lines auctions an item. One significant note to consider while discussing network marketing is multilevel marketing (MLMs) or fraudulent business models. While this has been mistaken for a fraudulent business model, you genuinely must remember that they are two unique ideas. For instance, fraudulent business models will require their members to zero in a larger number of on selecting individuals as opposed to on making deals. Likewise, the greater part of these fraudulent business models produce more pay or income when volunteers go along with them. Network marketing, then again, is very not quite the same as. Network marketing organizations will expect members to zero in on selling items more than on enlisting more individuals. Statistics revealed that network marketing is working and is carrying heaps of cash to individuals from one side of the planet to the other. As indicated by a report that was distributed by the DSA in 2011, it was noticed that there were around 15.6 million network advertisers in the United States alone. That report additionally uncovered that one motivation behind why network marketing was an enormous arrangement was that it assists individuals with building their own business or network while they influence on the hour of others. It was additionally uncovered that the immediate deals market expanded to \$29 billion as of the year 2011 in 2021 it is estimated that \$42 billion. These numbers obviously uncover that network marketing is working and may assume control over the world in the following several years.

To make sense of how network marketing functions, it is best that we make us of a model. Initial, an organization with accommodating items looking to break into the market without paying for adverts or doing promotions might choose to evaluate network marketing. To begin, they should enroll or enlist members that are generally alluded to as "independent business owners (IBOs)". These IBOs will be prepared by the organization. Contingent upon the sort of item to be sold, the preparation interaction could be 3 days or

even seven days. The justification behind this preparing is to empower these members to dive more deeply into the item as well as its advantages. More often than not, these items are therapeutic or have genuine advantages to clients. These members should initially comprehend the reason why individuals need to purchase these items as really at that time would they have the option to persuade others to purchase.

## **FOUR PILLARS OF NETWORK MARKETING**

- **BUSINESS EDUCATION**

The base of this network marketing pillar is learning. Education can come in many forms. Expert speakers, online classes, Adult Continuing Education and college courses are just a few of the ways to grow business education. Never stop trying to learn as much as networkers can about all the different facets of business operations. Finance, Human Resources, Marketing, and Product Improvement are just some topics to consider. It's necessary that to Start with improving knowledge in the weakest area that networkers feel and then move on down the list.

- **COACHING SESSIONS**

Each entrepreneur and business visionary ought to have a guide and a coach. The foundation of this support point is Business Clarity. A coach or guide is a key facilitator that can assist with motivating you and help with carrying out systems for progress. A business coach can assists with recognizing regions where the plan of action is succeeding or missing the mark. For sure, an external arrangement of eyes can assists with seeing things all the more plainly. A coach or tutor can assist with making a culture of responsibility, measure progress and give important criticism to guarantee business objectives are reliably being met.

- **MASTERMIND GROUP**

When networking, education, and coaching aren't enough, perhaps consider taking advantage of a Mastermind Group. The base of this pillar is Co-Operation. In a mastermind group, members get a chance to sit in the hot seat and benefit from a mega brainstorming session of other business owners. A smaller group than normal networking events, the members of a Mastermind Group generally focuses on one member each meeting. Enabling a variety of feedback, tremendous insights and



professional peer support to help tackle specific problems that prevent your business to new heights in their market. Two heads are better than one, and in this case, several business minds are better for your business' growth and success.

- **NETWORKING**

This is considered as one of the important aspect in network marketing. In order to spread the word about the business, its need to "hit the streets" so to speak. In short, start attending networking functions. The base of this pillar is Attendance; you are your business's best salesperson. Most networking groups allow you to attend one or two meetings before you commit to joining. Take advantage of this free opportunity and look for a group that fits your needs and goals.

### **TYPES OF NETWORK MARKETING**

- **SINGLE TIRE NETWORK MARKETING:**

With single-tier network marketing, networker sign up for a company's affiliate program to sell their products or services. Do not need to recruit other distributors, and all the pay comes from direct sales. Avon, the popular beauty company, uses single-tier networking marketing.

In some online affiliate programs, you get paid for the traffic you drive to the affiliate's website. Pay-per-click (PPC) and pay-per-lead (PPL) affiliate programs are other examples of single-tier networking.

- **TWO TIRE NETWORK MARKETING**

Unlike single-tier network marketing, two-tier network marketing does involve some recruiting, but your pay isn't solely dependent on it. And get paid for direct sales (or traffic you drive to a website) and for direct sales or referred traffic made by affiliates or distributors you recruit to work under each and every networker. An example of a two-tier program is Ken Envoy's Site Sell.

- **MULTILEVEL MARKETING**

This is distribution-based marketing that has one or more tiers. There are other network marketing strategies, which are marketing-driven networks and name-

driven network marketing. It will come across various MLM programs that help in making money. Therefore, it can expect to get good incentives for recruiting.

### **IMPACT OF NETWORK MARKETING IN SOCIAL AND ECONOMIC PARAMETERS OF KERALA**

- **Additional income opportunities:**

Network marketing turns out extra revenue open doors to countless individuals and advances miniature business. In FY14, almost 80,000-90,000 direct venders are assessed to have drawn in with the business in Kerala, and this number is projected to increment further with the development of the industry<sup>2</sup>. As well as turning out revenue open doors, direct selling additionally confers adaptable abilities in deals and the board, which can be utilized external the direct selling industry also.

- **Women empowerment:**

Network marketing offers independent work open doors to countless individuals, particularly ladies. The business gives ladies the adaptability to deal with their time and equilibrium their work and individual lives. In FY14, it gave independent work to almost 45,000-50,000 female direct dealers (58% of the complete direct merchant labor force in the state)<sup>2</sup>. A few organizations pursue ladies strengthening. For instance, Hindustan Unilever (HUL) made project Shakti in 2001 to not just develop country deals of its wellbeing and excellence care items yet in addition turn out revenue age roads to rustic ladies (called 'Shakti Ammas').

- **Development of the SME sector:**

Many direct selling organizations depend on Small and Medium Enterprises (SMEs) for assembling their items. They additionally depend on auxiliary help administrations like pressing, marking, coordinated operations and material stockpile. Generally speaking, the direct selling organizations give the assembling ability, innovation and cycles to empower the SMEs to create quality items. The direct selling organizations likewise put resources into giving the right gear and machines to the SMEs for creation. Driven by these

drives, numerous SMEs have now evolved abilities to take special care of the necessities of other Multi-National Companies (MNCs) and have started supplies to them, advancing India as an assembling objective.

- **Employment generation:**

Besides turning out extra revenue chances to direct merchants, the business other than produces critical direct business open doors. A greater part of the direct selling organizations outsource the production, packaging and distribution of their items, in this manner producing work across the value chain.

- **Social initiatives:**

As far as obligations towards society, direct selling organizations have a few commitments shockingly in Kerala. The AMC India's nutrition talks and Amway Opportunity Foundation's public undertaking for the visually impaired are notable for their social impact.

Going ahead, the business can possibly make a critical social and monetary effect in Kerala. Our appraisals recommend that the business can possibly arrive at a size of around INR18-20 billion by 2025, driven by development in customer markets and expansion in the entrance of direct selling. This is, notwithstanding, dependent upon establishing an empowering climate for the business and moderating a portion of the difficulties it faces today.

- **Product Categories**

The direct selling industry ranges across a different scope of items. However, particular items expecting balanced connection and exhibition with the clients like wellbeing and health items, beauty care products and individual consideration items overwhelm the direct selling market. Expanding mindfulness about the requirement for a solid way of life appears to have expanded the interest for wellbeing items like weight reduction and dietary enhancements. Subsequently, Health and Wellness is the biggest direct selling portion catching a market of INR31.5 billion of every 2012-13.

Beauty care products and individual consideration created an income of INR 23.5 billion catching a 35 percent share on the lookout. With buyers' developing interest in self preparing, excellence and individual consideration organizations in India have presented an immense assortment of items for all kinds of people that can improve their appearance. Exhibit through direct selling makes it simpler for clients to pick such items.

Marketing techniques have expanded purchaser mindfulness about cleanliness and neatness in metropolitan and country regions which has prompted expansion sought after for Homecare and Home improvement items. With a market size of INR 7.4 billion, this class had a 11 percent share in the complete direct selling income in 2012-13.

### **CHALLENGES OF NETWORK MARKETING**

Like the conventional consumer industries, the direct selling industry faces difficulties in setting-up assembling offices, managing import obligations, and so forth. An overwhelming test for the direct selling industry in India is absence of administrative clearness. Because of this, frequently direct selling organizations are confused with false pyramid/ponzi plans. States like; Andhra Pradesh, Kerala, Sikkim and association domains like Chandigarh have on a few events mixed up genuine direct selling organizations with false players due to nonattendance of required administrative explanation. Such vulnerability is possible obstructing the development and notoriety of direct selling organizations in India. Much of the time, because of nonappearance of clearness, agents of the direct selling organizations have been badgering by the nearby police and state legislatures. Such frequencies will more often than not block the development of the business and can unfavorably affect shopper certainty.

- **Most direct selling companies are pyramid schemes that are doomed to fail**

The separating factors between direct selling and pyramid or Ponzi conspires obviously show that so as to bring in speedy cash, their advertisers normally set aside members installment enormous amounts of cash to join, and monetary prizes rely upon additional enrollment of individuals. Some Pyramid/Ponzi plans might imply to offer items to disguise the monetary misrepresentation yet the items typically have little worth and there is practically no selling.

Then again, veritable direct selling includes marketing of value items at cutthroat costs with related item guarantees and certifications. Likewise, the remarkable expansion of wholesalers to the organization is acquired exclusively by achieving genuine deals on a reliable premise. Obviously, it is important to look out for obvious signs of fraudulent business models, including high joining charges, accentuation on enrolling new individuals not selling, no repurchasing of items, and so on, as explained upon prior in the record. The particular authorities, for example, IDSA code provision for a very long time, direct vendors unit gave, and so on should be canvassed exhaustively. Along these lines, this should be held.

- **Recruitment is the key to success in direct selling; sales to end-users of the products and services are minimal**

Recruitment is surely a significant part of direct selling. This helps in the development plans of the organization subsequently prompting its development. In any case, enlistment isn't a necessity for the development of a direct dealer as the pay is quite often founded on real deals of items or administrations. The direct selling industry in India was worth more than INR75 billion out of 2014. Significant firms like Amway, Avon, Tupperware, Oriflame, and so on are all item companies<sup>5</sup>. The IDSA code indicates that organizations will find sensible ways to guarantee that direct merchants who are getting pay for down line deals volume are either consuming or reselling the items they buy to meet all requirements to get remuneration.

Direct selling organizations have a clear focus on new item improvement. According to PHD Search Bureau and IDSA reviews as a feature of the Indian direct selling industry, yearly study 2019-20, on a normal, each direct selling organization presented around three new items/variations during 2019-20 in India, while the number was seven of every 2019-20. The organizations have likewise contributed around 2% of their yearly incomes in R&D exercises in 2013-14 which mirrors the solid item focal point of these organizations.

Likewise, direct selling organizations contribute altogether towards the advancement of direct dealers. Direct selling organizations have offered preparing to their

salesmen in the scope of 200-worker hours per quarter to around 22,000-worker hours per quarter in 2019-2020

- **Majority of direct sellers lose money; a lot of the direct sellers drop out from the companies**

A large number of direct sellers say that direct selling meets or surpasses their assumptions as an effective method for enhancing their pay or as a method for bringing in cash for themselves<sup>1</sup>. Countless the direct dealers say that direct selling meets or surpasses their assumptions as a business where the harder they work, the more cash they can make. as well as turning out revenue potential open doors, direct selling likewise confers adaptable abilities in deals and the executives, which can be utilized external the direct selling industry, too.

- The different direct selling associations' (IDSA, WFDSA, etc..) set of principles, is intended to safeguard direct merchants and their clients. Stock buybacks (which incorporate deals helps) and different arrangements permit merchants response in the event that they wish to leave the business.

- While the retail business has whittling down rates as high as 20%, the weakening rate for the direct selling industry is around 11 percent<sup>3</sup>. Many direct sellers don't exist because of disappointment yet do as such as they probably shouldn't sell anything else for the year.

- **Everyone who gets involved in direct selling wants an easy way to make money**

Individuals join direct selling firms with different aims. According to ICRIER overview in 2011 (Report named financial effect of direct selling) 60% of the respondents expressed procuring extra pay as one of the vital purposes behind joining direct selling, 60% of the reviewed individuals referenced direct selling as a vehicle of becoming free, while others take it up as it offers greater adaptability or goes about as a significant type of revenue. Truth be told, direct selling offers huge business open doors to ladies specifically. Around 64% of ladies occupied with direct selling are independently employed (full-time) direct venders while just 36%

are parttime specialists. Consequently, there is a reasonable acknowledgment of direct selling's capability to create stable pay in relation to the endeavors made.

The IDSA code of Ethics<sup>4</sup> expects that data given by direct selling organizations to imminent or existing direct merchants ought to be precise and complete. Organizations are expected to introduce the upsides of the selling an open door to any planned select in a precise and practical way

- **Most companies require inventory purchases; direct sellers who drop out are stuck with the inventory they purchased**

Direct selling organizations commonly don't need or urge direct dealers to buy products stock in large and enormous sums. The IDSA code oversees that organizations will repurchase any unsold, re-saleable item stock, bought inside the past a year in the event that the dealer picks to stop.\

- **Direct selling is an outdated method for trading**

Direct selling is polished in excess of 170 nations universally. The direct selling industry in India has shown a development pace of 16% over the time of FY11-14. Worldwide, the direct selling industry developed at a CAGR of 8.5 percent north of 2010 to 2014. With rising pay levels and interest for accommodation, designs like direct selling and online business (e-commerce) are getting on in the country. These channels eliminate various middle people, accordingly offering compelling and affordable approaches to selling items and administrations. Direct selling specifically, permits organizations to reduce down promoting expenses altogether. There are numerous models where huge organizations have utilized the direct selling model to increment client effort and deals in a practical manner. HUL's venture 'Shakti', which expanded the entrance of its items alongside engaging ladies, or Eureka Forbes selling its high worth items through direct selling are declaration to the pertinence of the direct selling model in India.

So it can be conclude challenges related to this industry are,

1. High incidence of fraudulent companies
2. Absence of regulatory law/guidelines
3. Lack of training and orientation for leaders

4. Low environmental clearances, political risk, and poor logistics and distribution channels
5. Poor leader motivation
6. Contagion effect of fraud companies on the reputation of legitimate companies
7. Harassment by authorities.

### **THE CONCEPT OF NEUROMARKETING**

Neuromarketing is a commercial marketing communication field that applies neuropsychology to market research, studying consumer's cognitive and affective responses to marketing stimuli.

Traditional marketing research attempts to analyze a purchaser's dynamic cycle from a conscious perspective, while neuromarketing means to identify customer's behavioral aspects. The issue with regular marketing research is that depends vigorously on the customer self-revealing their thought process, feel and accept. Therefore marketers can't depend on consumer survey studies or group dynamics. Neuromarketing will tell the marketer what the consumer reacts to, whether it was the colour of the packaging, the sound the box makes when shaken, or the idea that they will have something their co-consumers do not.

Neuromarketing is a multidisciplinary area including apparently unique fields of studies like neuroscience, customer brain research, purchaser financial matters and promoting. Its application sits on the groundwork of buyer neuroscience ideas and it depends after neuroimaging apparatuses and strategies for its application. Neuromarketing goes past the examination capacity to assist advertisers with setting in motion the experiences created through neuroimaging instruments and methods. This paper makes sense of the groundwork of neuromarketing and its areas of utilization with an attention on trendy on-request application based purchaser administrations. The creators call attention to that current examination under neuromarketing needs a particular a valid example approach for application based administrations because of their innate contrast from conventional items and administrations. The creators finish up the paper posting the difficulties related with the utilization of neuromarketing. The creators have depended on a broad writing concentrate on that traverses across the areas of neuroscience, neuromarketing, shopper brain research and purchasing conduct, and on-request application based administrations. This paper would assist advertisers with



comprehending the uses of neuromarketing in their separate organizations, prompting proficient buyer profiling, which thus might prompt better profits from their promoting speculations.

### **HISTORY OF NEUROMARKETING**

The combination of neuro and marketing suggests the converging of two fields of study (neuroscience and marketing). The term neuromarketing can't be credited to a specific person as it began showing up fairly naturally around 2002. At that point, a couple of U.S. organizations like Bright house and Sales Brain turned into the first to offer neuromarketing research and counselling administrations advocate the utilization of innovation and information coming from the field of mental neuroscience. Fundamentally, neuromarketing is to marketing what neuropsychology is to brain science. While neuropsychology concentrates on the connection between the mind and human mental and mental capacities, neuromarketing advances the benefit of checking purchaser out conduct according to a mind point of view.

The primary insightful piece of neuromarketing research was performed by Read Montague, Professor of Neuroscience at Baylor College of Medicine in 2003 and distributed in Neuron in 2004. The review requested a gathering from individuals to drink either Pepsi or Coca Cola while their minds were examined in a fMRI machine. While the finishes of the review were charming, Dr Montague neglected to give reasoning for how our mind handles brand decisions. In any case, the study uncovered that various pieces of the mind light up if individuals know or not mindful of the brand they consume. In particular, the review proposed that a solid brand, for example, Coca Cola has the ability to "own" a piece of our front facing cortex. The front facing projection is viewed as the seat of our leader work (EF) which deals with our consideration, controls our transient memory, and does the best of our thinking — particularly arranging. So as per the review, whenever individuals realize they are drinking Coca Cola, they in reality say they lean toward the Coke brand over Pepsi and their EF illuminates. Notwithstanding, when they don't know which brand they are consuming, they report that they like Pepsi all things considered. In this last occasion, the piece of the cerebrum which is most dynamic isn't the EF yet a more seasoned structure settled in the limbic framework. This cerebrum region is capable for our profound and instinctual conduct. The Coke and Pepsi study might have not been sufficient to persuade a large number marketing specialists

that neuroscience could help break the brain code of our choices, however it was positively enough to stress many over its possible power.

For a really long time, the two advertisers and marketers have depended on ancient ways of making and evaluate powerful publicizing crusades. A great many dollars are emptied every year into creating items that won't ever come around. Incalculable missions neglect to draw in purchaser consideration and effectively influence our memory banks. Overlooking neuro- imaging as a method for understanding shopper conduct would be essentially as ridiculous as stargazers declining to utilize electronic telescopes. Putting genuine concerns on morals to the side, there is no doubt that neuro imaging gives strong focal points through which we can notice and comprehend the psyche of a buyer.

### **NEUROMARKETING TECHNIQUES**

- **EYE TRACKING:**

The procedure centers on look and where customers direct it. With its assistance, you can sort out colours, textual styles, advertisements, plans that prevail to catch their eye. Plus, eye-following can likewise sign the articles that summon disarray among these individuals. Assuming you are keen on memorability, you can figure out the customers' acknowledgment speed. This approach will let you know whether you have an elevated degree of acknowledgment or need to chip away at it to make individuals review your organization quicker. When you pick eye-following, it permits you to further develop web composition, bundling, and advertisements for a minimal price. The procedure is not difficult to make due, it won't assist you with assessing customers' feelings. So use it with biometrics to get a more analysis of your main interest group.

- **PUPILOMETRY:**

This technique reaches determinations in light of the condition of subjects' pupils. It checks whether the pupils are enlarged to survey the level of customers' commitment. With its outcomes, you can sort out the means to change promotions, site plan, and item bundling. The methodology is moderately modest and simple to execute.

- **FACIAL CODING:**

This strategy centres on the facial expressions of subjects to distinguish enthusiastic reactions. It empowers you to sort out the feelings individuals feel: bliss, dread, nervousness, shock, fulfilment, and so forth. At a generally modest cost, you'll get data that will assist you with working on your advertisement content and resonate with the crowd.

- **BIOMETRICS:**

This strategy recognizes the degree of commitment and the sort of reaction (positive or negative) in view of skin breath, conductance, and pulse. Biometrics permits you to make your promotion content as per individuals' cravings. Along with eye-following, it can essentially work on the promotions and content you decide for them.

- **ELECTROENCEPHALOGRAM:**

It helps to identify clients' commitment and review with the assistance of electrical signs that come from neurons inside the brain. This moderately costly method empowers you to assess changes in brief periods and work on the nature of advertisements and branding.

- **FUNCTIONAL MAGNETIC RESONANCE IMAGING:**

This most costly methodology gives detailed passionate reactions, review, and client commitment. To play out the strategy, you really want a lab. fMRI distinguishes blood stream in the cerebrum during high brain action. Subsequently, you get data that further develops marking and set costs.

