

DETERMINANTS INFLUENCING SUCCESS IN SALES PERFORMANCE OF MULTILEVEL MARKETING AGENTS IN THAILAND

Roongthiwa Sivachan¹, Kitti Phothikitti², Rawin Vongurai^{3*}
Assumption University of Thailand, Ramkhamhaeng 24 Rd., Hua Mak, Bangkok, Bangkok
10240

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ABSTRACT

The purpose of this study is to investigate the determinants influencing success in sales performance of multilevel marketing agents in Thailand. The seven variables used in this research are customer orientation, adaptive selling, up-line support, perception on products/services, satisfaction, compensation, organizational commitment and sales performance. The population and sample size (n=1,000) were chosen to test two different groups of direct sales agent in the top ten companies which are 500 participants who are below bachelor's degree and 500 participants who are bachelor's degree and above. The quantitative method was applied for the data collection. Before collecting the data, Item-Objective Congruence (IOC) validity test and Cronbach's Alpha (CA) reliability test were employed. The multistage sampling technique was conducted by using purposive, quota and convenience sampling. After collecting the data, confirmatory factor analysis (CFA) was used to analyze factor loadings, convergent validity, discriminant validity and goodness of fit indices. Afterward, structural equation model (SEM) was carried out to test the hypotheses and relationships between variables. The findings revealed that adaptive selling has the strongest significant influence on sales performance in below bachelor's degree group followed by compensation on sales performance, customer orientation on adaptive selling and organizational commitment on sales performance. For the group of bachelor's degree and above, customer orientation had the strongest influence on adaptive selling, followed by organizational commitment on sales performance, perception on products/services on satisfaction and satisfaction on sales performance. For recommendations and implications, human resources practitioners and sales and marketing strategists are required to customize salespersons' development plan according to significant factors that enhance the sales performance in each group.

Keywords: Customer Orientation, Adaptive Selling, Up-Line Support, Perception on Products/Services, Satisfaction, Compensation, Organizational Commitment, Sales Performance.

*corresponding author: e-mail: rawinvng@au.edu

Introduction

Multilevel marketing (MLM) or network marketing has been widely known worldwide for many decades (Crittenden & Crittenden, 2004). MLM has been viewed as a successful business model since 1990s due to the cost is much lower in comparison with other kind of business models (Dyer, 2001). MLM's operations reduce the channels as the physical retail shops are not required (Lee & Loi, 2016). MLM is a lean business model which lessen the human resource expenses by appointing agents or distributors as salespersons. The advantage is that MLM does not require permanent employees with fixed salary, instead to have independent and flexible contractors who are paid as commission per sales contribution (Keep & Nat, 2014).

MLM is a concept of direct selling in which the products or services are sold by an agent or distributor to clients at their homes, offices, or other non-physical shops (Lee & Loi, 2016). The incentive schemes depend on individual sales' achievement (Brodie et al., 2004). The rewards are varied in accordance with each individual contribution to recruit other agents and then replicate their work to sell products and services (Keep & Nat, 2014).

MLM is attractive despite of the commission earning and worktime's flexibility. The sales performance is measured in a proportion of other agents or distributors' introduction and sales volume made (Crittenden & Crittenden, 2004). Commonly, the initial purchase volume is required to be a qualified agent of a MLM firm. MLM is an independent and self-employed job design for any individuals who have need for income obtained from selling products and services, and successful recruitment of other agents (Keep & Nat, 2014). The mechanism of network marketing is that an agent introduces another agent to join selling or buying products from a MLM company would make a recruiter to be an "Up-

line" and a new member to be a "Down-line" (Lee et al., 2016). The sales performance is counted via products or services purchase volume and quantity of recruitments in each individual network. The incentives are paid according to individual and group volume within the network at the end of each month (Lee & Loi, 2016).

There are two statements of problem of direct selling businesses in Thailand. Firstly, personal-related issues are the problem of individual in selection to join the business. This is because Thai society used to be a feudal society before. Therefore, most people do not like to trade but prefer to work for salary, farming, gardening etc. because they think that these occupations have more dignity and more stable than being a peddler (Tiyam, n.d.). Secondly, business-related issues are that today's direct selling business must be able to beat its competitors, have a good marketing plan and develop academic knowledge, psychology, and sales representative team building for work's efficiency (Tiyam, n.d.).

The significance of this study is that the findings are expected to contribute as a proven study for MLM companies to develop their distributor's recruitment plan, considering which factor is the most important as well as which is the least. In addition, this study narrows down to the different group of people which are under bachelor's degree and bachelor's degree and above to understand whether or not the selected key factors would affect these two groups differently. Refer to the experience of a researcher as one of top sales agents of a famous MLM company in Thailand, it has been observed that different group probably has a different motivational level to increase sales revenue. Ng and Feldman (2009) also confirmed the relationship between educational level and performance. Therefore, this study aims to

investigate determinants influencing success in sales performance of multilevel marketing agents/distributors in top ten direct sales companies in Thailand.

