



SAPIENZA
UNIVERSITÀ DI ROMA

Dottorato Di Ricerca XXXIII° Ciclo

COMUNICAZIONE, RICERCA SOCIALE E MARKETING

**Customer Knowledge Management (CKM) & Customers'
active role in the third millennium (needs & concerns): With a
look at the Direct Selling Industry**

Professor: Luca Dezi

RABIEI Sajjad (2018-2019)

SN:1535191

Abstract

In the 21st century, the world is going through a time of severe and rapid transition. The marketing model can be viewed as an equilibrium to the macro-economic framework. The macroeconomic changes will cause the consumers' behavior and marketer's qualification standards changes that lead to a necessary marketing shift. The companies' relationship with their customers needs improvement, and consumers should be at the heart of the enterprise to generate value for all participants.

In recent years, organizations have recognized Customer Knowledge Management (CKM) as a significant role in gaining a competitive advantage. In CKM, customers become partners of the organization, and with the acquisition, sharing, and development of their knowledge, both parties make a profit (Sulaiman et al., 2011) (Sarhadi, 2013). CKM involves bringing the customer perspective into the knowledge management equation even though customers are reluctant to engage in voluntary knowledge sharing (Desouza et al., 2008). There is more need for entrepreneurship knowledge of customers and current marketers for sustainable CKM flow between companies and customers. However, there are some concerns about sustainable CKM that are discussed in the first chapter.

Then in the second chapter, there is a discussion of the Amway company's case study. Amway was founded in 1959, and company sales were 8.8 billion US dollars last year. Through its Multilevel Marketing (MLM) plan, more than 450 products are distributed worldwide in 102 countries. Amway's relationship with its customers is different. They can set up their own business through the Amway business platform and be an Independent Business Owner (IBO). These junior business owners need to learn entrepreneurship to be successful in their own businesses. MLM's unique structure and the Amway training system will provide essential pieces of training. This study will see if the MLM training system is more economical and practical than current corporate marketing. In the end, we try to check the accuracy of some hypothesis based on Overt Participant Observation and Amway case study with the help of different available tools. Hypotheses are:

- H1: Customers will have an active role in the future of marketing, so they need further entrepreneurial knowledge.
- H2: Amway particular business plan (MLM) will promote a sufficient CKM level
- H3: Amway innovation and sales success have a positive correlation with its CKM level

- H4: MLM business plan can be a good sample and guideline for interested amateur companies in CKM
- H5: MLM business plan can be continued and succeeded in the 21st century
- H6: Amway business plan can fill the future employment gap (automation and artificial intelligence effect) in the future
- H7: There is a significant difference between these three groups Entrepreneurial Intention: 1) people who do not have Marketing and Network Marketing experience 2) people who just have Marketing experience 3) people who have Network Marketing experience
- H8: People with Network Marketing experience have a better entrepreneurial intention level than other groups

For the first hypothesis, there is theoretical analysis available from different resources in the first chapter. Then for verifying the next five assumptions, qualitative analysis, Case Study, and Interviews are used in the second and third chapters, and finally, for the last two ones, quantitative analysis based on questionnaire applied in the third chapter.

Index

Abstract	2
Chapter 1: Customers' active role in the third millennium & CKM.....	6
Chapter overview	7
1.1 brief History of Marketing.....	8
1.1.1 Marketing Theories	9
1.1.2 Social Marketing.....	10
1.1.3 Marketing and Entrepreneurship.....	10
1.2 Philip Kotler and Marketing 1.0 to Marketing 4.0.....	13
1.2.1 The Marketing 3.0, the values-driven era.....	13
1.2.2 Marketing 4.0.....	21
1.2.3 Crowdsourcing and customer active role	25
1.2.4 Co-creation and 4Ps	26
1.3 CKM	29
1.3.1 CKM short academic review.....	29
1.3.2 CKM strategies	29
1.3.3 Why CKM?.....	31
1.3.4 CKM and Marketing	31
1.3.5 Five Styles of CKM.....	32
1.3.6 CKM & Open Innovation	33
1.3.2 Factors that are important in CKM transfer quality.....	36
1.3.3 CKM limits & Concerns.....	41
Chapter 2: Multi-Level Marketing & Case study	44
Chapter overview	45
2.1 Multi-Level Marketing.....	46
2.1.1 Power of Word of Mouth, MLM promotion tool.....	47
2.1.2 Issues regarding MLM	47
2.1.3 MLM and Entrepreneurship.....	51
2.1.4 Entrepreneurship teachability and MLM training.....	51
2.1.5 Pyramid to a Diamond	52
2.1.6 Poverty and MLM.....	53
2.1.7 How we can improve CKM using MLM experience.....	55
2.2 Case Study: Amway.....	56
2.2.1 Historical Overview	56
2.2.2 World Leading Brands	57
2.2.3 Founding	58
2.2.4 1960s, Business Model start	59
2.2.5 Growth and Controversy 1970s-80s	60
2.2.6 International Expansion During the 1990s.....	62
2.2.7 Amway Mission	64
2.2.8 Amway Independent Business owner's qualification plan	65
2.2.9 Amway Business Plan.....	65
2.2.10 International Expansion	66
2.2.11 Amway sales performance.....	68
2.2.12 Amway and CKM.....	70
2.2.13 Amway & Innovation.....	70
2.2.14 Amway and Sustainability	73
2.2.14 Amway future vision	77