## **APPLICATION OF NEUROMARKETING IN CONSUMER BEHAVIOUR**

- **Neuromarketing on Advertisement:**

Taking the impact of neuromarketing on the showcasing device publicizing into account, one ought to think about these perspectives. The method of show of certain choices made by for example good examples in an advertisement can have huge impacts on the genuine choice being made by a customer. Subsequently, the subject of advertisement and item show to purchasers available are becoming progressively significant. It was identified that advertisements were progressively recalled whether

they were either very appealing or extremely ugly. Also, positive looks are urgent and profoundly vital to create an advertisement, which is alluring to customers. Barely any other examination concentrates on outcomes showed that the introduction of enthusiastic pictures in advertisements is likewise pointers which support the recalling cycle of advertisements.

In any case, taking all the introduced data into account, scientist proposes that neuromarketing can have a successful and positive effect on publicizing when applied appropriately. Since with the foundation information about which mind regions are liable for which contemplations and exercises in the cerebrum in addition to the specialized investigation showing which mind regions are enacted, very enlightening information can be acquired. Accordingly, while introducing an advertisement to a test individual and applying neuromarketing strategies, for example, fMRI or EEG, it is very sensible to wind up with data it is engaging or not to demonstrate if an advertisement.

- **Neuromarketing on pricing:**

Coming to the impact of neuromarketing on pricing it's a critical pointer with respect to the introduction of an item and its appearance to buyers, there are a few existing promoting investigates investigating its impact on purchasers. Cost is a significant marker with respect to the dynamic cycle in light of the fact that in a choice, for the most part, costs are thought about in contrast to benefits.

It is demonstrated that buyers are moderately frequently not in that frame of mind to recover costs of specific items and, perhaps more significant, not in that frame of mind to precisely decide the amount they might want to pay for specific items. On premise of that, one can contend that the use of neuromarketing strategies can be exceptionally supportive to decide purchasers' eagerness to pay and advertisers can, upon that, change costs likewise. Defying test people with items and a decision of various costs can do this. One can then request which from the introduced costs would address the most extreme ability to pay and break down the cerebrum exercise happening also. While breaking down the mind movement, one checks whether there are somewhat districts of agony or joy being initiated.

- **Neuromarketing on new product development**

Concerning neuromarketing's effect on the new product development, one can express that the viability may be more restricted. The strategies of neuromarketing are more suitable while thinking about the product experience itself, and not choices before the genuine plan of the product. In other words, it is accepted that no substantial outcomes can be expounded before the product advancement. Accordingly, utilizing elective strategies when is recommended growing new products. In barely any examination concentrates on it is expressed that because of the way that fMRI can channel data successfully, this technique could be applied during the time spent pretest and advancement of new products, as it would unveil inward data. While considering the two argumentations, that's what the paper recommends, despite the fact that neuromarketing methods can be powerful, they probably won't be the most effective way to foster new products, as they are more suitable for end result testing.

- **Neuromarketing on Distribution of Products.**

Coming to neuromarketing's effect on the distribution of products, it very well may be contended that with the assistance of neuromarketing methods, for example, eye tracking, facial coding, and EEG or fMRI, significant inside data can be acquired concerning that. Explicit model concerning direction and the conveyance of products and its investigation by neuromarketing strategies is the first rate model. Inside this model, it is expressed that the main products, which are really assessed by buyers are the ones on the top racks in stores. This is on the grounds that top areas are known to draw in more consideration and are therewith bound to be picked by purchasers. Whenever purchasers would for example go shopping for food, one can basically connect an EEG cap to their heads and follow their routes through the store, as well as perform eye following. All of this could toward the end be investigated and is probably going to decision making data about the dynamic course of individuals.

- **Neuromarketing on Branding:**

For an organization it is essential to recall that branding and devotion of shoppers to their favored brands is interconnected with serious feelings in the navigation process contrasted with different brands. Clients are probably going to act faithful to their liked brand. Past exploration demonstrated the way that main the

most loved brand could produce feelings that can impact the dynamic cycle, which is known as the champ bring home all the glory impact. Consequently, the branding system and a brand overall is an significant part of a showcasing methodology and ought to be managed deferentially by advertisers. As concentrates as to brand with the fMRI showed, there is a convincing distinction in mind action between normal brands and favored brands. Along these lines, one can express that by utilizing fMRI, EEG or MEG procedures, it ought to be feasible for advertisers to sort out which mind regions are being initiated when products from certain brands are being introduced, and in how far these brands impact the decision-making system overall. Since this branding issue enormously affects the official conclusion making of a shopper and can profoundly impact it albeit subjective or on the other hand value issues may be more terrible than with unbiased brands, it very well may be encouraged to strengthen the use of neuromarketing techniques to the branding to improve and ideal the portrayal of a specific brand.

### **ETHICAL ASPECTS RELATED TO NEUROMARKETING**

- **Ethical issues related with privacy**
- **Usage of information for other purposes**
- **Lack of proper regulation and guidelines.**
- **Lack of transparency in process.**
- **Chances of making impulsive decisions from customers.**

Improvement and advancement of neuroscience have made the limit with respect to neuroscientific strategies to be applied to promoting science and at last advertising practice. As a somewhat early subfield in promoting, neuromarketing applies neuroscientific techniques to concentrate on shopper responses to explicit promoting related boosts. Similarly that the methods of neuromarketing raise energy among organizations, they additionally raise discussion connected with moral issues. Among the papers looked into, the super moral issue including neuromarketing is connected with the infringement of buyers' security. Neuromarketing strategies might can guess customers' thoughts. Organizations would have the option to recognize and effectively trigger systems that incite customer buying conduct. Shoppers, thusly,

would become straightforward to the organizations, which, all of a sudden, could attack their private contemplations.

One more moral inquiry of neuromarketing lies in the utilization of the method for business purposes. In looking at the mental cycles connected with people's utilization inclinations, organizations secure extraordinary ability to impact the buy choice. Many papers refer to the absence of morals connected with the chance of neuromarketing making powerful promotions and items. Neuromarketing would then, at that point, address a significant danger to the independence of buyers since it would eliminate their safeguard instruments. Writing uncovers that neuromarketing has frequently been dismissed by some, as far as ethics. There must be thought about: obligation towards subjects taking an interest to studies, obligation towards purchasers, obligation concerning specialists. A few creators say that organizations ought to uncover the systems and aftereffects of their examination to stay away from allegations of untrustworthy way of behaving. Assent from members ought to likewise be acquired before studies are directed. The insurance of weak populaces is likewise important for the worry with respect to neuromarketing. There is a need to direct the utilization of neuromarketing methods on kids and other weak gatherings, like individuals with neurological sicknesses or obsessive problems.

### **NEED OF THE STUDY**

The practice of Network marketing or Multi level marketing is considered as same type of marketing which comes under direct selling industry. It is a business model that depends on person to person sales and building sales networks to assist in the lead generation and closing the sales, it provides a significant income and financial freedom. The network marketing industry is one of the fastest growing industries in India. One of the problem that extensively suffered by this industry is the reputational issues related with the previous scams and financial frauds and it is also important that to provide best in class products to the customers.

The study tries to understand the practicality of neuro marketing techniques in network marketing. As we know neuromarketing is a modern practice in marketing that helps to analyze the brain activity of potential customers to understand their conscious and unconscious responses, perceptions and opinions that can be used in product development and communication. According to Mariano Diotto, brand strategist

and director of department of communication of IUSVE University; “Neuromarketing manages to block the moment when an emotion is experienced by the public and settles into its unconsciousness”. According to him Neuromarketing will help in the persuasion of potential prospects by handling their objections. In network marketing it is very common that networking people or direct sellers failed to acquire and attract new clients, it occurs because of the credibility issues that happened in the past and acquiring new talent is a complex process that involves a lot of motivation and persuasion. The study aims to understand the feasibility of neuro marketing to resolve this issue.



**CHAPTER 2**  
**REVIEW OF LITERATURE AND RESEACH DESIGN**

## **2.1 REVIEW OF LITERATURE**

Research which is often defined as re-search is a mandatory chapter in the formation of thesis as it aims to provide the background and justification for the research undertaken (Bruce 1994). In his publications, he has identified six elements of literature review that comprises of a list, a search, a survey, a vehicle for learning, a research facilitator and a report (Bruce 1994).

**A literature review can be defined as a comprehensive study that includes interpretation of literature that is based on specific topic (Aveyard, 2010).**

No study can be conducted, if it does not review the literature based on the topic of the research. Therefore, a literature review is very essential before a researcher plans to conduct a study on particular topic so as to understand the amount of work already conducted in that area by the accredited researchers and scholars.

Therefore, in order to conduct a study of **“A study on the practicality of neuromarketing in network marketing for client acquisition with special reference to network marketing industry, Kerala”** the following literature was reviewed. The literature includes the research papers, research articles and reports by research agencies and depending upon the research topic and methodologies involved,

- The research study conducted by **ROBIN CROFT (1996)** considered as one of the oldest study in the field of network marketing, it is little serious material expounded on Network Marketing as a rule, and practically none regarding the matter of its reasonableness as a direct of dispersion in worldwide business sectors. However there is presently a few hard information from a typically mysterious industry which empower Network Marketing's cases in regard of its general allure for be surveyed basically. Utilizing data remembered for Amway's new Pacific Rim buoyancies, this article surveys Network Marketing against six key models for channel the executives. That's what it presumes in spite of the fact that it might have specific qualities specifically showcases, Network Marketing is in no way, shape or form an all inclusive panacea, and that to succeed, organizations should concentrate on different parts of marketing the board.
- According to **CARL SENIOR, NICK LEE (2008)** the use of neuro scientific research strategies to statistical surveying has brought about a few shrill reactions and rather prophetically catastrophic expectations in the well known press. The energetic discussion in the famous press which encompassed the development of

neuromarketing was most likely propelled by the frequently referred to however undermined idea of a "purchase button in the cerebrum." This expression depicts the endeavors to find a legendary locale of the human mind that when initiated would drive resulting purchaser conduct, maybe without customers being deliberately mindful of this. Without a doubt, during the early development of neuromarketing it might possibly have been viewed as a type of applied social brain research. Yet, because of the way that neuromarketing is basically the investigation of the cortical substrates of social impact in an applied setting it should now be considered a logical sub discipline by its own doing. All neuromarketing research requirements to have major areas of strength for a foundation with an unmistakable trial theory. Neuro ethics is a sub discipline of bioethics and can best be depicted with the bipartite model of Roskies. The paper proposes an original update of past models of examination to integrate ideas of force and media detailing - main points of contention in neuromarketing research given its true capacity for cultural effect.

- The research conducted by **CARL ERICK FISHER, LISA CHIN (2010)** explains about the ethical aspects of neuromarketing. Neuromarketing has a recently generated controversy concerning the inclusion of clinical experts, and many key inquiries remain — ones that have possibly significant ramifications for the field of psychiatry. Clashing meanings of neuromarketing have been proposed, and little is had some significant awareness of the real acts of organizations, doctors, and researchers engaged with its training. This article audits the historical backdrop of neuromarketing and utilizes an exploratory overview of neuromarketing Web locales to delineate moral issues raised by this new field. Neuromarketing, as right now rehearsed, is heterogeneous, as organizations are offering an assortment of advancements. Many organizations utilize academicians and experts, however scarcely any rundown their clients or expenses. Media inclusion of neuromarketing shows up excessively high contrasted with the scarcity of friend looked into reports in the field. Organizations might be making untimely cases about the force of neuroscience to anticipate consumer conduct.

- According to **CHRISTOPHER R MADAN (2010)** neuromarketing is the next step in marketing research. Neuromarketing is an arising interdisciplinary field associating brain science and neuroscience with financial matters. The objective of neuromarketing is to concentrate on how the mind is physiologically impacted by promoting and showcasing techniques. To assess the adequacy of these systems, cerebrum movement coming about because of review a notice is checked and estimated utilizing neuroimaging strategies, for example, practical attractive reverberation imaging (fMRI) and electroencephalography (EEG). Neuromarketing concentrates typically measure inclination between items concerning brand commonality or item inclination. In conventional promoting studies, measures, for example, the item inclination for a specific commercial is at times hard to quantify, as a watcher might hold a mental predisposition. Notwithstanding, brand commonality and item inclination have been corresponded with brain action. The field of neuromarketing is as yet seen with alert from shopper assurance bunches as well as numerous scholastics because of the conceivable moral ramifications of planning notices to cause explicit neurological impacts purposefully.
- The research work done by **ROBERT A PETERSON (2011)** emphasis on the basic characteristics of multilevel marketing. Multilevel marketing (MLM) is a retail channel of distribution that has a negative picture in the personalities of numerous people and is under expanding examination by government administrative offices all over the planet. It is every now and again affirmed that multilevel marketing organizations might be unlawful fraudulent business models, and that such organizations are dishonest. One central issue being raised progressively is the degree of alleged inside utilization. This paper tends to those attributes of multilevel marketing that are under attack and argues an objective, not emotional, point of view that guarantees that MLM associations are innately fraudulent business models and unethical.
- The research 'The potential of network marketing in 20th century' by **JEONG YOO KIM, MY CHOI (2011)**, in their research paper it investigate on model of network marketing in a little world network structure misleadingly built much the same way to the Watts-Strogatz network model. Not the same as the conventional

marketing, consumers can likewise assume the part of the maker's selling specialists in network marketing, which is invigorated by the reference charge the producer offers. As the wiring likelihood  $\alpha$  is expanded from zero to solidarity, the network changes from the one-layered customary guided network to the star network where everything except one player are associated with one consumer.

- In the research work of **CHRISTOPHE MORIN (2011)** Explains that Neuromarketing is an emerging field that bridges between the studies of consumer behavior with neuroscience. Dubious when it initially arose in 2002, the field is acquiring quick validity and reception among publicizing and promoting experts. Every year, north of 400 billion bucks is put resources into publicizing efforts. However, traditional strategies for testing and foreseeing the adequacy of those ventures have commonly fizzled on the grounds that they rely upon shoppers' ability and capability to portray how they feel when they are presented to a commercial. Neuromarketing offers state of the art techniques for straightforwardly testing minds without requiring requesting mental or cognizant cooperation. This paper examines the guarantee of the thriving field of neuromarketing and proposes it can possibly fundamentally work on the adequacy of both business and cause-related publicizing messages all over the planet.
- The work of **LIS P TUSSYADIAH (2012)** is focused on stimulus-response model of area based social network marketing that is conceptualized in view of an exploratory examination. Area based informal community applications are equipped for producing marketing improvements from shipper, rivalry based, and association based rewards came about because of importance and availability. Contingent upon utilization circumstances, buyer attributes, and interpersonal organization structure, these prizes lead to genuine way of behaving that appears in assortment conduct (i.e., support to new sports) and devotion conduct (i.e., expanded recurrence of support to natural spots). This conduct suggests changes in examples of portability, making this marketing approach especially applicable for the travel industry and neighborliness organizations. Administrative ramifications and proposals for additional investigations are given.
- According to **MARTHA J FARAH (2013)** Neuro ethics has grown quickly, determined to a great extent by improvements in neuroscience. This article

surveys neuro ethics from the stance of its developing genuine significance. It opens up with an examination of the historical backdrop of neuroscience that recommends the justification behind the rise of neuro ethics now, in the mid twenty-first 100 years. It continues to review current uses of neuroscience to assorted certifiable issues. Distributed research in the field of neuromarketing is more centered around scholarly issues, like the idea of the cerebrum movement basic customer conduct and the precision of mind conduct expectations, than it is on this present reality utility of neuromarketing for further developing business. At last, this article finishes up with a conversation of the moral issues raised by these turns of events, and frameworks three general difficulties for society in the period of neuroscience.

- The study of **STEPHEN J GENCO, PETER STEIDL (2013)** shows how to utilize neuromarketing and comprehend the science behind it Neuromarketing is a disputable new field where specialists concentrate on buyers' cerebrum reactions to publicizing and media. Neuromarketing and the cerebrum sciences behind it give better approaches to check the deep rooted question: for what reason do customers purchase out? Neuromarketing For Dummies goes past the promotion to make sense of the most recent discoveries in this developing and frequently misconstrued field, and shows entrepreneurs and advertisers how neuromarketing truly functions and how they can utilize it for their potential benefit. You'll get a strong handle on neuromarketing hypothesis and what it is meaning for research in publicizing, coming up and web based shopping, item and bundle plan, and considerably more. Points include: How neuromarketing works Insights from the most recent neuromarketing research How to apply neuromarketing methodologies to any even out of promoting or showcasing, on any financial plan Practical strategies to assist your clients with creating securities with your items and administrations The morals of Neuromarketing for Dummies demystifies the theme for entrepreneurs, understudies, and advertisers and offers commonsense ways it tends to be integrated into your current advertising plans.
- The research by **THANUSREE DUTTA (2015)** talks about the introduction stage of Neuromarketing in last decade, somewhat recently, neuroscience has informed the advertising science in significant ways and the communication

between both of these sciences has helped in creating further experiences into the buyer conduct. This has prompted the rise of another field of study, named as neuromarketing or buyer neuroscience. This article acquaints with this arising field in promoting writing and practice. It gives an outline of the utilizations of neuroscience in tending to showcasing and customer conduct research. The article then talks about the job which neuromarketing and buyer neuroscience is supposed to play in molding the future promoting rehearses. It likewise acquaints with a few strategic ideas of neuromarketing alongside certain advances in central neuroscience which are probably going to propel this field thusly improving the meticulousness of the neuromarketing studies.

- **STEVAN J STANTON (2017)** talks about , Neuromarketing is an arising field in which scholastic and industry research researchers utilize neuroscience procedures to concentrate on showcasing practices and shopper conduct. The utilization of neuroscience strategies, it is contended, works with a more straightforward comprehension of how mind states and other physiological systems are connected with purchaser conduct and direction. Thus, we will verbalize normal moral worries with neuromarketing as of now worked on, zeroing in on the likely dangers to purchasers and the moral choices looked by organizations. We contend that the most often raised concerns — dangers to purchaser independence, protection, and control — don't ascend to significant moral issues given the momentum capacities and execution of neuromarketing research. However, we distinguish how possibly genuine moral issues might rise out of neuromarketing research rehearses in industry, which are to a great extent exclusive and hazy. We distinguish steps that can relieve related moral dangers and hence diminish the dangers to customers. We reason that neuromarketing emphatically affects society and purchasers, a reality seldom thought to be in the conversation on the morals of neuromarketing.
- The research work “Neuro ethics and responsibility in conducting neuromarketing research” by **MONICA DIANA BERECA (2017)**, It explains that scholastics and organizations have shown an expanded interest in cerebrum studies and human cerebral capacities connected with buyer's responses to various improvements. Subsequently neuro ethics arose as a method for causing to notice

moral issues concerning various parts of mind research. This audit investigates the climate of neuromarketing research in both business and scholastic regions according to a moral perspective. The paper centers around the moral issues including subjects taking part in neuro imaging studies, purchasers that experience the impacts of examination results and furthermore analysts that lead such investigations. Beginning the examination from the holes in customary showcasing research, the paper gives data on morals of neuromarketing research and its difficulties and offers viewpoints concerning the guidelines that ought to be executed to permit the improvement of both neuro ethics and neuromarketing under fitting circumstances.

- The research work of **SVETLANA V KARPOVA, ILLYA V ROZHKOV (2019)** shows that the techniques of neuromarketing can be effectively used in financial markets. The change of advertising standards, which happens affected by the quick advancement of data innovations and new types of correspondence, requires the quest for additional objective techniques for customer research. Neuro economics and neuromarketing as its applied branch permit to study psychophysical conditions of an individual during the time spent purchaser decision. The article endeavors to distinguish the most encouraging areas of utilization of neuromarketing innovations. The audit of the main headings in Russia and abroad is done.
- The study by **DIMITAR KOLEV (2019)** gives emphasis on the impact of neuromarketing in decision making process .In recent years investigations utilizing electrophysiological techniques, for example, EEG in showcasing research has developed. The premium for these systems depends in their high-transient goal instead of the examination of such an issue with the practical attractive reverberation imaging (fMRI) philosophy, likewise generally utilized in the promoting research. High goal EEG innovation has incredibly worked on their spatial goal somewhat recently. By introducing it show what sort of data it is feasible to assemble with these techniques while the people are watching showcasing pertinent upgrades and pursue a choice. Such data will be connected with charm to such boosts. We noticed that worldly and recurrence examples of mind cues can give potential descriptors passing on data about the dynamic cycles



in subjects noticing commercials. This data could be absurd through different devices utilized in standard promoting research.