Literature Review

It is essential to review related theories that explain the background of multilevel marketing business model. Later, the definition of terms is explained to conceptualize variables used in this study.

Related Theories

Pyramid scheme

Pyramid scheme describes the organizational chart of MLM model which involving the promoters as a president who are at the top-level of an organization, followed by the downlines, including a vice president or initial investors and other investors below them. Then, a vice president recruits the next level of investors and create a chain for more and more investors. This pyramid scheme allows promoters to be independent business owners who can control money flow and provision of rewards. The pyramid scheme traditionally has four-level (Hyman, 2007). There is one person at the top level, two at the second level, four at the third level and eight at the bottom level.

Ponzi scheme

Charles A. Ponzi created a format of pyramid scheme namely Ponzi scheme in 1920s. The story began with Ponzi engaged investors for international coupons selling in other countries to make profit around 400 percent (Baker & Faulkner, 2003). He acclaimed the possibility to get 50 percent interest rate within two months from the extreme exchange rates difference. Therefore, he raised money for over \$9.5 million with the issuance of promissory notes to investors around \$14 million within eight months (Bhattacharya, 2003). Ponzi

loops the money from new investors to previous investors without actual investment in any bonds or securities (Ronzetti, 2005). Later, The U.S. Court of Appeals for the Eighth Circuit identified the case as a fraud that produce a snowball effect from the recruitment of more investors without any substantial business ventures (Nolasco et al., 2013).

Related Terms

Adaptive Selling

Adaptive selling refers to a personal sales style in which selling behaviors are adopted during the sales interface or customer interactions depended on information derived about a customer and the situation. Adaptive selling is also known as a sales technique which salespersons employ motivations to boost sales performance (Altintas et al., 2017; Jaramillo & Mulki, 2008; Rapp et al., 2008).

Compensation

Compensation is perceived as an incentive that motivates salespeople to increase performance (Jan & Islam, 2017). According to Umar (2010), compensation includes several aspects which are a fixed amount (salary), a variable amount (commission or bonuses), expenses (allowance), and alternative benefits (job security and satisfaction).

Customer Orientation

Customer orientation is a notion obtained from market orientation and some studies mentioned that both terms are identical (Mahmoud et al., 2020). On the other hand, market orientation can be conceptualized the entire companies, customers, and competitors (Yeo et al., 2021). The definition of customer orientation represents marketing and customers (Shu et al., 2019). Customer orientation is defined as “the degree to which salespeople perform marketing activities so that customers can

engage buying decision with satisfaction.” (Franke & Park, 2006).

Organizational Commitment

Organizational commitment is explained as the affection of a sales agent or distributor to an organization exhibited through a recognition with its goals and values (Msweli, 2001). Organizational commitment is evaluated by the level of salesperson’s performance, engagement and dedication to the firm. Several research have detected organizational commitment among MLM sales agents and distributors in long-term services (Jan & Islam, 2017; Rahman et al., 2014).

Perception on Products/Services

MLM agents depend on brand, product and services appeal to satisfy needs of customers (Koe & Soo, 2011). Perception on products/services is represented as perceived value which embedded with the seller’s expertise and relationship management to their clients (Crittenden & Crittenden, 2004). The purchase decisions are usually impacted by positive experience and satisfaction obtained from the product quality and familiarity with the salespersons (Lee & Loi, 2016).

Sales Performance

Sales performance is viewed as managerial assessment of sales efficiency as well as organizational citizenship behaviors (Román & Rodríguez, 2015; Parvinen et al., 2013). Sales performance in MLM refers to personal sales volume productivity, sales volume generated by one’s network, and the number of sales agents introduced in the network. It also focuses on the sales activities and the number of distributors employed in the network (Msweli, 2001).

Satisfaction

Satisfaction is termed as distributor’s job satisfaction. Distributors are direct selling agents who operate customer interactions. A

company is required to preserve distributors and cannot terminate them even though they fail to achieve sales target because they are not employees (Lee & Loi, 2016). Satisfaction is referred to the positive attitude of distributors towards the work, up-lines, product/service quality, organization policy and support, compensation, and clients (Kuntze, 2001).

Up-line Support

Up-line is a distributor who recruits another distributor to attend a business as a down-line. Up-line and down-line are common terms used in a MLM business. Up-line gains incentive per the level and generation (Lee & Loi, 2016). Up-line support can be described as financial support (commission) and relationship support through the sales achievement and satisfaction (Pratt, 2000).

