

**SKILL-BASED FACTORS LEADING TO THE SUCCESS OF  
HIGH-PERFORMING AMWAY BUSINESS OWNER: A CASE  
STUDY OF AMWAY CORPORATION (THAILAND)**

The image features a large, faint watermark of the Mahidol University logo in the background. The logo is circular and contains a central emblem with Thai script around the perimeter. The text 'NAPAPORN CORRADINI' is centered over the logo.

**NAPAPORN CORRADINI**

**A THEMATIC PAPER SUBMITTED IN PARTIAL  
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Thematic Paper  
entitled

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HIGH-PERFORMING AMWAY BUSINESS OWNER: A CASE  
STUDY OF AMWAY CORPORATION (THAILAND)**



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**ABSTRACT**

The direct sales industry captures much potential value in the Thai market. The key element in driving this type of company forward is having the people to increase sales volume, represent the company and expand the business. This paper studies the effect of skill-based factors of direct salespersons that enable them to achieve high performance. This research looks into four main skill areas that lead to better sales performance – interpersonal, salesmanship, technical and marketing skills. The findings relating to the strategy were gathered from the in-depth interviews of Amway Business Owners at the diamond level who have become successful in their careers. The results show that interpersonal skills is the most important of the studied skills as it plays an important role in dealing with others and helps expand the business network. Findings also reveal that interviewees select technical skill as the second most important ranking, the third skill is marketing and the last skill is salesmanship. However, achieving higher performance may also be done by setting goals, creating a plan, having clear working process, practicing every day, give support, having patience and use correct tools.

**KEY WORDS: DIRECT SELLING INDUSTRY/SKILL-BASED FACTOR/HIGH  
PERFORMING SALEPERSON/AMWAY BUSINESS  
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SKILL-BASED FACTORS LEADING TO THE SUCCESS OF HIGH PERFORMING AMWAY  
BUSINESS OWNER: A CASE STUDY OF AMWAY CORPORATION (THAILAND)

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บทคัดย่อ

ธุรกิจขายตรงเป็นอุตสาหกรรมที่มีมูลค่าสูงในตลาดของประเทศไทย ปัจจัยหลักที่ทำให้บริษัทก้าวไปข้างหน้าได้แก่ บุคคลที่มีส่วนเกี่ยวข้องในการเพิ่มยอดขาย เป็นตัวแทนของบริษัท และ ขยายเครือข่ายของธุรกิจ งานวิจัยชิ้นนี้จัดทำขึ้นเพื่อศึกษาทักษะด้านต่างๆ ที่เป็นปัจจัยขับเคลื่อนให้นักธุรกิจของบริษัทขายตรงประสบความสำเร็จ งานวิจัยทำการวิเคราะห์ทักษะ 4 ด้านที่สำคัญ ซึ่งได้แก่ ทักษะด้านมนุษยสัมพันธ์ ทักษะด้านการขาย ทักษะด้านเทคนิค และ ทักษะด้านการตลาด ข้อมูลในงานวิจัยถูกรวบรวมจากการสัมภาษณ์เจาะลึกกับนักธุรกิจขายตรงของบริษัทแอมเวย์ที่ระดับเพชรประสบความสำเร็จในงานด้านนี้แล้ว งานวิจัยครั้งนี้พบว่า ทักษะด้านมนุษยสัมพันธ์เป็นทักษะที่สำคัญที่สุดที่ส่งผลต่อความสำเร็จของนักธุรกิจ โดยเฉพาะเมื่อนักธุรกิจต้องติดต่อสัมพันธ์กับผู้อื่น ทักษะด้านนี้ยังมีส่วนในการขยายเครือข่ายของธุรกิจขายตรงให้มากยิ่งขึ้นอีกด้วย นอกจากนี้ทักษะทางด้านการนำทักษะด้านเทคนิคมาใช้ในการทำงานมีความสำคัญเป็นอันดับที่สอง ส่วนทักษะด้านการตลาดนั้นอยู่ในอันดับที่สาม และทักษะด้านการขายมาเป็นอันดับสุดท้าย การที่จะประสบความสำเร็จนั้น อาจจะต้องอาศัยองค์ประกอบด้านอื่นเพิ่มเติมเช่น การตั้งเป้าหมาย สร้างแนวทางในการทำงานโดยการใช้แผนงานที่ชัดเจน ฝึกฝนอย่างสม่ำเสมอ ทำงานด้วยความอดทน และใช้เครื่องมือที่ถูกต้องในการทำงานก็จะสามารถสร้างผลการดำเนินงานที่ดียิ่งขึ้นและประสบความสำเร็จในการทำงานได้

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## **CHAPTER I**

### **INTRODUCTION**

In this chapter of the paper, the researcher would like to give the details of the background of the study, the significance, objectives, scope, benefit and the definition of the study.

#### **1.1 Background of the Study**

Direct sales is an ideal marketing tool for the 21<sup>st</sup> century lifestyle because customers can benefit from the convenience and the service it provides as well as the satisfaction guaranteed. Time is an important resource for the daily activities of nearly every person, which is why many services and products are designed to support this kind of fast-paced life. Companies have to facilitate their customers by using appropriate marketing strategies to increase loyalty toward their products.

One of the key factors behind making direct sales work well is the salesperson. A good sales representative should represent well the product of the company by providing useful information concerning each product, giving advice as regards the different needs for different customers or being able to perform effective and interesting demonstrations to the customer. In addition, a salesperson must be strongly motivated to make the company grow well and achieve high sales volume.

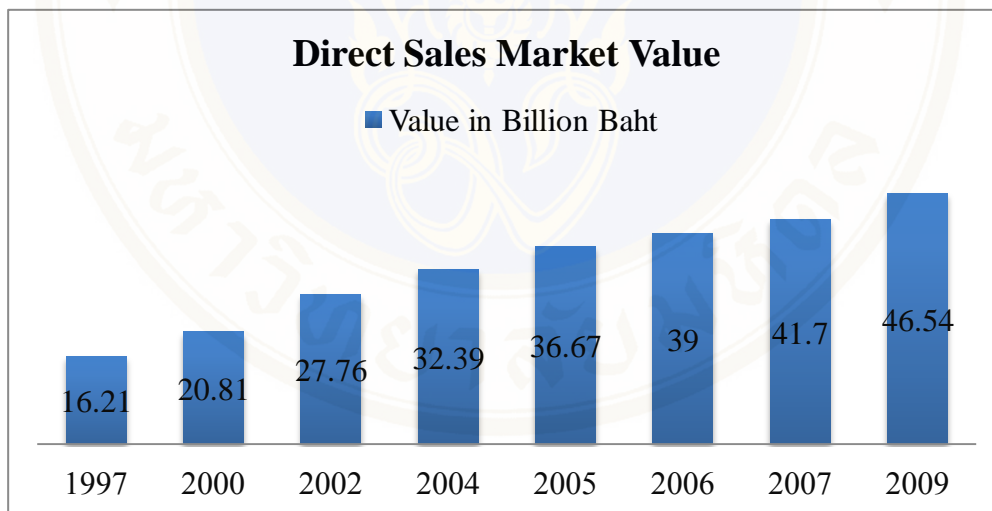
Direct selling offers more than financial benefits; it can create jobs, income, investment and taxes that can benefit families and provide better quality of life. Moreover, direct sales also increase the self-esteem, self-confidence, organization and management skills that are important for salesperson, families, and communities as well as for the country (Ponder and Larson, 2010).

Applying to become a salesperson is not too difficult but becoming a successful salesperson in this industry is a hard work. So, what are the success factors of salespersons in this industry and what can push them to achieving such success in

this career? These two questions are what influenced the researcher to begin this academic paper.

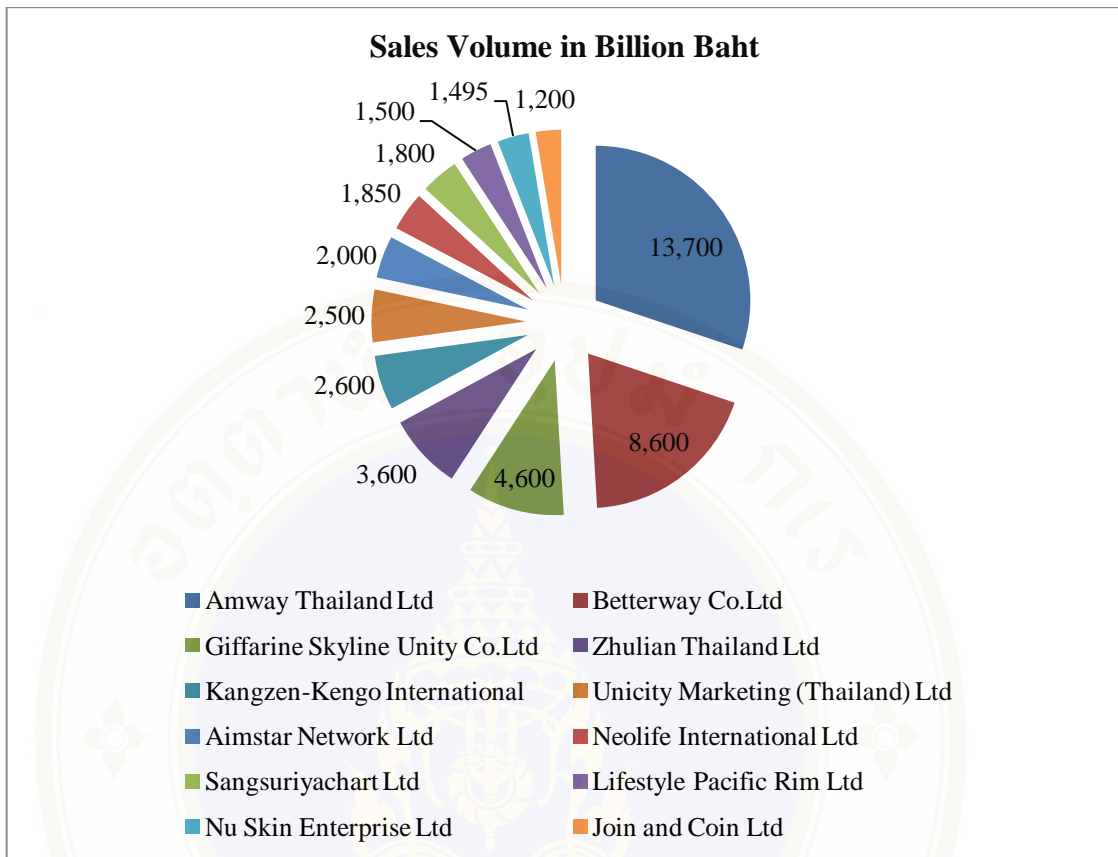
### The Direct Sales Industry in Thailand

The direct sales business is not a new type of industry in Thailand. However, there is still much room for potential growth, with high sales volume and also the performance and popularity of each brand with customers. The direct selling market in Thailand reported continuous growth during the period of 1997 to 2007. In 1997 the total market value stood at 16.21 billion baht, while in 2007 the total market value had reached up to 41.7 billion baht (tdsa.org, 2010f). According to Leader Time magazine, there are over 500 direct sales companies but only 13 of them reflect the high growth in 2009 and have a total market value of 46.54 billion.



**Graph 1.1:** The Total Market Value of Direct Sales in Thailand

**Source:** unicityworld.com, 2010



**Graph 1.2:** The Most Effective Direct Sales Companies in Thailand

**Source:** unicityworld.com, 2010

Due to the potential market value in Thailand, an association set up to primarily take care of the direct sales industry was founded. The Thai Direct Selling Association, or TDSA, was established in 1983. The association’s main mission is to develop and promote the direct sales industry. Among its other missions are its supportive and advisory roles with government in drafting legislation related to the practice of direct sales professionals and the scope of the development in knowledge and the exchange of information and ideas among members regarding the ethics of direct sales (tdsa.org, 2010c).

Currently, the Thai Direct Selling Association has 29 member companies with the existence of approximately another 500 companies that run direct sales operations within the country. Regarding the staff themselves, Khun Sukanda Chunchachachai, the manager of Thai DSA observed a trend in the average age of the salespeople having gone down to include younger representatives. She also

added that “the distribution channels will be more varied with the use of internet with the younger generation such as students and first-jobbers becoming increasingly interested in being a part of direct selling” (Ponder and Larson, 2010).

According to the Direct Selling News, the six largest companies internationally by revenue (USD) in 2010 were Avon Products, Inc, Amway Corporation, Vorwerk & Co.KG, Mary Kay Inc, Natura Cosmeticos SA and Herbalife (Ponder, 2010). While in Thailand the highest performing direct sales companies are Amway Thailand Ltd, Betterway Co.Ltd (Mistine), Giffarine Skyline Unity Co.Ltd, Zhulian Thailand Ltd, Kangzen-Kengo International, respectively (Unicityworld.com, 2010).

**Table 1.1: The Top Five Direct Sales Companies**

Number	High Performing Firms in United States	Revenue in Billion USD	High Performing Firms in Thailand	Revenue in Billion Baht
1	Avon Products, Inc	10.9	Amway Thailand Ltd	13.7
2	Amway Corporation	8.2	Betterway Co.Ltd (Mistine)	8.6
3	Vorwerk & Co.KG	3.15	Giffarine Skyline Unity Co.Ltd	4.6
4	Mary Kay Inc.	2.5	Zhulian Thailand Ltd	3.6
5	Natura Cosmeticos SA	2.4	Kangzen-Kengo International	2.6

**Source:** Adapted from [directsellingnews.com](http://directsellingnews.com), 2010 and [Unicityworld.com](http://Unicityworld.com), 2010

## 1.2 Significance of the Study

In the past, many Thais used to harbor bad impressions towards direct selling. Some felt that this kind of marketing strategy was too pushy and could not get customer attention with the product demonstrations or be effective in making customers switch from the brands they were already loyal to. Additionally, the poor performance of sales representatives can also impact the brand and lead to a loss of

trust towards the brand. Thus, being an effective sales representative is challenging because each salesperson must combine many skills to perform well in their job. There are several differing perspectives regarding the image of direct sales from different people's points of view as well as from the views of sales representatives themselves. Being a salesperson can earn a high sum of money. So, what can make a salesperson want to earn more and perform better in the job?

This research specifically studies the possible issues that can make a salesperson achieve a high level of performance in Amway Corporation in Thailand. This direct selling company has high growth volume, provides a variety of products (see Table 2) and has a clear level of success of this profession. Amway is the largest direct selling company with a 39.18% share of the health product category, a 37.58% share of cosmetics and a 9.76% share of household products. The company was established in Thailand in 1987 with the vision of 'Helping people live better lives' (amway.com, 2010a)<sup>1</sup>. The success of the company comes from its continuous sales growth which offers stability to its company sales representatives. Representatives are company businessman or partners of the company called Amway Business Owners (ABO). They do the business together with world class quality products that meet consumers' needs and that can be really used in daily life<sup>2</sup>.

**Table 1.2: Amway's product line**

<b>Product Type</b>	<b>Description</b>
My Health	Nutrition and wellness products
My Self	Artistry cosmetics, personal care products and toiletries
My Home	Home care products such as laundry, household cleaners, car care, agricultural products and kitchenware
Personal Shoppers Catalog	Products that can be used everyday

**Source:** amwayshopping.com, 2010d

<sup>1</sup> This is the vision of Jay Van Andel and Rich DeVos, the two founders of Amway.

<sup>2</sup> An ABO is an Amway Business Owner who is a sales representative of the company and also a partner of the company.

The company offers many levels of reward for high performing ABOs, with each obtaining a different ranking of success in return for their efforts and hard work. Rewards can also act as incentives that encourage ABOs to work harder in order to achieve higher positions. A successful salesperson in the perception of Amway is one that has been rewarded ever since the lowest ranking level and right up until the highest one (amway.com, 2010b). The researcher has divided all the reward level into three main groups; beginners' level, middle performers and high performers (see Table 3).

**Table 1.3: Ranking rewards of ABOs**

Category	Reward Name	
Beginners' level	Silver Producer	Platinum
	Gold Producer	Founder Platinum
Middle performers	Ruby	Emerald
	Founder Ruby	Founder Emerald
	Sapphire	Diamond
	Founder Sapphire	Founder Diamond
		Executive Diamond
High performers	Founder Executive Diamond	Founder Triple Diamond
	Double Diamond	Crown
	Founder Double Diamond	Founder Crown
	Triple Diamond	Crown Ambassador
		Founder Crown Ambassador

**Source:** Amway's Business Manual, 2010

The first category in the table is that of an ABO that has started to get some discount and some downlines, but who does not yet have the ability to make their

downlines improve their job success<sup>3</sup>. The second group comprises individuals that have achieved higher success than the first group and who receive yearly bonuses from Amway in addition to having the ability to get a better performance out of their downlines. In addition, the second group is the focus group of this paper. The last group refers to ABOs that have achieved the highest level of success in the company and who have started to expand their business lines abroad. This type of salesperson that has achieved the higher level also has the prestige value of getting their story published in the magazine “Achieve” for ABOs. The next benefit of success is the compensation in terms of money or the discount percentage that matches the ranking level of each ABO. Finally, the last benefits of success are the travel opportunities that the company offers to each different level of each representative.

In this research, the main focus is on ABOs positioned in the diamond level. Before being reward achieving diamond status, it is important that the businessperson works to gain qualifications in order to be promoted. The process of ABOs achieving and qualifying for diamond level performance can be categorized into three steps.

Firstly, an ABO has to create awareness about the company, products and the business model. More specifically, they have to make others know the company, all the product ranges, how to buy products, the products’ benefits and the discount and promotion after purchasing products for normal members and customers of the company. While for those that the ABO has sponsored and wants to recruit in the network, the beginning process may have additional details. Former ABOs may have to teach newcomers about how to set their goals, the process of making the business work, ways of expanding the network and the different discount percentages after reaching different sales volumes.

Secondly, when an ABO has gathered more members and new ABOs into the group, the network becomes larger because of this increased number of people inside and sales volumes. The working process in this step is the further expansion of the network, making the network stronger and lasting. ABOs have to help other ABOs to develop their professionalism and to maintain the growth of the network.

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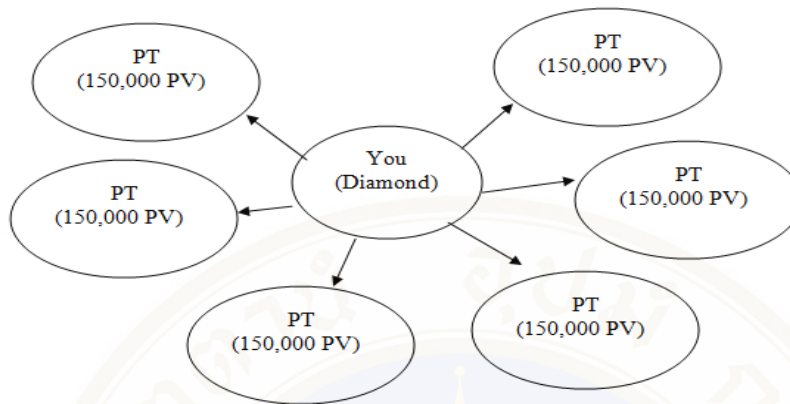
<sup>3</sup> Downline refers to representatives that enters the business after the individual above them or a representative sponsor by an individual listed in a lower position

The last step concerns the compensation of an ABO after reaching different levels of performance. There are the monthly compensations that the ABO will gain from their own purchasing volume in addition to that from the network in the form of discount percentage. Discounts start from 6 - 21%, with a 21% discount equivalent to 150,000 PV<sup>4</sup>. The earnings from this discount percentage are referred to as active income. The next form of compensation is the yearly bonus the company gives to ABOs who increase their performance and reach higher volumes. The last type of monetary compensation comes in the form of a special cheque for those ABOs moving up to the highest level of performance, such as moving up from the discount level of 21% to a diamond level ABO.

An ABO who wants to be a diamond performer needs to have at least six representatives in the network. These six individuals have to achieve a discount level of 21% and continue to be so for six months within the next 12 months or be continuously categorized as “Platinum” (PT) for a period of three months. Moreover, all of those in the downline must have at least a combined total of 150,000 PV in their team (Amway’s Business Manual, 2010c). Even though Amway is listed as one of the most powerful direct selling companies in Thailand, it is more than a normal direct sales company and differs in many ways from other such types of firm such as Amway has a high concern in the research and development. The company has 65 laboratories all over the world, 500 of scientists, engineers and specialists. Nutrilite, a sub brand under Amway has 4 biological farms in 3 countries that are large around 17,000 square metres in United States, Mexico, and Brazil (Amway Business Opportunity Manual, 2010). Furthermore, the company arrange many seminar for enhance the knowledge of businesspeople. Amway focuses on the creation of a network of customers and ABOs and the expansion of the network. ABOs work hard to make the network stronger in order to reach a level of passive income enabling the successful ABO to stop working while not affecting the expansion process of the network.

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<sup>4</sup> PV refer to point value, 1 point equals 2.85 baht.



**Figure 1.3:** The Network of a Diamond Level ABO

**Source:** Amway's Business Manual, 2010

The results of this study can act as a guideline for an individual who would like to enroll in the direct sales industry or in other sales industries. It can be a source on how to become successful in a career or as part of a training process to develop the strategies that increase a salesperson's ability. In addition, the paper is intended as a guideline for a manager, supervisor or an individual at a higher level in a job; aiding them in understanding their employees, increasing their employees' concentration levels and in creating positive values, attitudes and, characteristics. Finally the information contained in this paper can be utilized by other direct sales companies in examining how to improve their own networks.