- **DEVI PREMNATH (2021)** Describes about the applications of neuromarketing on digital marketing. There is an over dependence on the advanced medium and both the shoppers and the advertisers have begun to embrace something similar. The clients have become more dynamic in web-based entertainment organizing and the change can be noticed in their ways of life as well as in their mentalities and insights. So it turns out to be truly basic that this new channel that the advertisers will depend on needs to fit itself as indicated by the changes. The computerized advertising has acquired changes in the buy designs. Buys are as of now not a gathering capacity nor is it made intentionally. This singular activity is constrained by the mind. So a person's neurological components and his cerebrum turns into the deciders in a buy action. There is a call for investigating strategies that can tempt one's cerebrum and accordingly assist a brand with unendingly planning itself high up in this crucial organ. This paper features the neglected relationship and the reliance of computerized advertising models on neuromarketing sciences. Neuromarketing is an arising field in showcasing. This beginning showcasing system interfaces the psyche and the close to home aspect of a buyer to a brand by the utilization of different neurological multipliers.

## **RESEARCH DESIGN AND RESEARCH METHODOLOGY**

### **2.2 STATEMENT OF THE PROBLEM**

According to Dr APJ Abdul Kalam “Network marketing is the fastest growing business of 21 st century which must be joined by every young man and women globally otherwise you can never get the best of your age”, like his words Network marketing and direct selling industry in India in 2021 hits total sales of 15930 crores (According to Indian direct sellers association). It is considered as one of the fastest growing industry in India with an annual average growth rate of 4.7%.

However one of the problems faced by this industry is about lead generation and credibility issues. The previous financial frauds and scams related to this industry leads to this problem. So this study aims to understand the practicality of Neuromarketing techniques in the growth of network marketing industry, not only just in advertisement and sales promotion, the study gives more stress on the practicality of client acquisition through motivation and persuasion.

The practice of Network marketing or Multi level marketing is considered as same type of marketing which comes under direct selling industry. It is a business model that depends on person to person sales and building sales networks to assist in the lead generation and closing the sales, it provides a significant income and financial freedom. The network marketing industry is one of the fastest growing industries in India. One of the problem that extensively suffered by this industry is the reputational issues related with the previous scams and financial frauds.

### **2.3 SCOPE OF THE STUDY**

The practice of Network marketing or Multi level marketing is considered as same type of marketing which comes under direct selling industry. It is a business model that depends on person to person sales and building sales networks to assist in the lead generation and closing the sales, it provides a significant income and financial freedom. The network marketing industry is one of the fastest growing industries in India. One of the problem that extensively suffered by this industry is the reputational issues related with the previous scams and financial frauds and it is also important that to provide best in class products to the customers. The study is tries to understand the possibilities of neuromarketing to resolve these problems in the context of network marketing/direct selling industry in Kerala.

## **2.4 OBJECTIVES OF THE STUDY**

- To understand the concept of neuromarketing and network marketing.
- To identify the factors and behavioral implications related to the customer acquisition in network marketing.
- To study the feasibility of existing neuro marketing practices with client management in Network marketing
- To study the potential of neuro marketing techniques in advertising and sales promotion in Network marketing.

## **2.5 SAMPLING**

The Size of the sample is 75 and has used the convenience sampling through preparing questionnaires.

### **Type of sampling:**

Non probability: Convenient sampling

### **SAMPLING METHOD:**

Data is collected from respondents selected through convenient sampling questionnaire.

Convenience sampling is a specific type of non- probability sampling method that relies on data collection from population members who are conveniently available to participate in study

## **2.6 DATA COLLECTION TOOLS**

### **Sources of data**

The study is conducted based on the primary data and secondary data collected. Secondary data refers to data that is collected by someone other than the user. Common sources of secondary data information collected by government departments, organizational records, Internet sources and data that was originally collected for other research purposes.

Primary data means the fresh and first hand data that is collected by the researcher directly through questionnaire, surveys Etc....

### **PRIMARY DATA**

The primary data collected using,

- Questionnaire

## SECONDARY DATA

Secondary data collected using,

- Online newspapers
- Books and Magazines.
- Websites

## **2.7 PLAN OF DATA ANALYSIS**

The data collected from both the primary and secondary sources presented by using graphs and tables and analyzed and interpreted in the systematic manner with the help of statistical tools like percentages.

The study carried out as a descriptive one, descriptive research means a method of research that describes the characteristics of the population and phenomenon studied. The study carried out by collecting both primary and secondary data. The primary data collected from 75 respondents across Kerala and secondary data collected using research papers and websites.

## TOOL USED FOR DATA ANALYSIS

- Simple percentage method

$$\text{Simple percentage} = \frac{\text{No of respondents}}{\text{Total number of respondents}} \times 100$$

## **2.8 LIMITATIONS OF THE STUDY**

- The primary data collection only limited to 50 respondents
- The study is confined only to the population within the limit of Kerala
- The analysis of data will be based on current data: as much as it loses its relevance in future
- Analysis, Findings, and suggestions were based on the information selected from the respondents. Any accuracy issues involved in the research might have affected the latter works.

### **CHAPTER 3**

### **PROFILE OF THE SELECTED INDUSTRY**

## **INDUSTRY PROFILE OF NETWORK MARKETING**

Network marketing is one of the fastest growing industry in the world. Due to the covid outbreak and lock down worries about job security among the employees also rises, According to Epixel MLM software during the covid pandemic period there is a rapid increase occurred in the client acquisition and growth in direct selling industry. In 2021 network marketing industry made a benchmark of 180 billion US dollars through retail sales with a high annual growth rate of 2.3%.

## **EVOLUSION OF NETWORK MARKETING**

Multilevel Marketing or Network Marketing as it is brought world over is a quickly developing peculiarity. The way that anybody, anyplace can turn into a wholesaler and procure pay from building the network without forfeiting some other occupation or extra interest into this business makes it exceptionally alluring for individuals from varying backgrounds to endeavor at joining the network. It is assessed that in US alone 70% of the Direct Selling Revenues come from Network Marketing. However no figures are accessible to affirm the income figures at public level, more than 50 million individuals are assessed to be occupied with Multi Level marketing from one side of the planet to the other.

However there is no recorded history of Origin of Multi Level marketing, by and large it is accepted that this idea owes its starting point to 'Nutralite' or previously known as California Vitamin Company which produces food supplement items. In the early piece of 1940s, the Company used to take part in Direct Selling. The idea of Multi Level or Network selling appears to have arisen accidentally when the Distributors found that they were producing more deals for the Company by alluding their companions and known individuals to the business opportunity accessible with Nutralite. Now of time, there was no framework set up to perceive and remunerate the wholesalers for their endeavors in selecting different Distributors for the organization. With the acknowledgment unfolding on the Distributors and the Company, the means of paying 2% reward to the support Distributor on the deals that were accomplished by the Distributor and the network that he supported or constructed was presented. This then, at that point, prompted the introduction of advanced arrangement of 'Pyramid Selling'.

Nutralite accomplished exceptional development and benefits in the next many years because of the quickly developing network in the US as well as across different

landmasses too. In mid 1960s, two men Richard DeVos and Jay Van Andel, who were the Distributors of Nutralite split away to assemble their own organization which developed to be the greatest in MLM business world over called 'Amway'. This organization at first made an introduction to House hold and cleaning items and proceeded to purchase Nutralite Company and consolidation the food supplement items into its portfolio. One more wholesaler named Dr. Forrest C Shaklee excessively split away from Nutralite at the very period that 'Amway' took birth and observed the new Company named Shaklee managing Nature's daylight items.

Today there are a few many Companies that are rehearsing Pyramid selling or Multi Level Selling and pay techniques to sell their items. Various brands, for example, Avon, Tupperware, Electrolux, Discovery Toys, Herbal life, Kleenez, Oriflame, Reliv and so forth have been exceptionally fruitful in developing their business all around the world utilizing this idea of deals. However there are a great deal of reactions and charges exacted against this framework and organizations both by the business watchers as well as the exchange and Governments, the figures uncover that the idea has been effective in the development of additional organizations lately. The Direct Selling Association of US revealed that around 25 % of its individuals were taking part in MLM divert of selling during the 1990s while continuously 2009, it was viewed that as more than 94% of the individuals had been rehearsing this technique adding to around 97% of the absolute Direct Sales.

While the figures are showing moderate patterns and the Companies frequently advance the examples of overcoming adversity of people who have become moguls in the business, it is to be noticed that there is developing worry in the exchange and Governments of different nations which have been bringing up issues about the realness of the pyramid pay strategy which they accept is intrinsically defective model and that the income or pay age doesn't occur because of deals of the item however is because of the enlistment of wholesalers. China has prohibited this type of Direct Selling starting around 1998. The exchange anyway is by all accounts developing exceptionally all around the remainder of the world.

- In 1880 MLM business evolved in USA with the establishment of AVON
- In 1920 the network marketing business volume increased to 500 million US dollars.
- Between 1940 and 1960 so many companies evolved on the basis of network marketing principle.

- In 1970 s product differentiation comes into picture and new products categories like wellness products, Household products, food items started to attract customers.
- Between 1990-1996 many of the top companies like Amway, Herbalite etc...started their operations globally.

### **Direct selling industry: Global outlook**

Direct Selling is over exceptionally old exchanging strategy, which is today, rehearsed in excess of 170 nations and has a status of a worldwide industry. The conventional strategy for selling incorporates a progressive organization including various partners including clients, suppliers, deals specialists, government and media. This method of selling is successful for items and clients who need shows or preliminary bundles before buy. Direct selling makes selling in new business sectors and selling new items simpler contrasted with ordinary advertising. Being a particular channel of dissemination, which is neither discount nor retail, it covers both business-to-business and business-to-purchasers viewpoints.

### **KEY STATS ON GLOBAL DIRECT SELLING INDUTRY**

- In 2021 the direct selling/ network marketing industry made a retail sales of 180 billion Us dollars.
- The average annual growth of direct sales is 2.3 %
- USA is the biggest direct selling and network marketing country accorss the world with a sale of 35.2 billion followed by china which have 23.4 billion.
- Comparing to the last decade there is an increase of 40% direct sales recorded in USA.
- 68% of the direct selling companies recoded positive revenue growth rate.
- Amway, Natura cosmetics and Herbalife are the top 3 companies in network marketing based on revenue in 2021
- Avon, Herbalife and Mary Kay are the top 3 direct selling companies based on their sales force.



- The global direct selling industry has 125.4 million people as sales representatives and distributors.

### **NETWORK MARKETING INDUSTRY IN INDIA**

The year 2020 has really been an extended time of vulnerabilities. For some, it has implied the loss of friends and family; for some others, their work. Be that as it may, the insight about immunizations for COVID-19 coming in 2021-2022 has positively brought a lot of hope. A few areas are as of now seeing the green shoots of recuperation. Direct offering is one such area that keeps on promising a brilliant future notwithstanding the ongoing impediments and difficulties.

According to industry assesses, the Direct Selling industry in India, which right now positions No. 15, around the world, is supposed to develop at a Compounded Annual Growth Rate (CAGR) of around 4.8 percent to arrive at Rs 15,930 crore by 2021. This demonstrates that the Direct Selling Industry is prospering and delineates its true capacity with the proceeded with pace of development - expanding at an amazing pace of 12.1 percent Y-o-Y.

Another intriguing pattern that is recognizable is that the area has been instrumental in business age for almost 122 million Indians who lost their positions this because of the pandemic. The area has additionally engaged ladies in a huge manner right since its initiation. There are practically 2.1 million ladies today who are at the core of this industry and have proceeded to become effective business people.

### **TOP 10 NETWORK MARKETING COMPANIES IN INDIA**

#### **1. AMWAY INDIA**

Amway India is one of the most well known network marketing organizations in India. It is additionally one of the most established network marketing organizations working in India. Be that as it may, Amway is certainly not an Indian beginning organization, as the name proposes. Amway is an American brand that utilizes the MLM marketing model to sell its items, yet it has a gigantic effect in the Indian market. It has distribution centers in excess of 34 urban areas of India and 140 head deals workplaces the nation over. The proprietor of Amway is Richard DeVos, and it sells different wellbeing related and individual consideration items. The Amway Company has an

arrangement of in excess of 200 items that nearly covers each fragment connected with wellbeing and individual consideration needs with a special deal in regards to free items. Amway India gives a large portion of the items that fall in the FMCG class at extremely cutthroat rates.

## **2. FOREVER**

Forever Living Products is another US based organization that follows the MLM marketing construction to sell its items and administrations. Always Living restricted is an immediate selling organization situated in Scottsdale, Arizona based and it was established by the CEO of organization Rex Maughan in the year 1978. Always restricted follows a pyramid construction and sells different honey bee based or determined wholesome items and enhancements, Aloe Vera-based beverages and items, and other wellbeing related items.

This organization has in excess of 150 items in its portfolio, which covers pretty much every item from each fragment they offer with a remarkable contribution connected with free items, and practically these items are accessible in the Indian market. Albeit forever living items is a foreign organization, it has an enormous base and fortification on the Indian market, and it is developing increasingly more with time.

## **3. MI LIFESTYLE MARKETING GLOBAL PRIVATE LTD.**

The best Indian direct selling or Network marketing organization is Mi Lifestyle Marketing Global Private Limited. It was laid out in the year 2013 in Chennai, India. Mi Lifestyle Marketing Global Private Limited is a MLM or network marketing organization that sells different day to day way of life and medical care related items supported by the Ministry of AYUSH straightforwardly to its purchasers. This organization intends to satisfy the fantasy of each individual or merchant related with them by giving them the best administrations, items and different advantages. Mi Lifestyle Marketing Global Private Limited portfolio has in excess of a sum of 200 items which covers pretty much every section connected with medical services and day to day way of life based items. Mi Lifestyle Marketing Global Private Limited giving this large number of items at extremely aggressive rates with an exceptional contribution connected with free coupons with each deal. Mi Lifestyle Marketing Global Private Limited is an immediate selling organization related with the FSDA (Food Safety and

Drug Administration) and FICCI (Federation of Indian Chambers of Commerce and Industry).

#### **4. VESTIGE MARKETING PRIVATE LIMITED**

Vestige is a MLM or network marketing-based organization laid out in 2004. From that point forward, it has been developing at a marvelous rate as time passes. Remnant is one of the main organization marketing-based organizations in India which is managing elite items and administrations connected with individual consideration and medical care classifications. Vestige has in excess of 200 items in its portfolio, which covers pretty much every section connected with medical care and day to day way of life based items and gives this large number of items at exceptionally serious rates with a novel contribution connected with free items. We can straightforwardly break down the nature of items and the board frameworks as well as the marketing plan of the Vestige by the volume of its development rate. Vestige is an immediate selling methodology based marketing organization that is likewise a related individual from the IDSA (Indian Direct selling association).

#### **5. FUTURE MAKER**

Future Maker Life Cares Private Limited, known as Future maker, is MLM or network marketing-based organization. Future maker, an immediate selling procedure based organization, is one of the main MLM organizations in India, developing quickly, was laid out in 2015. The head overseer of Future Maker Life Cares Private Limited is Bansi Lal. It sells different items connected with the medical services class, individual consideration classification, home consideration class, and so forth, straightforwardly to its shoppers.

#### **6. HERBALIFE**

Herbalife, an organization in light of MLM or direct selling methodology structure, is a worldwide nourishment organization that has helped such countless individuals all over the planet to accomplish and seek after a functioning and solid life through their items. The Herbalife organization gives every one of its items at exceptionally cutthroat costs (for every one of the items having a place with the FMCG classification) even with the conventional MLM or direct selling approach. Many individuals in India support the

items and the Herbalife organization to assist with carrying food and great sustenance to youngsters. It is one of the significant reasons that the organization is so well known in India.

Herbalife has in excess of 100 items in its portfolio, which covers pretty much every fragment connected with medical services, day to day way of life and nourishment esteem based items and gives this multitude of items at exceptionally aggressive rates with a one of a kind contribution connected with free items. Herbalife is an immediate selling methodology based marketing organization that is additionally a related individual from the IDSA (Indian Direct selling association).

## **7. AVON PRODUCTS**

Avon Products, otherwise called Avon, is a direct selling or Network marketing-based organization, and it incorporates markets and fabricates restorative and excellence related items. Avon Products has three classes for their items: Beauty, Home and Fashion, and they sell practically these items from each classification into the Indian market. Avon Products has in excess of 200 items in its portfolio, covering pretty much every section connected with corrective and excellence, home and style based items and giving this multitude of items at extremely aggressive rates with an exceptional contribution connected with free items.

Avon items were established in the year 1886 by David H. McConnell, having it settle in New York (NY), the USA and it works through the accompanying five geographic bits of the globe: North America, Western Europe, the Asia Pacific, Latin America, Middle East and Africa and Central and Eastern Europe. Avon Products is the second-biggest direct selling or organization marketing-based organization around the world after Amway had an absolute turnover of \$4.7 billion in the year 2019.

## **8. RCM LTD:**

RCM Limited, generally known as RCM, is one of the biggest direct-selling or organization marketing-based organizations present and working in India. It has a network (salesmen related with the organization) of in excess of 10 million individuals in India itself. RCM sells its items straightforwardly to its buyers through a chain of purchasers (a typical interaction in network marketing). It has an unmistakable vision

with a shown plan to be the greatest organization marketing organization in India and all over the planet. That organization is quite possibly the most well known organizations in India. RCM has in excess of 150 items in its portfolio, covering pretty much every fragment connected with medical care, day to day way of life, home and kitchen, agribusiness and nourishment esteem based items and giving this large number of items at exceptionally cutthroat rates with an interesting contribution connected with free items.

## **9. ORIFLAME**

Oriflame, an organization with natural Swedish beauty care products. In spite of the way that it is a foreign organization, it has a tremendous base and market holding in India. Oriflame is an exclusively MLM or direct selling approach-based organization like the others (RCM, Amway). On the off chance that clients need, they can likewise straightforwardly buy the result of the organization from their authority site. Oriflame has in excess of 100 items in its portfolio, covering pretty much every section connected with beauty care products, everyday way of life, and magnificence items.

This organization isn't an exclusively MLM procedure or pyramid structure following organization. In addition, practically these items from each class are accessible for the Indian market. Nonetheless, we have remembered this for our rundown since it is one of the most famous and prime decision organizations in the Indian market.

## **10. MODICARE**

Modicare, a direct selling or MLM technique following organization, is one of the quickest developing organizations in the Indian market. Indeed, even after the initiation of the Modi Group of Industries, the organization's center way of thinking has remained unflatteringly steady 100% of the time. The center way of thinking of Modicare or Modi gathering of Industries is-to connect with, amplify and improve the existences of individuals and their buyers. This large number of values stayed at the core of it when Modicare was laid out in the year 1996. As a component of Modicare's sublime inheritance, it has forever been the longstanding practice of rewarding its shoppers while making their future safer and transforming themselves in better shape. Modicare deals straightforwardly its items to its purchasers through direct selling or organization marketing approach following a pyramid structure.

## **NETWORK MARKETING INDUSTRY IN KERALA**

South India has been a critical market for direct selling organizations in India with a considerable lot of them beginning their activities around here. The district has seen sensible development in direct selling throughout recent years and contributes around 25% to the general Indian direct selling market in 2014.

In Kerala, the direct selling industry has been in presence for a considerable length of time. The business saw 10 years of fast development till 2010 driven by the high education rate, one of the greatest per capita livelihoods in the nation, high paces of urbanization and a utilization arranged populace. Accordingly, the direct selling market in Kerala had arrived at its pinnacle size of about INR2,900-3,000 million by FY10 and independently represented around 7% of India's complete direct selling industry.

Notwithstanding, the business has been in a condition of consistent decay throughout recent years, predominantly because of an absence of clearness on the arrangement for direct selling. The absence of administrative clearness has prompted the powerlessness of policing to separate genuine direct selling from unlawful fraudulent business models. Therefore, the direct selling industry size had tumbled to about INR700-750 million in FY14 and contributed something like 1% to the generally direct selling market in India.

Notwithstanding, there is a hint of something to look forward to with the state government drafting the Kerala State Multi-Level Marketing (Control and Regulation) Bill, 2013<sup>1</sup> which sets down itemized rules for controlling direct selling or staggered marketing exercises, especially to assist with guaranteeing that such business exercises are led without abusing the arrangements of the PCMCS Act.