Research Hypotheses

1. Customer Orientation and Adaptive Selling.

Customer orientation refers to a salespeople’s perception of organizational culture or philosophy (Kotler, 1994). A MLM agents with high levels of customer orientation present adaptive selling behavior such as the active problems solving, well-organized customer interaction, friendly attitudes, and stable emotion and effective communications (Donavan et al, 2004). Yeo et al. (2019) predicted that customer orientation affects the salesperson’s adaptive selling. As a result, H1 was set:

H1: Customer Orientation has a significant influence on Adaptive Selling.

2.Up-level Support and Satisfaction.

Good relationships among the up-line and down-line in the network promote stronger relationship to work towards personal and group objectives (Pratt, 2000). The emotional and information sharing support from up-line can produce higher

satisfaction of sales agents as they can achieve financial incentives as the end goal. Lee and Loi (2016) examined that up-line support in the multilevel marketing company significantly impacts the distributor's satisfaction. Hence, the following hypothesis was set:

H2: Up-level Support has a significant influence on Satisfaction.

3. Perception on Products/Services and Satisfaction.

MLM sales agents depend on brand appeal to products and services selling to their customers (Koe & Soo, 2011). Most MLM companies include product or service briefing in their initial business opportunity talk to potential distributors to build their satisfaction and engage sales activities. Lee and Loi (2016) affirmed the positive relationship between perception of products and services offered by the multilevel marketing company and distributor's satisfaction. The theoretical relationship was developed to establish a hypothesis:

H3: Perception on Products/Services has a significant influence on Satisfaction.

4. Compensation and Sales Performance.

Jan and Islam (2017) aggregated that compensation is a key motivational drive and forecast of sales performance. Behavioral scholars signified compensation as a prize or reward that attract sales agents to achieve target and beyond (Schöttner, 2015). Lopez et al. (2006) confirmed the positive relationship that salespeople performance is encouraged by increasing financial compensation. Consequently, the proposed hypothesis was obtained:

H4: Compensation has a significant influence on Sales Performance.

5. Organizational Commitment and Sales Performance

Organizational commitment plays a key role to drive sales performance as it can reduce

the sales agent's turnover or switch to competitors (Sikorska, 2005). In addition, organizational commitment is the capacity of the salesperson to predict sales performance (Dale & Fox, 2008). Jan and Islam (2017) added that higher level of organizational commitment has been connected to higher sales performance and efficiency as stated in the following hypothesis:

H5: Organizational Commitment has a significant influence on Sales Performance.

6. Adaptive Selling and Sales Performance

Yeo et al. (2019) stated that adaptive selling positively effects sales performance of the salesperson. Adaptive selling explains the identification of customer's need to purchase products or services. Furthermore, adaptive selling improves the sales performance by encouraging a rapport and reducing purchase resistance in a sales situation (Pelham & Kravitz, 2008). Thus, it can be hypothesized that the adaptive selling significantly affects the sales performance and set the following hypothesis:

H6: Adaptive Selling has a significant influence on Sales Performance.

7. Satisfaction and Sales Performance

Satisfaction has an impact on salesperson's performance per evidenced in various studies (Jan & Islam, 2017; Johnson & Sohi, 2014). However, some researchers indicated that satisfaction does not impact to better performance (Carmeli et al., 2007). Besides, there are many more influencers affecting satisfaction which also indirectly link to sales performance such as recognition, career growth, leadership and supervisor feedback, compensation and incentives, job autonomy and teamwork. Thus, a hypothesis was proposed:

H7: Satisfaction has a significant influence on Sales Performance.

In summary, this research investigated the significant relationship of customer orientation on adaptive selling. Up-line support and perception on products/services and satisfaction. Compensation, organizational commitment, adaptive selling and satisfaction on sales performance.

4. Research Methods and Materials

Research Framework

The research framework was adopted based on five previous literatures. Firstly, Jan and Islam (2017) studied factors affecting performance of salespeople performance of mobile service providers in Bangladesh.

Secondly, Msweli (2001) examined distributor’s performance in network marketing companies. Thirdly, Yi et al. (2021) investigated influencers of sales-related capabilities of cosmetics personal selling organizations on individual sales capability, sales behaviors and sales performance. Fourthly, Yeo et al. (2019) explored the customer orientation and adaptive selling of salespersons for performance in Korea. Lastly, Lee and Loi, (2016) analyzed satisfaction of distributors in multilevel marketing companies. The conceptual framework of this research is shown in Figure 1.