### 1.3 Objectives of the Study

- To determine the skills-based success factors of high performing salespersons in the direct sales industry.
- To provide suggestions on how to improve the performances of salespersons in the direct sales industry as well as those in other industries.

## **1.4 Scope of the Study**

This qualitative study focuses on Amway's sales representative or ABOs that have reached a middle level of performance or that is ABOs at the diamond level. The researcher attempts to study the way they achieve success. The paper focuses on 20 ABOs who have already achieved the medium level and are diamond salespersons as mentioned above.

## **1.5 Limitations of the Study**

The limitations of the study consist of both time and budget constraints. The paper analyses only one direct selling brand. As already mentioned, interviewees belong to the group of Amway Business Owners at diamond/medium performance level. Therefore, there exists a limitation with regards to their not being among the high performers. This is largely due to the fact that it is difficult to meet this latter group of sales representatives given their overseas commitments to expanding Amway's business abroad. Another limitation of the research concerns the qualitative method that the researcher applied in this paper. Even though probing interviews may provide in-depth results, not many people could actually be interviewed. Using a questionnaire may have enabled the researcher to gather more data from a greater number of participants.

## **1.6 Benefits of the Study**

The researcher hopes that this research will benefit academics, practitioners and professional knowledge as a whole. This academic work could be used as an example for future academic research in related topics or as a base model for the future development for other researchers. The benefit of the research to practitioners would be as recommendations or solutions for sales managers lower performing ABOs in the direct sales industry and those in other fields. In addition, the benefits to professional knowledge could help other ABOs that have been struggling in this business.

## 1.7 Definition of Terms

In this section the researcher would like to give the definition of important terms that are consumers and direct sales representative (tdsa.org, 2012i).

**Consumers** – This refers to the buyers or receivers of the goods or services of the sales representatives of direct sales.

**Direct sales representative** – This refers to an individual authorized by a direct sales firm to offer goods and services directly to a customer. Also, to an individual that represents the direct sales business or work for that business as an employee.

**Single Level Marketing (SLM)** – This refers to one of the direct sales categories in which the seller can carry out their own personal sales activities but are not able to sponsor other sales personnel; therefore their income is derived from commission or bonus (oknation.net, 2010)

**Multi Level Marketing (MLM)** – This refers to the seller who can sponsor other individuals in their downline. Their income comes from commissions and bonuses based on the sales volume and the downline can help these sellers to increase the sales force and thereby increase the number of sales (lampangvc.ac.th, 2010)

**Success** – This refers to the completion of the objective or a goal at a specific period or specific time. Success can be interpreted as a project or work that is already finished with an agreeable result. Also, it can describe an individual that achieves their personal goal in their career or in other kinds of work.

## **CHAPTER II**

### **LITERATURE REVIEW**

The literature review in this research explores the concepts and theories relating to the key success of a salesperson. In addition, it looks at the previous Thai and international research related to the topic. At the end, the conceptual model used in the study is presented.

#### **2.1 Overview of Direct Sales and Direct Sales Marketing**

The direct sales industry is an effective kind of business which has continued to maintain a high reputation. The direct selling process has long been studied but there still remains some ambiguity as to the definition of this business. Many author and academics have provided different definitions for the phrase “direct selling”. Some of the most notable definitions are provided below:

Baker (1984) defined direct sales as a form of selling without a retail location, distributors, wholesalers or middlemen.

Bernstein (1984) regarded direct selling as a technique employing the person-to-person method in approaching the customer.

Baron, Davies and Swindley (1991) considered direct sales as a relationship of immediate exchange with a customer without the intermediaries in the distribution channel.

Clemente (1992) viewed direct sales as a way to provide explanations and conduct demonstrations of personal products in consumer’s home or at retailers’ locations.

Bennett (1998) defined direct sales as the personal explanations and demonstrations of goods and services performed at the customer’s home.

The Federation of European Direct Selling Association (FEDSA, 2010) states direct sales as being the marketing of consumer goods and services directly in

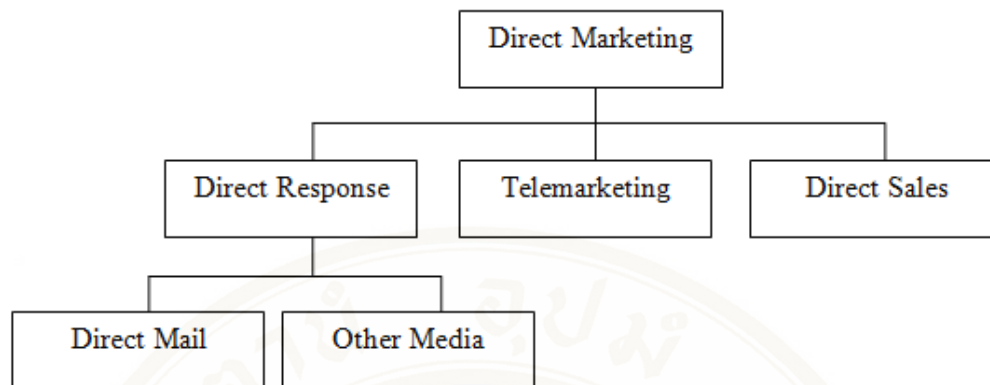
the customer's home through the use of explanations and/or demonstrations by a salesperson. The location may also be their friend's home, workplace or any other place but a shop.

Peterson and Wotruba viewed direct sales as comprising two major elements: face-to-face selling, and selling away from a fixed location. The representative uses demonstration, presentation and the information of the product to communicate with customers (Peterson and Wotruba, 1996).

From the definitions given of direct sales above, one of the important key links between the seller and the buyer is the means of communication through which they exchange information. Thus, the marketing strategy of direct sales should be of top priority and at the core of the business. Therefore, what direct marketing means and how it relates to direct sales should also be mentioned.

TDSA gives the following definition of direct marketing: "a kind of marketing that the seller sells the product to customer at their home or in location that is available for customer through the method of Single Level Marketing (SLM) or Multi Level Marketing (MLM)" (tdsa.org, 2010g).

The most common direct marketing tools currently used are direct mail, catalogues, telemarketing, internet, cold calling or other direct forms of media. Direct marketing helps the company to clearly target its main potential customers, to transmit the information to target customers by facilitating the representative's time, and is also useful in determining the number of people interested in the product as well as being an easy means of collecting customer data. In addition, direct marketing benefits customers in that it contains a lot of information that benefits the purchase process and which can create loyalty (Assawapreecha, 2011).



**Figure 2.1:** Direct marketing components

**Source:** Assawapreecha, 2011: 2

## 2.2 Important players in the Direct Sales Industry in Thailand

**Amway Thailand Ltd.:** The company was established on 4<sup>th</sup> May 1987, with the vision of “For you and for your better quality of life”. The company applies a multi-level marketing strategy. At present, the company has around 300,000 ABOs and around 540,000 Amway members. The company distributes more than 100 high quality products and 500 items (tdsa.org, 2010a).

**Avon Products Inc:** The company was founded in the United States in 1886 when David McConnelle, a door-to-door salesman, encouraged customers to buy his book by offering a free perfume (avon.co.th, 2010). Later the company’s name changed to Avon and began to produce low cost home care and beauty products. Avon’s vision is to be a company that understands and satisfies products, service and the self fulfillment needs of women around the world. In 1978, an Avon Thailand branch was established, which was the first direct selling beauty products company in the country. Currently, Avon has 488 employees and 150,000 sales representatives (tdsa.org, 2010b).

**Betterway Co.Ltd:** Dr. Amornthep Deerojjanawong, is the founder of the brand Mistine in 1988 with the vision of create a better life. The company is the

producer and distributor of the cosmetic brand Mistine which is a Single Level Marketing direct selling firm. The company has 700,000 salesladies that use catalogue to make the ordering system, delivered and payment more comfortable (mistine.co.th, 2010).

**Giffarine Skyline Unity Co.Ltd:** Giffarine Thailand is a direct sales company built up by Thai medical doctors and pharmacists using their knowledge and skills on March 17 in 1996 (tdsa.org, 2010d). Currently, Giffarine Thailand is under the management of the president of the company, Khun Nalinee Paiboon . Giffarine offer a variety of product lines to a wide range of customers incorporating, men, women, the young and adults. (Giffarine, 2010)

**Kangzen-Kenko International Co., Ltd:** The company was founded in 1993 with the aim of providing the opportunity for individuals to have better physical and mental health as well as to have financial and time freedoms. Kangzen-Kenko is another direct sales company built up by Thais. The company applies the multi-level marketing model, which is considered one of the best business models (Kangzen.co.th, 2010). The company's vision is to become a leader in multi-level marketing in Thailand with the mission of expanding the business to others countries, to operate the firm under international management standards and to care for the wellbeing of members and their families. The company provides a wide range of product such as beauty and healthy products as well as household and general products. (tdsa.org, 2010e)

**Zhulian Thailand Ltd:** Mr.Teoh Beng Seng, is the founder of the 100% Malaysian direct selling company "Zhulian" and in 1989 he established the first factory. The company's core business is multi-level marketing and the company's vision is to become a leader in health and beauty products by gaining customer trust and enthusiasm. In 1996, the company had expanded the business to Thailand and used the same model as in Malaysia and became the sole distributor of the product in the country (Zhulian.com, 2010). Product lines under the Zhulian brand include food

and beverages, home care, nutrition and health, personal care, beauty care, home technology and accessories (tdsa.org, 2010h).

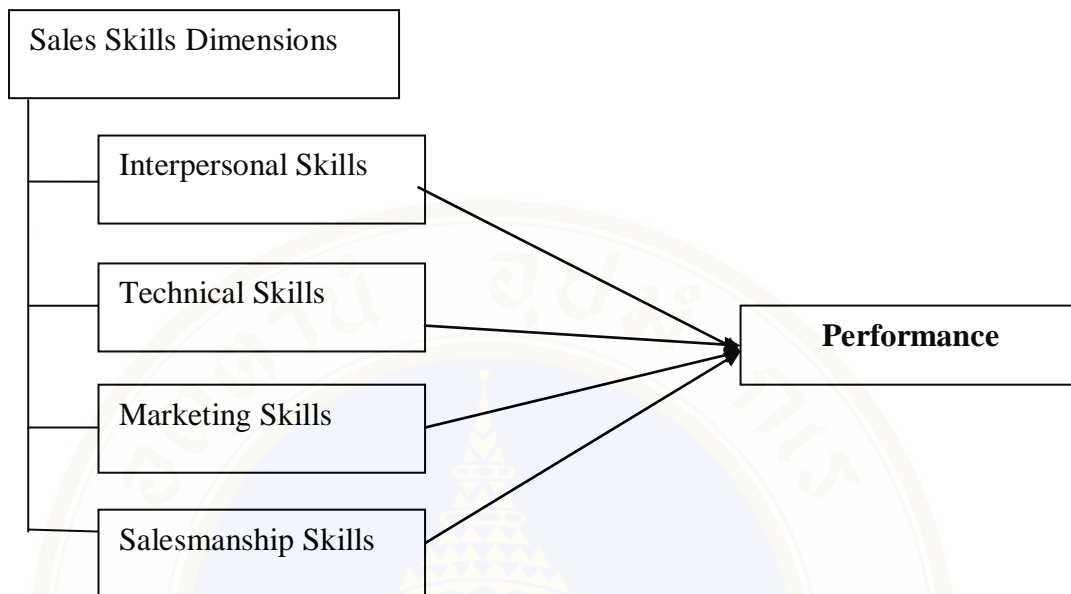
### **2.3 Theories and Concepts Relating to Skill-Based Factors of Salesperson**

Achieving success in a sales career appears to be slightly difficult because many possible factors can affect sales performance in both positive and negative ways. Basic skills are those practical in real-life and everyday situations and these basic skills can further develop into areas of strengths during the selling process. Skills can include those such as being a good communicator, a good listener, a problem solver, a self-starter and self-finisher, having a positive attitude, good manners, being naturally persuasive or knowing the product well. Each representative may need to know their own strengths and weaknesses in order to improve their ability of understanding customers and offering the right service to the right type of customers by using the right type of skills.

In this study the researcher aims to identify the major skills that relate to better sales performance. In the study of Rentz et al. (2002), skills are classified into three kinds: interpersonal skills, salesmanship skills and technical skills. Interpersonal skills can be viewed as the ability to manage conflicts; while salesmanship skills involve the processes of giving presentations and closing sales. Technical skills are those that involve knowledge in the brand's products and the benefits from consuming the products, or maybe in engineering skills and awareness of the company's policies. Another skill that should be given importance is that of marketing skills. Ahearne and Schilleweart (2000) found that marketing skills have impact on a salesperson's performance. Their research consisted of the use of information technology, such as the use of software, to improve the marketing process with customers in addition to increasing the salesperson's performance.

To study skills that relate to an individual performance, the adoption of the theoretical framework of Basir et. al, (2010) is being used to clarify the importance of interpersonal skills, technical skills, marketing skills and salesmanship skills for a salesperson. Basir et al. looked at a Malaysian telecommunication company in the



**Independent Variable****Dependent Variable**

**Figure 2.3:** The Adjusted Theoretical framework

**Source:** Adapted from Basir et. al., 2010:5

### 2.3.1 Interpersonal Skills

The first variable that affects the success of a salesperson is interpersonal skills. Basir et. al had adopted the classification of interpersonal skill from the research of Rentz et. al, (2002) which had categorized interpersonal skills as the way that a salesperson identifies and solves conflict.

However, Sen (2008), mentioned that interpersonal skills involves the interaction of the one-to-one or one-to-group method, meaning that we have to understand ourselves first to be able to understand others. Another definition of interpersonal skills is that given in the study by Krishnaveni and Thamaraiselvi (2008). Here, it is the ability to get along with others and it can also be of benefit in a career because it can help to achieve growth in the future. Interpersonal skills can be categorized into listening, empathy, optimism and perceived observation. However, due to limited time and resources the researcher has chosen to focus only on listening and empathy.

The skill of listening can be defined as a sensing process that interprets, evaluates and responds to both verbal and non-verbal messages. Effective listening

happens when the speaker and the listener have high correspondence. (Castleberry and Shepherd, 1983)

The empathy skill is the ability to sense the feeling and the way that others are thinking and connect to them. This skill is useful when the salesperson needs to adjust or modify the strategy that is suitable for that customer's reaction. (Jackson et. al, 1989)

### **2.3.2 Technical Skills**

The basic technical skills for representatives should start with the knowledge of the company products or services. Before selling, each representative should have adequate training and the useful information to make the selling more effective. Then, the use of technology should be employed as a tool to improve the communication of all the information or knowledge obtained during the training to the customers and to thereby transform it into technical skills. Currently, this type of skill is used widely in the selling process. Technical skills for a representative comprise the way that they search for information useful for their practice of selling, such as the product information, how to use the product or receive the service from the product.

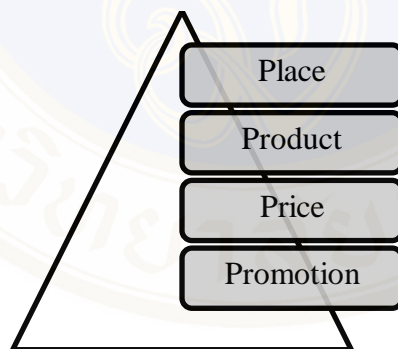
The use of technology in direct selling brings many benefits. Technology offers a reduction in cost, it can be an important tool for selling and it can develop a better relationship between customer and salesperson. In other words, customers use a variety of technologies in their daily life so the seller should enhance this skill to benefit their work. Moreover, the use of technology increases sales productivity through the selection of the ideal program or software or other kinds of technologies for different processes of selling. In the direct sales industry the use of technology skills has the objective of improving the connection between a salesperson and customer (Farrell et. al, 2010).

Technology is a relatively new trend in selling. The use of PCs and telephones are common and integral technologies to the relationship between buyer and seller. Orders and appointments are made through e-mail. Landlines and mobile phones facilitate selling in the sense that they reduce travel time and costs and make it easy to maintain contact with customers (Jackson et. al, 1988b).

### 2.3.3 Marketing Skills

Marketing skills can be described as the salesperson's knowledge of the industry type that they work for, the general market situation that relates to the product or the business, new innovations in the products compared to those of the competitor, company product lines, sales policies or company policies that can be useful to the customer. At the beginning, each representative should try to understand their customers and then to improve the relationship.

Another marketing tool that each salesperson should use to benefit their selling techniques is marketing mix, or the 4Ps of product, price, place and promotion. Marketing mix is part of an organization's planning process and consists of analyzing and defining areas such as how to design the product or create more value for the product, what the price of the product should be or what should be involved in setting the price, where to distribute the product and how to promote the product. Price is one of the significant factors behind creating any purchasing or can define the quality of products.



**Figure 2.4:** Marketing Mix

**Source:** Adapted from Borden, 1964: 2-7

Marketing mix in the direct selling industry is necessary because many of the customers may have little knowledge or information about the brand and products. Of the 4Ps, the first is Place, referring to the distribution channel of the product brand to customers. Some customers may prefer to purchase the products by themselves or some may prefer to be serviced at home, or order the products and have them

delivered to their home. Thus, information regarding the shop's location, how to place an order, and the payment process is required. As regards Product, an ABO should provide information and knowledge about the brands and product lines, being able to describe the similarities or differences with other brands. The third component here is Price; what should be the price of the product, what sets the price or how does the price of the brand compare to others in the market. The last P in marketing mix is Promotion. This is how to make customers know more about the brand and how to attract their attention to purchasing the product.

Another essential marketing tool is the STP Marketing tool which consists of market segmentation, target marketing and positioning. Market segmentation is the process to find and shape different groups of customers that have dissimilarities in their needs and preferences; as well as make the market smaller based on customer characteristics. Target marketing is the evaluation of the segment followed by decisions made about the segments that should be invested in. Positioning is the image of the combinations of the marketing mix variables and makes customers understand its ability to complete their needs and wants by being able to identify the benefits and the differences from other brands (Kotler and Keller, 2006).

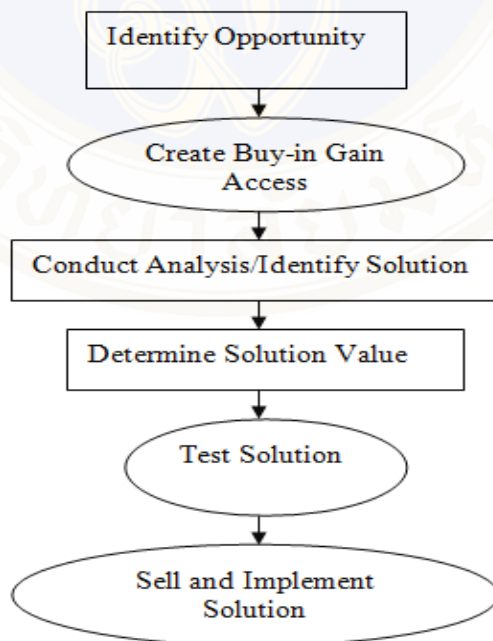
### **2.3.4 Salesmanship Skills**

Salesmanship skills can be defined as the know-how to make a presentation and how to close a sale. According to the research of Rentz et. al (2002b), salesmanship skills, or selling skills, is a dimension categorized into the following five sub-skills: adaptability, consultative selling, negotiation, questioning and communication style skills. However, with the research limitations, the researcher will adopt only adaptive, consultative, negotiation and communication skills in this present research.

Adaptive selling is one of the selling skills based on how a salesperson is able to change its sales behavior during interaction with the customer. Adaptive selling is further defined according to five aspects. Firstly, in different sales situations the salesperson has to identify different selling approaches. Secondly, with each different sale approach the sales representative should have confidence their ability. During the interaction with a customer the salesperson should be able to change the sale approach.

The fourth aspect is the ability to collect the information concerning a sales situation that can make any adaption easy. The last is the ability to use different approaches in different situations. Adaptive selling benefits both sales management programs during the training period and use in academic research (Spiro and Weitz, 1990).

Consultative selling skills can be defined as a ‘temporary partnership in solving account problems’ (Kurzrock, 1996:34). The consultative selling strategy is like the ability to use knowledge and skill to define the problem and opportunities in account problems. Kurzrock proposed the following six steps for putting the consultative selling strategy into practice: (1) identify the opportunity, (2) create buy-in/gain access, (3) analysis/identify solutions, (4) determine solution value, (5) test solution and (6) sell and implement the solution. The stages of identify opportunity, identify solution and determine the solution will be successful if the users adopt research and analysis skills while they create the buy in/gain access, the test solution and sell and implement the solution necessary for use with the face-to-face selling situations.

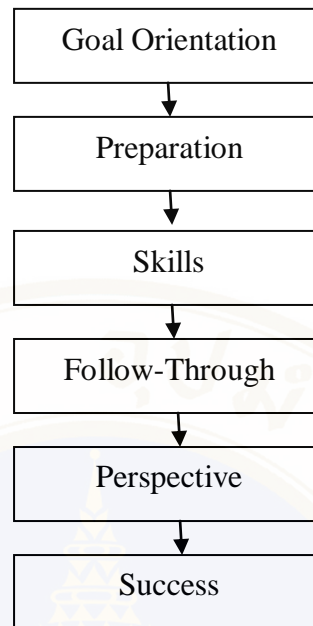


**Figure 2.5:** Consultative selling model

**Source:** Adapted from Kurzrock, 1996:3

In the research of Williams and Spiro (1985), the communication style of the salesperson and customers was tested. The two authors built upon the communication research of Shelt by classifying the communication style into three types: task orientation, self orientation and interaction orientation. In their description, task orientation is the high intention to achieve the goal, to minimize time, cost and effort. Interaction orientation is more about the character and social environment, while self orientation is concerned more in itself and placing less importance in others. Interestingly, at the end of the research they suggest that in the selling process the salesperson should use a variety of communication styles and be more flexible with their customers.

