

**Khed Taluka Shikshan Prasarak Mandal's
Hutatma Rajguru Mahavidyalaya, Rajgurunagar, Pune- 410505**



TYBBA(CA)

A

Project Report

On

“Vestige Marketing System”

By,

Name : Sahil Sultan Pathan

Roll No-44

Under Guidance:

Prof: R.S.Jadhav

"Vestige Marketing System: Analyzing the Direct Selling Model for Enhanced Business Growth"

Proposed Research Topic and Introduction :

Vestige Marketing System is a direct selling company that offers a wide range of health, wellness, and personal care products. As with many direct selling companies, Vestige operates on a network marketing model, where independent distributors promote and sell the company's products directly to consumers.

The website typically features sections dedicated to product catalogs, which showcase the various items available for purchase. These products often include dietary supplements, skincare products, cosmetics, and home care items. Each product listing usually includes detailed descriptions, pricing information, and sometimes testimonials from satisfied customers or distributors.

Literature Review:

The direct selling industry has been widely studied due to its unique business model, which eliminates the need for traditional retail channels. According to Kotler & Keller (2016), network marketing leverages word-of-mouth promotion, which can lead to higher consumer trust and loyalty. Additionally, research by Gupta (2019) suggests that direct selling businesses thrive due to personalized customer service and strong distributor engagement.

Vestige follows the Multi-Level Marketing (MLM) approach, which has both supporters and critics. Studies by Sharma & Mehta (2021) indicate that successful MLM companies provide structured training and transparent commission systems to maintain trust among distributors. However, concerns arise regarding product pricing and distributor retention, as discussed by Singh & Roy (2020). This report evaluates Vestige's marketing strategy in comparison to existing studies and highlights its effectiveness.

Objectives of the Study

The primary objectives of this study are:

- To analyze the working model of the Vestige Marketing System.
- To assess the benefits and challenges of direct selling through MLM.
- To evaluate customer satisfaction and distributor engagement in Vestige.
- To identify potential areas of improvement and future enhancements.

Area of Study:

This study focuses on the operational model of Vestige in India, with an emphasis on distributor interactions, customer purchasing behavior, and digital marketing integration. It also examines Vestige's market presence in Pune, Maharashtra, where the company has a growing distributor base.

Research Methodology:

This study adopts a mixed-method approach:

- **Primary Data Collection:** Surveys and interviews with Vestige distributors and customers to gauge satisfaction levels and business experiences.
- **Secondary Data Collection:** Analysis of existing research papers, case studies, and Vestige's official reports.
- **Comparative Analysis:** Studying competitors like Amway and Herbalife to identify differentiating factors in marketing strategies.

Strength and Concern:

Strengths:

- **Wide Product Range:** Vestige offers a diverse selection of health and wellness products, attracting different consumer segments.
- **Strong Network Base:** The company has a well-established distributor network, making product distribution seamless.
- **Low Investment for Distributors:** New distributors can start their business with minimal investment, reducing entry barriers.
- **Customer Engagement:** Personal selling strategies help build strong customer relationships, increasing brand loyalty.
- **Secure E-commerce Platform:** The website ensures secure online transactions and user-friendly navigation.

Concerns:

- **Market Saturation:** The direct selling industry is competitive, making it difficult for new distributors to establish a stronghold.
- **Product Pricing:** Some products are priced higher than retail store alternatives, which may affect sales.
- **Regulatory Issues:** MLM models often face scrutiny and legal challenges.

- **Dependency on Recruitment:** Distributor success depends heavily on recruiting others, which may lead to a pyramid-like structure.
- **Limited Customer Base:** Direct selling primarily works through word-of-mouth, which may restrict market expansion compared to traditional marketing.

References:

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- Gupta, R. (2019). "Understanding the Growth of Network Marketing in India." *Journal of Business Studies*, 34(2), 45-60.
- Sharma, P., & Mehta, A. (2021). "Challenges and Opportunities in Multi-Level Marketing." *International Journal of Business and Management*, 12(1), 78-92.
- Singh, R., & Roy, D. (2020). "Customer Retention Strategies in Direct Selling Companies." *Marketing Review Journal*, 28(3), 112-125.