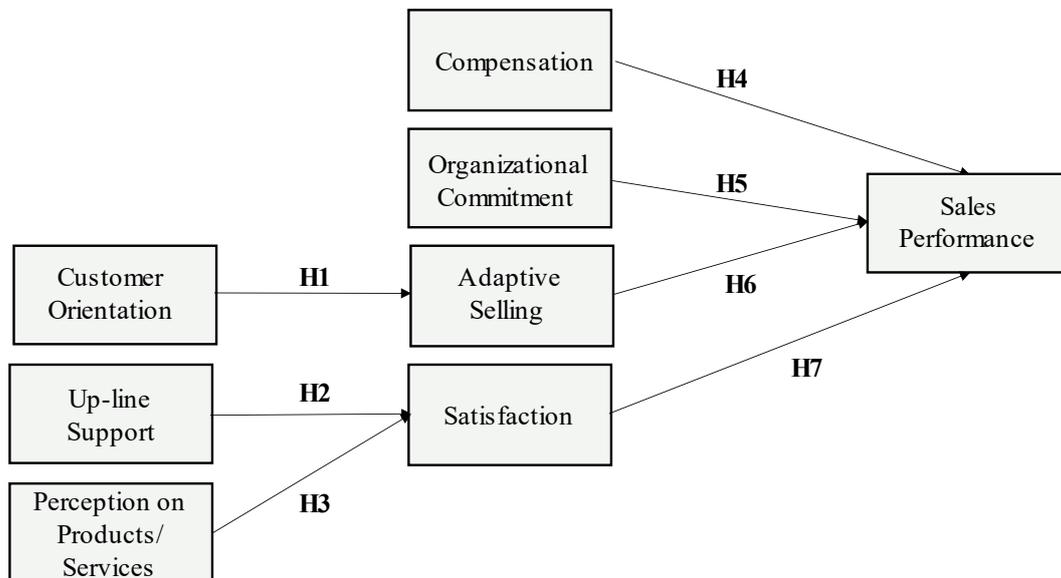


Figure 1 Conceptual Framework

The research aims to investigate how customer orientation, adaptive selling, up-line support, perception on products/services, satisfaction, compensation, organizational commitment impact sales performance. 8 variables and 7 hypotheses were proposed as a conceptual framework.

Methodology

The methodology used in this study is quantitative approach to distribute online

questionnaires to 1,000 participants. The questionnaire has three parts, including screening questions, scale items with 5-point Likert scale and demographic information. Prior to the data collection, Item-Objective Congruence (IOC) validity test by the rating score of three experts and Cronbach’s Alpha (CA) reliability test of 50 participants were tested. IOC test was passed at all items are reserved at 0.5 and above whereas CA was acceptable at above 0.6 (Nunnally &

Bernstein, 1994). Later, the questionnaire was distributed to two groups of participants who are direct sales agents of the top ten MLM companies, including 500 participants who are below bachelor's degree and 500 participants who are bachelor's degree and above. The multistage sampling technique was applied by using nonprobability sampling method, including purposive to select the MLM agents or distributors in the top ten direct sales companies by revenue of year 2020 in Thailand, quota sampling to calculate from total agents/distributors of each company and convenience sampling to distribute online survey. The data analysis was made by confirmatory factor analysis (CFA) and structural equation model (SEM), using SPSS and AMOS software.

Population and Sample Size

The population used in this research will be based on MLM agents/distributors in the top ten direct sales companies in Thailand (Tayal et al., 2018) with the minimum net income around THB 50,000 per month for six months within one year and have at least one year experience with a company (Jan & Islam, 2017). The reason for the selection is that these groups of people with the income criteria used are viewed as a successful sales agent group who have been actively working with top profitable MLM companies in Thailand which can be ensured to meet the

research objectives to determine the success factors on sales performance.

The recommended minimum sample size according to Soper (n.d.) is 444. However, this study aims to understand the success factors affecting two groups of people who have the different educational backgrounds. The researchers consider a minimum sample size of 500 in two groups, including below bachelor's degree and bachelor's degree and above in the total of 1,000 participants.

Sampling Technique

This research applied multistage sampling technique in three steps. Firstly, purposive sampling is to select MLM agents/distributors in the top ten direct sales companies in Thailand with the minimum net income around THB 50,000 per month for six months within one year and have at least one year experience with a company. Secondly, quota sampling is used to formulate total agents/distributors of each company. The proportional calculation of sample size is illustrated per Table 1. Lastly, convenience sampling is applied to distribute survey via online and social networks channels such as Line Application and Facebook. In addition, this study applied multivariate statistics to examine at more than two variables (Tabachnick & Fidell, 2007).