Being a negotiator, each representative must have a certain depth of knowledge, persuasion ability, discipline and positive thinking. There are five characteristics that an effective negotiator should possess. In the negotiation process, the first is being highly motivated to achieve the performance target in the goal orientation. Then in the preparation process, the salesperson should be able to combine knowledge to better plan the negotiation. Negotiation skills such as making the opening offer, using information, creating credibility, using tactics and counter-tactics and gaining commitment are required in the negotiations process. The next characteristic is the ability to follow-through, requiring the collection of documents, the definition and clarification of modifications and building the relationship. The last characteristic involved is to have the ability to create a win-win perspective (Kellar, 1988).



**Figure 2.6:** Model for effective sales negotiations

**Source:** Kellar, 1988:8

### 2.3.5 Performance

Performance reflects the work of every occupation. In the direct selling business and in a network marketing, or multi-level marketing (MLM), firm, a salesperson's performance is also very indicative of the work capability of that person. As mentioned in Chapter I, Amway is not only classified as a direct selling industry, but also a form of a network marketing firm. So, what are the characteristics of an individual that works in network marketing? Also, what is the working process in MLM or in network marketing? There exists a wealth of research providing useful and relevant information and examples about of this kind of business.

There are many firms categorized as network marketing organizations (NMOs), such as Amway, Mary Kay, Nuskin and Shaklee. In an NMO, distributors have to sell products and recruit new distributors to the network. In this kind of industry, the distributors are also the first customers. So distributors may use the product first before there is any selling. Then the distributors expand the network by recruiting new people into the network by sponsoring new individuals to become part of the network. The main characteristics of NMO are: 1) distributors or representatives have to sell their products; 2) NMO's products are rarely advertised; 3) distributors do

not have salaries like other salespersons, rather their compensation comes from their performance; 4) NMO distributors can sell products or recruit other distributors and manage them. In order to make the business flow, there needs to exist a good relationship between the seller and buyer from the non-monetary side of interaction. In order to manage the NMO, a good compensation structure is required to motivate distributors and achieve the company's goals (Coughlan and Grayson, 1998).

Many MLM companies such as Amway and Mary Kay, two well-known companies in America offering household cleaners and cosmetics products have changed several aspects of their operations over the years. MLM companies now not only offer household products and cosmetics, but they have also extended the range of their product categories to food supplements, home care equipment and children's toys. Distributors in MLM may start by purchasing products, training and promotional material from the company and then resell the products to customers. In this kind of business, the distributors receive two sources of income. The first is derived from selling products to their people in the network and customers. The second is from commission on sales through the growth of the network, the recruitment of new people in the network and the sponsoring of them as new distributors who then go on to sponsor new distributors and recruit others into the organization. The working process in MLM encourages new distributors to be leaders in their network, have higher purpose, have positive attitude while working together as members of a team with satisfaction relating and leading to the performance (Sparks and Schenk, 2001).

## **2.4 Literature Review Relating to the Skill-Based Factors of Salespersons**

This section is based on research revealing the important factors that have impact on the success of a salesperson.

### **2.4.1 Thai Studies**

Thitivoravet (1999) studied the personal attributes of successful representatives of Amway. She focused her research on 206 representatives that was position in the level of nine percent discount level and upper. She identified 22

different characteristics: 1) enthusiastic/ energetic, 2) brave/ courageous, 3) impetuous, 4) stubborn, 5) dominant, 6) direct, 7) ambitious, 8) optimistic, 9) reserved, 10) logical, 11) distrustful, 12) gruff, 13) persistent, 14) independent, 15) creative, 16) sociable, 17) good-humored, 18) polite, 19) natural, 20) submissive, 21) emotional and 22) pessimistic. The research tools employed in the paper comprised a questionnaire with eighty items using a five-rating scale. The findings implied that there were seven kinds of personality traits that related to the success of a salesperson: faithfulness; persistence; emotional quotient; sociable; self-confidence; judgment; enterprising and enthusiastic.

Further research carried out on the personality traits that influence sales success is that by Paksa (2003). The research focused on the relationship between personal factors, emotional intelligence quotient and coping behavior and the performance of the direct salesperson. Paksa tested whether different personal factors correlated with different performances. The sample of the study comprised 550 direct sales representative at Giffarine who had already been classified as being in the Silver Star class. Using questionnaires inquiring about the influence of different factors, she found that direct sales representatives who have worked for many years, are married, have a higher level of education and who are male achieve better performances and have higher emotional intelligence.

#### **2.4.2 Foreign Literature Review**

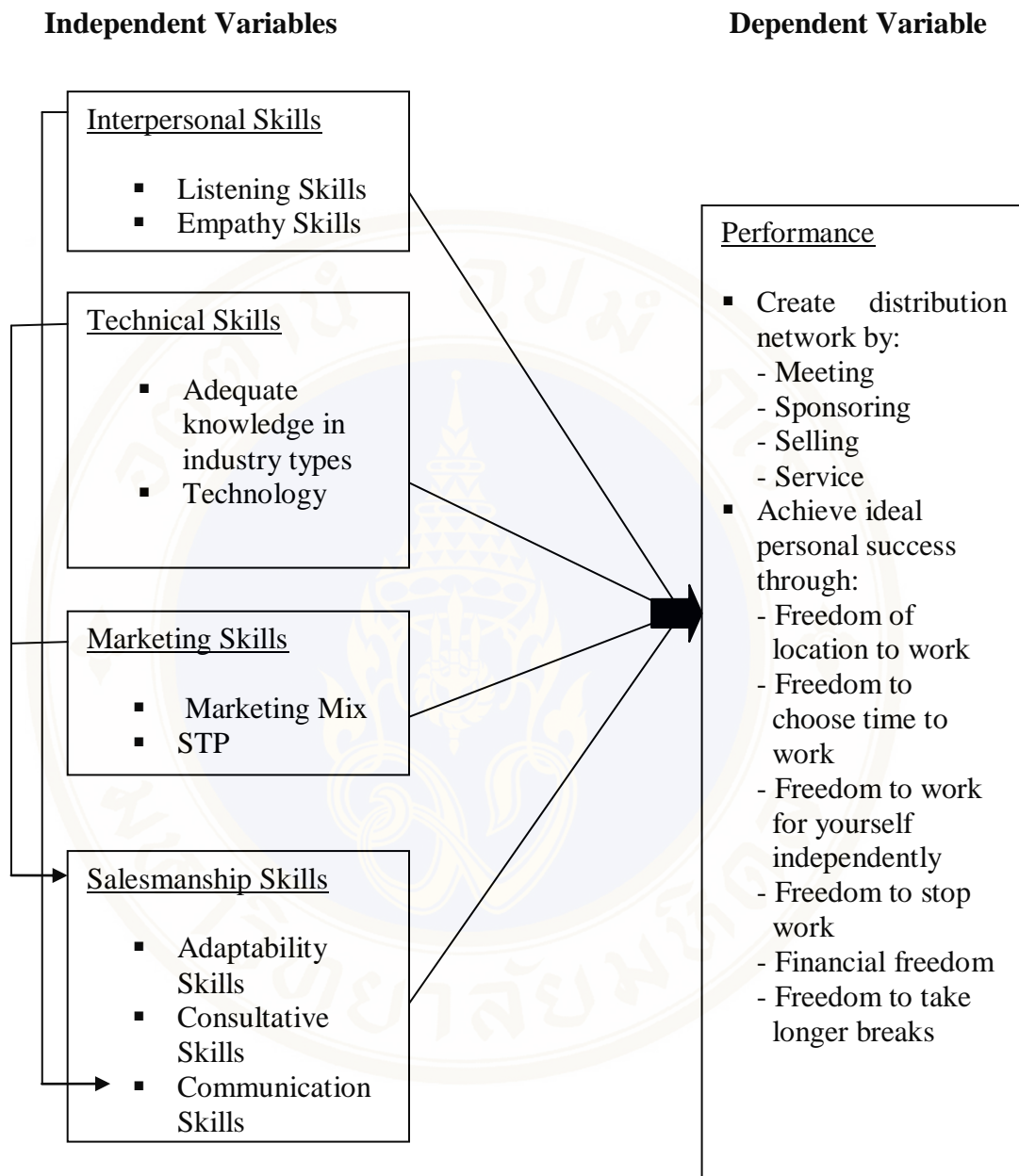
Dixon, Spiro and Jamil (2001) developed an attribution and behavior scale measuring the success of a salesperson for application to the work process in the sales industry. Firstly, the authors carried out in-depth interviews of seven salespersons to ascertain the main concepts of attribution and behavior. Then they conducted surveys on representatives in the financial service field to study their future behavior, selling situation and their personal characteristics. The authors identified some actions that result in failure in a sales career and suggest future solutions to the failure. Finally, they concluded that success and failure depends on the individual behavior of each representative and so managers have to eliminate failure interactions to improve the performance of their salespersons.

The relationships between sales skills and sales performance has also been investigated in the research of Pettijohn et al. in 2007. The researchers tested whether development in sales skills and sales behavior related to sales performance, customer orientation, job satisfaction, organization commitment and lower turnover rate. They identified a lot of sales skills and asked representatives to rank them. Then they created a survey to check the degree of customer orientation and to measure the salesperson's performance. The result of this study indicated that sales skills related to sales performance and the authors further suggested that sales managers should try to improve the traditional skills of salespersons such as prospecting, approaching, demonstrating, presenting, negotiating and closing the sale.

## **2.5 Conceptual Framework of this Study**

The aim of this study is to determine and analyze the factors that impact sales performance and lead to the achievement of success in the career. So, the researcher would like to set these skills as independent variables and sales performance as a dependent variable.

The researcher combines the model of Basir et. al, which is a quantitative study providing knowledge of four main skills and their relationship with sales performance. The four skills are interpersonal, salesmanship, technical and marketing skills and are important factors that can lead to success or failure in the direct sale career.



**Figure 2.7:** The Study Framework of Skill-Based Factors Leading to the Success of High-Performing Salespersons in the Case Study of Amway Corporation

## **CHAPTER III**

### **METHODOLOGY**

This chapter outlines the method employed to collect the data and that is used for the research analysis.

#### **3.1 Unit of Analysis and Target Population**

This research aims to identify the factors that lead to success in the sales career. The sample of this research comprises sales representatives that are businesspersons, partners or ABOs of Amway Corporation, the leading direct sales brand in Thailand. The target population for this interview is successful salespersons that are ranked at diamond level. This research makes use of in-depth questions which is flexible and benefits the process of collecting data. In-depth interviews can enable the interviewee to be more open and the researcher to gather more interesting information from the interviewee. The researcher also used semi-structured questions in order to make the conversation more relaxed so as to get closer to the interviewee and be able to ascertain and highlight some answers that might identify the key factors behind the success of the interviewee.

As mentioned above, the target group belongs to the diamond class, which refers to a high level of success for sales representatives in the company and in Thailand. There are only around 200 diamond-level sales representatives of whom the researcher interviewed 20, or around 10 percent. Even though the diamond level is not the highest performing group in the company, due to limits in time this target group was the most accessible and relevant for the research. Obtaining success at the diamond level is tough and to be among this group involves much challenging wo

## 3.2 Research Process

### 3.2.1 Key Informant

The researcher interviewed 20 diamond-level ABOs that have a downline of at least six members and generate at least 150,000 PV from each individual that have 21% of discount level or equal to 900,000 PV from six members. The interviewees had also received recognition by the company in the sense that their personal stories and success in the career had been published in Amway's in-house magazine. In addition, they had also received financial bonuses and the benefit of travel trips from the company.

Then the researcher would like to describe the background of the interviewees. Twelve from twenty interviewees are female. There are nineteen participants that are married. Most of interviewees quit their jobs and focus only in expanding the business in Amway, hence fifteen from twenty interviewees do only Amway business. More than half of interviewees have age above fifty years old, while thirty percent of participants are in forty one to fifty years old. Only twenty percent of interviewees are in the age of thirty one to forty years old. Below is the demographic table that shows the interviewee's information.

**Table 3.1 Interviewee's basic information**

Name	Description
D1	Male, married, 36 years old, 14 Year in business
D2	Female, married, 46 years old, 13 years in Amway
D3	Female, married, 56 years old, 20 years in Amway
D4	Male, married, 64 years old, 24 years in Amway
D5	Female, married, 58 years old, 20 years in Amway
D6	Female, married, 46 years old, 22 years in Amway
D7	Male, married, 46 years old, 22 years in Amway
D8	Male, married, 50 years old, 22 years in Amway
D9	Female, married, 36 years old, 14 years in Amway
D10	Male, married, 53 years old, 23 years in Amway

Name	Description
D11	Female, married, 47 years old, 19 years in Amway
D12	Male, married, 53 years old, 14 years in Amway
D13	Female, married, 45 years old, 22 years in Amway
D14	Male, married, 63 years old, 13 years in Amway
D15	Female, married, 31 years old 8 years in Amway
D16	Female, married, 47 years old, 23 years in Amway
D17	Female, married,36 years old, 11 years in Amway
D18	Male, married, 51 years old, 23 years in Amway
D19	Female, single, 65 years old, 23 years in Amway
D20	Female, married, 63 years old, 13 years in Amway

**Source:** Interview of Diamond APO Representative 1-20, 2011

### 3.2.2 Data Collection and Interview Conduct

The field research for the study was conducted during March until September, 2011. The interviewees had been informed in advance by the researcher's associates who knew the interviewees well and who were also are an ABOs. Then the interviewees were informed about the purpose of the study, date for the appointment, location and the broad topic for this interview.

The researcher adopted semi-structured questions that were respectful to the interviewee but which did not create an interview that was too formal in nature. Semi-structured questions enabled the researcher to understand the interviewee's life. Firstly, the introduction of the researcher was necessary followed by the asking of open questions to understand the interviewee's background as well as obtain some basic information. This was then followed by in-depth questions to understand the interviewee's attitudes toward the direct sales business, the motivation that made them perform well and what they expect from this career. It was important that the interview duration was not too short so at least one hour was deemed appropriate and the conversation was recorded by digital recorder.

### 3.3 Operational Definition

The operational definition here acts as the guideline for the observations and interviews and the understanding of the different variables used in this research.

**Table 3.2: Operational Definitions**

Independent Variables	Definitions
Interpersonal Skills	<p>Interpersonal skills refers to the representative's ability to get along with others and the interaction between themselves and others.</p> <ul style="list-style-type: none"> <li>▪ Listening skills refer to the skills which the representative can use to evaluate the power of the correspondence between the salesperson and customer.</li> <li>▪ Empathy skills refer to how a salesperson can understand customer's feelings, thoughts, and be able to share these feelings as well.</li> </ul>
Technical Skills	<p>Technical skills refers to the knowledge or tools that the salesperson should have before doing his job or the tools that can be used in the selling process.</p> <ul style="list-style-type: none"> <li>▪ Adequate knowledge refers to the knowledge in the product or services that the salesperson works with.</li> <li>▪ Technology used refers to how a representative uses proper technology to expand the knowledge of customers.</li> </ul>
Marketing Skills	<p>Marketing skills refers to the useful basic information and knowledge, which is the marketing mix that includes place, price, product</p>

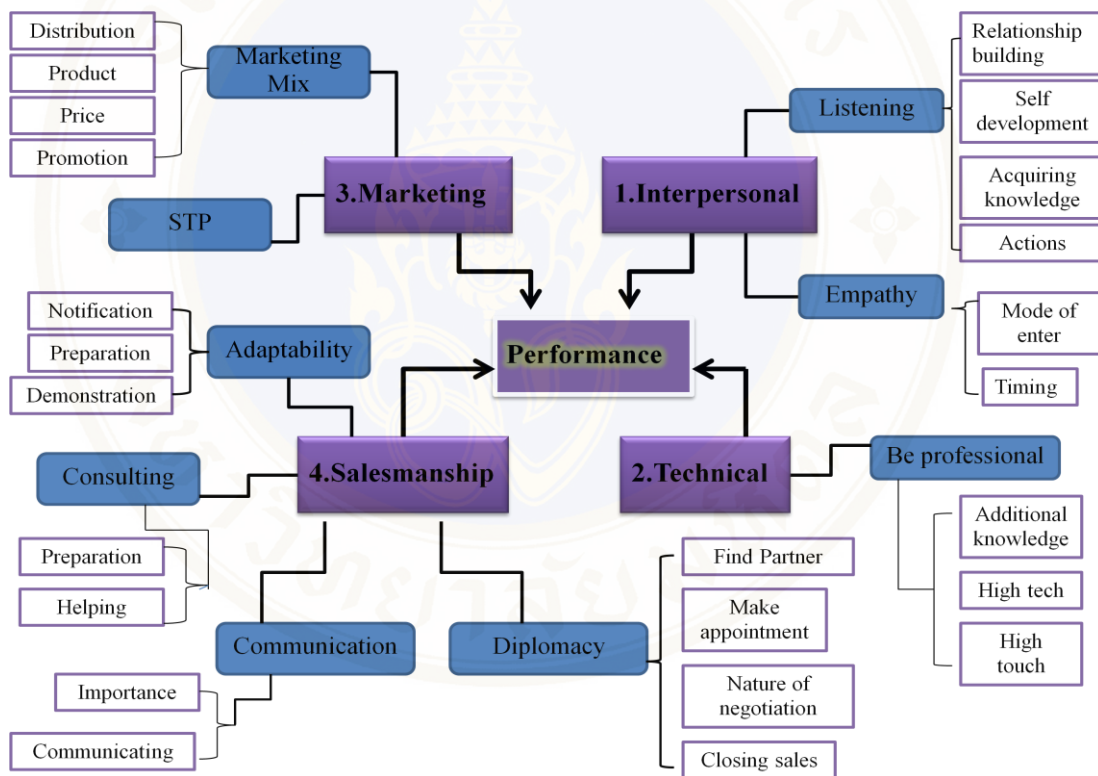
Independent Variable	Definition
	<p>and promotion and STP which comprises market segmentation, target marketing and positioning.</p> <ul style="list-style-type: none"> <li>▪ Place refers to the distribution that the company offers to customers to facilitate their purchases.</li> <li>▪ Product refers to the company’s product line.</li> <li>▪ Price refers to the product’s price or the effect of price on customer trust and on the quality and image of the brand.</li> <li>▪ Promotion refers to the type of advertisement or how the products are promoted.</li> <li>▪ Market segmentation, target marketing and positioning. Target marketing refers to the information about their target customers in the market, market segmentation or the subgroups in the market and positioning of the firm where the product is situated or the quality that the product offers.</li> </ul>
Salesmanship Skills	<p>Salesmanship skills refers to the way that a salesperson can understand how to make a presentation of the product or service and their appropriate knowledge in the closing sales period.</p> <ul style="list-style-type: none"> <li>▪ Adaptive selling refers to when a salesperson needs to identify different selling approaches, creates more confidence during the sales, ability to change the sales approach and the ability</li> </ul>

Independent Variable	Definition
	<p>to both keep informed and to inform information about adaption.</p> <ul style="list-style-type: none"> <li>▪ Consultative selling skills refers to the ability to use the knowledge and skills to define the customer's problems and to solve problems.</li> <li>▪ Communication skills refers to the variety of communication styles that are flexible enough to reduce time, costs, efforts, concerning having interaction between itself and others.</li> <li>▪ Negotiation skills refers to the ability to adopt in-depth knowledge, persuasion skills, discipline and positive attitude and a give-and-take process to achieve success in the negotiation stage and to close the sales.</li> </ul>
Dependant Variable	Definition
Performance	<p>Performance in a direct sales company that has a structure of network marketing and MLM refers to the ability to expand the business by creating a positive attitude, giving encouragement and training them to have the leadership abilities to be able to sponsor and recruit others into the network. The next step is to actually sponsor or recruit new people into the network. Then after the sponsoring process, an ABO has to increase the network volume by selling and offering service for</p>

<b>Dependant Variable</b>	<b>Definition</b>
	<p data-bbox="735 344 1066 378">customers and downlines.</p> <p data-bbox="735 403 1390 875">Then, performance is defined by the achievements of that individual's ideal of success. Achieving success can consist of many dimensions such as having the freedom of where to work, of choosing the work hours, being able to work independently and stopping work once the network is strong. Then an ABO needs to have the financial freedom and to have the freedom to stay longer with their family.</p>

## CHAPTER IV RESULTS

This chapter concerns the model in Chapter Three, with the findings relating to the different skills linked to the sales performance gathered from in-depth interviews and presented below.



