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**CASE STUDY - AMWAY**

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**AMWAY**, derived from ‘American Way’ is an American company which deals in health, beauty, and home care commodities. It conducts business through a number of affiliated companies in more than a hundred countries and territories.

The company has multiple brands under it which have a variety of products to offer. It has, however, been accused of indulging in pyramid scheme practices numerous times.

Amway is a multi-level marketing organisation, which means it engages in selling of goods and services through partners and promoters. This means that they earn through systematic levels of commission and not directly because of the seller alone.

At the lowest level are the sales-people who advertise and sell the products as retail distributors directly. These members also have the job of recruiting more people into the company as members who will further engage in advertising and selling Amway products.

Therefore, in short, the skeletal framework of Amway’s business model is:

* Advertise and sell products to people
* Recruit new members into the company to do the same
* Become a higher level member - distributor - and promote the company and try to make profits.
* In addition to the retail end customer, the very salespersons recruited or sponsored by the ones higher up in the network also act as end-user retail customers for Amway as they are required to pay an entry fee to join the network.

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