Table 1 Sample Size Calculated per Quota Sampling

Top Ten Companies by 2020 Revenue	Number of agents/distributors in Thailand	Quota Calculation Below Bachelor's (n=500)	Quota Calculation Bachelor's and Above (n=500)	Percentage (100%)
1. Amway Thailand	720,000	62	62	12%
2. Giffarine	700,000	60	60	12%
3. Zhulian	2,000,000	173	173	34%
4. Legacy	400,000	34	34	7%
5. Joy & Coin	400,000	34	34	7%
6. Summit Queen	100,000	9	9	2%
7. Successmore	180,000	16	16	3%
8. Nu Skin	100,000	9	9	2%
9. Unicity	500,000	43	43	9%
10. Mor Seng	700,000	60	60	12%

Source: constructed by author

Results and Discussion

1. Demographic Information

For the group of people are below bachelor's degree, the demographical results are males of 30.2% and females of 69.8%. The major group of age is 31-40 years old of 22.4%. Most of participants are married with 64.4%. For occupation, workers are the major group, representing 17.4%. Net income level from solely direct sales is 80.2% in THB 50,000-100,000 of most participants.

Bachelor's degree and above are males 42.4% and females of 57.6%. The marital status of most participants is married of 58.8%. Participants are majorly corporate employees with 19.0%. Most participants have been earning revenue from direct sales between THB 50,000-100,000, representing 78.8%. All demographical results are displayed in Table 2.

Table 2 Demographic Profile

Source: constructed by author

N=1000	Demographic Questions	Below bachelor's degree (n=500)	Bachelor's degree and above (n=500)
Gender	Male	30.2%	42.4%
	Female	69.8%	57.6%
Age	20 Years Old or Less	11.6%	5.6%
	21-30 Years Old	19.8%	11.8%
	31-40 Years Old	22.4%	39.4%
	41-50 Years Old	21.6%	17.0%
	51-60 Years Old	17.4%	15.8%
	Above 60 Years Old	7.2%	10.42%
Marital Status	Single	35.6%	41.2%
	Married	64.4%	58.8%
Occupation	Government Officer	14.2%	16.4%
	Corporate Employee	16.6%	19.0%
	Entrepreneur/ Business Owner	10.4%	9.6%
	Students	15.0%	12.2%
	Workers	17.4%	15.8%
	Househusbands/Housewives	14.2%	13.2%
	Retirement	7.2%	9%
	Others	5%	4.8%
Net Income Level from Direct Sales Companies (Per Month)	THB 50,000-100,000	80.2%	78.8%
	THB 100,001-200,000	13.6%	9%
	THB 200,001-300,000	5.8%	11%
	THB 300,001- 400,000	0.4%	0.8%
	Above THB 400,000	0%	0.4%

2. Confirmatory Factor Analysis (CFA)

CFA was applied as the analysis of measurement model before structural model (SEM). The reason using CFA is that there are number of literatures that was previously reviewed and are adequate for running confirmatory approach. CFA's results signified that all items in each variable were significant and had factor loading to prove discriminant validity. Guidelines recommended by Hair et al. (2006) defined the significance of factor

loading of each item and had acceptable values of goodness of fit. Factor loadings were greater than 0.50 and p-values were less than 0.05. Nevertheless, Average Variance Extracted (AVE) was below 0.5 but Composite Reliability (CR) was higher than 0.6. Thus, the convergent validity of the construct was still adequate as presented in Table 3 (Fornell & Larcker, 1981). In addition, the result revealed the constructs have coefficient of internal consistency

under Cronbach's Alpha values were above 0.6 which is considered high reliability and acceptable index (Nunnally & Bernstein, 1994) as illustrated in Table 4.

Table 3 Confirmatory Factor Analysis Result, Composite Reliability (CR) and Average Variance Extracted (AVE)

Variables	Source	Below Bachelor's Degree				Bachelor's Degree and Above			
		Factors Loading	t-value	CR	AVE	Factors Loading	t-value	CR	AVE
Customer Orientation (CU)	Yeo et al. (2019)	0.687-0.809	14.734*-17.049*	0.832	0.554	0.670-0.714	12.232*-12.821*	0.782	0.473
Up-line Support (US)	Delgado (2000)	0.829-0.859	21.849*-22.321*	0.881	0.712	0.689-0.777	13.552*-14.503*	0.770	0.528
Perception on Products/Services (PS)	Osei et al. (2014)	0.680-0.707	13.302*-13.771*	0.821	0.479	0.643-0.707	11.721*-12.585*	0.806	0.454
Compensation (CO)	Jan and Islam (2017)	0.678-0.792	14.391*-15.224*	0.856	0.545	0.707-0.810	15.629*-18.098*	0.861	0.555
Organizational Commitment (OC)	Jan and Islam (2017)	0.648-0.806	14.881*-19.406*	0.881	0.554	0.665-0.726	13.700*-14.712*	0.851	0.488
Adaptive Selling (AS)	Jaramillo et al. (2007)	0.624-0.706	11.524*-12.663*	0.806	0.454	0.736-0.820	16.203*-17.748*	0.878	0.590
Satisfaction (SF)	Delgado (2000)	0.631-0.810	13.816*-17.976*	0.845	0.524	0.639-0.826	14.356*-19.250*	0.880	0.596
Sales Performance (SP)	Jan and Islam (2017)	0.595-0.737	11.224*-13.263*	0.805	0.454	0.669-0.801	13.611*-15.027*	0.856	0.544