Chapter 3: Qualitative analysis (Interviews) & Quantitative analysis (EIQ)	81
Chapter overview	82
3.1 Qualitative analysis – interviews	83
3.1.1 Interview Questions & Transcripts:.....	84
3.1.2 H 2: Amway particular business plan (MLM) will promote effective CKM level	105
3.1.3 H 3: Amway innovation and sales success has a positive correlation with its CKM level	105
3.1.4 H 4: MLM business plan can be a good sample and guideline for interested amateur companies in CKM .	106
3.1.5 H 5: MLM business plan can be continued and succeeded in the 21st century	106
3.1.6 H 6: Amway business plan can fill the employment gap (automation and artificial intelligence effect) in the future	106
3.2 Entrepreneurial Intention	107
3.2.1 Theory of Planned Behavior (TPB)	107
3.2.3 Entrepreneurial Intention Questionnaire (EIQ)	109
3.3 Quantitative analysis	110
3.3.1 INTRODUCTION	110
3.3.2 DATASET	111
3.3.3 STATISTICAL METHODOLOGY.....	113
3.3.4 Null hypothesis and Alternative hypothesis	116
3.3.5 Groups comparison	117
3.3.6 Conclusion of quantitative analysis.....	123
Conclusion	124
Bibliography	126
APPENDIX	130
Sample of EIQ questionnaires	130
Methodological Framework.....	134
Questionaries Data Source.....	135

Chapter 1:

Customers' active role in
the third millennium & Customer Knowledge Management (CKM)

Chapter overview

This chapter is going to cover the literature review about marketers' active role in the third millennium. We will see if marketers have an active role in the 21st century or not based on Philip Kotler and existing Marketing books and articles about how marketing looks like in the future.

"Future of marketing and transforming traditional marketing to a digital one has the power to significantly strengthen the interactions between firms and its stakeholders, all the while placing customers at the center of the organization to create value for all parties involved." (Philip Kotler)

This chapter will investigate this hypothesis's accuracy: H1: Customers will have an active role in the marketing' future, so they need further entrepreneurial knowledge.

This chapter is also supposed to cover the literature review and theoretical analyses about the important old topic of Knowledge Management (KM) and the recent CKM concept because the interaction between customers and companies will happen through CKM studies. CKM includes three main strategies:

1. Management of knowledge for customers.
2. Management of knowledge about customers; and
3. Management of knowledge from customers

Between these three strategies, the first strategy is the corporation's management ability, and there are lots of companies that already have superior performance on it. However, this chapter focuses more on the second and third strategies. This research will study how companies can involve their customers in their production process to add value to the final product based on their active future role.

Finally, we discuss the benefits and barriers of the second and third strategies. A few companies invest and work well on these two strategies because lots of them may not have a clear vision of the marketing future or a well-proven model to follow through the journey of CKM management.

1.1 brief History of Marketing

Agora means the marketplace in ancient Greece. People in ancient Greece could come on a specific day to sell things. Trade and traditional marketing between people and regions, and countries have taken place throughout history. In the Industrial Revolution, the end of the 18th century to the 19th, marketing concepts as they are known in current times started. The industrial revolution has driven rapid social change and made it easier for consumers to buy products than to manufacture items themselves. Many companies compete to satisfy the new growing market with mass production. Improvement of the transport system and the new form of media like TV helped marketing to flourish. It needed producers to find better ways to grow essential products and provide them with a more sophisticated approach.