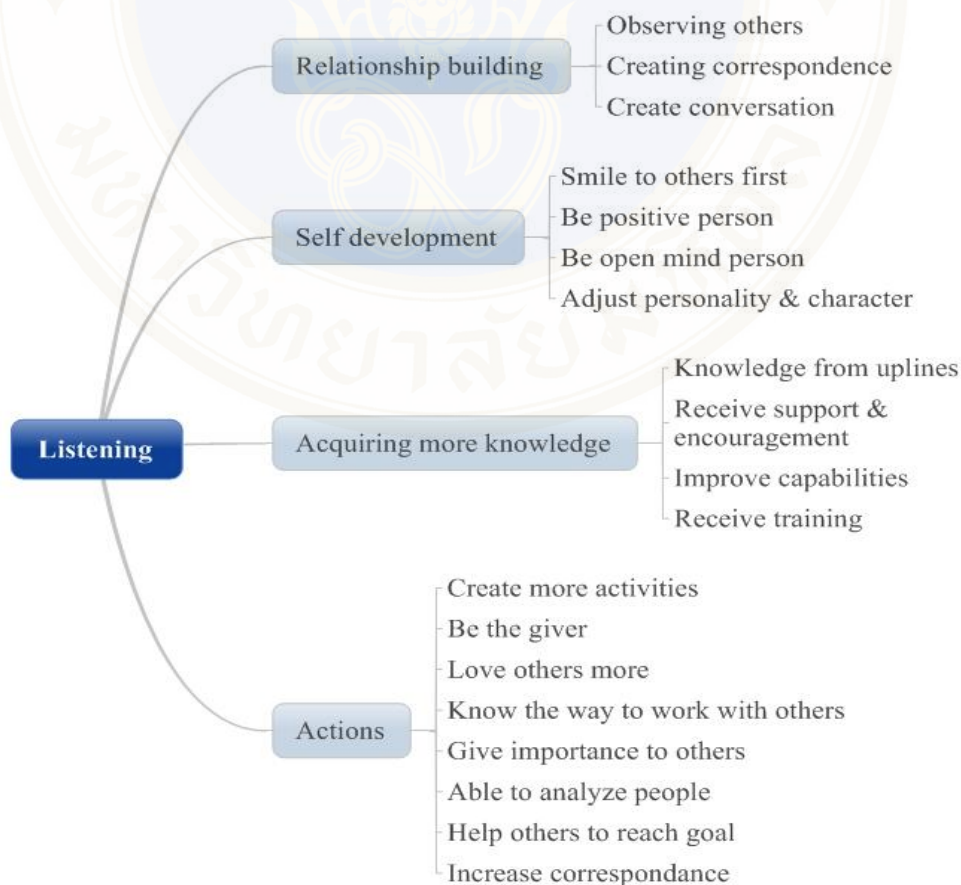
### 4.1 Interpersonal skills

Working in the direct selling industry or network marketing world is not the same as working in other kinds of occupation. Direct selling jobs involve the meeting of more people every day and building closer relationships with them in order to suggest proposals. Interpersonal skill involves the ability of an ABO to get along

and interact well with others. There are two dimensions necessary in increasing and improving interaction: listening skills and empathy skills.

#### 4.1.1 Listen Around

Interacting better with others may start with the ability to be a good listener. The ability to listen to a customer’s ideas, needs, requirements or problems reflects the power of correspondence between ABOs and customers. Preparing themselves to be good listeners and useful topics of conversation may be the first step in readying ABOs to succeed and attain diamond status in the future. Based on the interviews, the importance of going to “The Center” was established. Here is where ABOs go to prepare themselves before commencing their work, and it is here that ABOs get to develop the listening skills presented below.

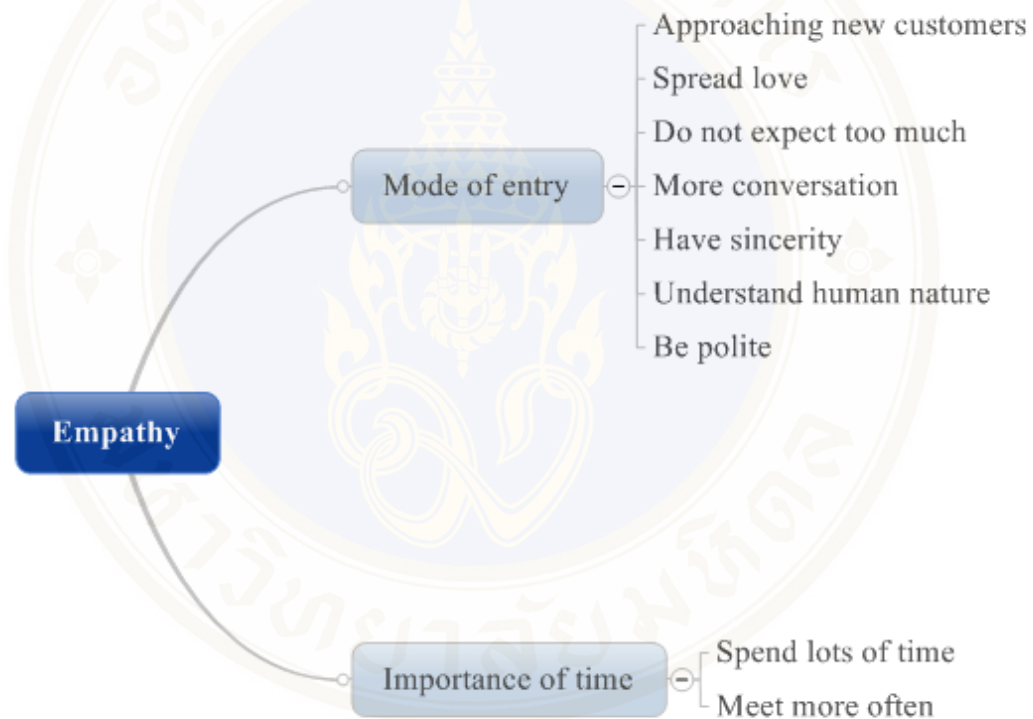


Topics	Participants Findings
Relationship Building	<ul style="list-style-type: none"> <li>▪ Observing both up-lines and down-lines to increase correspondence. (D 4)</li> <li>▪ Creating correspondence between people. (D 5)</li> <li>▪ Creating good correspondence may start at ‘The Center’ while also knowing the person sitting near us. (D 15)</li> <li>▪ Creating rapport the link with others and being able to show it out.(D 13)</li> <li>▪ Familiar topics make for longer and deeper conversations. (D2)</li> </ul>
Self Development	<ul style="list-style-type: none"> <li>▪ Developing capacity along with experience. Smile at someone first before starting to talk with an individual. (D 5)</li> <li>▪ Learning to be positive, love others, improve one’s personality and learn new ideas. (D 12)</li> <li>▪ Be an open-minded person and listen to others. Knowing how to adjust personality traits, developing character. (D 13)</li> </ul> <p>Before meeting new customers, an ABO should prepare themselves and have a good personality. (D 8)</p>
Acquire more knowledge	<ul style="list-style-type: none"> <li>▪ Acquiring knowledge from up-lines in The Center at least twice a week. (D 1)</li> <li>▪ Receiving support and encouragement from people in The Center. (D 8)</li> <li>▪ Receiving support, improving capabilities, learning things. (D 14)</li> <li>▪ Receiving training to be more professional before going to meet customers. (D 15)</li> </ul>

Topics	Participants Findings
Actions	<ul style="list-style-type: none"> <li data-bbox="632 349 1337 488">▪ Various activities such as talking, dinners, attending seminars and visiting customers' homes. (D 1)</li> <li data-bbox="632 510 1337 604">▪ Trying to be the giver, not waiting only to be the receiver.(D 6)</li> <li data-bbox="632 627 1337 721">▪ Loving others more is an action of interpersonal skill. (D 7)</li> <li data-bbox="632 743 1337 837">▪ To achieve success we have to know how to work with other people. (D 10)</li> <li data-bbox="632 860 1337 954">▪ Making use of a good relationship with others to make the network. (D 11)</li> <li data-bbox="632 976 1337 1115">▪ Being a good person, having a good relationship with others, loving others and helping others. (D 12)</li> <li data-bbox="632 1137 1337 1232">▪ Our downlines come first and we are second. (D 14)</li> <li data-bbox="632 1254 1337 1348">▪ Able to analyze people and have good correspondence with others is required. (D 15)</li> <li data-bbox="632 1370 1337 1554">▪ Organizing some activities to learn from each other or to know how to be persevering more endure and be able to stay with one another. (D 16)</li> <li data-bbox="632 1576 1337 1671">▪ Helping others to achieve goals and sharing care and love. (D 17)</li> <li data-bbox="632 1693 1337 1832">▪ An ABO has to be friendly and use their experience to make the other person feel good with them. (D 18)</li> <li data-bbox="632 1854 1337 1971">▪ An ABO may combine correspondence to improve relationships and to increase productivity as well. (D 20)</li> </ul>

### 4.1.2 Understand Deeply

Real interaction with others will not happen if an ABO cannot break down the wall in the other’s mind. It might be not easy to make others open their heart, thus an understanding of human nature such as characters, ideas and feelings is important for ABOs. The researcher has noticed from the interviews that many ABOs place importance on the topics in each conversation, the words, the expression and the length of time spent to get close enough to better understand an individual. The findings in this area are listed in the figure below.



The findings for the topic of empathy skill from the interview can be described in the next table.

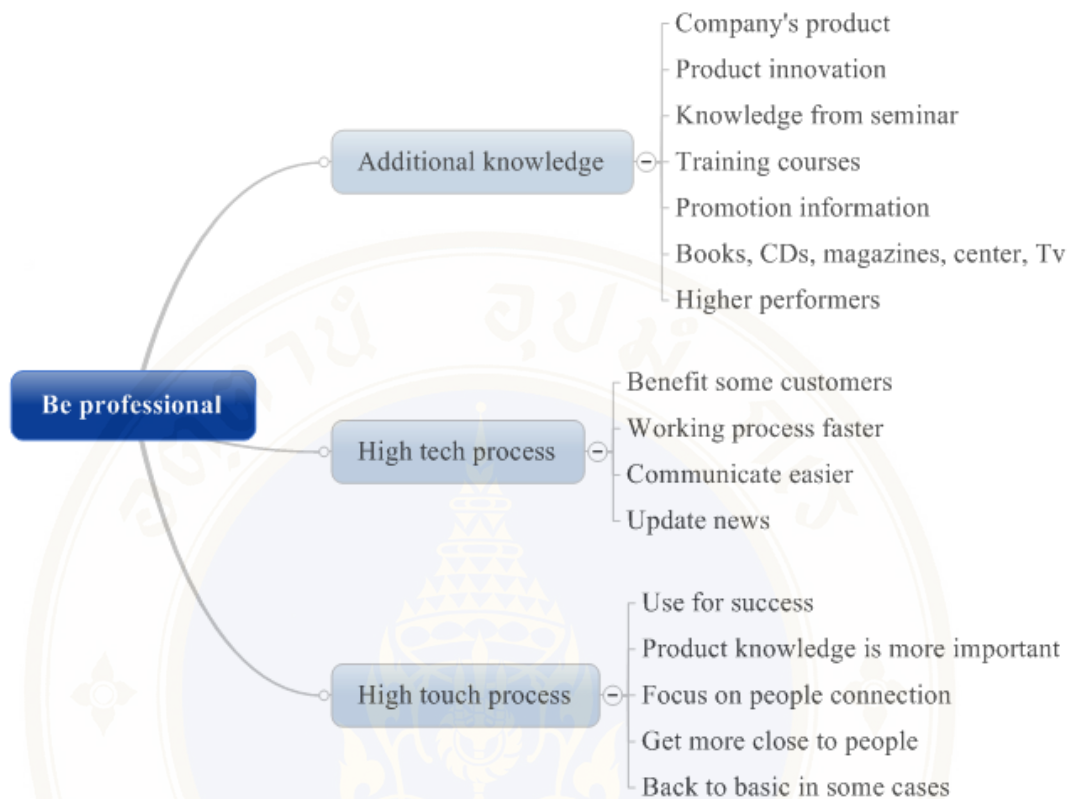
Topics	Participants Findings
Mode of entry	<ul style="list-style-type: none"> <li>▪ Trying to approach new customers more often creates better understanding of their thoughts. (D 1)</li> <li>▪ Don't expect too much from the first appointment. (D 2)</li> </ul>

Topics	Participants Findings
	<ul style="list-style-type: none"> <li>▪ Spread your love first then you'll be able to understand others. (D 3)</li> <li>▪ Conversation can make us know more about that person's life and can incorporate that person as part of the business. (D 5)</li> <li>▪ Talk politely to everyone, praise them and try to admire others; avoid talking about their bad points. (D 6)</li> <li>▪ Sincerity is the key to making us work with others easily. (D 8)</li> <li>▪ An understanding of human nature is important.(D 9)</li> <li>▪ Conversation with others will allow us to understand them more. (D 10)</li> <li>▪ There will be no difficulties for customers understanding if ABOs are able to give them the correct information about products. (D 12)</li> <li>▪ Working with sidelines, downlines and uplines an ABO can learn by doing. (D 14)</li> <li>▪ Both younger and older person acquire unequal period of time to open their heart to understand and accept others. (Diamond 15)</li> <li>▪ Trying to open our mind is the first step to understanding others. (D 16)</li> <li>▪ The ability of an ABO to understand people will depend on the kind of people that they encounter. (D 17)</li> <li>▪ An ABO will be able to understand other people if that ABO can open that person's mind. (D 18)</li> </ul>

Topics	Participants Findings
The importance of time	<ul style="list-style-type: none"> <li>▪ Opening other people's minds and creating a relationship is the first step when an ABO meets new customers. Then, the next step is to make that person come to know the ABO's character or ideas. The last step is to talk about the business plan of Amway. (D 19)</li> <li>▪ An ABO may have to change their character first before being able to understand others. (D20)</li> <li>▪ Spend lots of time with customer , using sincerity with others and try to help that person as much as possible (D 4)</li> <li>▪ To understand others, ABOs have to start with an attractive smile, small talk, and then meet that person more often. (D 11)</li> </ul>

## 4.2 Becoming a Professional

After learning and acquiring the early process of preparation in The Center, ABOs learnt more about the company's products or services to be able to give accurate information to customers. Then, ABOs needed to be able to select the appropriate kinds of technology necessary for working. From the interviews it was revealed that the learning process in The Center provides easy access to knowledge because it teaches ABOs to be more professional. In addition, they learn from others with higher performance or by attending the company's seminars. On the other hand, using technology may facilitate them in some work but it also make customers feel uncomfortable. Below is the finding on this point from the interviews process.



The findings from the interview are listed in the table below.

Topics	Participants Findings
Additional Knowledge	<ul style="list-style-type: none"> <li>▪ Knowledge that is necessary in the selling of company products or to do business in Amway is provided in The Center. (D 1)</li> <li>▪ ABOs have to increase their knowledge about the product and to keep up-to-date about the innovations or changes in each product. (D 2)</li> <li>▪ Attend company seminars to see new innovations in products to better understand the quality of the product. (D 4)</li> <li>▪ Product and promotional information can enable an ABO to work more easily. (D 6)</li> <li>▪ Training courses are required for an ABO that</li> </ul>

Topics	Participants Findings
	<p>wants to improve their performance. (D 7)</p> <ul style="list-style-type: none"> <li>▪ The company provides product information, marketing research and product promotions to customers and ABOs in order to work more efficiently. (D 8)</li> <li>▪ When the company launches any new products, the company organizes seminars to give ABOs new information and invite the company's scientists and researchers to inform ABOs about the technology of the new product. (D 9)</li> <li>▪ There are CDs, books, magazines, knowledge from The Center, TV adverts promoting the image of Amway and which also make it easier for ABOs to search for information. (D 12)</li> <li>▪ Information from the company is trustable because the company carries out the research and produces the product directly. (D 13)</li> <li>▪ An ABO gains more knowledge about the products from the company. Sponsoring or expansion of the network can be learnt from upline. (D 18)</li> <li>▪ Learn and capture company know-how from upline members, understand the concept of doing business, gain knowledge in products, and understand human nature is necessary. (D 10)</li> <li>▪ ABOs have to learn from individuals that have achieved higher performance as well as</li> </ul>

Topics	Participants Findings
High-tech process	<p>attend seminars, learn about product development and come to The Center. This is the main means of accessing the relevant knowledge. (D 11)</p> <ul style="list-style-type: none"> <li>▪ To achieve success, an ABO has to improve their personal traits; be a giver, be a self-starter, be self-motivated, possess self-respect and self-commitment. (D 20)</li> <li>▪ The use of technology can benefit selling only for some groups of customers. (D 1)</li> <li>▪ Technology makes the working process faster. Everything can be done online. (D 5)</li> <li>▪ Technology reduces the time of some processes in our work. Communications will be easier and will help us to create a clearer image of the product. (D 6)</li> <li>▪ Select the use of only some technologies to facilitate the work such as Power Point and do not overuse too much technology. (D 16)</li> <li>▪ Being able to use i-Phone, i-Pad and Facebook to keep up-to-date with trends, news and control the sales volume is necessary for an ABO. (D 17)</li> </ul>
High-touch process	<ul style="list-style-type: none"> <li>▪ Technology can make the work process faster but is not enough to make an ABO succeed. Being high-tech is good but an ABO has to be high touch too. (D 3)</li> <li>▪ Technology is necessary in the work process but knowledge in the products and company is important too. (D 7)</li> </ul>

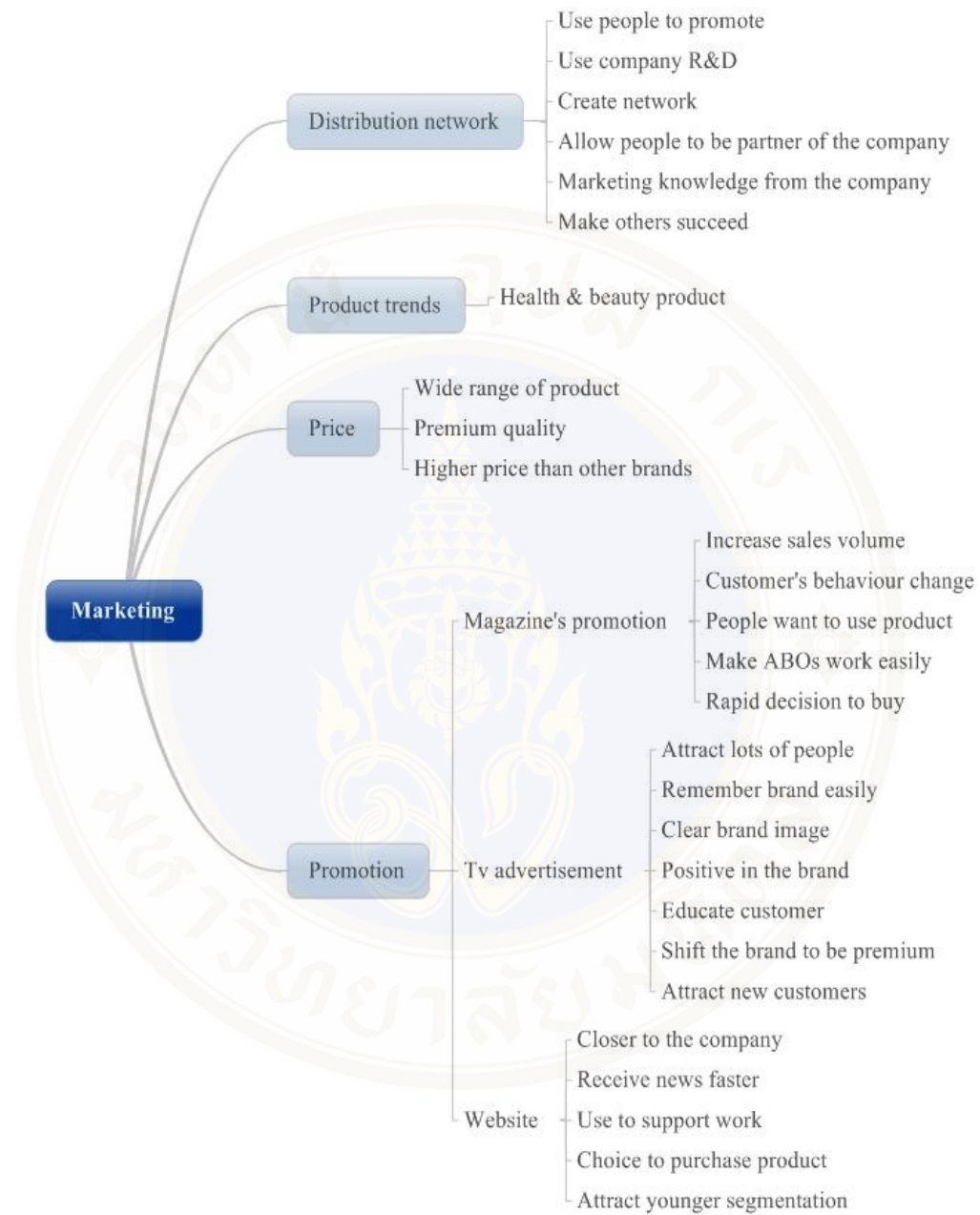
Topics	Participants Findings
	<ul style="list-style-type: none"> <li>▪ Technology makes the work process faster but an ABO has to focus more on connecting with people directly instead. (D 8)</li> <li>▪ An ABO needs to focus more on people by working harder to get closer to them, transferring knowledge and sharing ideas directly with that person than primarily using technology. (D 13)</li> <li>▪ Using Facebook to update activities or use internet to facilitate the work is also a good approach. However, an ABO doesn't have to spend too much money on technology. (D 19)</li> <li>▪ An ABO may use technology sometimes. However, using a computer is complicated for some people. (D 20)</li> </ul>

### 4.3 Conducting a Marketing Scheme

Information about the marketing plan that an ABO should know in order to expand the business is very important. ABOs should know how to make a plan for proposal to different kinds of customers. What is the marketing that Amway applies to expanding the business? What information should an ABO use while working?

#### 4.3.1 Marketing Mix

Explaining the perfect product to different customers starts with having sufficient knowledge about the products, price, location and promotions of the company or sending it out to customers. For this reason, ABOs will have the same understanding with the company and be able to identify the marketing strategy of the company and able to use to expand the business.



Results on the distribution in the networking business are given in the table below.