Note: CR = Composite Reliability, AVE = Average Variance Extracted

* = Significant at the 0.05 significant levels ($p < 0.05$)

Source: Created by the author

Table 4 The Value of Reliability Analysis of Each Construct in this Study (N=500 for each group)

Variable	Number of Items	Cronbach's Alpha	
		Below Bachelor's Degree	Bachelor's Degree and Above
Customer Orientation (CU)	4	0.831	0.781
Up-line Support (US)	3	0.881	0.766
Perception on Products/Services (PS)	5	0.821	0.806
Compensation (CO)	5	0.856	0.859
Organizational Commitment (OC)	6	0.880	0.850
Adaptive Selling (AS)	5	0.802	0.877
Satisfaction (SF)	5	0.845	0.879
Sales Performance (SP)	5	0.802	0.856

Source: Constructed by author

Table 5 and 6 present discriminant validity that was formulated by the square root of each AVE. The results show that discriminant validity value is larger than all

inter-construct/factor correlations which is supportive. The convergent and discriminant validity were ensured as it is adequate to confirm construct validity.

Table 5 Discriminant Validity for Marketing Agents who are Below Bachelor's Degree

	PS	CU	US	SF	SP	OC	CO	AS
PS	0.692							
CU	0.125	0.745						
US	0.451	0.237	0.844					
SF	0.005	0.025	-0.002	0.724				
SP	0.428	0.367	0.570	0.009	0.674			
OC	0.197	0.094	0.262	-0.082	0.231	0.744		
CO	0.418	0.320	0.411	0.013	0.498	0.170	0.738	
AS	0.514	0.242	0.563	0.003	0.567	0.194	0.539	0.674

Note: The diagonally listed value is the AVE square roots of the variables

Table 6 Discriminant Validity for Marketing Agents who are Bachelor's Degree and Above

	PS	CU	US	SF	SP	OC	CO	AS
PS	0.674							
CU	0.029	0.688						
US	-0.020	0.626	0.726					
SF	0.209	0.055	0.034	0.772				
SP	0.465	0.031	0.015	0.168	0.738			
OC	0.425	0.046	0.021	0.199	0.418	0.699		
CO	0.012	0.458	0.577	-0.015	-0.003	0.077	0.745	
AS	0.013	0.404	0.451	-0.053	-0.023	0.027	0.657	0.768

Note: The diagonally listed value is the AVE square roots of the variables

The fit model of CFA showed that CMIN/DF, GFI, AGFI, NFI, CFI, TLI and RMSEA were measured to confirm convergence validity and discriminant

validity. All estimates were higher than acceptable values. Therefore, the convergence validity and discriminant validity were assured as shown in Table 7.

Table 7 Goodness of Fit for Confirmatory Factor Analysis (CFA)

Index	Acceptable Values	Statistical Values	
		Below Bachelor's Degree	Bachelor's Degree and Above
CMIN/DF	< 3.00 (Hair et al., 2006)	973.008/637 = 1.527	977.595/637 = 1.535
GFI	≥ 0.85 (Sica & Ghisi, 2007)	0.908	0.908
AGFI	≥ 0.80 (Sica & Ghisi, 2007)	0.893	0.893
NFI	≥ 0.80 (Wu & Wang, 2006)	0.892	0.893
CFI	≥ 0.80 (Bentler, 1990)	0.959	0.960
TLI	≥ 0.80 (Sharma et. al., 2005)	0.955	0.955
RMSEA	< 0.08 (Pedroso et al., 2016)	0.033	0.033
Model summary		Acceptable Model Fit	Acceptable Model Fit

Remark: CMIN/DF = The ratio of the chi-square value to degree of freedom, GFI = goodness-of-fit index, AGFI = adjusted goodness-of-fit index, NFI = normalized fit index, CFI = comparative fit index, TLI = Tucker Lewis index and RMSEA = root mean square error of approximation

Source: constructed by author

3. Structural Equation Model (SEM)

SEM was used to examine parameters in the observed variables and latent variables analysis and to confirm relationships among constructs in this research (Jöreskog & Sörbom, 1993). SPSS

AMOS was a tool to measure and modify the model of the good fit for structural equation model. As a result, all values were greater than acceptable criteria per presented in Table 8.