Given the positive purpose of the state government, the direct selling industry has solid long haul potential for development in Kerala and is supposed to arrive at a size of INR18-20 billion by 2025. This development is probably going to be driven by the high pace of financial improvement in the state combined with a high human advancement file, rising interest for buyer products particularly in metropolitan business sectors like Thiruvananthapuram, Cochin, and Calicut, and the possibility to build the entrance of direct selling to around the world similar levels.

### **KEY FEATURES OF NETWORK MARKETING INDUSTRY, KERALA**

- **Direct selling market in Kerala comprises of around 58 per cent women.**

The direct selling industry in Kerala has contributed altogether towards the social and monetary strengthening of Women by giving independent work open doors to around 45,000 - 50,000 ladies or around 58% of the all out direct venders in FY14. Our examination shows that the ladies utilized in direct selling become monetarily free, yet in addition assemble deals and marketing abilities which can be utilized across different enterprises. These ladies step by step become more cognizant and mindful of their privileges, pursuing them equipped for choice making. In addition, the exceptional plan for getting work done, adaptability of direct selling permits them to find some kind of harmony between their work and individual lives.

- **Expected benefits - Socio-monetary effect of the business**

As referenced before, the business offers independent work potential open doors to countless individuals, particularly ladies. Direct selling gives ladies the adaptability to deal with their time and equilibrium their work and individual lives. The business additionally offers monetary autonomy to ladies and empowers them to care more for their families. The business in FY14 utilized almost 45,000 - 50,000 ladies or around 58% of the complete direct venders in Kerala. Direct selling organizations have additionally supported social projects pointed toward helping neighborhood networks in the state. For example, in 2008, Avon India in relationship with the Avon Foundation began Breast Cancer Crusade to advance instruction and mindfulness about bosom wellbeing in the nation, including Kerala. Avon's main goal is to give more ladies, especially the individuals who are medicinally under-served, with data about bosom disease, and with direct admittance to early discovery administrations. The Avon Foundation, liable for the organization's cause exercises, likewise grants concedes internationally to teach ladies about bosom disease, and suggests that they get clinical bosom tests.

- **Additional income opportunities:**

Network marketing turns out extra revenue open doors to countless individuals and advances miniature business. In FY14, almost 80,000-90,000 direct venders are assessed

to have drawn in with the business in Kerala, and this number is projected to increment further with the development of the industry<sup>2</sup>. As well as turning out revenue open doors, direct selling additionally confers adaptable abilities in deals and the board, which can be utilized external the direct selling industry also.

- **Women empowerment:**

Network marketing offers independent work open doors to countless individuals, particularly ladies. The business gives ladies the adaptability to deal with their time and equilibrium their work and individual lives. In FY14, it gave independent work to almost 45,000-50,000 female direct dealers (58% of the complete direct merchant labor force in the state)<sup>2</sup>. A few organizations pursue ladies strengthening. For instance, Hindustan Unilever (HUL) made project Shakti in 2001 to not just develop country deals of its wellbeing and excellence care items yet in addition turn out revenue age roads to rustic ladies (called 'Shakti Ammas').

- **Development of the SME sector:**

Many direct selling organizations depend on Small and Medium Enterprises (SMEs) for assembling their items. They additionally depend on auxiliary help administrations like pressing, marking, coordinated operations and material stockpile. Generally speaking, the direct selling organizations give the assembling ability, innovation and cycles to empower the SMEs to create quality items. The direct selling organizations likewise put resources into giving the right gear and machines to the SMEs for creation. Driven by these drives, numerous SMEs have now evolved abilities to take special care of the necessities of other Multi-National Companies (MNCs) and have started supplies to them, advancing India as an assembling objective.

- **Employment generation:**

Besides turning out extra revenue chances to direct merchants, the business other than produces critical direct business open doors. A greater part of the direct selling organizations outsource the production, packaging and distribution of their items, in this manner producing work across the value chain.



- **Social initiatives:**

As far as obligations towards society, direct selling organizations have a few commitments shockingly in Kerala. The AMC India's nutrition talks and Amway Opportunity Foundation's public undertaking for the visually impaired are notable for their social impact.

Going ahead, the business can possibly make a critical social and monetary effect in Kerala. Our appraisals recommend that the business can possibly arrive at a size of around INR18-20 billion by 2025, driven by development in customer markets and expansion in the entrance of direct selling. This is, notwithstanding, dependent upon establishing an empowering climate for the business and moderating a portion of the difficulties it faces today.

- **Product Categories**

The direct selling industry ranges across a different scope of items. However, particular items expecting balanced connection and exhibition with the clients like wellbeing and health items, beauty care products and individual consideration items overwhelm the direct selling market. Expanding mindfulness about the requirement for a solid way of life appears to have expanded the interest for wellbeing items like weight reduction and dietary enhancements. Subsequently, Health and Wellness is the biggest direct selling portion catching a market of INR31.5 billion of every 2012-13.

Beauty care products and individual consideration created an income of INR 23.5 billion catching a 35 percent share on the lookout. With buyers' developing interest in self preparing, excellence and individual consideration organizations in India have presented an immense assortment of items for all kinds of people that can improve their appearance. Exhibit through direct selling makes it simpler for clients to pick such items.

Marketing techniques have expanded purchaser mindfulness about cleanliness and neatness in metropolitan and country regions which has prompted expansion sought after for Homecare and Home improvement items. With a market size of INR7.4 billion, this class had a 11 percent share in the complete direct selling income in 2012-13.

## **CHAPTER 4**

### **DATA ANALYSIS AND INTERPRETATION**

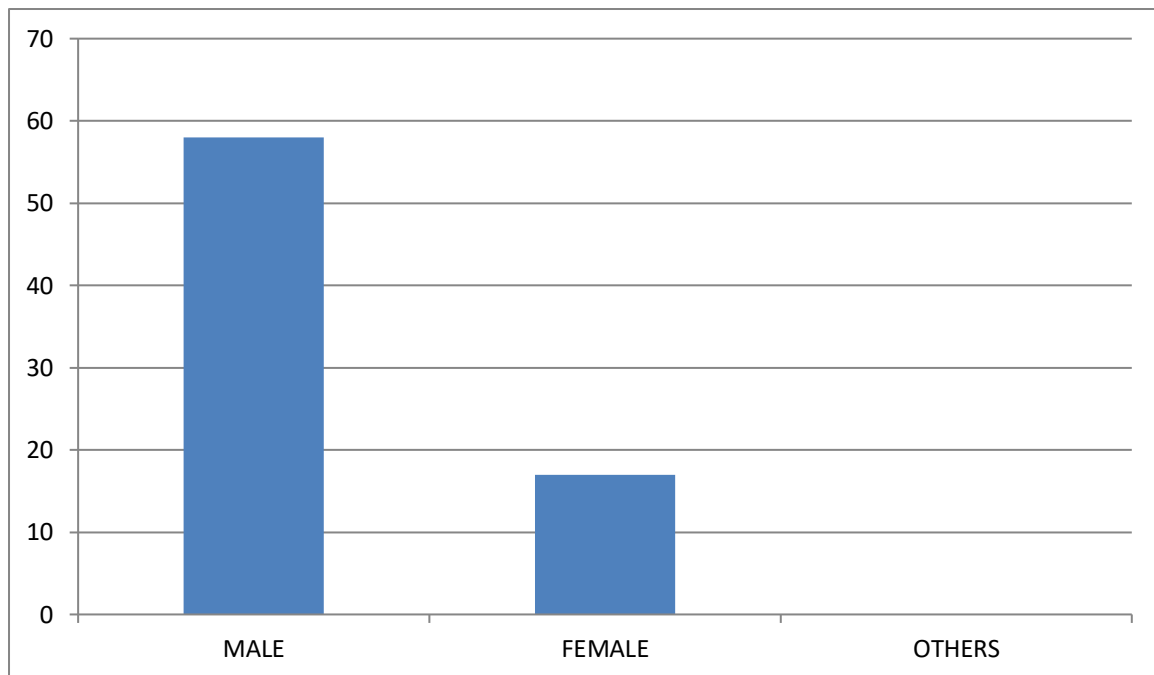
#### **4.1 TABLE SHOWING GENDER OF RESPONDENTS**

OPTIONS	NO OF RESPONDENTS	PERCENTAGE
Male	58	77
Female	17	23
Others	0	0

##### **Analysis**

From the above table it can be understood that among the 75 respondents 58 of them are male respondents and 17 are females, and the percentages are 77 and 23 respectively.

#### **CHART 4.1 GENDERS OF RESPONDENTS**



##### **Interpretation**

From the table 3.1 and graph 3.1 it can be understood that among the 75 respondents 58 of them are male respondents and 17 are females, and the percentages are 77 and 23 respectively. It is clear that the respondents are not divided equally; male respondents are more than female respondents.

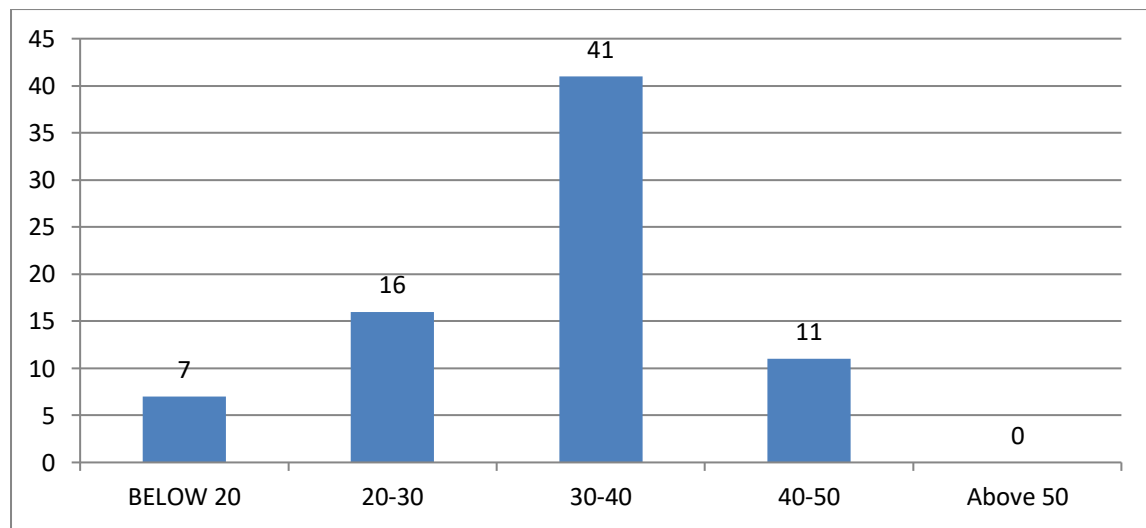
**TABLE 4.2 AGE GROUP OF RESPONDENTS**

OPTIONS	NO OF RESPONDENTS	PERCENTAGE
BELOW 20	7	9
20-30	16	22
30-40	41	55
40-50	11	14
Above 50	0	0

**Analysis**

The above table shows the age group of respondents, It shows that among the 75 respondents 41 are belongs to the age category of 30-40. In the remaining respondents 16 are in the category of 20-30 and 11 are in 40-50 category. only 7 are in below 20 category and none of them are included in above 50 category.

**CHART 4.2 AGE GROUP OF RESPONDENTS**



**Interpretation**

The above chart shows the age group of respondents, It shows that among the 75 respondents 55 percentage are belongs to the age category of 30-40. In the remaining respondents 22 percentages are in the category of 20-30 and 14 percentages are in 40-50 category. Only 9 percentages are in below 20 category and none of them are included in above 50 category.

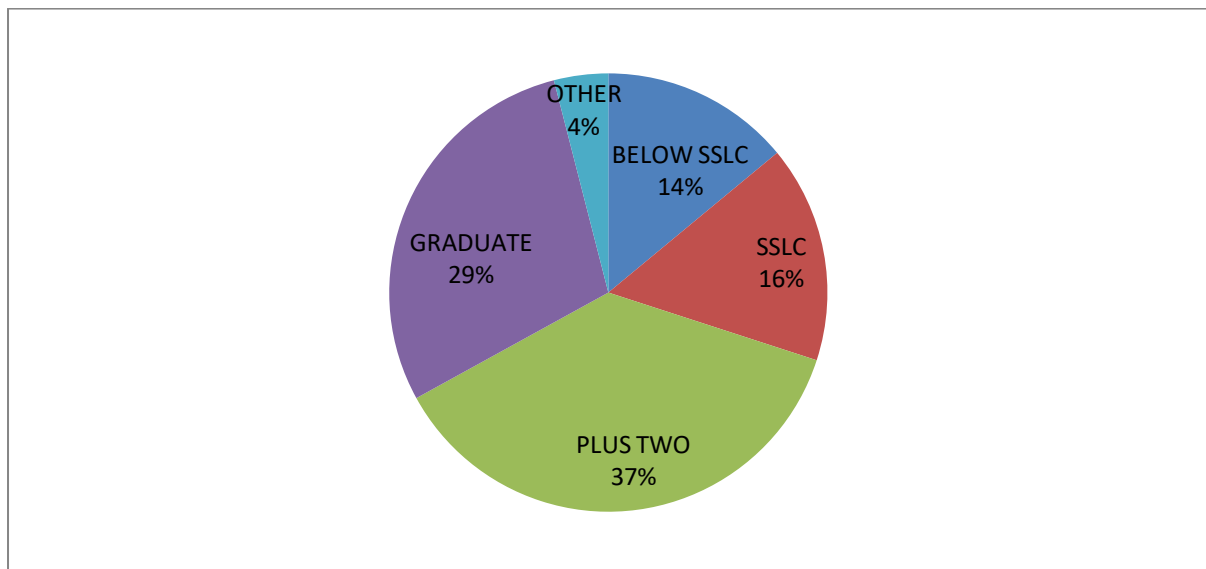
**TABLE 4.3 EDUCATIONAL QUALIFICATIONS OF RESPONDENTS**

OPTIONS	NO OF RESPONDENTS	PERCENTAGE
BELOW SSLC	10	14
SSLC	12	16
PLUS TWO	28	37
GRADUATE	22	29
OTHER	3	4

**Analysis**

The table shows educational qualification of respondents, It shows that among the 75 respondents 28 of them have education of plus two and 22 respondents are graduates and 3 of them are post graduates and diploma holders. In the remaining respondents 12 are SSLC holders and 10 are below SSLC category.

**CHART 4.3 EDUCATIONAL QUALIFICATIONS OF RESPONDENTS**



**Interpretation**

The above chart shows educational qualification of respondents, It shows that among the 75 respondents 37 percentage of them have education of plus two and 29% of respondents are graduates and 4 percentage of them are post graduates and diploma holders. In the remaining respondents 16 percentages are SSLC holders and 14 percentages are below SSLC category.

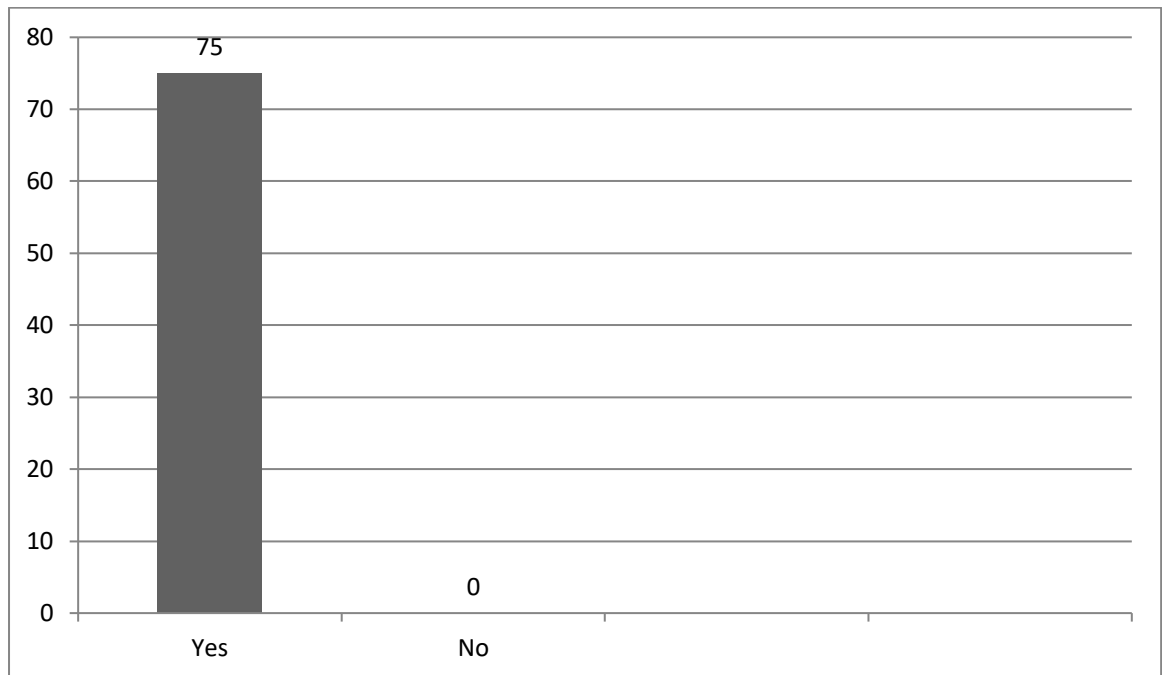
#### **4.4 TABLE SHOWING PURCHASERS OF NETWORK MARKETING PRODUCTS**

OPTIONS	NO OF RESPONDENTS	PERCENTAGE
Yes	75	100
No	0	0

##### **Analysis**

Table 3.4 shows that the purchasers of direct selling / network marketing products. All of the respondents (75 out of 75) are purchased products at least once.

#### **4.4 CHART SHOWING PURCHASERS OF NETWORK MARKETING PRODUCTS**



##### **Interpretation**

Table 3.4 and graph 3.4 shows that the purchasers of direct selling / network marketing products. It is very clear that all of the respondents are purchased products at least once and respondents are aware about the products and direct selling companies.

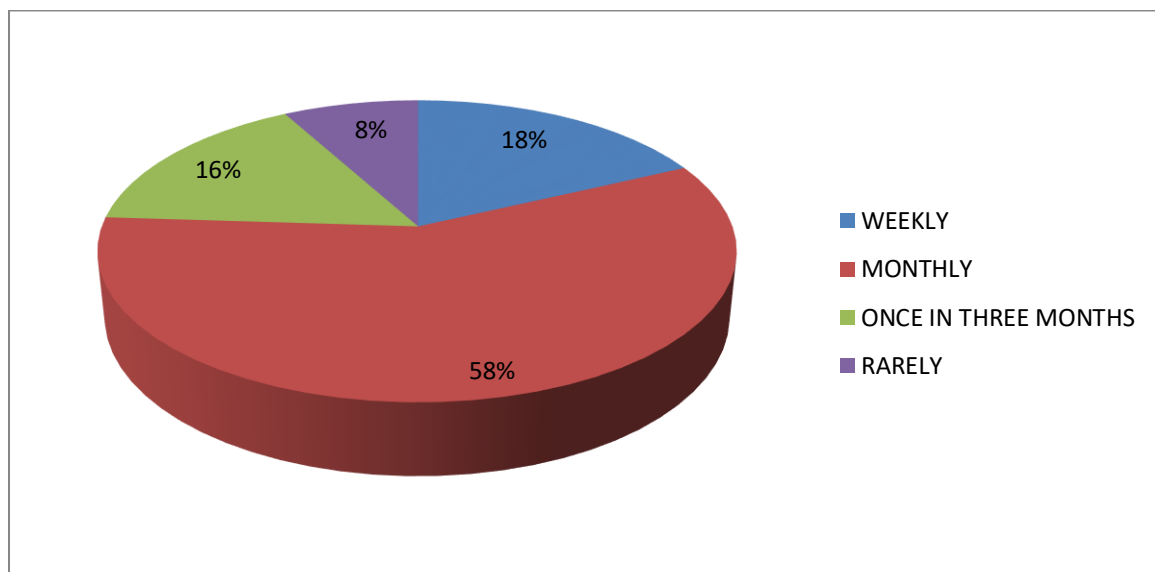
#### **4.5 TABLE SHOWING RESPONSE OF PRODUCT PURCHASE**

OPTIONS	NO OF RESPONDENTS	PERCENTAGE
WEEKLY	13	18
MONTHLY	44	58
ONCE IN THREE MONTHS	12	16
RARELY	6	8

#### **Analysis**

The above table shows the purchasing behavior of respondents. 44 respondents are monthly purchasers and 13 are weekly purchasers. In the remaining respondents 12 respondents are purchasing once in three months 6 are rare purchasers.