Topics	Participants Findings
Distribution network	<ul style="list-style-type: none"> <li data-bbox="667 344 1321 488">▪ The most popular direct marketing method is to use people to promote products and to carry out promotions widely. (D 1)</li> <li data-bbox="667 510 1321 654">▪ The marketing method that ABOs use in Amway is to use people to convey the information. (D 3)</li> <li data-bbox="667 676 1321 869">▪ The company provides the product information, R&amp;D, product innovation, and important regulations to support the business. (D 5)</li> <li data-bbox="667 891 1321 1205">▪ Attending company seminars and meetings is a means to remaining up-to-date. The information from R&amp;D can be used to inform downline members and customers in order for them to compare company capacity and credibility. (D 6)</li> <li data-bbox="667 1227 1321 1370">▪ A marketing plan an ABO uses in business is one way to be successful in this business. (D 8)</li> <li data-bbox="667 1393 1321 1863">▪ The business started as a direct sales business. Now the company strategy focuses more on the network business that makes ABOs company partners, consumers, marketers, sellers and businesspersons. The form of the business is like that of a second generation franchise in which we don't have to own or rent our own shop, nor produce products and we do not have to bear all the risk. (D 10)</li> </ul>

Topics	Participants Findings
<p>Knowing product trends</p>	<ul style="list-style-type: none"> <li>▪ Amway allows ABOs to be partners of the company. The company organizes many marketing seminars that concern new marketing trends. (D 11)</li> <li>▪ In Amway, the business is based on people. Everybody works hard to improve their capabilities, personality and performance in order to reach their goals. (D 15)</li> <li>▪ Amway’s marketing plan is one that can enable a person to achieve a higher performance if that person works harder. (D 16)</li> <li>▪ Amway marketing is about the network of people, how to create and expand the network of customers and of ABOs. (D 18)</li> <li>▪ An ABO needs to propose a marketing plan, make customers know the products and tell them where they can purchase them. (D 19)</li> <li>▪ The new trend is about health and beauty so Nutrilite products are very popular but the products that high sales volumes are water filters (D 2)</li> <li>▪ Now the company is increasing its focus on health and beauty products such as food supplements. (D 3)</li> <li>▪ Amway is well known for the quality of its products such as food supplements and skincare and these two product categories reflect the latest trends in the world. (D 4)</li> </ul>

Topics	Participants Findings
	<ul style="list-style-type: none"> <li>▪ Product innovation and new technology is the main focus of the company in this period. (D 6)</li> <li>▪ The new trend concerns health and beauty. (D 7)</li> <li>▪ Health and beauty product categories are the major focus of the company. (D 8)</li> <li>▪ The main trend of the company is in health and beauty product categories. (D 9)</li> <li>▪ The focused products are those in Nutrilite, Artistry, and water and air filters. (D 10)</li> <li>▪ The new trend is about health and beauty products because people are more concerned about their health and want to be smarter. (D 11)</li> <li>▪ The company produces products and wants us to promote all of them. However, the new trend is on food supplements. (D 12)</li> <li>▪ The main product focus is on Artistry, Nutrilite, E-Spring water filter and Atmosphere air filter. (D 13)</li> <li>▪ The company continues to develop consumer goods but now the company is increasing its focus on health and beauty products. (D 14)</li> <li>▪ The main focus on products is based on four categories: Nutrilite, Artistry, and water and air filters. (D 15)</li> <li>▪ Amway has invested large amounts of money into research and development for health and beauty products. (D 16)</li> </ul>

Topics	Participants Findings
Price	<ul style="list-style-type: none"> <li>▪ The product category that is very popular now is that of health and beauty. (D 17)</li> <li>▪ All products that Amway produce by themselves are the main focus of the company. (D 18)</li> <li>▪ Now the company’s products numbers have reached up to 400 items. (D 19)</li> <li>▪ The main focus of the company is on health products which is a new trend. (D 20)</li> <li>▪ Amway’s products are premium products that seem to have a higher price than other brands in the same industry. Amway is one of the direct selling firms that offer a diverse product range. There are other firms that also operate in the direct selling industry. Avon offers only skincare and cosmetics products. Zhulian has three types of product ranges and offers no more than 100 products while the company does not provide price information on their website. While a Kangzen Kenko brand comprises three types of product lines but the product choices are limited in each product category for customers (Avon.co.th, 2011, Zhulian.co.th, 2011, Kangzen.co.th, 2011). There is one brand that offers a diverse product range like Amway, which is Giffarine. Amway have four product lines</li> </ul>

Topics	Participants Findings
	<p>while Giffarine offer five. Amway's product lines are My Health, My Self, My Home and Personal Shoppers. Giffarine's products lines comprise beauty and personal care, infants and kids, household products, healthcare and wellness and food.</p> <ul style="list-style-type: none"> <li>▪ The dissimilarity of the two brands is about the price. Amway's products are premium products that have a higher price than the Giffarine brand. The researcher has compared the prices of all the product lines of the two brands and has discovered that Amway's average product price is higher. The price for Amway's vitamins and food supplements ranges from 540 to 3,740 baht while the price of vitamins of Giffarine brand ranges from 300 to 1,500.baht. Despite the slightly higher price, customers save their money because Amway's products are more concentrated in each product. The company provides five standard guarantees to customers: the product's real benefit, cost saving, effectiveness, safety and product guarantee (amwayshopping.com and giffarine.co.th, 2011)</li> </ul>

Topics	Participants Findings
Promotion from magazines	<ul style="list-style-type: none"> <li data-bbox="667 349 1313 488">▪ The adoption of monthly promotions in the Achieve magazine increases sales volumes. (D 1)</li> <li data-bbox="667 510 1313 712">▪ Sometime promotions can have a negative effect on the work process because customers will wait for the company to introduce discounts or special promotion. (D 4)</li> <li data-bbox="667 734 1313 936">▪ New promotions increase customer demand to use products. Promotion increases sales volume more than periods when there are no such promotions. (D 9)</li> <li data-bbox="667 958 1313 1205">▪ Promotions that the company offers make work easier for ABOs. Promotion helps to increase sales volume and increase customer’s intention to buy products. (Diamond 10)</li> <li data-bbox="667 1227 1313 1373">▪ Promotions help ABOs to increase sales volume and result in customers buying more products. (D 11)</li> <li data-bbox="667 1395 1313 1597">▪ Promotion may encourage customers want to try the product and not take much time in making the decision to purchase the product. (D 15)</li> <li data-bbox="667 1619 1313 1765">▪ An ABO may suggest monthly promotions to customers because it will bring many benefits to customers. (D 16)</li> <li data-bbox="667 1787 1313 1865">▪ Following the monthly promotion is a good way to increase sales volume. (D 17)</li> </ul>

Topics	Participants Findings
Advertisements on TV	<ul style="list-style-type: none"> <li>▪ Promotions help customers make decisions easier when the company offers them. This likes premium gifts and buy product that have been advertised on television (D 18)</li> <li>▪ TV adverts can attract a lot of customers and make them want to use the product. (D 1)</li> <li>▪ Advertising can make customers remember the product and want to use it. (D 2)</li> <li>▪ Adverts can attract new customers to use Amway's products and help to create a good image of the brand. (D 3)</li> <li>▪ TV advertising is another means of portraying a clear image of the company or product to customers. (D4)</li> <li>▪ TV adverts can make people more positive about the brand, trust the product more and increase sales volumes.(D 6)</li> <li>▪ TV adverts are not made to focus on selling products but more to promote or to make others aware of products. (D 8)</li> <li>▪ The main purpose of each advert is to educate customers about the benefit of the ingredients that are in the product.(D 9)</li> <li>▪ Adverts make others know more about Amway but our advertising has not focused on selling products. (D 13)</li> <li>▪ Advertising may increase the credibility of the product and belief in the benefits among the public. (D 14)</li> </ul>

Topics	Participants Findings
Benefits from website	<ul style="list-style-type: none"> <li>▪ Advertising creates a good brand image for Amway. (D 15)</li> <li>▪ Advertising on television changes Amway’s image from being a pure direct sales company to an improved image of being a premium brand. (D 17)</li> <li>▪ Most people want to purchase products that they have seen on television so the company makes adverts that serve this group of customers. (D 18)</li> <li>▪ Advertising on television enables the brand position itself at a premium level. (D 19)</li> <li>▪ Advertising is an important tool that builds awareness about Amway among people .(D 20)</li> <li>▪ The use of the company website can make customers get closer to the company. (D 2)</li> <li>▪ The company website is useful when we need to obtain any urgent information we need to know.(D 3)</li> <li>▪ Baby boomers have some difficulty using computers or websites even though it reduces the time involved in our work.(D 4)</li> <li>▪ ABOs can learn many things from the company’s website and use it to support their work. (D 6)</li> <li>▪ Website is an aspect of technology that enables us to learn and receive company information easily. (D 7)</li> </ul>

Topics	Participants Findings
	<ul style="list-style-type: none"> <li data-bbox="667 338 1318 488">▪ Encouraging members, people in the network and customers to use the company website is the way to be up-to-date. (D 8)</li> <li data-bbox="667 506 1318 656">▪ The use of the company website is the fastest way to learn information, receive news or promotion and order products. (D 9)</li> <li data-bbox="667 674 1318 871">▪ The company offers more choices for customers and ABOs to purchase products and receive information from the company website. (D 10)</li> <li data-bbox="667 889 1318 1039">▪ ABOs can download company adverts, share links, post news to others and receive news faster. (D 11)</li> <li data-bbox="667 1057 1318 1144">▪ Customers are able to order products by themselves from the website. (D 12)</li> <li data-bbox="667 1162 1318 1312">▪ Some people may have difficulties entering the website so it will be useful only in some cases. (D 15)</li> <li data-bbox="667 1330 1318 1480">▪ The website can attract the attention and interest of the younger generation in the product and in the company. (D 16)</li> <li data-bbox="667 1498 1318 1695">▪ ABOs need to visit the company website because they have to check their sales volume and the PV of themselves and of the group. (D 17)</li> <li data-bbox="667 1713 1318 1800">▪ The website is useful for everyone that can use a computer. (D 18)</li> </ul>

Topics	Participants Findings
	<ul style="list-style-type: none"> <li data-bbox="667 349 1311 495">▪ The website will allow others to know more about Amway and to make them have a clearer image. (D 19)</li> <li data-bbox="667 510 1311 712">▪ If some ABOs can use the website in their work, it will provide many benefits. However, if some can't use the website it doesn't mean that they won't achieve success. (D 20)</li> </ul>

### 4.3.2 Market Segmentation, Target Marketing and Positioning

The interview revealed that having information about the marketing strategy the company has applied is essential. The use of STP is essential for examining the brand's customers, having knowledge about the company's growth in order to create trust to customers and to be able to describe the positioning of the brand.

Amway's customers in the market are both the young and adults. The entire family can use a variety of products because of the wide range of product categories. The products are designed to be used from waking up until going to bed and can be used every day, such as toothpaste, shampoo, lotions, cosmetics and car wash products. The products can be consumed by either gender because the company offers products for women and men. Due to the higher price of the company's products than its competitors, the major customers of the brand are middle to upper class. However, customers of lower incomes can consume products as well as the price of some products is only around 100 baht. In the past, the main customers of the brand were baby boomers people due to their higher incomes but nowadays all age groups comprise their customers.

Therefore, the target market of the company is very large due to the more than 500 products that the company has designed to fulfill different customers' needs. According to the company's data, last year the company's volume reached up to 14.7 billion baht and the expected sales growth in 2012 is about 20.1 billion baht (Amway's Business Opportunity Manual, 2010). In 2007, the company's revenue from food

supplement products stood at 34%, skin care and cosmetics products accounted for 23% and other kinds of products comprised 43% (positioning.com, 2007)

According to the most recent sales volume, Amway is positioned as the leader in the direct selling industry in Thailand. As concerns global rankings, Amway was America's 32th Largest Private Company in 2010. The total revenue in that same year was 8.4 billion dollars with a change in revenue of 2.4% (Forbes.com, 2011). Furthermore, Amway acquired the Gold Winner prize for the health and personal care category in vitamins and health supplements and water purifiers in "2011 Winners of the Reader's Digest Trusted Brand Award in ASIA" as voted by consumers in Reader's Digest. While in the same year in Thailand, Amway also received the consumer's Gold Winner prize for vitamin and health supplements as well as the Gold Winner prize for cosmetics products in the Winners Awards of Reader's Digest's Trusted Brands. Amway's eSpring water purifier received the Platinum Winner prize in the country as well (rdasia.com, 2011). Regarding customer trust, as shown above, the company's products reflect the premium quality offered to customers. Even though the price is quite high, the brand has the image of higher quality in both health and beauty products that incorporate high technology into their production and which can also satisfy customers in the middle to upper classes seeking such high quality products.

#### **4.4 Selling or Not Selling?**

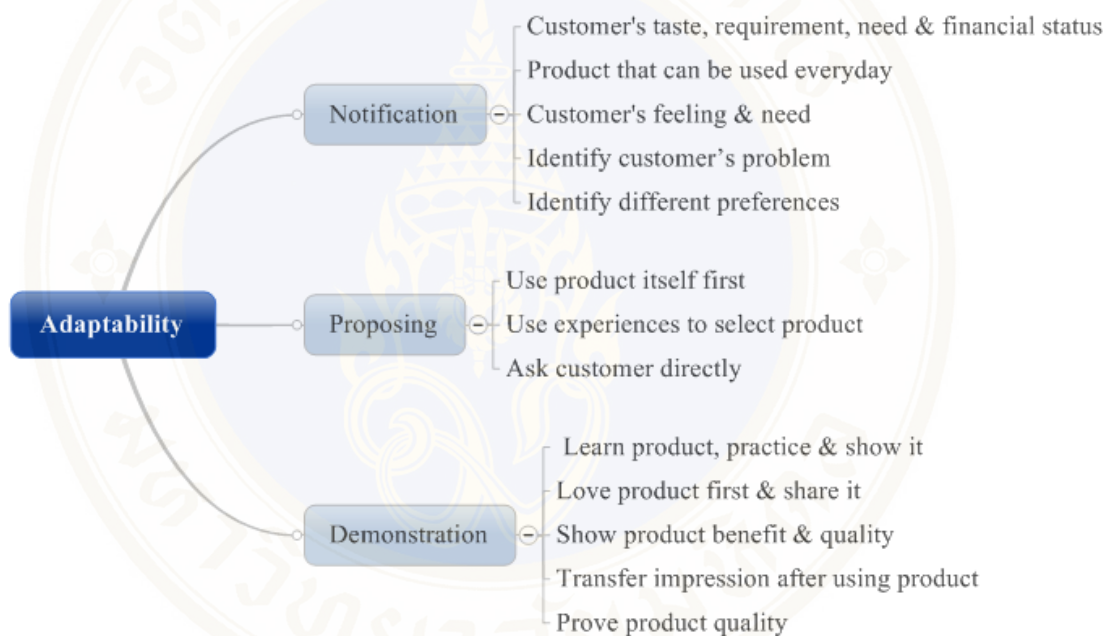
In the past, people were hesitant about meeting salespersons and tried hard to walk past them. Nobody wants to feel forced to buy any products. However, working as an ABO it is obviously impossible not to propose any products to customers. Is proposing anything the same as selling? An ABO has to understand how to adapt a product to the customers' needs, be able to give advice, communicate with customers and deal with negotiations.

##### **4.4.1 Adapting to Different Needs**

The ability to change sales behavior during interaction with different customers is essential. A sales representative should be able to define or to propose the

correct product to satisfy different requirements. Achieving the proper knowledge of a customer’s preferences or problems is part of the early process of selecting and proposing things to customers. Then, ABOs need to find ways to propose products to customers.

Lots of participants mentioned that consuming products themselves first was the way to convey the real benefits of the product and then make the product presentation to demonstrate the quality of the product.



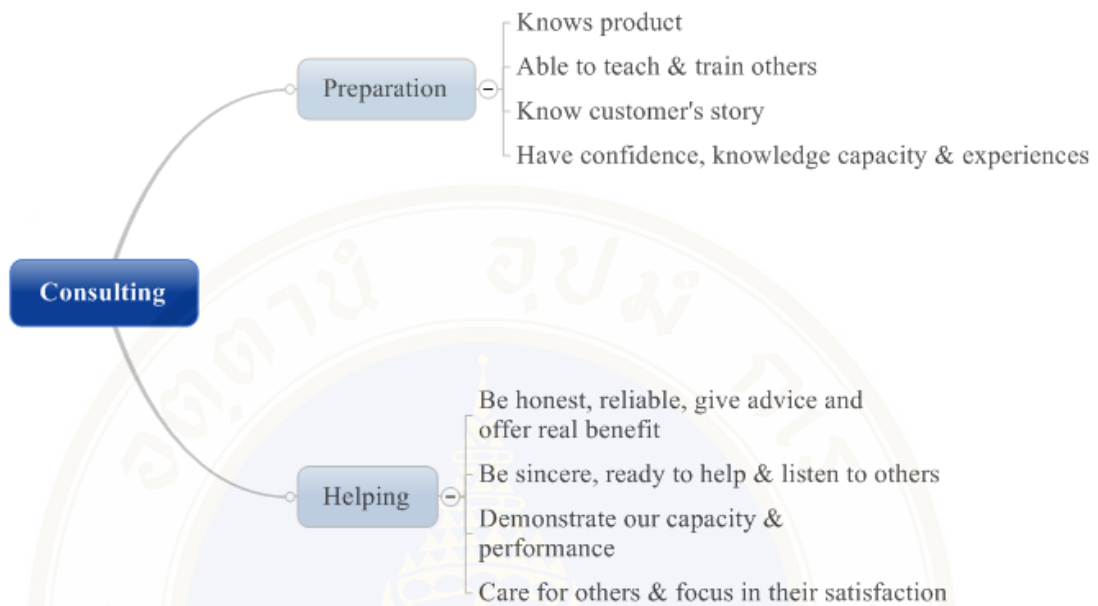
From the interviews, findings on the ability to adapt knowledge, information and products to customers are provided in the table below.

Topics	Participants Findings
<p>Notifications</p> <p>Start to propose</p>	<ul style="list-style-type: none"> <li>▪ Knowing a customer's tastes, needs, requirements and financial status is so important. (D 1)</li> <li>▪ Noticing which products customers use in their daily lives. Then, starting conversations about those products. (D 2)</li> <li>▪ Able to know a customer's feeling and needs before any selling is necessary. (D 8)</li> <li>▪ Identifying the different preferences of customers is needed. (D 9)</li> <li>▪ The capability to identify our customers is needed and then listening to their requirements or problems is the first step before selecting any sales approach. (D 11)</li> <li>▪ An ABO may start with a conversation with a customer about their needs and problems. (D 16)</li> <li>▪ Using the company's products before recommending any product to customers is important. (D 6)</li> <li>▪ Selecting an appropriate sales approach can be done by using our experience in analyzing people. Then the ABO has to combine this with their knowledge of products to propose a suitable product to the customer. (D 17)</li> <li>▪ An ABO may ask the customer directly about the product they are interested in or their preferences. (D19)</li> </ul>

Topics	Participants Findings
<p>Making product demonstrations</p>	<ul style="list-style-type: none"> <li>▪ Start by learning about the products, try to make a product presentation and then go to work. (D 12)</li> <li>▪ Build the image of the product to the customers first. (D 7)</li> <li>▪ The important factor for any product presentation is to love the product first and then to share this love with others. (Diamond 11)</li> <li>▪ An ABO is also a consumer who consumes the product first, feels good about the quality, shares the feeling and later advises this product to customers. (D 13)</li> <li>▪ Show others the benefits of the products and if the customers use and like them, they'll continue to use and sell the products indirectly by word of mouth. (D 4)</li> <li>▪ The product presentation can provide a clear image of the benefit and the quality of the product (D 10)</li> <li>▪ By communicating our impression on any product, we may increase the trust in the customer's mind. (D 14)</li> </ul>

#### 4.4.2 Consulting Roles

Another role of an ABO in the selling process is to use their knowledge and skills to define the customer's problems and solve them. Playing the role of a consultant is a way to offer help and support to customers by showing concern and care about that customer's problem.