Table 8 Goodness of Fit for Structural Equation Model (SEM)

Index	Acceptable Values	Statistical Values After Adjustment	
		Below Bachelor's Degree	Bachelor's Degree and Above
CMIN/DF	< 3.00 (Hair et al., 2006)	1523.006/651 =2.339	1742.264/655 =2.660
GFI	≥ 0.85 (Sica & Ghisi, 2007)	0.851	0.853
AGFI	≥ 0.80 (Sica & Ghisi, 2007)	0.831	0.834
NFI	≥ 0.80 (Wu & Wang, 2006)	0.830	0.810
CFI	≥ 0.80 (Bentler, 1990)	0.895	0.871
TLI	≥ 0.80 (Sharma et. al., 2005)	0.886	0.862
RMSEA	< 0.08 (Pedroso et al., 2016)	0.052	0.058

Index	Acceptable Values	Statistical Values After Adjustment	
		Below Bachelor's Degree	Bachelor's Degree and Above
Model summary		Acceptable Model Fit	Acceptable Model Fit

Remark: CMIN/DF = The ratio of the chi-square value to degree of freedom, GFI = goodness-of-fit index, AGFI = adjusted goodness-of-fit index, NFI = normalized fit index, CFI = comparative fit index, TLI = Tucker Lewis index and RMSEA = root mean square error of approximation

Source: constructed by author

The regression weights and R² variance confirm significant support in this study as reported in Table 9 when p = 0.05.

For the group of below bachelor's degree, adaptive selling had the strongest influence on sales performance at β = 0.498, followed by compensation on sales performance at β = 0.357, customer orientation on adaptive selling at β = 0.256, and organizational commitment on sales performance at β = 0.129. There was no support in the relationship between up-level support and satisfaction, perception on products/services and satisfaction, and satisfaction on sales performance.

Bachelor's degree and above group presented the strongest significant between customer orientation and adaptive selling at β = 0.480, whereas organizational commitment on sales performance at β = 0.461, perception on products/services and satisfaction at β = 0.255, and satisfaction on sales performance at β = 0.112. The insignificant relationships were up-line support on satisfaction, compensation on sales performance and adaptive selling on sales performance.

Table 9 Hypotheses Testing Result of the Structural Model for the group of MLM Agents who are Below Bachelor's Degree and Bachelor's Degree and Above

Hypothesis	Standardized path coefficient (β)		t-value		Hypothesis testing result	
	Below Bachelor's	Bachelor's & above	Below Bachelor's	Bachelor's & above	Below Bachelor's	Bachelor's & above
H1: CU → AS	0.256	0.480	4.677*	7.926*	Supported	Supported
H2: US → SF	-0.013	0.042	-0.246	0.814	Not Supported	Not Supported
H3: PS → SF	0.010	0.255	0.183	4.691*	Not Supported	Supported
H4: CO → SP	0.357	-0.025	6.647*	-0.539	Supported	Not Supported
H5: OC → SP	0.129	0.461	2.866*	8.049*	Supported	Supported
H6: AS → SP	0.498	-0.023	7.653*	-0.479	Supported	Not Supported
H7: SF → SP	0.013	0.112	0.290	2.378*	Not Supported	Supported

Note: *p<0.05 Source: Created by the author

The results from Table 9 are summarized as followed:

H1: The standardized path coefficient between customer orientation and adaptive

selling was 0.256 (t-value = 4.677*) in the group of below bachelor's degree. For bachelor's degree and above, the value was 0.480 (t-value = 7.926*). Therefore, both groups showed a significant relationship between customer orientation and adaptive selling. Subsequently, H1 was supported in both groups.

H2: Up-level support had no significant influence on satisfaction as the standardized path coefficient among below bachelor's degree group was -0.013 (t-value = -0.246), and bachelor's degree and above was 0.042 (t-value = 0.814). Hence, H2 was not supported in both groups.

H3: The standardized path coefficient between perception on products/services and satisfaction was not supported in the group of below bachelor's degree at the value of 0.010 (t-value = 0.183). In the opposite, there is a support in the group of bachelor's degree and above with the value of 0.255 (t-value = 4.691*).

H4: There was a significant the relationship between compensation and sales performance with the standardized path coefficient of 0.357 (t-value = 6.647*) in below bachelor's degree group. On the other hand, the standardized path coefficient of bachelor's degree and above group was -0.025 (t-value = -0.539) which showed no support.

H5: Organizational commitment had a significant influence on sales performance in both below bachelor's degree and bachelor's degree and above group which was 0.129 (t-value = 2.866*) and 0.461 (t-value = 8.049*) respectively. Thereby, H5 was supported in both groups.