#### **4.5 CHART SHOWING RESPONSE OF PRODUCT PURCHASE**



#### **Interpretation**

The above graph 3.4 shows the purchasing behavior of respondents. It is observed that 58% of the respondents are monthly purchasers and 18% are weekly purchasers. In the remaining respondents 16% of respondents are purchasing once in three months 8% are rare purchasers.

**4.6 TABLE SHOWING RESPONSES TO PREFERENCE OF NETWORK  
MARKETING COMPANY**

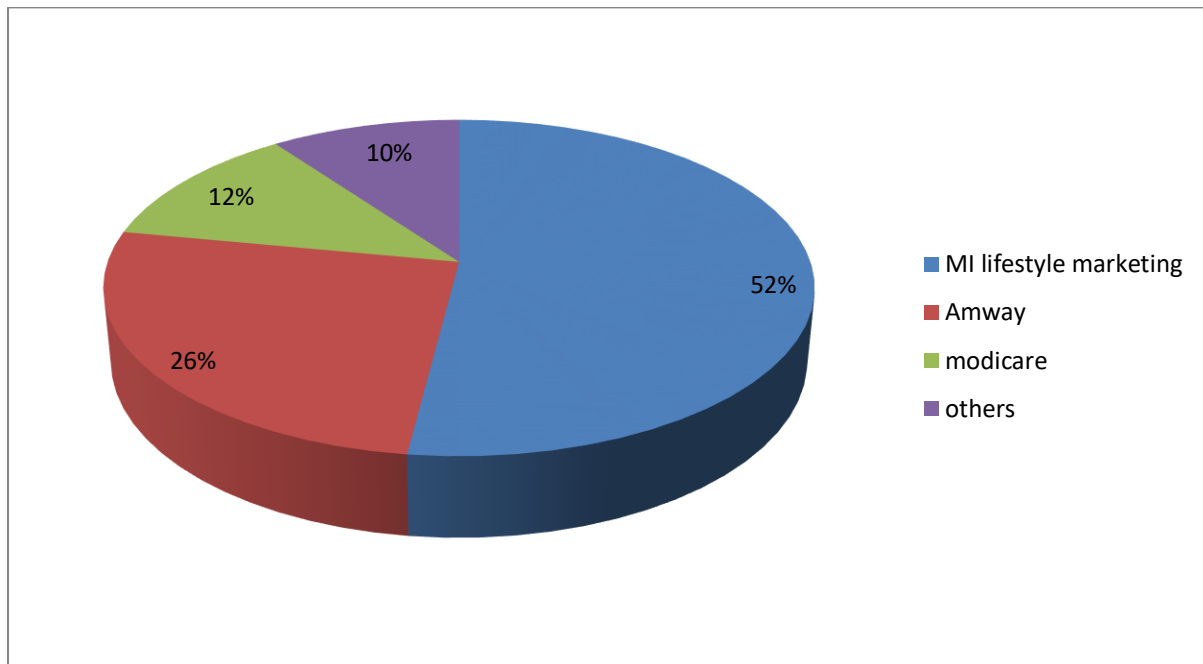
OPTIONS	NO OF RESPONDENTS	PERCENTAGE
MI lifestyle marketing	38	52
Amway	20	26
modicare	9	12
others	8	10

**Analysis**

Table 3.5 shows that the preference of respondents towards different network marketing companies. 38 respondents are purchase from mi lifestyle marketing global private limited followed by Amway with 20 respondents and 9 prefer Modicare products. Only 8 purchases from other network marketing companies like Evo global and Herbalife.



#### **4.6 CHART SHOWING RESPONSES TO PREFERENCE OF NETWORK MARKETING COMPANY**



#### **Interpretation**

Graph 3.5 shows that the preference of respondents towards different network marketing companies. 52% of respondents are purchase from mi lifestyle marketing global private limited followed by Amway with 26% of respondents and 12 % prefer Amway products. Only 10% purchases from other network marketing companies like Evo global and Herbalife. So it's clear that majority of the respondents are mi lifestyle marketing global private ltd customers.

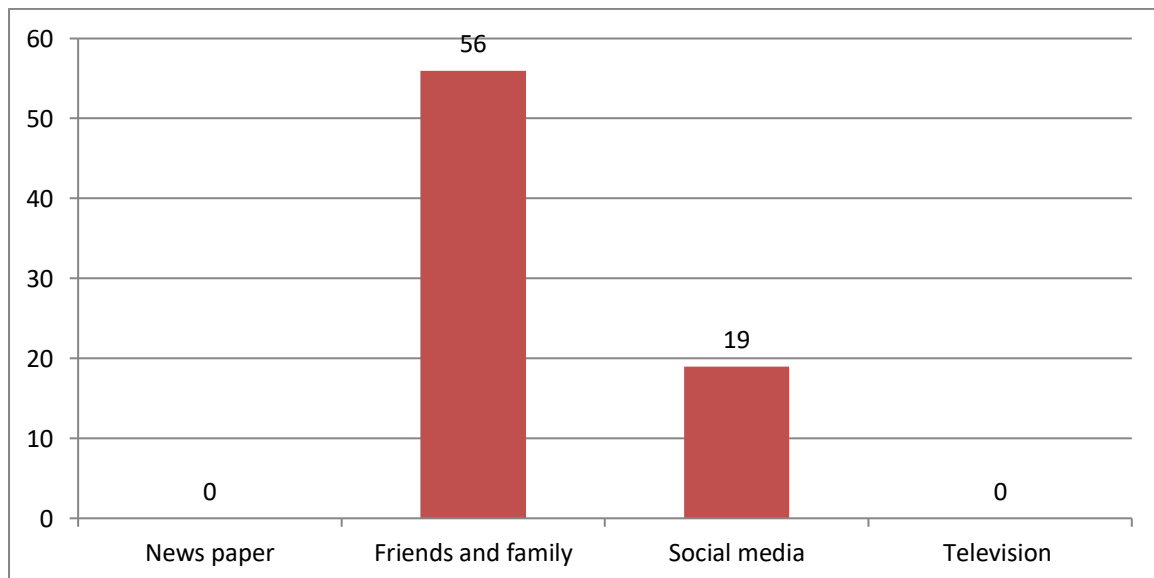
#### **4.7 TABLE SHOWING SOURCE OF AWARENESS**

OPTIONS	NO OF RESPONDENTS	PERCENTAGE
News paper	0	0
Friends and family	56	75
Social media	19	25
Television	0	0

##### **Analysis**

The above table shows the source which respondents become aware about network marketing and network marketing products, 56 respondents from friends and relatives and others get aware from social media.

#### **4.7 CHART SHOWING SOURCE OF AWARENESS**



##### **Interpretation**

The above chart shows the source which respondents become aware about network marketing and network marketing products; it is observed that 75% of respondents from friends and relatives and others 25 percentages get aware from social media. It is very clear that none of the respondents become aware about the network marketing from television and newspapers.

**4.8 TABLE SHOWING RESPONSE TO STRENGTH ON NETWORK MARKETING**

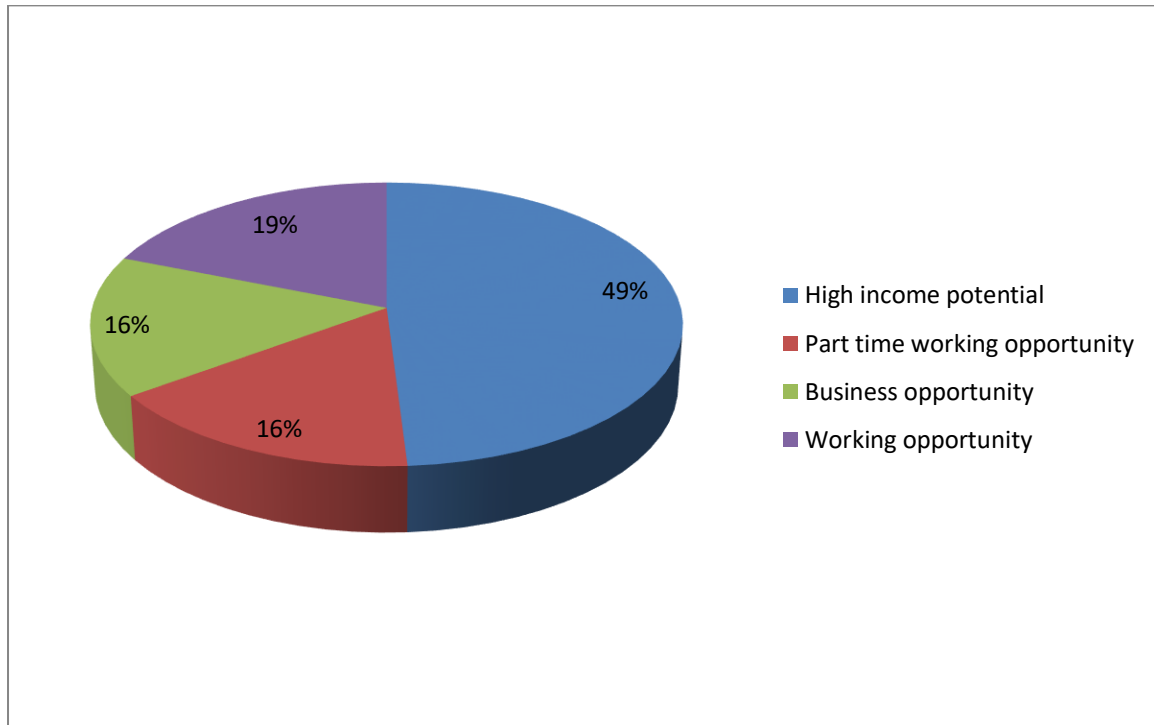
OPTIONS	NO OF RESPONDENTS	PERCENTAGE
High income potential	37	49
Part time working opportunity	12	16
Business opportunity	12	16
Working opportunity	14	19

**Analysis**

The above table shows response to the strength of network marketing. 37 respondents are having the opinion that high income potential is the main strength and 14 are selected working opportunity. Among the rest of all the 24 respondents 12 have made an opinion of part time working opportunity and 12 chooses business opportunity equally.

1

#### **4.8 CHART SHOWING RESPONSE TO STRENGTH ON NETWORK MARKETING**



#### **Interpretation**

The above chart shows response to the strength of network marketing. It is observed that around 50 % of the respondents are have the opinion that high income potential is the main strength and 19% are selected working opportunity. It is clear that high income potential is the key factor that people felt is the main strength of network marketing.

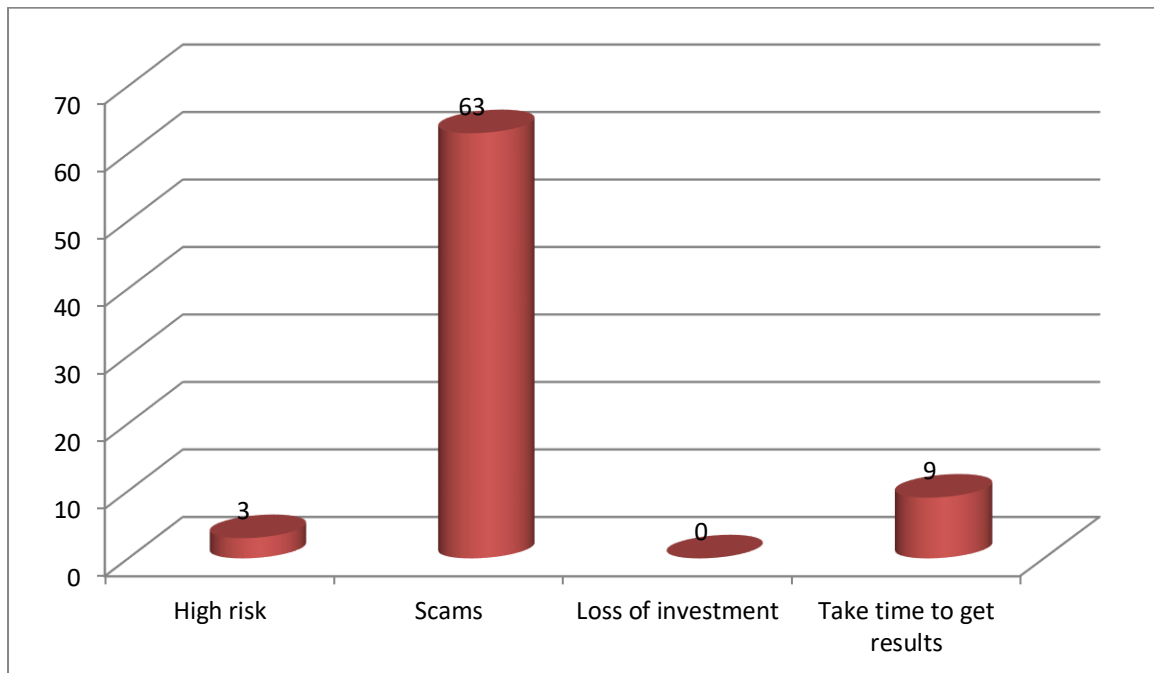
#### **4.9 TABLE SHOWING WEAKNESS OF NETWORK MARKETING**

OPTIONS	NO OF RESPONDENTS	PERCENTAGE
High risk	3	4
Scams	63	87
Loss of investment	0	0
Take time to get results	9	9

##### **Analysis**

The above table shows response to the weakness of network marketing. Among 75 respondents 63 respondents are having the opinion that scams are the weakness that affects and 9 are responds take time to get results. Only 3 respond high risk.

#### **4.9 CHART SHOWING WEAKNESS OF NETWORK MARKETING**



##### **Interpretation**

The above chart shows response to the weakness of network marketing. It is observed that around 87 % of the respondents are having the opinion that scams related to this industry are the weakness. It is clear that scams are the problem that is people worried about this industry,

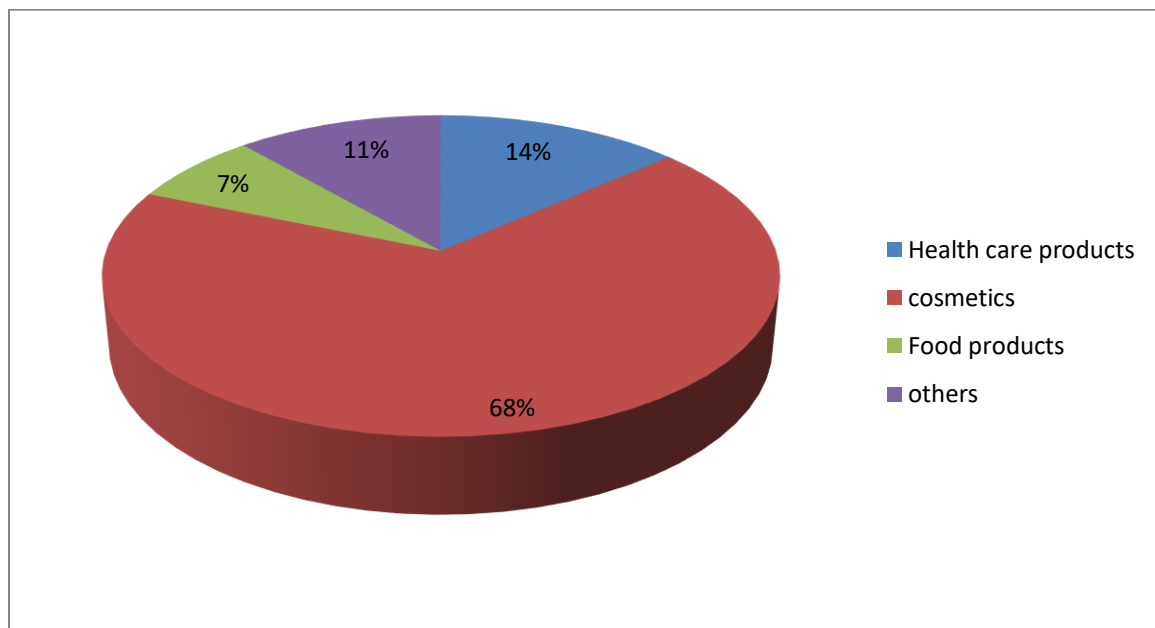
#### **4.10 TABLE SHOWING PREFERENCE OF PRODUCTS**

OPTIONS	NO OF RESPONDENTS	PERCENTAGE
Health care products	10	13
cosmetics	49	65
Food products	5	7
others	11	15

#### **Analysis**

The above table shows that product preference by respondents. In the total of 75 respondents 49 prefer cosmetics products and 10 prefer health care products. 11 respondents purchase other products like dish wash, toilet cleaners etc....and only 5 respondents prefer food products.

#### **4.10 CHART SHOWING PREFERENCE OF PRODUCTS**



#### **Interpretation**

The Above chart shows that product preference by respondents. It's observed that 68% of the respondents are purchasing cosmetics products and only very few respondents are purchasing healthcare products, toilet cleaners and products like toilet cleaners. So it is clear that people are like to purchase cosmetics products from direct selling companies.

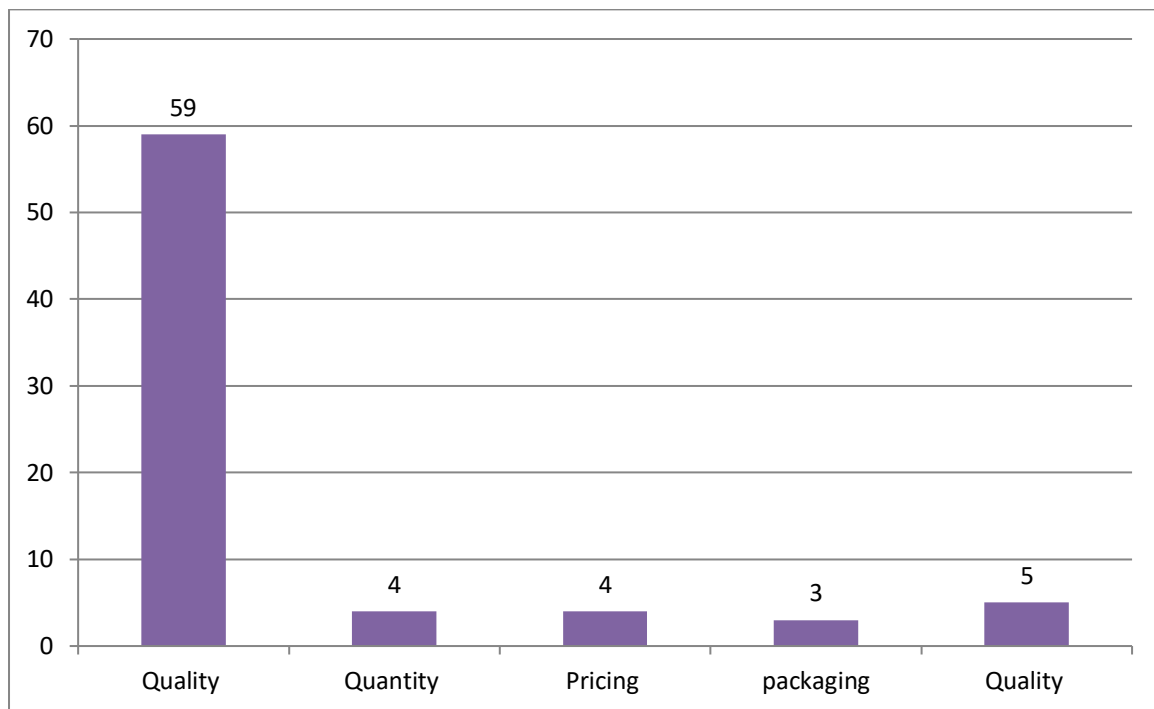
**4.11 TABLE SHOWING STRENGTH OF NETWORK MARKETING PRODUCTS.**

OPTIONS	NO OF RESPONDENTS	PERCENTAGE
Quality	59	80
Quantity	4	5
Pricing	4	5
packaging	3	3
Others	5	7

**Analysis**

Table 3.10 shows the strength or advantage of network marketing products. Among 75 respondents 59 responds that quality is the strength of products. 4 responds that quantity and 4 responds pricing and only 3 responds packaging are the strength of network marketing products. The rest 5 have opinion that other options like accessibility, distribution etc....

#### **4.11 CHART SHOWING STRENGTH OF NETWORK MARKETING PRODUCTS.**



#### **Interpretation**

Chart 3.10 shows the strength or advantage of network marketing products. It is observed that 80 percentage of respondents are of the opinion that quality is the strength of these products. So it is very clear that the purchasers are highly satisfied with the quality of products rather than pricing, quantity, packaging etc.