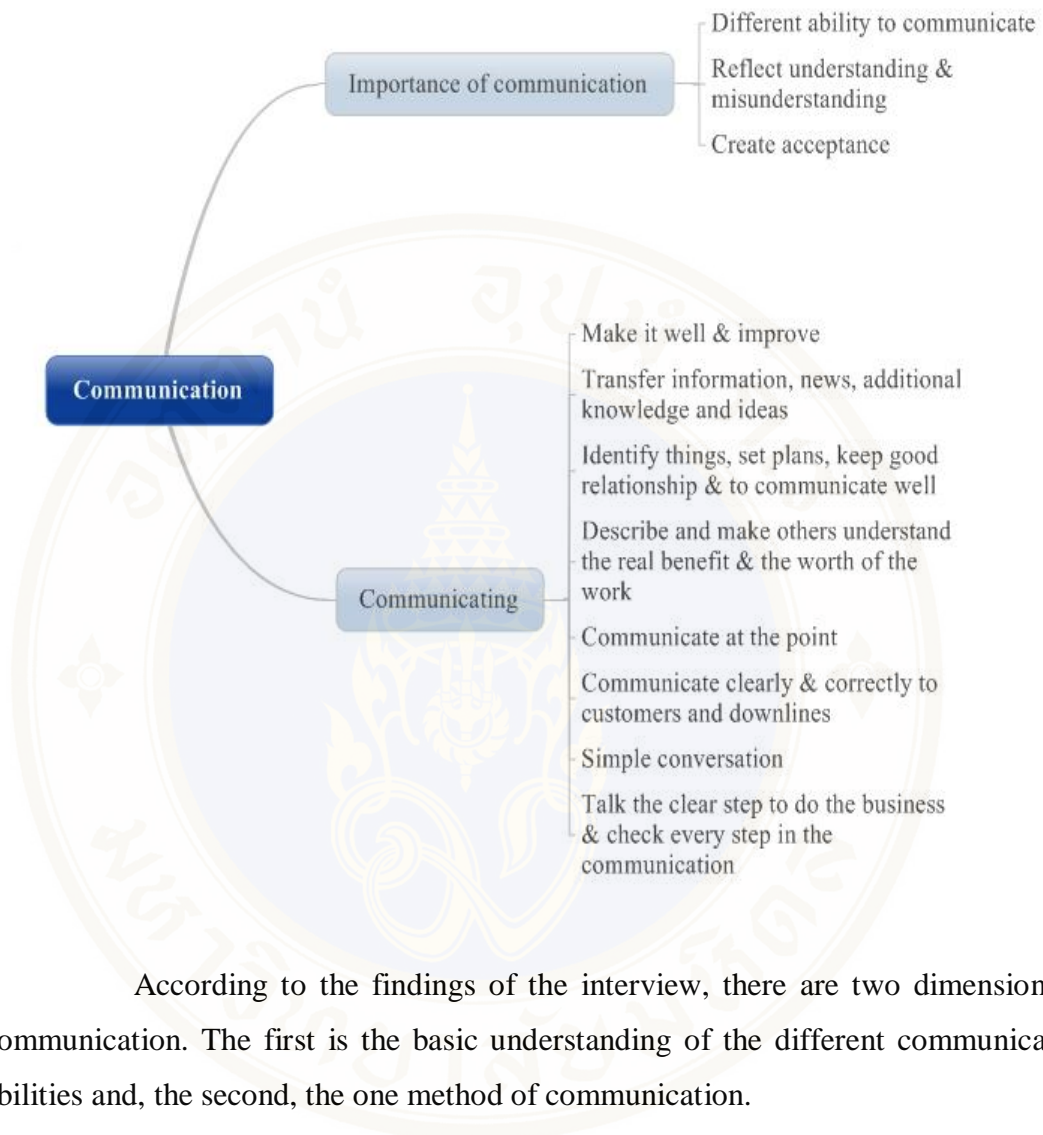
The researcher found out that before giving any consultation, interviewees may prepare themselves in such ways as finding out more information and they will then try their best to solve customers’ problems. Here, ABOs will play the role of consultants following the process in the table below.

Topics	Participants Findings
Preparation stage	<ul style="list-style-type: none"> <li>▪ Know every product and have knowledge about them to be able to select the right product to solve the customer’s problem. (D 2)</li> <li>▪ Be professional enough to make others believe in us. Teach and spend time to train downline members the right way clearly and easily.( D 6)</li> <li>▪ The customer’s information or their life story is required in our work. A good and long</li> </ul>

Topics	Participants Findings
Giving help	<p>relationship with a customer can make them have more confidence in us and make them feel comfortable talking to us. (D 8)</p> <ul style="list-style-type: none"> <li>▪ Having adequate knowledge will help customers accept ABOs more easily. (D 19)</li> <li>▪ Be honest with customers, reliable, give useful advice and make customers receive their benefits. (D 1)</li> <li>▪ Be a sincere person, ready to help others and listen to them and make others believe in us. (D 4)</li> <li>▪ Demonstrating our capabilities and our performance is the way to make others believe in us. (D 3)</li> <li>▪ To make others have confidence and accept us as consultants can be done by proving our capabilities first. (D 13)</li> <li>▪ An ABO makes others accept them by talking with others, caring about customer's requirements, customer satisfaction and happiness. (D 18)</li> </ul>

**4.4.3 Sending Information**

The communication process is important in the direct selling world. Good and clear communication refers to the appropriate means of communication so as there to be mutual understanding between the speaker and listener. An ABO has to utilize a variety of communication styles that are flexible enough to reduce time, cost, effort, and create interaction between themselves and others.



According to the findings of the interview, there are two dimensions to communication. The first is the basic understanding of the different communication abilities and, the second, the one method of communication.

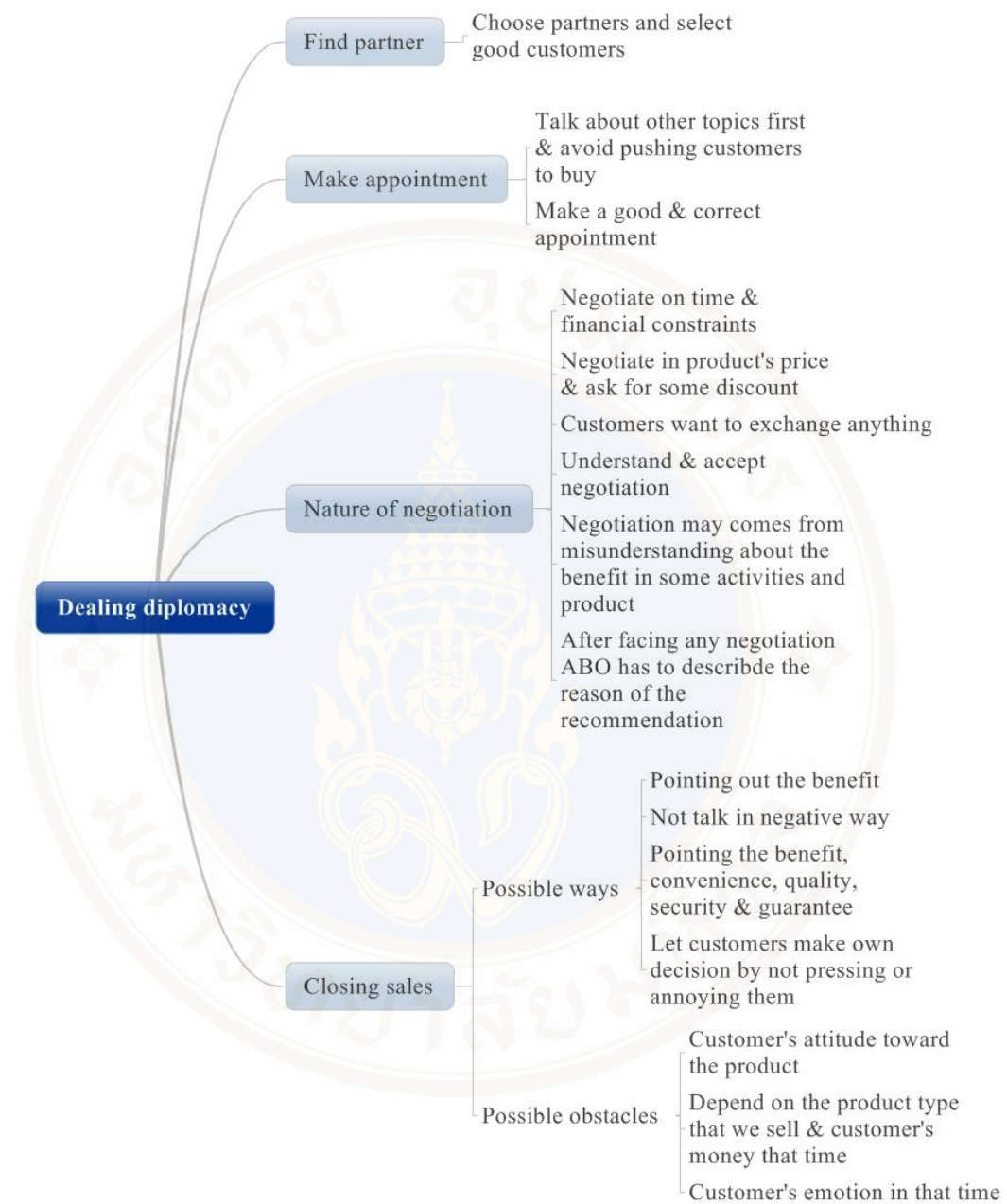
Topics	Participants Findings
Communication importance	<ul style="list-style-type: none"> <li>▪ Each person is different in their ability to communicate or to receive the messages that we send to them because some of them do not open their hearts enough. (D 1)</li> <li>▪ Communication is important because it can make others understand or misunderstand, learn or not learn. (D 4)</li> </ul>

Topics	Participants Findings
Communicating out	<ul style="list-style-type: none"> <li>▪ A good understanding of human nature and accepting this nature is the solution to not making us become too serious. (D 10)</li> <li>▪ The communication between our customers and ourselves can play a part in the acceptance that they will have for us. (D 13)</li> <li>▪ ABOs have to communicate well with customers and teach members in their downlines to improve their ability in selling. (D 2)</li> <li>▪ Every piece of information, news, additional knowledge and ideas has to be transferred to our downline members and customers. (D 3)</li> <li>▪ To achieve success in Amway we have to be able to identify things, set plans, maintain good relationships and communicate well. (D 11)</li> <li>▪ In Amway we have to talk about the clear steps with which to do business and check every step in the communication. (D12)</li> <li>▪ Describing and making others understand the real benefit and the worth of the work is a good way to communicate effectively. (D 14)</li> <li>▪ The best way to make the listener understand our point is to communicate straight to the point. (D 15)</li> <li>▪ Just communicate directly, not to be avaricious and not press customers. (D 16)</li> <li>▪ An ABO has to communicate clearly and correctly to customers or downline members. (D 17)</li> </ul>

Topics	Participants Findings
	<ul style="list-style-type: none"> <li data-bbox="651 347 1339 488">▪ Communication with customers should be simple or too much information should not be revealed. (D 18)</li> <li data-bbox="651 510 1339 600">▪ Effective communication should be able, straight to the point and answer the right points. (D 19)</li> <li data-bbox="651 622 1339 815">▪ Communicating with customers straight to the point and talking about topics linked to the customer is the best means of communication. (D 20)</li> </ul>

#### 4.4.4 The Art of Diplomacy

The diplomat has to combine many factors in negotiations to arrive at a win-win situation for different groups or nations. An ABO also has to combine many kinds of knowledge to succeed in any negotiations. Thus, what are the characteristics of a negotiation at Amway and what are the reactions of each ABO in this kind of situation.



The findings from the interviews indicate that ABOs may start by selecting the person that they would like to work with. The next process is how to make the correct appointment in order to avoid negotiation. However, facing negotiations is sometimes difficult to avoid, thus there exists the issue of what an ABO should do if faced with negotiations. In addition, in the process of selling, the most important is to close the sale. After initiating corresponding with customers, learning about the

products, practicing, using the appropriate technology, defining customer's preferences and targeting wisely, defining the selling method, communicating the benefits, giving advice and then giving the product demonstration, the ABO has to close the sales. Thus, what are the difficulties that each ABO faces in this step and what are the correct steps to close the sale?

Topics	Participants Findings
Selecting the partner	<ul style="list-style-type: none"> <li>▪ Doing the business with Amway, the ABO is able to choose the partner and to select good customers. (D 3)</li> </ul>
Making appointments	<ul style="list-style-type: none"> <li>▪ The way to avoid negotiations with customers is to make a good and appropriate appointment. (D 15)</li> <li>▪ Many people try to avoid ABOs when they call them to make an appointment. Just talk about other topics first and avoid pressuring customers into making a purchase. (D 2)</li> </ul>
The nature of negotiation	<ul style="list-style-type: none"> <li>▪ The main topics negotiated are about time and financial problems. (D 1)</li> <li>▪ Customers may negotiate a product's price and ask for some discount and they may not want to be an Amway member or ABO. (D 6)</li> <li>▪ Hesitation to use Amway's products may come from financial problems even though customers are interested in the product. (D 7)</li> <li>▪ Some customers may want us to carry out an exchange such as buying insurance from their company before they buy our product. (D 8)</li> </ul> <p>It's normal to face negotiations. We have to understand and accept this part of human nature.(D 10)</p>

Topics	Participants Findings
<p>The way to close sales</p>	<ul style="list-style-type: none"> <li>▪ It's normal to receive both "Yes" and "No" answers even when we work hard. Today, customers may say "No" but tomorrow they may say "Yes". (D 13)</li> <li>▪ The reason for facing any negotiation may arise from a misunderstanding about the benefits of some activities or products that we propose to that person. (D 14)</li> <li>▪ An ABO's job is to propose good opportunities to customers but if the customers do not want to accept the proposal, an ABO has to accept it. (D 17)</li> <li>▪ After facing any negotiation, an ABO has to outline the reasons for the recommendation.(D 18)</li> <li>▪ Facing any exchange from customers means that customers misunderstand the business. (D 19)</li> <li>▪ Facing negotiations is normal so don't waste too much time in the negotiation. (D 20)</li> <li>▪ Make customers see the benefits that they will receive from the product or how the product is worth using. (D 4)</li> <li>▪ Never talk in a negative way. Don't ask about how many boxes that they will buy. The question should be "Do you want one or two boxes?" instead. (D 5)</li> <li>▪ Point out the benefits, convenience, quality, security and the guarantees that the company</li> </ul>

Topics	Participants Findings
Possible obstacles	<p>offers to the customer will make the ABO not face any difficulties in closing the sales. (D 10)</p> <ul style="list-style-type: none"> <li>▪ Before closing any sale, an ABO has to describe the benefit of each product and the right way to use it. Then, we may ask customers if they are interested in the product. (D 15)</li> <li>▪ Closing any sale is nothing complicated. An ABO has to let customers make their own decisions by not pressuring and making them annoyed with us. (D 16)</li> <li>▪ Do not ask customers about the number of products they will purchase but ask if they will buy one or two packages instead. (D18)</li> <li>▪ The difficulties during closing any sale depend on the customer's attitude toward the product. (D 6)</li> <li>▪ The difficulties in closing any sale depend on the product type that we sell and the customer's finances at that time. (D 13)</li> <li>▪ The duration in closing any sale depends on the customer's emotions at that time. (D 19)</li> <li>▪ Difficulties in closing any sale may occur sometimes so the ABO may change the topic of conversation and not be too obstinate in selling the product to customers. (D 20)</li> </ul>

## **CHAPTER V**

### **DISCUSSION**

In this chapter, the researcher provides an analysis of the interview results from the previous chapter.

#### **5.1 The Hidden Truth**

A lot of people wonder why many others decide to do business with Amway. Direct selling businesses or network marketing firms may not create a positive image in other people's points of view. Before discussing the topics related to the model, the researcher aims to obtain some idea as to why a normal person would choose to be an ABO, what their impression is of this business at the beginning and what is required to be a successful ABO.

##### **5.1.1 Typical Perceptions towards Direct Selling**

The future is unpredictable. Thus, anything can happen and even people's attitudes can be transformed. The researcher believes that not many people have the correct perception or understanding of direct sales and harbor bad feelings towards sales representatives. This was the same as most of the participants in this research, who were also initially against this kind of job. Some of them avoid doing this kind of job for many days, weeks, months and years. Some of them had even been pressurized into buying a product in the past so they did not like this type of business. In order to avoid from direct selling, those people became a part of this business later. Indeed, most of the participants had turned away from entering direct sales. It seems ironic that these people are now the group that has reached a better level of performance in this business. Why did most of these participants initially have negative tendencies towards being an ABO?

*“I met a person that tried to sell me a product many years ago so it made me feel negative about the work. So, in my mind at that time Amway was just a selling thing and not a real business. Time passed, and I began to realise more about Amway’s products which are so varied and can achieve high sales volume. Thus, I came to learn about the business in Amway, study the marketing plan, see the company’s growth and I kept working until I was rewarded by achieving the Diamond level.” (D 15, 2011)*

### **5.1.2 The Change of Mind**

Some individuals still have a bad impression about direct sales but some changed their minds because they were attracted by certain interesting points. Many listened to Amway’s marketing plan and liked it and so this was one of the factors to open people’s minds. Alternatively other people may like the compensation or the financial freedom that Amway offers. After changing their attitudes towards Amway and becoming interested in entering the world of direct selling, an ABO may have to explore the initial important characteristics that an ABO should have before learning other things. After acquiring these characteristics, ABOs have to absorb them in their minds.

*“A person that wants to achieve success must need to have four types of characteristics: A, B, C and D. A is a positive attitude. B is the strong belief in themselves. C stands for their commitment to their work, family and themselves. While D is the dream, that is the dream goal that needs to be reached. Another meaning of D is determination which is working with patience and working hard.” (D 10, 2011)*

Individuals have different reasons for accepting or not accepting Amway and this kind of business. Sometimes a change of mind by a salesperson is reflected in the performance. Accepting a change in one’s way of thinking and behavior may be difficult in the early period but if this change can improve the attitude, personality and attributes of that person, this change will be valuable. The next important factor after

accepting change is to learn the way of doing business by using skills that have sometimes been ignored or forgotten as well as some skills essential to the work.

## **5.2 Brushing up on Interpersonal Skills**

The responses to the questions on interpersonal skills reveal that good preparation on the part of ABOs before reaching the higher levels is very important. Many steps or actions to improve the work are required and an interpersonal skill is one of the basic characteristics that every person should have. Indeed, sometimes people forget that this skill is part of their daily life. Brushing up this skill is required in Amway because this business stresses the relationships among people. The early process in brushing up the interpersonal skills is to increase the interaction with other people; thus, to enter Amway's world the individual is required to meet and associate with a larger number of people and to open their minds to understanding and accepting such individuals.

### **5.2.1 Becoming Part of the Amway Community**

Becoming part of the Amway community begins after that person applies to be an ABO. Then, the ABO has to come to know other people and learn how to do the business. ABOs need to have more interaction both with those within the same business and those outside as well. Increasing interaction firstly occurs in the place referred to as "The Center". This increased interaction with others is the first test in seeing how an ABO can get along with others. Upline members and individuals that have already reached a higher performance in their work serve as mentors and ready ABOs for their own work. Before achieving a higher level of performance, there are so many things that need to be learnt and done. In order to be a good listener, it's best to be a person who interacts and relates well to other people. According to the responses of four participants, this first occurs in The Center.

*"Coming to The Center regularly and meeting our downline members and customers can create a bond among people. When having done business for a while, we develop our capacity along with the experience that we*

*have and we can learn from our upline member's experiences in The Center.”(D 5, 2011)*

Thitivorarat (1999) found that a salesperson needs to have a good relationship with their customers or other people. That salesperson may want to meet new people, talk to them and make friends with them. Networking in The Center is consistent with this finding. This initial interaction, so to say, is the appetizer before the main course. The next step in achieving higher personal development involves ABOs preparing themselves personality-wise.

*“The Center is the place where we can learn many things such as how to have a positive attitude, accept new friends, improve our personalities or capabilities, and learn about products and new ideas. We meet lots of people here that have different kinds of jobs so we can learn many things from them.”(D 12, 2011)*

The preparation would not be sufficient if the ABOs did not possess some basic training, support and encouragement from The Center.

*“The Center is the place where we receive training to be more professional before we go to meet customers. Moreover, The Center will make us to have more friends.” (D 15, 2011)*

The last process in the preparation is getting the actions and activities right so as to move on to future correspondence with others. Many participants mentioned that giving more importance to others is very important. Also, spending more time with downline members or customers is one way of checking how good the interaction capabilities of the ABOs are.

*“Admiring others more and more is the action of the interpersonal skills. If you don't love that person enough, the ABO will not be able to work with that person. A positive attitude is necessary in this work. ABOs have*

*to praise others when they did something good and avoid talking about their bad points.” (D 7, 2011)*

After learning to be more open to others, make new friends and learn about the company's products, ABOs have to learn about Amway's marketing plan and be able to communicate or explain the plan to other potential or new sponsors and recruits as part of their downline. At The Center, ABOs can learn how to make effective product demonstrations and practice them before starting work.

### **5.2.2 Understanding through Listening**

To live happily in a society, a good relation is important. To create good relations an understanding of others' feelings and acceptance of their personality and manner is required. To have good friends, co-workers, sidelines or downlines we need to link ourselves to these people by spending time getting to know each other and stay together happily. Thus, a good understanding of a diverse group of people and of human nature is needed. Consequently, selecting an appropriate means of starting a conversation, listening and having a better understanding of another individual is essential.

*“If we want to understand others we have to accept them first. If we want others to treat us well, we have to be nice to others first. When we accept and love them, be sincere, want to help others solve their problems, want them to use high quality products and understand that humans can change at any time, it will help us to understand their nature and what they are thinking. Being an ABO, we have to work with people so we have to learn the nature of these people and acquire the knowledge that Amway has trained us in to take a further step in our work. We don't have to change others because it's too difficult to change someone; the best way is to change ourselves first. This will make us accept others' behaviors and praise them when they do something good or find their good points instead of looking for their bad behavior.”(D 3, 2011)*

Furthermore, after choosing how to have a longer conversation to learn more about that person, ABOs have to give importance to the duration of time spent studying that person as well. Spending more time may lead to better relationships between an ABO and customers.

*“We will be able to understand others if we spend lots of time with that person, using our sincerity with others and trying to help that person as much as we can.” (D 4, 2011)*

Understanding of how to carry out the business and how to interact with other people enables ABOs to conduct Amway’s business, a business that mostly involves contact with other people.

### **5.3 Mastering the Technical Side**

Adequate information, practice and experience are very important to an ABO. The duration of the learning in The Center and the knowledge that an ABO gains is useful for the selling and creation of the network. Even if the ABO has acquired substantial professional knowledge in the past, this may still not be enough in some cases so keeping up-to-date is necessary. Thus, the question is what is necessary for an ABO for their future work career process?