H6: The standardized path coefficient between adaptive selling and sales performance was 0.498 (t-value = 7.653*). Therefore, H6 was supported in the group of below bachelor's degree. Whereas the group of bachelor's degree and above presented no

support of H6 at the value of -0.023 (t-value = -0.479).

H7: The standardized path coefficient between satisfaction and sales performance was 0.013 (t-value = 0.290) in below bachelor's degree group. As a result, H7 was not support. The group of bachelor's degree and above presented the value of 0.112 (t-value = 2.378*). So, H7 was supported in this group.

Conclusion and Implications

1. Conclusion

This study achieved to examine determinants influencing success in sales performance of multilevel marketing agents in Thailand. The sample group was divided in two groups to investigate whether there were different factors that significantly affected sales performance which was below bachelor's degree and bachelor's degree and above. The conceptual framework was developed with 8 latent variables and 7 hypotheses. The quantitative approach was applied to distributing online questionnaires for the data collection. Prior to collecting the data, content validity (IOC) and reliability (Cronbach's Alpha) were measured to proceed the data collection. Afterwards, CFA confirmed factor loading convergent validity, discriminant validity and fit model. Lastly, SEM verified the casual relationship and research hypotheses. The findings revealed that both groups of different educational level had both similar and different factors affecting salespersons' performance. Firstly, customer orientation has a significant influence on adaptive selling in both groups. Secondly, up-level support had no significant influence on satisfaction in both below bachelor's degree group and bachelor's degree and above group. Thirdly, perception on products/services and satisfaction was not

supported in the group of below bachelor's degree. In turns, there was a causal relationship among them in bachelor's degree and above group. Next, there was a significant relationship between compensation and sales performance in the group of below bachelor's degree, but not impact in the group of bachelor's degree and above. Fifthly, organizational commitment had a significant influence on sales performance in both groups. Sixthly, adaptive selling had a significant impact on sales performance in the group of below bachelor's degree, but not significant in the group of bachelor's degree and above. Lastly, satisfaction had no significant impact on sales performance in the below bachelors' degree group, but it was significant in bachelor's degree and above group.

In summary, adaptive selling has the strongest significant influence on sales performance in below bachelor's degree group followed by, compensation on sales performance, customer orientation on adaptive selling and organizational commitment on sales performance. For the group of bachelor's degree and above, customer orientation had the strongest influence on adaptive selling, followed by organizational commitment on sales performance, perception on products/services on satisfaction and satisfaction on sales performance.

2. Implications

The findings implied that there were key factors that drive below bachelor's degree and bachelor's degree and above both similarly and differently. Therefore, the human resources practitioners and sales and marketing strategists are required to customize salespersons' development plan according to significant factors that enhance the sales performance in each group.

For below bachelor's degree group, they concern that their sales strategies must be flexible and adaptative as they learn how to sell their target customers by their experience and customer relationships. Direct selling companies are required provide sufficient and innovative sales tools for this group such as e-catalog, e-commerce platform and sales support to be ready for them to adapt according to the customers reaction's situation. Compensation secondly motivates sales performance in this group which means that they need clearly and fairly provided incentives. The companies should communicate clearly and closely on the incentive level and to pay them on time at the end of the month. Customer orientation also creates confidence of this people group as the companies provide efficient marketing campaign such as product information, sales promotion and customer engagement activities (i.e., sport days, abroad trip) to ensure the customer's attraction and differentiation from their competitors. Finally, this group values the commitment of MLM companies to provide accurate, clear and sufficient incentives for sales agents' effort, and to deliver on-time products and provide high quality service to their customers.

The bachelor's degree and above group views the most important factor differently from the below bachelor's degree group. Customer orientation is the most essential factor that can impact their sales adaptation. This group focuses on how they could provide enough information to their target customers in order to create sales in long-term. The MLM companies should emphasize the sales guide and training on how to satisfy and retain customers for this group. The organizational commitment is also a key factor affecting sales performance

in this group which is similar to another group on what the companies promise to their sales agents and their customers must be fulfilled completely and timely. Perception on products/services is to assure the quality of product and service to create sales agents' satisfaction. Salespeople in this group would like to establish long-term relationship and repurchase of their customers. They need to try and like the product before they sell which later to be able to increase sales performance without difficulties.

3. Limitation and Further Study

This research is limited to quantitative study. To have insightful information and understand more about the success factors in the MLM sales agents' performance, the qualitative approach such as interview and focus group can be extended. In addition, this study merely focuses on MLM companies in Thailand. The future research can consider further to MLM companies in other regions or other companies in different industries to contribute as marketing study widely.

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