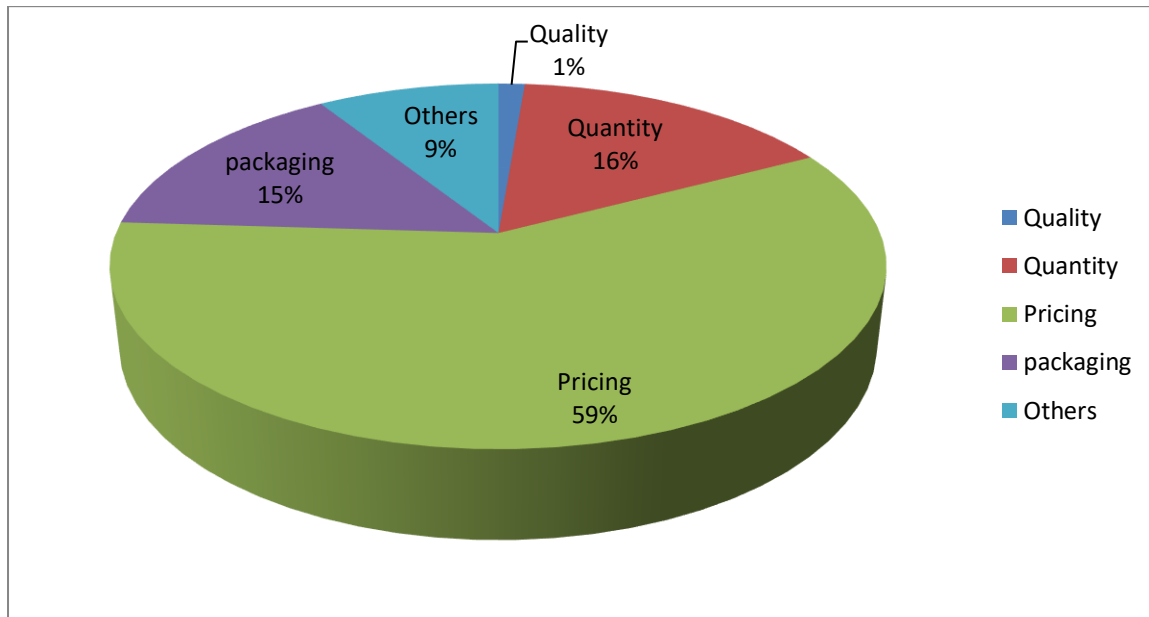
#### **4.12 TABLE SHOWING WEAKNESS OF NETWORK MARKETING PRODUCTS**

<b>OPTIONS</b>	<b>NO OF RESPONDENTS</b>	<b>PERCENTAGE</b>
Quality	<b>1</b>	<b>1.3</b>
Quantity	<b>12</b>	<b>16</b>
Pricing	<b>44</b>	<b>58.6</b>
packaging	<b>11</b>	<b>15</b>
Others	<b>7</b>	<b>9</b>

#### **Analysis**

The above table shows response to the respondent's opinion on the weakness of network marketing products. Out of 75 respondents 44 responds that pricing is the weakness of products and 12 responds quality and 11 agree with packaging. 7 respondents having an opinion that accessibility, distribution are the limitations and only a single response on the quality of the product.

#### **4.12 CHART SHOWING WEAKNESS OF NETWORK MARKETING PRODUCTS**



#### **Interpretation**

The above chart shows response to the respondent's opinion on the weakness of network marketing products. From the chart it's very clear that pricing is the problem that respondents feel on network marketing products, only very few responses are pointing on packaging, quantity and other factors related to the products. In quality of the product 99% percentage of people are satisfied.

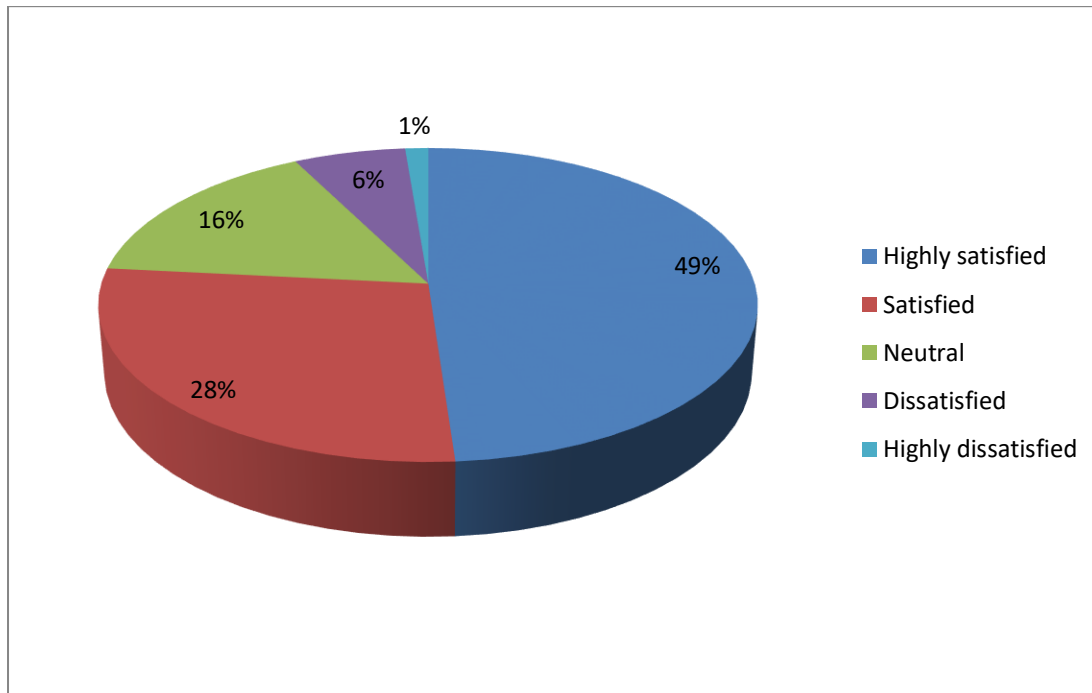
#### **4.13 TABLE SHOWING SATISFACTION ON QUALITY OF PRODUCTS**

<b>OPTIONS</b>	<b>NO OF RESPONDENTS</b>	<b>PERCENTAGE</b>
Highly satisfied	<b>37</b>	<b>49.3</b>
Satisfied	<b>21</b>	<b>28</b>
Neutral	<b>12</b>	<b>16</b>
Dissatisfied	<b>4</b>	<b>6.3</b>
Highly dissatisfied	<b>1</b>	<b>1.3</b>

#### **Analysis**

The above table shows satisfaction of respondents on the quality of direct selling products. Out of 75 respondents 37 are highly satisfied on the quality of products and 21 are satisfied and 12 are given a neutral opinions. 4 respondents are dissatisfied and only one respondent highly dissatisfied.

#### **4.13 CHART SHOWING SATISFACTION ON QUALITY OF PRODUCTS**



#### **Interpretation**

The above chart shows satisfaction of respondents on the quality of direct selling products. It's clear that the respondents are satisfied with the quality of the product, around 75% of the respondents are satisfied with the product quality and only 7% dissatisfied on the quality of products.

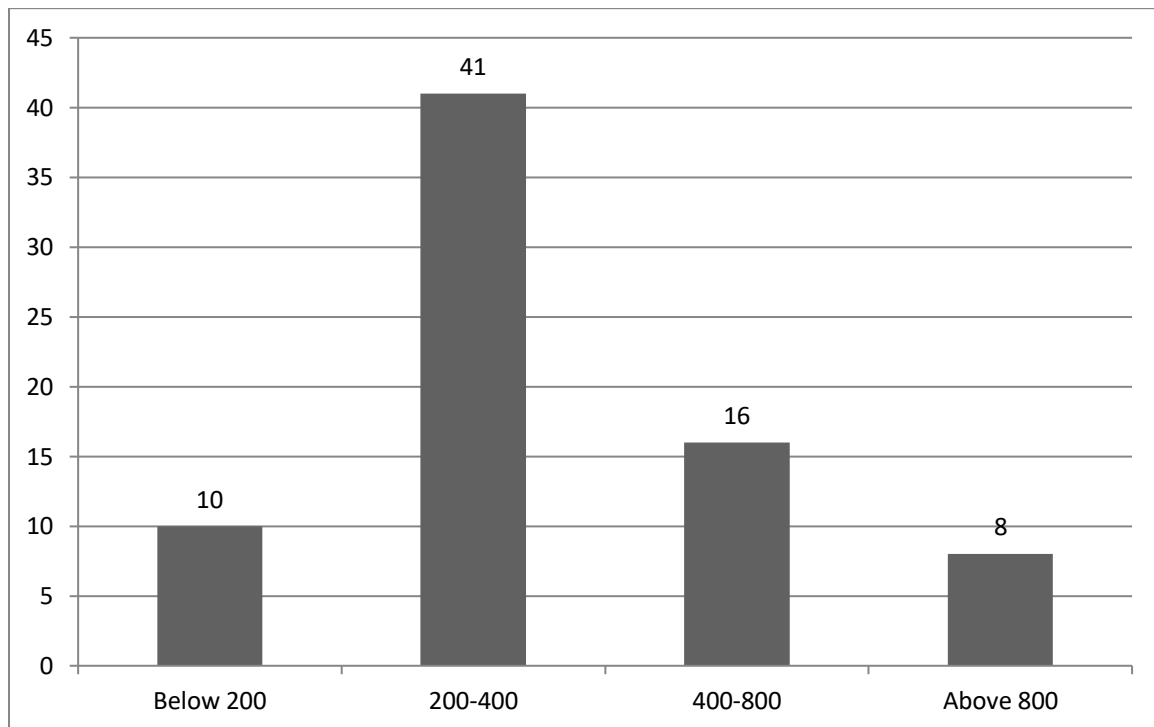
#### **4.14 TABLE SHOWING PRICE RANGE OF PURCHASE**

<b>OPTIONS</b>	<b>NO OF RESPONDENTS</b>	<b>PERCENTAGE</b>
Below 200	<b>10</b>	<b>13</b>
200-400	<b>41</b>	<b>55</b>
400-800	<b>16</b>	<b>21</b>
Above 800	<b>8</b>	<b>11</b>

#### **Analysis**

The above table shows the price range of products that respondents regularly purchases. Out of 75 respondents 41 are making their purchase on a range of 200-400 and 16 purchasing on a range of 400-800. 10 respondents are purchasing below 200 and only 8 are purchasing above 800.

#### **4.14 CHART SHOWING PRICE RANGE OF PURCHASE**



#### **Interpretation**

The above table shows the price range of products that respondents regularly purchase. It is observed that respondents are regularly purchasing mid-range products in the price range of 200-400 and 400-800. It's clear that respondents may not purchase products with high pricing and very low pricing.

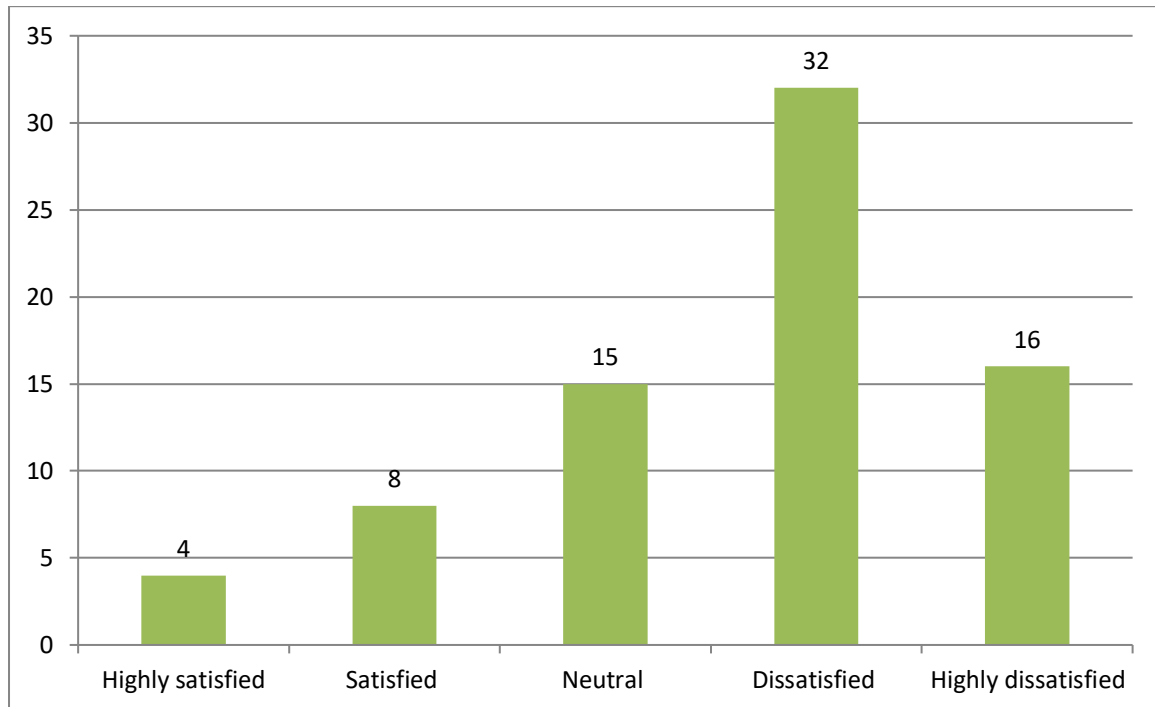
#### **4.15 TABLE SHOWING SATISFACTION ON PRICING OF PRODUCTS**

<b>OPTIONS</b>	<b>NO OF RESPONDENTS</b>	<b>PERCENTAGE</b>
Highly satisfied	<b>4</b>	<b>5</b>
Satisfied	<b>8</b>	<b>11</b>
Neutral	<b>15</b>	<b>20</b>
Dissatisfied	<b>32</b>	<b>43</b>
Highly dissatisfied	<b>16</b>	<b>21</b>

#### **Analysis**

The above table shows satisfaction of respondents on the pricing of direct selling products. Out of 75 respondents 32 are dissatisfied on the pricing of products and 16 are highly dissatisfied and 15 are given a neutral opinion. 4 respondents are highly satisfied and eight respondents are satisfied.

#### **4.15 CHART SHOWING SATISFACTION ON PRICING OF PRODUCTS**



#### **Interpretation**

The above chart shows satisfaction of respondents on the pricing of direct selling products. It's clear that the respondents are dissatisfied with the pricing of the product, out of the 70 respondents 48 (65%) are dissatisfied or highly dissatisfied with the product pricing and only 12 are satisfied or have better opinion on the pricing of products.



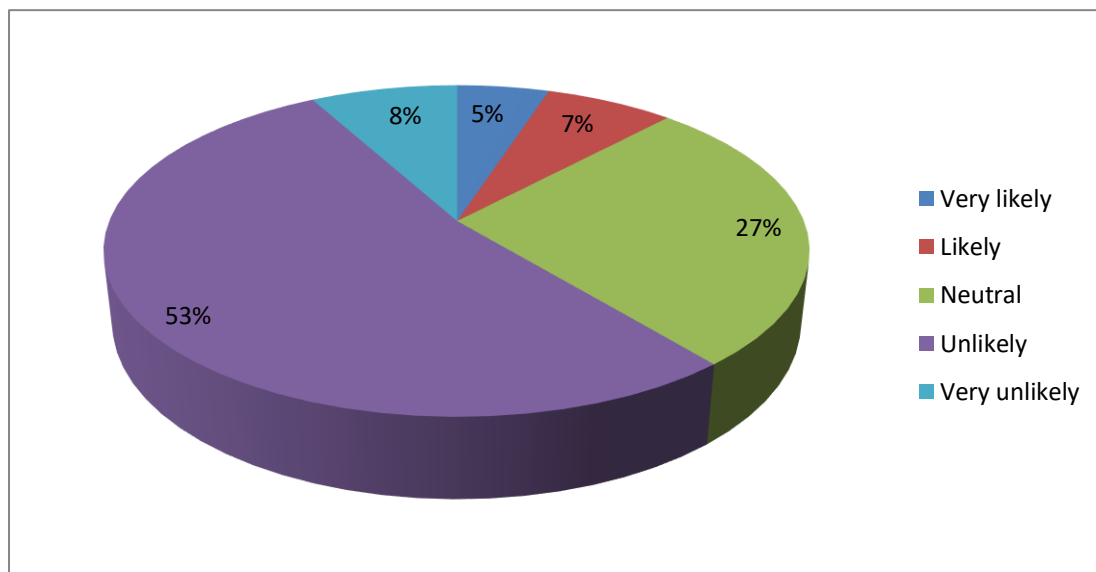
#### **4.16 TABLE SHOWING SATISFACTION ON PACKAGING OF PRODUCTS**

OPTIONS	NO OF RESPONDENTS	PERCENTAGE
Very likely	4	5
Likely	5	7
Neutral	20	27
Unlikely	40	53
Very unlikely	6	8

##### **Analysis**

The above table shows the satisfaction of respondents on the packaging of network marketing products. In the 75 respondents 40 are not like the packaging and 6 are highly dissatisfied with the packaging and 20 respondents have moderate opinion. Only 5 respondents are likes the packaging and 4 are highly satisfied.

#### **4.16 CHART SHOWING SATISFACTION ON PACKAGING OF PRODUCTS**



##### **Interpretation**

The above chart shows satisfaction of respondents on the packaging of network marketing products. It's clear that respondents are not satisfied and like the product packaging, 53% of the respondents are dissatisfied with the packaging and only an aggregate 13% likes the products, so the packaging is not good according to the opinions from respondents.

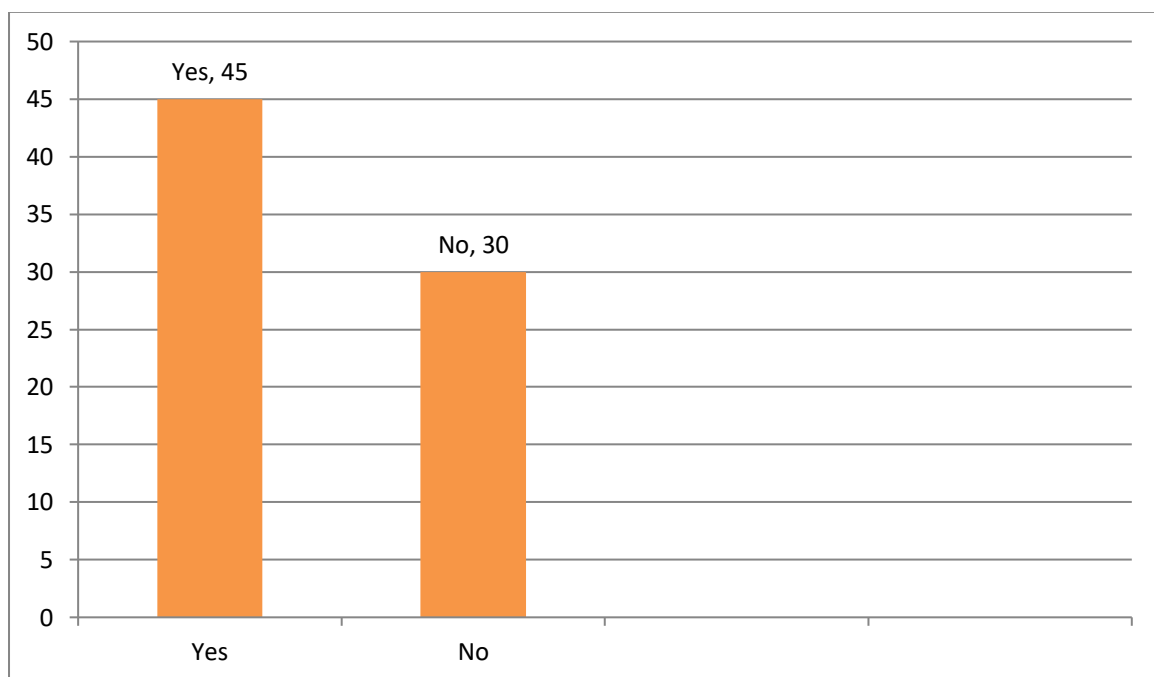
#### **4.17 TABLE SHOWING RECOMMENDING PRODUCT TO OTHERS**

OPTIONS	NO OF RESPONDENTS	PERCENTAGE
Yes	45	60
No	30	40

##### **Analysis**

The table 3.16 shows that whether the respondents suggest or not the network marketing products to others. In the 70 respondents 45 are suggest the products to others and 30 respondents have made an opinion that they will not suggest the products to others.

#### **4.17 CHART SHOWING RECOMMENDING PRODUCT TO OTHERS**



##### **Interpretation**

The chart 3.16 shows that whether the respondents suggest or not the network marketing products to others. Its observed that got a mixed response from the respondents, among the respondents 45 are willing to suggest the product to others because of the quality that the products have and 30 are not willing because of the high pricing ,poor packaging and poor advertisement strategy.