*“To keep learning new things is important. We have to learn from a person who has achieved a higher performance, attend the seminar, learn about product development and come to The Center as the main means to receiving knowledge. The company trains ABOs to have greater leadership, personality and how to be a good brand ambassador for the company.” (D 11, 2011)*

Five interviewees stressed that attending the company’s seminars and training courses was an important way to gain more information and receive new knowledge.

*“When the company launches any new products, the company will organize a seminar to give us new information and invite the company scientists and researchers to inform us about the technology of the new product. We have to attend this kind of seminar and transfer the information to our customers and downline members to make them trust the quality of the product.” (D 9, 2011)*

Information and knowledge are indispensable. However, nowadays the learning process is not so long and complicated with the use of technology. ABOs are able to employ technology to facilitate their own work processes. Certain questions arise. Does technology also help to improve the performance of an ABO? Does an ABO have to use technology all the time?

*“The moderate use of technology in the presentation process, planning process or organizing a seminar and training is a good way to use technology. However, we need to focus more on people by working harder to get closer to them, transferring knowledge and sharing ideas directly with the other individual rather than rely on technology.” (D 13, 2011)*

Using technology ensures that ABOs work faster but it may not be sufficient to create a better performance. Hence, the response from the above participant concurs with the research of Ahearne and Rapp (2010), which found that technology, is a tool that the salesperson can make continuous use of to increase their efficiency and effectiveness. They also added that technology provides a better means of working for salespeople. However, the sole use of technology would not be sufficient to deal with the complexities of some selling. Thus, the ability and capacity of contacting different kind of people and fulfill their requirements of a sales representative is required.

## 5.4 Do Marketing

Running the business well may involve many processes. Learning to have greater interaction and better understand others is the first process. Then, an ABO needs to be able to expand the name of the brand, as well as expand the product quality and benefit to others. Making others familiar with the brand and with the ABO is necessary. Conveying good opportunities to our customers and making them want to use our products involves the marketing process.

### 5.4.1 Marketing Mix First

Sponsoring new people to be part of a team also requires a marketing plan. Thus, what information is useful for the marketing and what are important tools for carrying out the marketing? Hence, ABOs must know the marketing tools that help to identify the marketing instruments that the company applies to business processes, such as knowledge in the distribution process, the products offered, price and promotion.

Amway applies a face-to-face marketing method to build customers' knowledge of the brand. ABOs have to meet people directly to describe to them the business plan or to give information to customers directly to present products.

*“The marketing method that we use in Amway is to use the individual to convey the information. We all work in the marketing department of the company. The company gives us the information about the product, train us and teach us but we are the one that makes it move and transfers everything to the customer and the customers themselves that continue to run the marketing process.”(D 3, 2011)*

The next process is to select the product group for marketing. Amway offers a variety of product types, so what are the main products that everyone gives importance to and why? According to the results, fifteen participants placed importance on the health and beauty product category as the target focus of the company.

*“Amway is well known for the quality of its products such as food supplements and skincare and these two product categories reflect the latest trends in the world. While other products such as home care are those that people use every day so the advertising and promotion is less than for health and beauty products. Nowadays, people are more concerned about their health so food supplements are another important thing to lives.” (D 4, 2011)*

One aspect of marketing mix is price, which is one of the elements that influence the purchasing process of customers. Do high price products result in customers avoiding the brand? Or is the price another element to guarantee the quality of the brand? What are the differences between Amway’s products with other brands in the industry?

As mentioned in Chapter IV, there are numerous direct selling firms in Thailand. However, some firms focus only on skin care and cosmetics products and some firms have only one or two product lines. There is only one firm very similar in its product lines to Amway, but at a lower price. Amway’s products are all of higher concentration and so can be used for longer periods, hence the higher price. The range of Amway’s product prices in food supplements under the brand of Nutrilite range from 540 to 3,740 baht. The prices for skincare and cosmetics products under the brand of Artistry, personal care products and toiletries range from 90 to 9,000 baht. Products in the My Home category or home care products such as laundry, household cleaners, car care, agricultural products and kitchenware are priced from 150 to 1,500 baht. The last category is the Personal Shoppers range priced from 50 to 2,000 baht.

Making the brand well known and creating a brand image is also an important aspect of the job. An ABO may have to describe the quality of each product, the research and development of the company and make product presentations. However, all aspects of this process takes time and cannot be done all at once. Thus, the use of media such as TV advertising for promotional means is part of this process.

The first type of media that the researcher would like to mention is the use of magazines to promote products which is very useful. Many participants said that the promotions in the Achieve magazine enable ABOs to increase sales volume because

customers are interested in the promotion and want to use the product. However, two participants provided a contradictory perspective, that promotion actually hindered their work.

*“Sometimes promotions can hinder our work system because customers will wait for the company to offer discounts or special promotions in any purchase so they will not buy for a period of time. But if the company issues any new promotion, I won’t hesitate to use it or propose it to customers even though it can spoil too many of our customers.” (D 4, 2011)*

As stressed in the response by this interviewee, sometimes promotion harms the working process of that ABO and customers do not use the product continuously. This concurs with the research of Chandon et, al, (2000) that showed that consumers very much prefer to pay lower prices for products than the usual price, so this action is not very beneficial for the seller. Thus, sales promotions provide benefits for consumers but they can also put the seller at a disadvantage too.

The second tool in building awareness of the brand is the use of television advertising. These adverts are part of mass media reaching a larger audience, and reaching that audience quickly. Does this kind of media benefit the selling?

*“The company’s adverts tell the story of the product and the benefits of taking any product. The main point of each advertisement is to educate customers about the benefits of the ingredients that are in the product and what we gain if we take the product.” (D 9, 2011)*

Both promotion and advertising influence the customer before making any purchase. They attempt to create the need for purchasing a product. Making advertisement is also a way of creating a new image of the brand.

*“TV adverts can make people be more positive about the brand, trust the product more and increase sales volumes.”(D 6, 2011)*

Advertising is an effective means to make people know more about the brand as well as giving it a clear and positive image. This is also reflected in the work of Low and Mohr (2000) who asserted that brands which launch advertising will

create the consumer's attitude, brand equity, market share and profit. The firm will achieve a positive outcome if it increases advertising.

The last tool is the use of the company website. Within Amway's community there are both adults and those from the younger generation. Most of them use the company's website to acquire more information, facilitate their work and for additional choices of products to purchase. The way to attract the younger market is to use the website to make the process of acquiring information faster and facilitate ABOs when they need to update their volume.

*"The company offers more choices for customers and ABOs to purchase products, as well as work and receive information from the company website. The company will provide more technology of this type in the future and use more social network marketing." (D 10, 2011)*

Despite the many benefits that ABOs may gain from the company website, is everyone in Amway ready to use the company website?

*"Not everyone is skilled in the use of websites. If some ABOs can use it in their work it will provide many benefits, but if some can't it doesn't mean that they will not achieve success." (D 20, 2011)*

#### **5.4.2 Creating Market Segmentation, Target Marketing and Positioning of the Brand**

The segmentation of the brand's customers is based on gender, income level and products that the customers use. Customers come from different age groups. The whole family can also be customers of the brand due to the mixture of product types under the umbrella brand of Amway. Most of the products are set at higher prices than other firms in the industry. The brand's customers are middle to upper class. In the past, the company focused only on baby boomers because this group of people had higher levels of income and wanted to take care of their well-being. However, nowadays customers also include those with lower incomes and the young generation that want to use premium products and take care of their health and beauty.

*“Everybody can be our customer because income is not the indicator of the person that uses our products. If the customer thinks that our product is worth using, the price is not the important factor.” (D 16, 2011)*

The market targeting of Amway in Thailand is very large as a result of the increasing population in the country as the new population can become the company's customers as they offer products that people can use every day. Thus, the segments of the market are expanding with the increasing population. As stated in other chapters, the company's volume for the last year was 14.7 billion baht and the expected sales growth in 2012 is about 20.1 billion baht. This indicates that in the future the company will still continue to grow and increase its customers. The position of the brand is one of high quality products with high prices and premium products. The brand has gained trust from customers as evidenced by the company's Winners Awards in Reader's Digest.

The knowledge of marketing mix and STP can be used as beneficial tools in expanding the business. ABOs may use them to assess their customers and approach them in the correct way. ABOs should apply the 4Ps when they meet new customers and when recruiting new people to the network. ABOs should be able to describe the company's product benefits and how the product is suited to that customer. Additional knowledge regarding price is a factor in helping customers to make their purchasing decisions whereas knowledge of the distribution channels can provide the customer with the choice of selecting how they acquire products. In addition, promotion is an important factor in making customers want to use the product and know the brand better. Knowing market segmentation will benefit ABOs in classifying possible customers that could use the product and select those products ideal for fulfilling their requirements. The application of target marketing can result in acquiring further knowledge about the possible growth of the company. Being able to identify the position of the product that will sell creates more trust in the brand and in products for customers.

## 5.5 Focusing on Selling

The last aspect of the ABO's work process is that of proposing products to customers and increasing customer awareness and knowledge of the brand. The main job of an ABO is to create a network of members and of downline members. However, to make the network stronger, the sales volume of the team is also necessary. Selling is one means to creating higher volume, but one concern for ABOs is how to make sales without pressurizing the customer.

### 5.5.1 Adapting Wisely to Different Situations

Each case that ABOs face involves meeting very different customers. ABOs may have the capacity to propose different products that match different customer tastes and preferences. Thus, what is the process an ABO follows while encountering customers?

*“Each customer has different tastes and needs so an ABO has to know the customer's requirements and financial status. For example, for a customer that has higher income an ABO will offer a variety of quality products because the customer can afford many products. While for a lower income customer that wants to use a quality good product but can afford only a few or one at a time, an ABO has to suggest what to use first and why that product should be used by thinking about the budget constraints of that person.” (D 1, 2011)*

The information about a customer's preferences will enable an ABO to easily select an appropriate product to benefit the customer. An ABO may have to begin by giving information about the business to those interested in the business and in the products. Thus, the question is how do ABOs attract other people's attention to take a look at Amway's products and then propose good opportunities to them.

*“Using the company's products before recommending them to customers is important. Our preferences for any product can make the selling easy. We have to know how to excite our customers and make them believe in us.” (D 6, 2011)*

Using the product before making any recommendations means making the right impression and knowing the real benefits that customers will gain from the product. However, the information will not be enough for making the sale. An ABO has to show the quality of each product to customers. ABOs have to be able to make product demonstrations to attract the attention of customers and make customers want to use the product.

*“Our main concept is to present products for real consumption, not sell them through pressure. An ABO is also a consumer who consumes that product first, feels good about the quality, shares the feeling and advises this product to customers later. We don’t need to be a super seller, we just give advice to others.” (D 13, 2011)*

The response of this interviewee is in agreement with the research of Del Vecchio et. al, (2004) which found that the buyers in the research would like sales representative to use adaptive selling with the salesperson having to adapt to the buyer’s needs rather than to change to the use of several methods to convince customers to buy.

### **5.5.2 Acting as a Consultant**

Making someone believe in the capacity of ABOs will be difficult if the relationship with that person is not established well enough. Making business flow better, an ABO has to make themselves more professional or credible to that customer. An ABO has to be able to understand the customer’s feelings, ideas, preferences and problems. If customers have some misunderstandings about a product or hesitate to use it, or need to receive advice regarding any problems, the ABO has to try their best to help that customer. According to seven participants, an ABO has to prepare themselves by having adequate knowledge in products and thereby being able to give advice to customers. This knowledge can increase the faith of customers in that ABO.

*“We must know every product and have adequate knowledge about them. My husband is a doctor so when I need some additional information about*

*the health aspect, he can help on this point but we always have to find additional information and learn more to be able to give advice to our customers. We have to be able to select the right product to solve our customer's problems.” (D 2, 2011)*

The preparation process has to be ongoing because each individual that an ABO meets is so varied and each has different requirements and problems. Hence, the ABOs undergo the learning process and readies themselves every day because in just one day an ABO may have to give different kinds of advice or support. Consequently, how do ABOs give help to customers and what is the process of being a consultant?

*“We have to make them believe in us first. We have to be the one that our customers think of when they have problem in such ways as we have many kinds of information, we have the experience, attractive personalities and knowledge in products so that they'll have confidence in us and want to consult us. Other points are to be sincere, be ready to help others and listen to them.” (D 4, 2011)*

According to Pelham (2006), large firms have to act as consultants and this may require knowledge to result in a better outcome that can also impact the sales performance and the profit performance of that firm. This research concurred with the results of the interviews in which importance was placed in the learning about products and having adequate knowledge to perform the function of a consultant and to solve any problems the customers may encounter.

### **5.5.3 Communication Ability**

Receiving information and knowledge is vital. In the past, people used much slower means to communicate, but, now people use e-mail, text messages, chat and apps. Communication happens every day in every aspect of life. People start to communicate from when they wake up until the moment they go to bed. Communication is the means to ensure the transmission of knowledge, opinions and feeling as well as the understanding process.

An ABO needs to be able to identify the importance of the communication process. Responses to the questions revealed three participants to accept the nature of different customers first.

*“The communication is important because it can make others understand or misunderstand, learn or not learn. First, we have to be a good audience; we have to learn what the upline members teach us. Then we have to communicate well with our customers, understand them and learn their character. We have to get close enough to understand that person to communicate in a better way and make that person open their hearts to us and then our work will be easier.” (D 4, 2011)*

The point made by this interviewee is that communication between an ABO and the customer is paramount. An ABO has to listen, understand the customer and adapt themselves to the customers. This is also shown in the work of Reid et. al, (1999), which asserts that customers tend to be more sophisticated nowadays. They tell salespeople directly about what they want, want the salespeople to listen, join and provide the information that they want. Thus, the salesperson needs to find information to understand customers and solve their problems better.

Then, ABOs have to give importance to the details in the message and how they will communicate with customers. However, the question is what is the correct way to convey the information to customers and make them understand the message?

*“In Amway we have to talk about the clear steps to doing business and check every step in the communication process. We have to check if our downline members communicate well with customers. If we don't recheck the message, the communication will be not clear or customers will miscomprehend the real meaning.” (12, 2011)*

#### **5.5.4 Dealing with Diplomacy**

Doing business is a challenging job because of the various events, cases or

people that a businessperson encounters each day. The business of an ABO is mainly about finding new clients and members; however, an ABO also has to recruit new downline members into their network. Misunderstanding of the concept of the business or product may lead to bad feelings about the brand. Indeed, ABOs may face many kinds of negotiations if customers harbor a negative attitude about the brand. However, it may just be a question of ABOs having to select the right tools to overcome the customer's perceptions. Hence, one participant stresses that selecting the right person to talk to is the first step.

*“We can choose the person that we want to sponsor, to use the product or to be part of our business. Doing business with Amway we are able to choose our partner and to select the good customers. We can't change others minds or make them behave like us so we have to understand their nature.” (D 3, 2011)*

After selecting the right person to work with, the next step is to try to make the correct appointment so as to be able to know more about that person. Two participants suggested that this can reduce the negotiation potential of customers.

*“The way to avoid negotiation with customers is to make a good and correct appointment. We have to tell them our objective in this appointment and the time that we will use so as to not waste the time of both the customers and us.” (D 15, 2011)*

Therefore, creating a good understanding and patience are needed in negotiations. There are many negotiation topics that ABOs faces such as not having the time. So, what does an ABO need to do in negotiation situations?

*“The main topics of negotiation are about time and financial problems. Many people know that Amway's products are good quality and worth using. However they are not ready to use some products or regard the product as too expensive; some of them are interested in becoming a part of Amway but need more time to decide. A good ABO has to give the right*

*information to customers and make them understand that Amway offers some freedom and flexibility regarding time and finances. A good ABO has to try to strengthen the relationship with that person and create a win-win situation.” (D 1, 2011)*

Dealing with negotiations is difficult in the early period of working at Amway. Providing a good explanation is required in any negotiation that ABOs may face. Thitivorarat (1999) suggests that a sales representative should have the ability to make the right judgments. A salesperson has to decide on the appropriate way to meet different kinds of customers, how to talk to them, and how to deal with disagreements and negotiations by customers.

The response from participants also suggests that good communication between ABOs and customers affects the process of closing the sale. After proposing the product, establishing trust, dealing with negotiations and communicating everything, an ABO has to close the sale. Thus, how can an ABO do this?

*“Before closing any sale, an ABO has to describe the benefits of each product and the right way to use it. Then, we may ask customers if they are interested in the product.” (D 15, 2011)*

In addition, two participants also suggested an interesting way to ask questions of customers about the amount of products that they plan to purchase.

*“After talking about the benefits and giving the product presentation, an ABO may start to close the sale. Don’t ask customers about the number of products that they will purchase, but ask if they will buy one or two packages instead.” (D 18, 2011)*

The researcher has noticed from the interviews that some ABOs faces many obstacles during the process of closing the sale. Some customers may not be ready to purchase the products or have misgivings about the reputation of the company.

*“The duration in closing any sale will depend on the customer’s emotions at that time. If customers like the product a lot, they want to use it, are*

*interested in the information and have the money, then the customer will buy it on the spot.” (D 19, 2011)*

Research by Pettijohn et.al, (2007) concluded that the salesperson should give importance to traditional sales techniques such as prospecting, approach, demonstrating and presenting, negotiating and closing as they are closely linked to the final results. In addition, the interviews emphasize the product presentation as one of the important processes before closing the sale. Presenting the product is the opportunity to show the quality of the product. Thus, this result is also in agreement with the research of Roth and Alexander (2002) that “The Silent Close” with salespeople pointing out the main points of the product, giving the product demonstration and making the product sells itself is essential as a final touch.

## **5.6 Reaching Higher Performance**

As mention in Chapter II, the researcher applied the model of Basir et. al, (2010) to identify the definition of each skill and the relationship that each skill has to the performance of a sales representative In this section, the researcher provides more details as concerns the relationships of the four skills and performance, as derived from the interviews; and how each participant rates the importance of each set of skills.

### **5.6.1 Skills for Reaching Higher Performance**

The results based on the interview show interaction among ABOs, downline members and customers are necessary. Amway is a business in which people work with people, good relationships among people is important in creating a network of ABOs, members and customers. Seventeen participants stressed interpersonal skills as more important than the other three sets of skills.

*“Interpersonal skills is the most important factor in Amway. Technology is necessary only in some cases and selling is just one aspect of our work.*

*We have to use the product, describe the feelings and benefits after using it ourselves in order to pass on this information to others.” (D 10, 2011)*

*“To make others have confidence in us, we need to use interpersonal skill to facilitate our work. Then, we have to know our product, represent our products well, create the marketing and use the appropriate technology.”(D11, 2011)*

Three participants asserted that the combination of all four skills may be better in producing a better performance.

*“The combination of all skills is necessary in doing business. An ABO has to maintain good correspondence with others, have knowledge in the products, be able to represent the company’s products, and make a marketing plan. Every skill is important in the working process.” (D 4, 2011)*

### **5.6.2 Defining Performance**

Reaching better performance can be view from the work quality, the company’s expansion or the growth rate. At Amway achieving a better performance is the means to achieve success. So, at Amway what shape does performance take? What is the image of performance in the ABO’s mind?

*“The purpose of being in Amway is not to produce salesperson. In my network, I did not train downline members to sell and to become sales representatives. Thus, we did not mention or stress the increasing of sales volume. Performance in my opinion is being able to share with others. Hence, the indicator of performance is to use Amway’s products and then tell others about the benefits of them. Making others familiar with the brand, product and quality - which is not as expensive as people think. We focus on expanding the network and if the network is stronger and larger then that is the success of performance.” (D 1, 2011)*

Most of the participants said that Amway is not a direct sales company that focuses only on selling goods. Therefore, the ABOs didn't use the word "sales performance" because nobody has been trained to be a salesperson so the word "performance" in Amway may be slightly different than other companies. As mentioned in Chapter II and Chapter III, performance can be categorized into two main dimensions. The first definition of performance is the ability to create and establish the network distribution of downline members and customers. The process of building the network may start from attending meetings or orientation and coaching in The Center and learning about company information, products and how to work with other people. Then, the network has to be built by introducing and sponsoring new ABOs into the network. The next step is to offer products to customers and service to both customers and downline members. The second dimension of performance is that of achieving the individual's ideal of success. Higher performance comes with greater freedoms. A high performing ABO such as those at diamond level achieve freedom regarding the location where they work. The second kind of freedom is the freedom to choose the time to work. The third is the power to work independently for yourself. The fourth is the capability to stop working when that person reaches a level of passive income or when the network is already strong enough. After obtaining an adequate passive income every day, an ABO may have financial freedom and the freedom to relax and stay with the family for longer periods of time.

One interesting definition of performance came from a high-performing participant who also did not place the focus on sales volume.

*"The definition of performance in my view is to creating customer loyalty. Building loyalty can be done by using the product itself first, and the quality of the product leading to repurchase. Then, we can tell others about the quality and what we've gained from the product that we use. When customers try products and like it, repurchases will occur and this will then lead to brand loyalty. An ABO may have to use different skills in different cases but that ABO does not have to pressurize anyone into purchasing a product to increase sales volume. I never felt that I had to*

*sell anything to customers, but that my job was to tell the truth about what I felt after using the products and then loyalty would follow.” (D 11, 2011)*

The network of ABOs and members is created by sponsoring and recruiting new downline members to the network. Then, upline members have to pass on the knowhow and train new ABOs to create and manage their network by themselves. Thus, one indicator of performance in Amway is that of establishing a network.