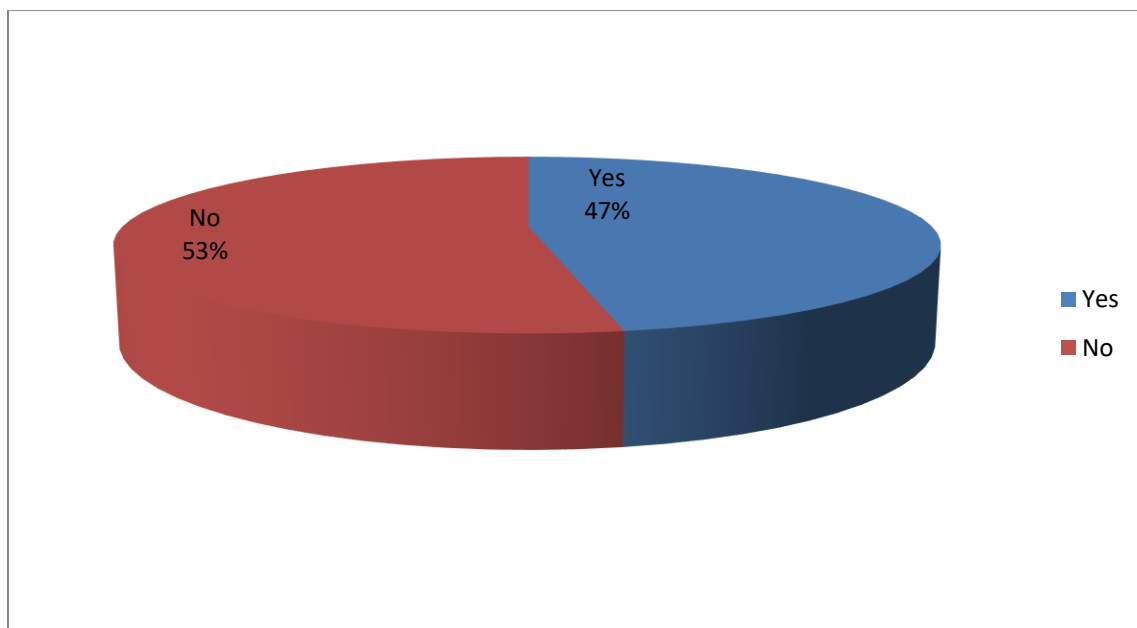
#### **4.18 TABLE SHOWING OPINION ON DISTRIBUTION STRATEGY**

OPTIONS	NO OF RESPONDENTS	PERCENTAGE
Yes (likes)	35	47
No (dislikes)	40	53

##### **Analysis**

Table 3.17 shows respondents opinion on distribution strategies that are used by network marketing companies. 40 respondents dislikes the current distribution strategy and 35 likes the existing distribution strategies.

#### **4.18 CHART SHOWING OPINION ON DISTRIBUTION STRATEGY**



##### **Interpretation**

The chart shows respondents opinion on distribution strategies that are used by network marketing companies. It's observed a mixed response from the respondents, 47% respondents like the mode of distribution through outlets and sales representatives. 53% dislike the modes of outlets and sales representatives and dissatisfied on the ineffective distribution through e commerce.

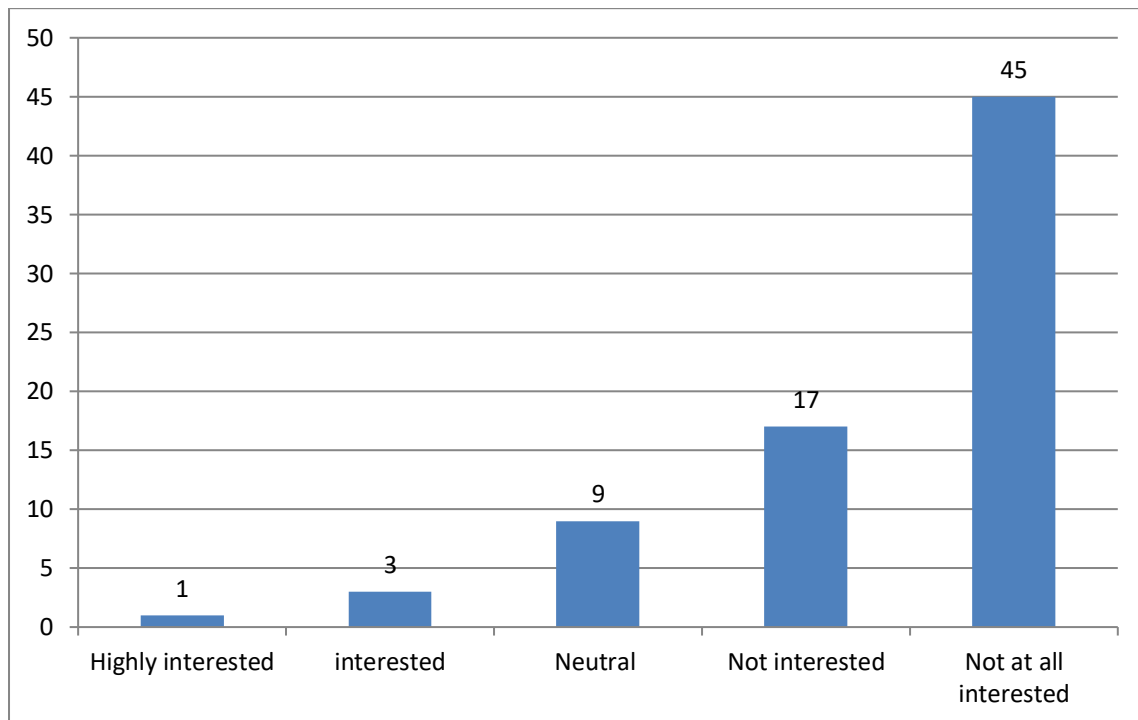
#### **4.19 TABLE SHOWING INTEREST ON ADVERTISEMENT STRATEGY**

<b>OPTIONS</b>	<b>NO OF RESPONDENTS</b>	<b>PERCENTAGE</b>
Highly interested	<b>1</b>	<b>1.3</b>
interested	<b>3</b>	<b>4</b>
Neutral	<b>9</b>	<b>12</b>
Not interested	<b>17</b>	<b>22.6</b>
Not at all interested	<b>45</b>	<b>60</b>

#### **Analysis**

The above table shows interest of respondents on the advertisement of direct selling products. Out of 75 respondents 45 are Not at all interested on the advertisement of products and 17 are not interested and 9 are given a neutral opinion. 3 respondents are interested and only one respondent highly satisfied and interested.

#### **4.19 CHART SHOWING INTEREST ON ADVERTISEMENT STRATEGY**



#### **Interpretation**

The above table shows interest of respondents on the advertisement of direct selling products. It is observed that most of the respondents are not at all interested (60%) to the current advertisement strategy that they are using through social media and 23 % not interested, only lesser than 6% respondents are satisfied with the advertisement strategy.

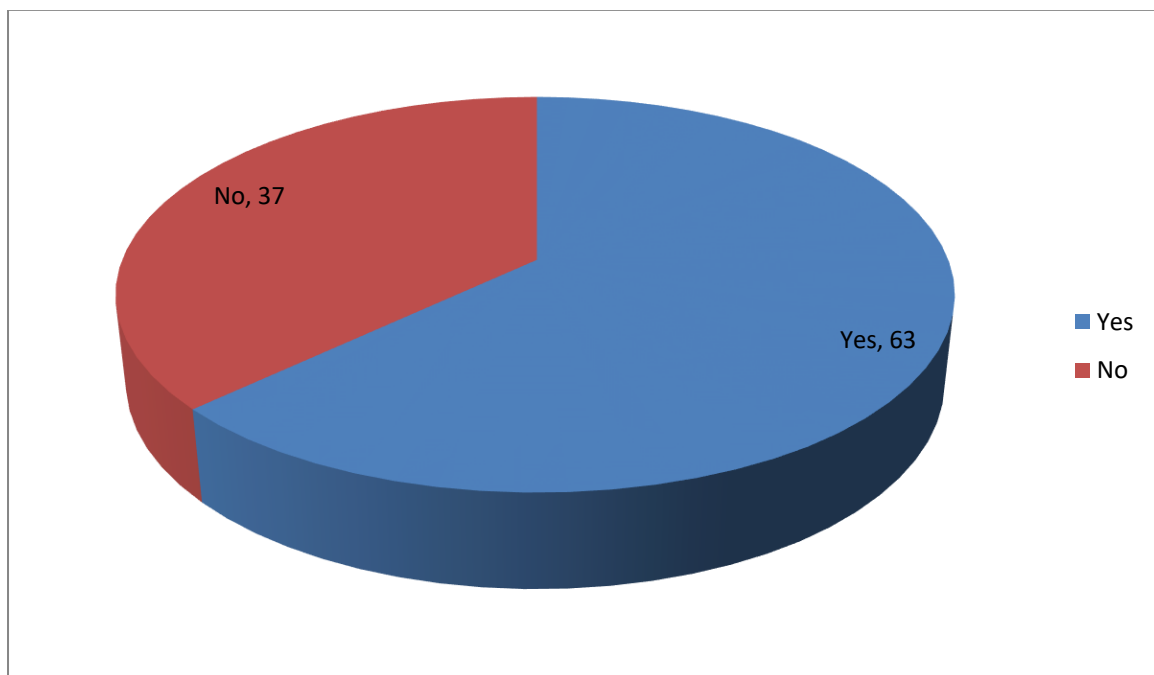
#### **4.20 TABLE SHOWING ATTITUDE ON IDEA OF NEUROMARKETING**

OPTIONS	NO OF RESPONDENTS	PERCENTAGE
Yes (likes)	46	63
No (dislikes)	27	37

##### **Analysis**

The above table shows the attitude of respondents on the idea of neuromarketing. Out of 75 respondents 46 likes the idea of neuromarketing and 27 have a negative feeling on the idea of neuromarketing.

#### **4.20 CHART SHOWING ATTITUDE ON IDEA OF NEUROMARKETING**



##### **Interpretation**

The above chart shows the attitude of respondents on the idea of neuromarketing. It is observed that 63% of respondents have a positive attitude on the idea of neuromarketing and 37% of respondents have a negative attitude on the idea of neuromarketing. So it's clear that neuromarketing is a good idea to improve customer satisfaction and loyalty.

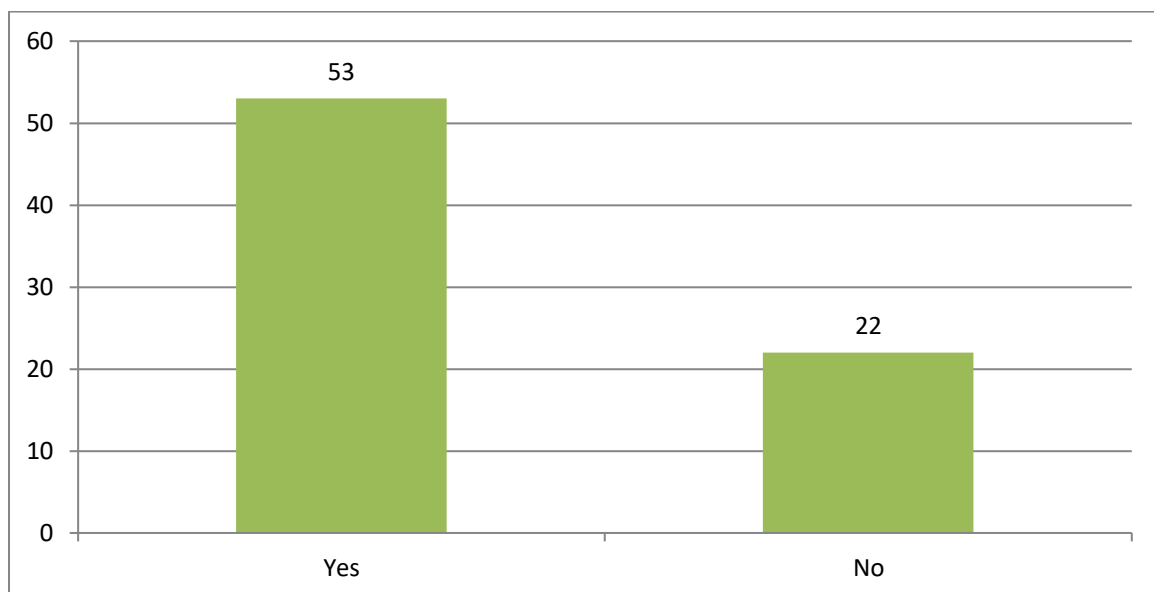
**4.21 TABLE SHOWING IMPACT OF NEUOMARKETING FOR PROVIDING  
ACCURATE INFORMATION ON IMPROOVING CUSTOMER SATISFACTION**

OPTIONS	NO OF RESPONDENTS	PERCENTAGE
Yes (Agree)	53	70
No (disagree)	22	30

**Analysis**

The above table 3.19 shows the response to the statement that neuromarketing will provide accurate market information on improving customer satisfaction. Among the 75 respondents 53 agree that neuromarketing will provide accurate market information on improving customer satisfaction and the rest disagree with the statement.

**4.21 CHART SHOWING IMPACT OF NEUOMARKETING FOR PROVIDING  
ACCURATE INFORMATION ON IMPROOVING CUSTOMER SATISFACTION**



**Interpretation**

The above table 3.19 shows the response to the statement that neuromarketing will provide accurate market information on improving customer satisfaction. It's clear that most of the respondents are know that it's a better marketing tool and it helps to improve the customer satisfaction, others believe that it is not helpful for improving customer satisfaction.

**4.22 TABLE SHOWING INTEREST OF RESPONDENTS ON PARTICIPATION OF  
NEUROMARKETING STUDIES.**

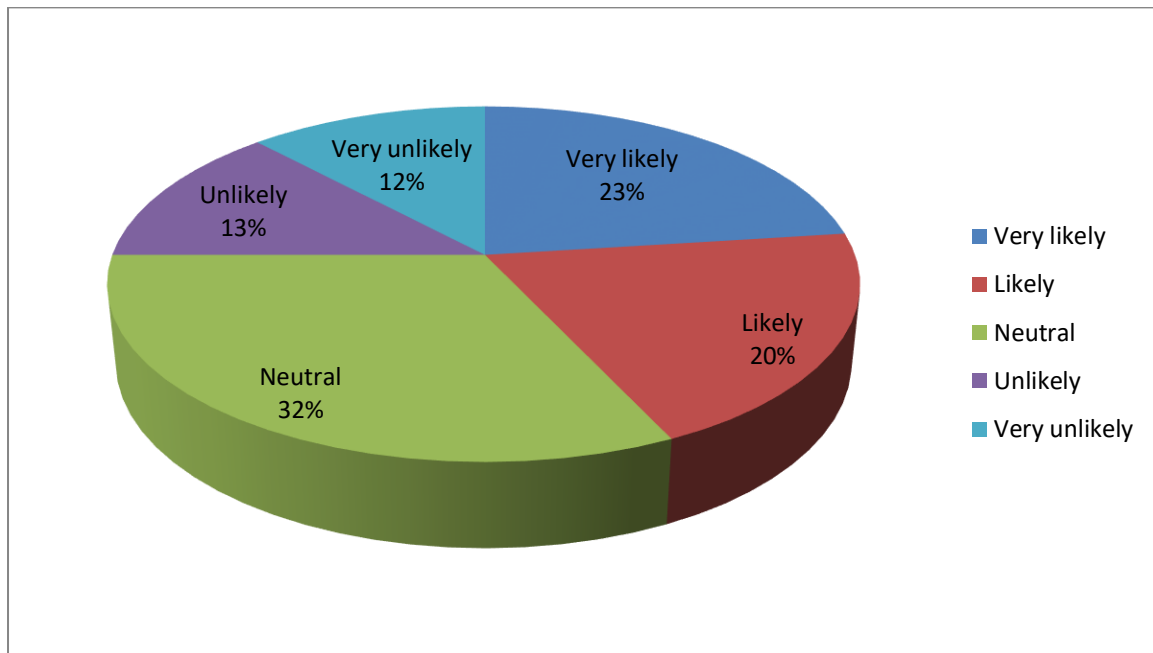
OPTIONS	NO OF RESPONDENTS	PERCENTAGE
Very likely	17	23
Likely	15	20
Neutral	24	32
Unlikely	10	13
Very unlikely	9	12

**Analysis**

The above table shows how likely the respondents are interested to participate in a neuromarketing study if they got opportunity. Among the 75 respondents 17 are very likely to be participate and 15 are ready to be a part of neuromarketing study if they got any opportunity. 10 respondents are not like to participate and 9 are very unlikely to be a part of it. majority of respondents are having neutral opinion on participation of the study.



**4.22 CHART SHOWING INTEREST OF RESPONDENTS ON PARTICIPATION OF NEUOMARKETING STUDIES.**



**Interpretation**

The above table shows how likely the respondents are interested to participate in a neuromarketing study if they got opportunity. It is observed that most of the respondents (32%) are neither like nor unlike to be a part of the study because they are not much aware about this modern technology and a sum of 35% responds that they like to participate in if they got an opportunity to participate. And the rest all response shows that they are not interested to be a part of neuromarketing studies.

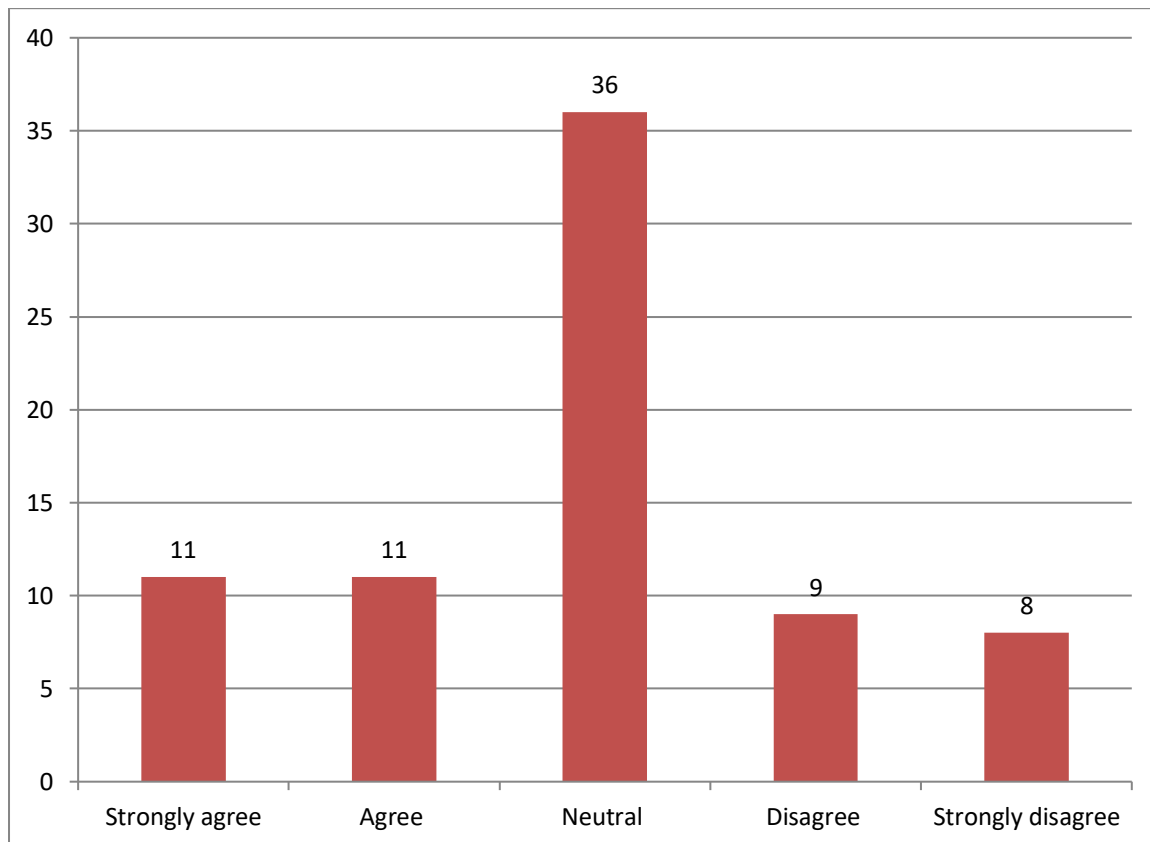
#### **4.23 TABLE SHOWING PRIVACY CONCERN IN NEUOMARKETING**

<b>OPTIONS</b>	<b>NO OF RESPONDENTS</b>	<b>PERCENTAGE</b>
Strongly agree	<b>11</b>	<b>14.67</b>
Agree	<b>11</b>	<b>14.67</b>
Neutral	<b>36</b>	<b>48</b>
Disagree	<b>9</b>	<b>12</b>
Strongly disagree	<b>8</b>	<b>10.67</b>

#### **Analysis**

The above table shows respondents' privacy concerns related to the process of neuromarketing. Out of 70 respondents, 36 responded with a neutral opinion on privacy issues during the network marketing process. 22 agreed that there are chances for privacy issues in neuromarketing, and 17 responded that no privacy-related unethical practices will be happened during the neuromarketing process.

#### **4.23 CHART SHOWING PRIVACY CONCERN IN NEUOMARKETING**



#### **Interpretation**

The above chart shows respondents' privacy concerns related to the process of neuomarketing. It is clear that most of the respondents (48%) have the neutral opinion and they are not sure that there are any chances for privacy issues during the process. A few respondents have believed that there are chances of privacy issues and others think that there will be no place for breach of privacy.

**CHAPTER 5**  
**FINDINGS, SUGGESTIONS, CONCLUSIONS**

## **5.1 FINDINGS**

- ❖ From the study it is observed that a majority of respondents are monthly and weekly purchasers of network marketing products, but in the sense of official membership to the companies through bulk purchasing ( business volume purchasing ) they are not ready to be an official member as a networker .
- ❖ The study shows that customers prefer mi lifestyle marketing global private limited products over other companies because of the quality they are maintaining on their products.
- ❖ It is observed that the mode of promotion of network marketing is going through social media and people aware about network marketing mostly from friends and relatives.
- ❖ It is also observed that the major strength of network marketing is high income potential and working opportunity, because of these two reasons people are attracted to the network marketing.
- ❖ From the study it is very clear that the major limitation of network marketing and the reason that people refused to join is because of the previous scams and credibility issues that happens earlier related to this industry.
- ❖ It has been observed that in the product line of direct selling products people are very much like to purchase cosmetics products over healthcare products and food products.
- ❖ The study shows that customers are highly satisfied on the quality of network marketing/direct selling products and highly dissatisfied on the pricing of these products.
- ❖ It is also observed that apart from pricing customers are dissatisfied on the the packaging of products in the sense of quality of materials that are used for packaging and color and design of the packaging.
- ❖ The study shows that a mixed response on recommendation of products to others, some are ready to recommend this products because of the quality that the products have and some are not willing to recommend because of the high pricing and poor packaging.
- ❖ It has been observed that customers are not happy with the existing distribution strategy using sales representatives and retail outlets, people like to purchase products conveniently using e commerce and home delivery facilities.

- ❖ The data shows that the customers are highly dissatisfied with the advertisement strategy by using social media and the interest and response to the advertisement are not better.
- ❖ The study shows that most of the customers like the idea of neuromarketing and they believe that neuromarketing will help to improve customer satisfaction by providing accurate information.
- ❖ The study observed that when comes to the participation on neuromarketing studies respondents are concerned about their privacy and they are worried about transparency on different methods of neuromarketing.

## **5.2 SUGGESTIONS**

Neuromarketing can be effectively used in marketing for improving customer satisfaction. The study observed that in network marketing and direct selling there is a space for neuromarketing techniques to improve customer satisfaction by providing accurate information.

From the study it's clear that customers are not satisfied in terms of,

- Pricing of the products.
- Packaging of products
- Distribution of products
- Advertisement and promotion.

The study suggests that to improve customer acquisition in network marketing neuromarketing can make a big impact.

- ❖ Indian customers are high price sensitive and love offers and discounts. The top brands like nike ,adidas and puma are using methods like precise pricing, rounded pricing with the help of neuromarketing and they are very successful with the pricing strategy. Similarly in network marketing marketers, can use pricing methods by using neuromarketing techniques like FMRI (functional resonance magnetic imaging), facial coding to understand are the customers are satisfied or dissatisfied with the pricing and it helps them to make an improved pricing strategy.
- ❖ When comes to the packaging of products , packaging is one of the key factor that influence purchasing decisions it may be the colour ,design or material used for packaging. Coca cola is very successful in packaging of products and they are using neuromarketing to decide packaging styles. The study observes that customers are not satisfied with the packaging. The study suggest that for improving the packaging, marketer can use neuromarketing technologies like Eye gazing, pupilometry, facial coding and FMRI for getting attention and better impression from customers.
- ❖ In the distribution also the study shows that customers are not satisfied, the study suggest that by using neuromarketing techniques like FMRI and EEG (electroencephalogram) it will helps to find out a better distribution system.

- ❖ According to the study, it shows that customers are not at all interested to the advertisement strategies and promotion that are used in network marketing. Different neuromarketing techniques help the marketers to develop an interesting advertisement strategy by understanding relevant and irrelevant parts of the message. the study suggest that using techniques like FMRI, eye gazing, pupilometry ,facial coding, helps the to improve the advertisement and promotional strategy for client acquisition.
- ❖ The study also shows that customers have a positive attitude towards neuromarketing. When comes to the participation on neuromarketing studies, peoples are concerned about their privacy and they are worried about transparency on different methods of neuromarketing. The study suggest that while conducting neuromarketing studies the organizations must ensure the transparency in each and every stages to protect customers privacy concerns.
- ❖ The major factor that is affecting client acquisition in network marketing is related to the previous scams that happened in this industry but how ever people are attracted with high income potential of network marketing. The study suggests that in promotion and advertisement campaigns it is better that to address the strength of network marketing in general rather than highlighting personal benefits. In most of the advertisement related to the network marketing and direct selling its just showing personal achievement of others. Neuromarketing will help to resolve these issues related to advertisement and promotion.



### **5.3 CONCLUSION**

The project titled “A study on the practicality of neuromarketing in network marketing for client acquisition with special reference to network marketing industry,kerala” investigated And analyzed the current problems that are related to network marketing in customer acquisition and how to solve this problems with the help of existing neuromarketing techniques. The study will help to understand the concept of network marketing and the importance of network marketing in the current socio-economical scenario. It also analyzed the importance of neuromarketing and its techniques and how it helps to improve customer satisfaction. One of the problem that extensively suffered by this industry is the reputational issues related with the previous scams and financial frauds and it is also important that to provide best in class products to the customers. The study addresses this problem and analyses how to solve this using the concept of neuromarketing.

The study conduct on the basis of primary data collected using questionnaire from 75 respondents and it shows that customers are highly disappointed on the pricing, advertisement and packaging, and the study suggest the ways to overcome this issues with the help of neuromarketing technologies. The study suggests that different technologies that are used in neuromarketing like FMRI, EEG, Eye tracking, pupilometry and facial coding can be used to improve customer satisfaction. The study also suggests how to change promotion and communication in network marketing in a better way to attract and acquire customers the study also shows that customers have a positive attitude towards neuromarketing. When a person comes to the participation on neuromarketing studies are concerned about their privacy and they are worried about transparency on different methods of neuromarketing. The study suggest that while conducting neuromarketing studies the organizations must ensure the transparency in each and every stages to protect customers privacy concerns. The further studies will helps for the better understanding of behavior of customers and to bring effective marketing strategies to gain more customer attraction and to maintain efficient client management.

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- <http://hbr.org>
- <http://www.neurosciencemarketing.com>
- <http://www.indiatimes.com>
- <http://www.investopedia.com>
- <http://www.idsa.co.in>

## **ANNEXURE**

**Vimal George, MB204957** Student of MBA on the dissertation topic “**A study on the practicality of neuromarketing in network marketing for client acquisition with special reference to network marketing industry, Kerala**” .primary data was collected through questionnaire. The responses were collected from 75 respondents across Kerala, and the respondents are selected using convenient sampling method.

1. Name:

2. Gender:

- Male
- Female
- Others

3. Age:

- BELOW 20
- 20-30
- 30-40
- 40-50
- Above 50

4. Educational qualification

- Below SSLC
- SSLC
- PLUS TWO
- DEGREE
- OTHERS

5. Have you ever purchased products from Network marketing/ direct selling companies?

- Yes
- No

6. How many times in an year you will make your purchase through direct selling?

- Weekly
- Monthly

- Once in three months
  - Rarely
7. From which network marketing company you are purchasing products?
- Mi lifestyle marketing private ltd
  - Amway
  - Modicare
  - Others
8. From which source you become aware of your network marketing company ?
- News paper
  - Friends and family
  - Social media
  - Television
9. According to you what is the major strength of network marketing?
- High income potential
  - Part time working opportunity
  - Business opportunity
  - Employment opportunity
10. In your opinion what are the major weakness of network marketing ?
- High risk
  - Scams
  - Loss of investment
  - Take time to get results
11. Which of the following product do you purchase from direct selling companies?
- Health care products
  - Cosmetics
  - Food products
  - Others
12. In your opinion what is the major strength of direct selling/Network marketing products?
- Quality
  - Quantity
  - Pricing

- Packaging
- Others

13. According to you what is the major limitation of direct selling/Network marketing products?

- Quality
- Quantity
- Pricing
- Packaging
- Others

14. Mention your satisfaction level of quality of different direct selling products.

- Highly satisfied
- Satisfied
- Neutral
- Dissatisfied
- Highly dissatisfied

15. What is the price range of products that you are purchasing?

- Below 200
- 200-400
- 400-800
- Above 800

16. Mention your satisfaction level about the pricing of different direct selling products.

- Highly satisfied
- Satisfied
- Neutral
- Dissatisfied
- Highly dissatisfied

17. How likely you are satisfied with the packaging of products?

- Very unlikely
- Unlikely
- Neutral
- Likely
- Very likely

18. Whether you suggest these products to others?

- Yes
- No

19. Are you satisfied with the distribution strategy that they are using to get the products into your hands?

- Yes
- No

20. Mention your interest towards the advertisement strategy using for the promotion of network marketing products?

- Highly interested
- interested
- Neutral
- Not interested
- Not at all interested

21. Do you like the idea of neuromarketing?

- Yes
- No

22. Do you believe that neuromarketing will provide accurate information to the marketers for improving customer satisfaction?

- Yes
- No

23. If you get an opportunity how likely is it that you would participate in a neuromarketing study?

- Very likely
- Likely
- Neutral
- Very unlikely
- Unlikely

24. Do you think that neuromarketing is unethical that interference to people's privacy by marketers?

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree.



**APPENDIX 1**  
**REGISTRATION FORM**

1. **Name of the Student** : VIMAL GEORGE
2. **Proposed dissertation area** : MARKETING
3. **Proposed dissertation topic** : A study on the practicality of neuro marketing in network marketing for client acquisition with special reference to the network marketing industry, kerala.
4. **Write a brief note on your topic:** In the modern marketing world the relevance of neuromarketing is very important, many of the organizations are using neuromarketing techniques for the making of better product development, implementation of effective advertisement strategy, better packaging etc...for the better customer satisfaction. Network marketing is a business model that depends on person to person sales and building sales networks to assist in the lead generation and closing the sales, it provides a significant income and financial freedom. The network marketing industry is one of the fastest growing industries in India. One of the problem that extensively suffered by this industry is the reputational issues related with the previous scams and financial frauds. The study is carried out to analyze the role of neuromarketing in network marketing for client acquisition and to provide best in class products to the customers through direct selling.

**Student's signature:**

**Approved or disapproved if it is disapproved the reasons for revision.....**

**Faculty Guide's Signature with date**

## **SYNOPSIS**

### **TITLE OF THE STUDY**

“A study on the practicality of Neuro marketing in network marketing for client acquisition with special reference to network marketing industry, Kerala” .

### **NEED FOR THE STUDY**

The practice of Network marketing or Multi level marketing is considered as same type of marketing which comes under direct selling industry. It is a business model that depends on person to person sales and building sales networks to assist in the lead generation and closing the sales, it provides a significant income and financial freedom. The network marketing industry is one of the fastest growing industries in India. One of the problem that extensively suffered by this industry is the reputational issues related with the previous scams and financial frauds and it is also important that to provide best in class products to the customers.

The study tries to understand the practicality of neuro marketing techniques in network marketing. As we know neuromarketing is a modern practice in marketing that helps to analyze the brain activity of potential customers to understand their conscious and unconscious responses, perceptions and opinions that can be used in product development and communication. According to Mariano Diotto, brand strategist and director of department of communication of IUSVE University; “Neuromarketing manages to block the moment when an emotion is experienced by the public and settles into its unconsciousness”. According to him Neuromarketing will help in the persuasion of potential prospects by handling their objections. In network marketing it is very common that networking people or direct sellers failed to acquire and attract new clients, it occurs because of the credibility issues that happened in the past and acquiring new talent is a complex process that involves a lot of motivation and persuasion. The study aims to understand the feasibility of neuro marketing to resolve this issue.

### **STATEMENT OF THE PROBLEM**

According to Dr APJ Abdul Kalam “Network marketing is the fastest growing business of 21 st century which must be joined by every young man and women globally otherwise you can never get the best of your age”, like his words Network marketing and direct selling industry in India in 2021 hits total sales of 15930 crores (According to Indian direct sellers association). It is considered as one of the fastest growing industry in India with an annual average growth rate of 4.7%.

However one of the problems faced by this industry is about lead generation and credibility issues. The previous financial frauds and scams related to this industry leads to this problem. So this study aims to understand the practicality of Neuromarketing techniques in the growth of network marketing industry, not only just in advertisement and sales promotion, the study gives more stress on the practicality of client acquisition through motivation and persuasion.

The practice of Network marketing or Multi level marketing is considered as same type of marketing which comes under direct selling industry. It is a business model that depends on person to person sales and building sales networks to assist in the lead generation and closing the sales, it provides a significant income and financial freedom. The network marketing industry is one of the fastest growing industries in India. One of the problem that extensively suffered by this industry is the reputational issues related with the previous scams and financial frauds.

### **OBJECTIVES OF THE STUDY**

- To understand the concept of neuromarketing and network marketing.
- To identify the factors and behavioral implications related to the customer acquisition in network marketing.
- To study the feasibility of existing neuro marketing practices with client management in Network marketing
- To study the potential of neuro marketing techniques in advertising and sales promotion in Network marketing.

### **SAMPLING**

The Size of the sample is 75 and has used the convenience sampling through preparing questionnaires.

#### **Type of sampling:**

Non probability: Convenient sampling

### **SAMPLING METHOD:**

Data is collected from respondents selected through convenient sampling questionnaire.

Convenience sampling is a specific type of non- probability sampling method that relies on data collection from population members who are conveniently available to participate in study

## **DATA COLLECTION TOOLS**

### **Sources of data**

The study is conducted based on the primary data and secondary data collected. Secondary data refers to data that is collected by someone other than the user. Common sources of secondary data information collected by government departments, organizational records, Internet sources and data that was originally collected for other research purposes.

Primary data means the fresh and first hand data that is collected by the researcher directly through questionnaire, surveys Etc....

### **PRIMARY DATA**

The primary data collected using,

- Questionnaire

### **SECONDARY DATA**

Secondary data collected using,

- Online newspapers
- Books and Magazines.
- Websites

## **PLAN OF DATA ANALYSIS**

The data collected from both the primary and secondary sources presented by using graphs and tables and analyzed and interpreted in the systematic manner with the help of statistical tools like percentages.

The study carried out as a descriptive one , descriptive research means a method of research that describes the characteristics of the population and phenomenon studied .The study carried out by collecting both primary and secondary data .The primary data collected from 75 respondents across Kerala and secondary data collected using research papers and websites.

**Signature of the candidate**

**Signature of the college guide**

**APPENDIX III****MBA DISSERTATION****PROGRESS REPORT 1**

<b>Sl. No:</b>	<b>Particulars</b>	
1	Name of the Student	Vimal George
2	Register Number	MB204957
3	Name of College Guide	Prof. Naveen C
4	Name and contact no of the Co- Guide/External Guide (Corporate)	_____
5	Title of the Dissertation	A Study on the practicality of neuromarketing in network marketing for client acquisition with special reference to the network marketing industry,kerala
6	Name and Address of the Company/Organization where dissertation undertaken with Date of starting Dissertation	_____
7	Progress report	<ul style="list-style-type: none"><li>• Discuss the topic with the guide and the Topic got approval from BCU.</li><li>• Finalized objective of the project</li><li>• Started collecting data for introduction</li><li>• Chapter 1 started</li></ul>

**Date: 7/5/2022****Signature of the Candidate****Signature of College Guide**

## **MBA DISSERTATION**

### **PROGRESS REPORT 2**

<b>Sl. No:</b>	<b>Particulars</b>	
1	Name of the Student	Vimal George
2	Register Number	MB204957
3	Name of College Guide	Prof. Naveen C
4	Name and contact no of the Co- Guide/External Guide (Corporate)	_____
5	Title of the Dissertation	A Study on the practicality of neuromarketing in network marketing for client acquisition with special reference to the network marketing industry,kerala
6	Name and Address of the Company/Organization where dissertation undertaken with Date of starting Dissertation	_____
7	Progress report	<ul style="list-style-type: none"><li>• Weekly meeting were done with project guide</li><li>• Chapter1 completed and chapter 2 started</li><li>• Questionnaire is prepared for primary data collection.</li></ul>

**Date: 14/05/2022**

**Signature of the Candidate**

**Signature of the College Guide**

## **MBA DISSERTATION**

### **PROGRESS REPORT 3**

<b>Sl.No:</b>	<b>Particulars</b>	
1	Name of the Student	Vimal George
2	Register Number	MB204957
3	Name of College Guide	Prof. Naveen C
4	Name and contact no of the Co- Guide/External Guide (Corporate)	_____
5	Title of the Dissertation	A Study on the practicality of neuromarketing in network marketing for client acquisition with special reference to the network marketing industry,kerala
6	Name and Address of the Company/Organization where dissertation undertaken withDate of starting Dissertation	_____
7	Progress report	<ul style="list-style-type: none"><li>• Information was collected from various research papers</li><li>• Started collecting responses and record it for further proceedings</li><li>• Completed chapter 2 and Chapter 3 started</li></ul>

**Date: 21/05/2022**

**Signature of the Candidate**

**Signature of the College Guide**

## **MBA DISSERTATION**

### **PROGRESS REPORT 4**

<b>Sl.No:</b>	<b>Particulars</b>	
1	Name of the Student	Vimal George
2	Register Number	MB204957
3	Name of College Guide	Prof. Naveen C
4	Name and contact no of the Co- Guide/External Guide (Corporate)	_____
5	Title of the Dissertation	A Study on the practicality of neuromarketing in network marketing for client acquisition with special reference to the network marketing industry,kerala
6	Name and Address of the Company/Organization wheredissertation undertaken withDate of starting Dissertation	_____
7	Progress report	As per the response received collected information and started chapter 4 after completing chapter 3.

**Date: 28/05/2022**

**Signature of the Candidate**

**Signature of the College Guide**



## **MBA DISSERTATION**

### **PROGRESS REPORT 5**

<b>Sl.No:</b>	<b>Particulars</b>	
1	Name of the Student	Vimal George
2	Register Number	MB204957
3	Name of College Guide	Prof. Naveen C
4	Name and contact no of the Co- Guide/External Guide (Corporate)	_____
5	Title of the Dissertation	A Study on the practicality of neuromarketing in network marketing for client acquisition with special reference to the network marketing industry,kerala
6	Name and Address of the Company/Organization wheredissertation undertaken withDate of starting Dissertation	_____
7	Progress report	<ul style="list-style-type: none"><li>• Completed chapter 4</li><li>• Concluded with the findings from the survey</li><li>• Started with the 5<sup>th</sup> chapter</li></ul>

**Date: 04/06/2022**

**Signature of the Candidate**

**Signature of the College Guide**

**MBA DISSERTATION****PROGRESS REPORT 6**

<b>Sl. No:</b>	<b>Particulars</b>	
1	Name of the Student	Vimal George
2	Register Number	MB204957
3	Name of College Guide	Prof. Naveen C
4	Name and contact no of the Co- Guide/External Guide (Corporate)	_____
5	Title of the Dissertation	A Study on the practicality of neuromarketing in network marketing for client acquisition with specialreference to the network marketing industry,kerala
6	Name and Address of the Company/Organization where dissertation undertaken with Date of starting Dissertation	_____
7	Progress report	<ul style="list-style-type: none"><li>• Completed with 5<sup>th</sup> chapter</li><li>• Final project draft submitted to guide for corrections</li></ul>

**Date: 11/06/2022****Signature of the Candidate****Signature of the College Guide**

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*by*

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