### **5.6.3 Obstacles**

Network marketing faces lots of obstacles and many skills have to be used to lead to a better performance. Thus, how can the use of four skills benefit ABOs?

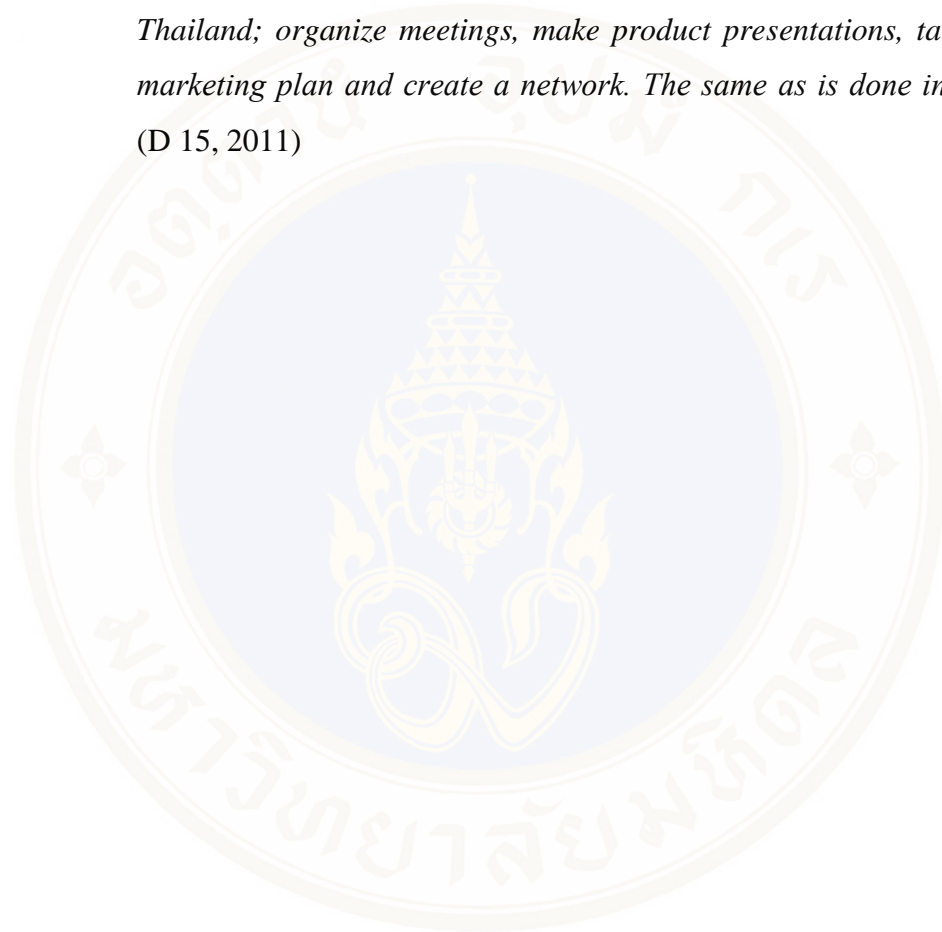
*“The way to achieving a performance faster is to stress or to continue to learn, have a positive attitude and apply the four skills during working. Thus, an ABO may have a better performance and achieve success faster.” (D 9, 2011)*

Sometimes, good management of skills also affects the performance of an ABO. Hence, how do ABOs manage themselves while working or how do they manage skills in the working process?

*“The use of all skills while working is necessary but the selection of which skill to use first depends on different customers’ tastes. An ABO needs to know how to open a conversation with the customer or what topic to talk about first. All four skills may be used at the same time or one at the time depending on the case. Thus, using these skills continuously will lead to a better performance.” (D2, 2011)*

The use of skills can differ from case to case for an ABO and during different periods. An interesting question is what is the work like of an ABO abroad? What are the difficulties of expanding the business abroad and what are the differences or similarities?

*“The main work of an ABO when expanding business to other countries is mainly about products and people. ABOs have to learn the character, behavior and the nature of those people in the different country. After this, an ABO will consider an appropriate method of working or understanding their requirements. ABOs have to use the same skills that they have used in Thailand; organize meetings, make product presentations, talk about the marketing plan and create a network. The same as is done in Thailand.”*  
(D 15, 2011)



## CHAPTER VI

### CONCLUSIONS

This last chapter provides the conclusions and recommendations based on the findings of the study.

#### 6.1 A Little Space of the Corner of my Heart

In this topic, the researcher provides its own observations about Amway, which is listed as a direct selling company but is also a network marketing firm that has adopted multi-level-marketing.

For many years the researcher has known the story of Amway. The researcher's initial feelings about direct selling were fairly negative like so many other people who have tried to avoid sales representatives. The researcher also had so many misgivings about this business and tried hard not to be part of it. Ironically, the researcher started to use a few products by Amway and eventually became a member. Time passed and although the researcher's admiration of the products increased, she still did not want to become an ABO. Many issues arose in the researcher's mind; I hate selling, why would I want to be an ABO? Why do we have to talk about dreams? Why do people have to go to The Center? I can do better job in my life and my family can support me by not being involved in the business of Amway.

Another irony is that the researcher entered Amway's world with the intention to study the important skills that increase the performance of an ABO. Over a period of two months, the researcher interviewed many ABOs who had already reached mid-to high-performance and success. In each interview, the researcher sensed the strong belief, confidence, positive attitude, determination, ideas, commitment, love, sincerity, cheerfulness and the strong presence exuding from the participants. It was a strange feeling that the researcher had never felt before and this feeling confused the researcher slightly. What was my dream? What did I really want to do in my life?

Why did I feel so good when meeting ABOs? Had I started loving Amway? What can make ABOs so powerful and achieve success? Direct selling was a business that the researcher had disliked so much in the past. Thus, what were the points that had made the researcher feel so good now?

The main objective of this research was to determine the important skills that could improve the performance of an ABO with the research being potentially used as model for future research as well as provide suggestions or give recommendations to people in the direct sales industry in addition to other businesses. The model used in this research stressed four main skills related to the performance of the salesperson, which also can be applied to every occupation in real life. However, the researcher hopes also that this research will also help promote a different perspective as regards the direct selling industry.

## **6.2 Conclusions of the Study**

There has been much research into the skills that a sales representative should have to benefit their work. Working at Amway with all the roles of being a business owner that also represents the company, being a partner of the company, being a customer and the creator of the network, an ABO also requires many skills.

The four main skills that the researcher adapted from the model of Basir et. al, were interpersonal skills, salesmanship skills, technical skills and marketing skills. The first is mainly about the ability of a salesperson to get along with others and the interaction between the salesperson and other people. The second refers to the marketing skills and the useful information or marketing knowledge that a salesperson should possess for direct selling, as well as to the things that the salesperson should have before carrying out their job or employ the tools that can be used in the selling process or the technical process. The last skill refers to how a salesperson can understand how to make a presentation of the product or service and employ the appropriate knowledge in the closing sales period.

As mentioned in Chapter II and Chapter III, the normal indication of performance can be in the expansion of the business, increasing market share, the duplication of sales volume or the increasing number of customers. In this paper, the

researcher has defined the performance of an ABO into two forms. The first is the ability to make a network of distributors or ABOs and a network of customers. The process involves attending meetings at The Center, sponsoring individuals, selling and servicing customers as well as downline members. ABOs have to recruit new ABOs in the network to expand the network and make the network stronger. Then, the person that recruits new individuals has to train new ABOs, teach them and make the new ABOs professional enough to create their own networks. The second meaning of performance is to achieve the personal ideal goal and enable downline members to succeed in their goals as well. Higher performing ABOs have to enable themselves to achieve freedom to choose location or workplace, design the work hours, be able to work independently without being stressed from the boss and stopping work when the network is strong and teaching and training downline members to work professionally. Then an ABO gains the financial freedom as well as the freedom to spend longer periods with their families. Thus, a high performer has to care of their downline members first, make them to reach a high level of performance and then to think for themselves later.

The findings indicate that the most important factor that influences the better performance of ABOs is interpersonal skills. Fifteen participants stressed that interpersonal skills is very important in this business because Amway is a business in which people have to work with other people. The strong networks of customers and businesspersons have to use good relations, love, care and sincerity to build and expand the network. Participants said that interpersonal skills is the most important set that can make ABOs achieve better performance because it is the means to get closer to people and to understand them as well as making the business flow more easily. The good relations between ABOs and customers are essential because they are needed to open the customer's minds, enter the customer's home, give advice on products, make product demonstrations, and offer good opportunities in the business. Interpersonal skills is the first step in doing business. This is the starting point for creating the network. Thus, Amway is a business of people for people, and so they are key to this business. ABOs should focus more on people to understand people better and to therefore achieve a better performance in this career.

According to the responses, technical skills was ranked second by five interviewees in terms of importance. It was also mentioned that technology was only necessary in some cases such as giving presentations of the product, using technology to convey the information or connect with other people. Moreover, acquiring more knowledge and information is also necessary for any aspect of an ABO's work. The third skill that interviewees give importance to is the marketing skills and the last in the ranking is salesmanship skills because the interviewees stressed that in Amway the main purpose of business is the creation of a network of customers, knowledge of the products and offering good things to customers without pressurizing them. The selling is just one of the aspects of the work. Given the results, the researcher has ranked the four skills in terms of importance based on the work process and the necessity of the skills for ABOs in their work.

**Table 6.1: Important key skills for success**

<b>Skills</b>	<b>Method</b>
Interpersonal	Connect with more people by starting with listening skills that enable the creation of relationships with others, improving their characters, learn more and take action. Then, understand others' natures by selecting appropriate means to make friends and spend time with them.
Technical	Learning more about the company's products and use the appropriate technology or methods in the working process and focusing more on contacting people directly.
Marketing	Having information about the company's distribution channels, products, price and the promotions that the company offers to customers. Moreover, knowledge on market segmentation, target marketing and positioning is required.
Salesmanship	Identifying appropriate selling approaches, communication methods, able to deal diplomatically, give advice and make customers love the products by not forgetting to use the appropriate methods to close selling.

A few participants said that the combination of all four skills is useful because having maintaining good correspondence with others, having knowledge in the products, being able to represent the company's products, making marketing plans are all used together. Thus, every skill can provide benefit in the working process; however, interpersonal skill is the key to providing better sales performance.

### **6.3 Recommendations on Direct Selling Work**

Every kind of job has different challenges. To be a better member of staff in the organization may require many qualifications just as to be a better representative or business owner requires many skills and factors to reach a higher level. People involved in the direct selling industry or network marketing may apply the four skills to achieve a better performance. Salespersons may need to increase their interaction with more people, be able to select the appropriate selling methods for different customers, have adequate knowledge in the company's products and select the appropriate technology to facilitate the business and select the use of appropriate marketing tools. However, salespersons may need additional skills or additional characteristics to develop their capacities. Below are additional recommendations that might be useful for others that would like to be part of the direct selling world.

- The most important thing in achieving better performance is to be a questioning person. This includes finding answers as to why many people choose Amway and learning from their tactics to success.
- The way to reach the goal is to set a goal that is ideal first and to do good things that make life more valuable. Reaching the ideal goal might be difficult and many people will face various obstacles and difficulties. Sometimes hard tests result in tears and difficulties and this is enough to stop some people.
- A good understanding, trust and the support from others will make things better. Good support is helping someone have more courage and believe in a team member.
- Time and experience improve capacity and make those people that try

so hard to reach their goal stronger. Experience helps to make appropriate decisions and find the right solution when facing difficulties.

- The next important recommendation is for patience in conducting business. Most people that enrolled as ABOs and faced lots of obstacles give up and quit.
- Pay attention to the correct working process, meet lots of people, practice more and select the correct tools to carry out business which focuses on people because they are important human resources and key to achieving success in the business.

#### **6.4 Recommendations for Future Research**

To obtain better findings on the important skills useful for working in the direct sales industry, more in-depth research may be needed. Further analysis on these skill-based factors relating to sales performance in other research can relate the same model in this research to other work. Using in-depth interviews is strongly recommend in making this kind of research to achieve a better understanding and obtain more in-depth results. However, other researchers can also use quantitative tools for larger samples of salespersons to obtain results. Testing by comparing important skills with other direct selling companies or network marketing companies is also another way to discover some useful findings. Researchers can test other skills not mentioned in this research as well as test other important factors that have a relationship with a salesperson's performance, or specifically testing interpersonal skills.

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**APPENDIX A**  
**TROPHY OF AMWAY BUAINESS OWNER**

Table 1: the first group of Trophy for successful Amway Business Owner

	Reward Name			
	Silver Producer	Gold Producer	Platinum	Founders Platinum
Number of leg in the line <sup>5</sup>	Above 1	Above 2	Above 2	Above 2
Downline	✓	✓	✓	✓
Discount in percent	✓	✓	✓	✓
Been rewarded	.	Silver Producer	Silver Producer	Platinum
Period of reward	.	3 months	6 months	12 months
FV (personal)	150,000	Above 150,000	Above 150,000	2,160,000 for the entire group
Founders point	.	.	.	.

Note: <sup>5</sup> Leg refers to a personally sponsored ABO or a group of your own downline that you have sponsor

Table 2: the second group of Trophy for successful Amway Business Owner

		Reward Name							
Ruby	Founder	Sapphire	Founders	Emerald	Founders	Diamond	Founders	Executive	
Ruby	Above 2	At least 3	At least 3	At least 3	At least 3	At least 6	At least 6	At least 9	
Number of leg in the line	Above 2	At least 3	At least 3	At least 3	At least 3	At least 6	At least 6	At least 9	
Downline	✓	✓	✓	✓	✓	✓	✓	✓	
Discount in percent	✓	✓	✓	✓	✓	✓	✓	✓	
Been rewarded	Platinum	Ruby	Platinum	Platinum	Platinum	Emerald	Diamond	Diamond	
Period of reward	-	12 months	6 months	At least 3	At least 3	At least 6	12 months	At least 6 months	
PV (personal)	Equal or more than 300,000	More than 300,000	More than 5,112,000	More than 300,000	More than 300,000	More than 300,000	More than 300,000	More than 300,000	
	300,000	300,000	For entire group	300,000	300,000	300,000	300,000	300,000	
Founders point	-	-	-	-	-	-	8	10	

Table 3: the third group of Trophy for successful Amway Business Owner

	Reward Name									
	Founders Executive Diamond	Double Diamond	Founders Double Diamond	Triple Diamond	Founders Triple Diamond	Crown	Founders Crown	Crown	Founders Crown	Founders Ambassador
Number of leg in the line	At least 9	12	12	15	15	18	18	18	20	20
Downline	√	√	√	√	√	√	√	√	√	√
Discount in percent	√	√	√	√	√	√	√	√	√	√
Been rewarded	Diamond	Diamond	Diamond	Diamond	Diamond	Diamond	Diamond	Diamond	Diamond	Diamond
Period of reward	At least 6 months	6 months	6 months	6 months	12 months	12 months	12 months	12 months	6 months	12 months
PV (personal) more than 300,000	Equal or more than 300,000	More than 300,000	More than 300,000	More than 300,000	More than 300,000	More than 300,000	More than 300,000	More than 300,000	More than 300,000	More than 300,000
Founders point	12	14	16	18	20	22	25	27	30	30

## **APPENDIX B**

### **INTERVIEWS QUESTIONS**

#### **1. Questions about Amway**

- How do you know Amway?
- What is your first impression of Amway?
- When did you enter in Amway business?
- What are the reasons that make you select Amway?
- What is your current level in Amway now?
- How Amway change your life?
- What is the benefit of being a representative of Amway?
- What are the main skills that you use to expand your business or to achieve a better performance?
- What is your goal?

#### **2. Core questions in skills-based factor**

- What are important skills that a salesperson should adopt?

##### **2.1 Interpersonal Skills questions**

- Have you ever adopted the ability to identify problems and solve them during your work?
- What do you think about the use of the skill that representative can use it to evaluate the power of the correspondence between salesperson and customer in the selling process?
- What do you make to know or how to understand customers feelings, thoughts, and able to share these feelings?

## 2.2 Salesmanship Skills

- What do you think about making a good presentation of the product or service and the ability to close the sales is important to you?
- What would you do to identify different selling approach and create more confidence during the sales with your customers?
- Are you being a good consultant for your customers when they have any misunderstand in the product or need some advices?
- What is your reaction if your customer starts to negotiate with you and what type of knowledge or skill that you will use to make a win win situation? What do you do to make a negotiation to be a win-win situation?
- Do you think that a communication skill is important in your career?

## 2.3 Technical Skills

- Do you have adequate knowledge of the company story, product and benefit of each product?
- How this information give advantage in your selling?
- Do you adopt technology in your work?
- Which kind of technology do you use and why?
- In what situation that you bring your knowledge and combine it with the use of technology?

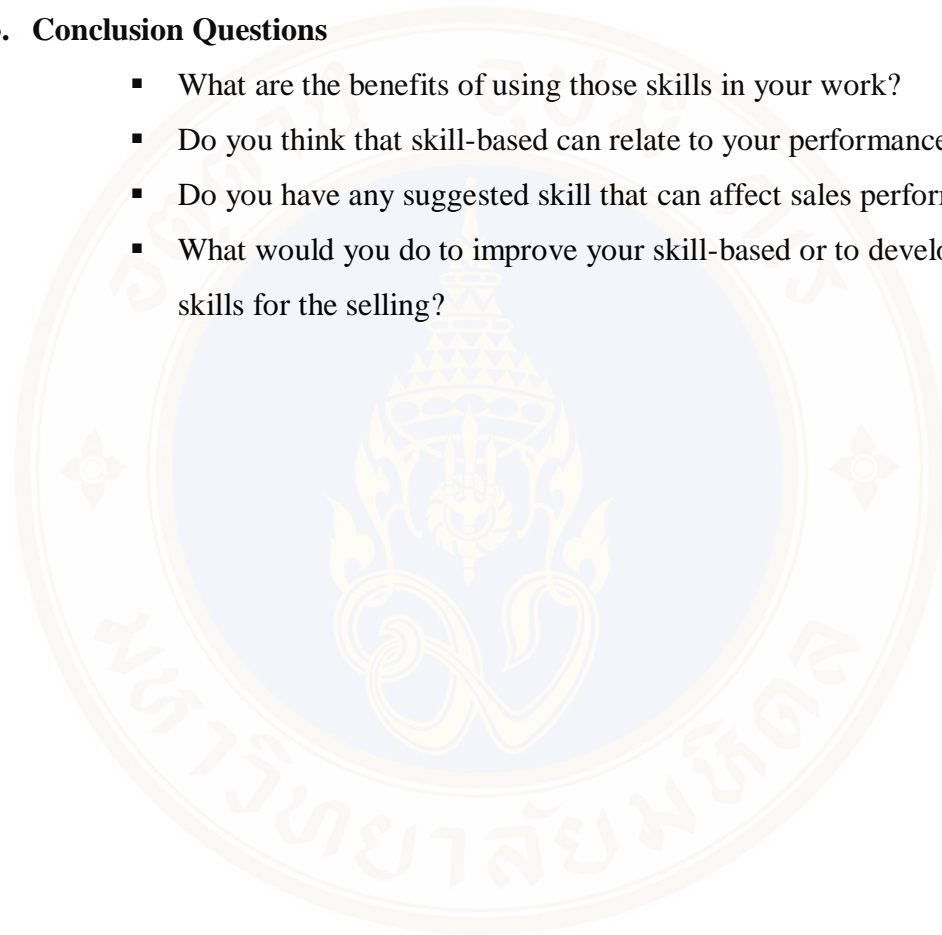
## 2.4 Marketing Skills

- Do you imply marketing information in your work?
- What can the marketing information will benefit to your customers?
- What is the way to make you and your customer to have a long relationship?
- What direct marketing method that you imply to check the response from customers the most and why?

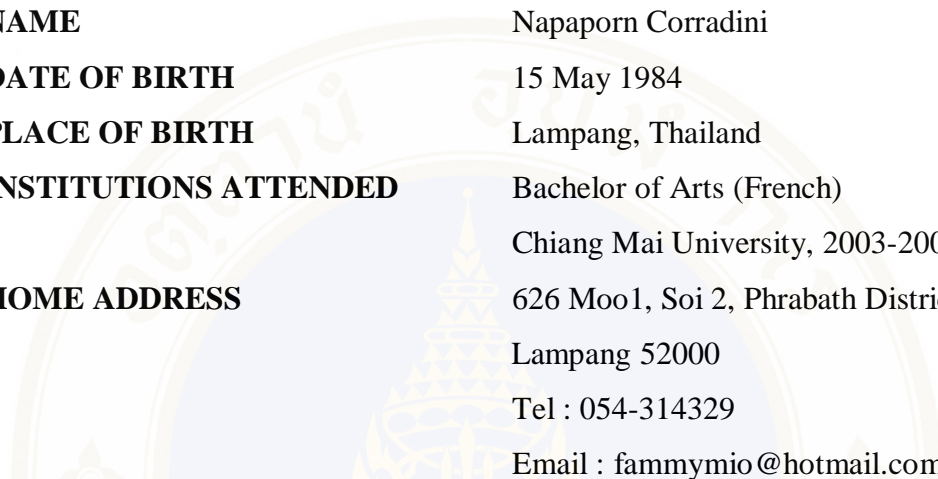
- Do you ever advice your customer to use the company website or to visit the website and what interactive marketing help in your selling?

### 3. Conclusion Questions

- What are the benefits of using those skills in your work?
- Do you think that skill-based can relate to your performance?
- Do you have any suggested skill that can affect sales performance?
- What would you do to improve your skill-based or to develop your skills for the selling?



## BIOGRAPHY



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