In the 1900s, marketing books first appeared by disillusioned economists. In the economists' discourse, they could find no mention of advertising. In the economists' minds, the only factor influencing demand was the price, so the demand goes down when the price goes up. For selling more, it was just necessary to decrease the price. Indeed, marketing is a branch of economics as an economy operates.

Competition in the corporate world became vital from the beginning of the 20th century to the late 1940s. The fact that marketing technology has made advertising more profitable has become an essential aspect of competition. Creating a brand and marketing it adequately becomes necessary. The competition also meant more production and market share in all business sectors. Marketing started to illustrate delivery approaches and the forms of contact with customers. Convincing customers that one company's products and services were better than the other company's products became so popular.

From the 1960s, the markets were flooded with competition in many sectors. It now needs experts in direct marketing to get and retain customers when businesses dedicated whole sectors of their corporation exclusively to the selling of the company's goods or services.

In the 1990s, the marketing world started to change. A product or service was developed in quality, and a brand could form immediately. Firms began to understand that they should focus on sales and create a more substantial reputation through their particular brands. It caused not only an increase in their profits but also rising in their reputation.

In the 21st century, the world is going through a time of severe and rapid transition. The new financial crisis has raised poverty and unemployment, innovations now trying to restore trust and

economic growth by stimulus packages worldwide. Besides, climate change and increasing pollution are pressuring countries to minimize carbon dioxide emissions to the environment, but at the cost of putting a higher burden on industry. Moreover, the wealthy western countries are now facing a slower rate of growth, and the world's economic power is moving sharply to the countries of the East that growth rates are higher such as China. Finally, technology advances from the industrial world to the digital world, which profoundly affects producers' and customers' actions through the internet and machines, mobile phones, and social media. These and other improvements require significant marketing rethink.

1.1.1 Marketing Theories

Like all similar fields, marketing changed in studies, practices, perspectives, and concepts. After World War II, marketing theory has been shaped in various ways that made marketing teaching or exercising more challenging. Different experts like traditionalists, behaviorists, do-quantifiers, managerialism, or comparatists think differently about the marketing approach. The world faced mass production, so the number of production and variety of services increased. Consumers have become the focus of marketing practices, and social constraints have moderated personal goals.

1.1.1.1 Customers' role

Marketing is not independent of customer behavior. The macroeconomic changes in the third millennium will change the lifestyles, jobs, preferences, instruments, people's taste, and, finally, customer behavior. So, marketers also need to change as well as marketing itself. Marketers need to know the parameters that lead them to a better understanding of potential customers. The new advancement in Nero-marketing and Nano-marketing will highlight the need for a new look on current marketing, and at the same time, co-creation and crowdsourcing are adding a vast number of players to various parts of the business system. Add to all mentioned items the need and urgency of sustainable marketing brought to the surface by the existence of epidemic social media, and these all show the importance and necessity of an updated look to marketing and marketers' role and definition.

For years customers were passive actors in marketing strategies. So, demand and supply were the main factors for the analysis done by economists. Today the role of customers is different. They participate in all levels of production. We deeply study Customers' role in the Marketing 4.0 part of this chapter, but for understanding what made all these differences, it is good to look for what happened between scholars' perspectives during the years.

1.1.1.2 Social constraints

However, Marketing means that society needs to produce, distribute, and consume products for human existence to meet its consumption needs. Satisfying customers' needs is done by a corporation within its own culture's value system and social organization. Different societies accomplish similar goals by various means. In understanding the marketing processes and institutions of a community, the degree of technology, the values of the group or country, and the relative significance attached to economic, intellectual, religious, and leisure activity must be considered. At the same time, environmental concerns are increasingly evident, and this changes the content and the form of marketing thinking, producing more diversity of theories and an adequate need for their unification.

1.1.2 Social Marketing

Everyone does marketing. In our routine life, we try to promote ourselves. For example, we try to dress well and present ourselves well to find a company because we are all human beings that can impact and promote ourselves. "Social Marketing" is critical today. There are currently many social entrepreneurs worldwide trying to get people to say no to certain things that have been good and bad, like eating healthy, exercising more, stopping people from smoking cigarettes, and so on.

1.1.3 Marketing and Entrepreneurship

In this study, we want to know more about marketers' future roles, and for being equipped for their active role, they need to improve their entrepreneurship knowledge. But Entrepreneurship and Marketing have a lot in common.

Based on the Journal of Strategic Marketing, Entrepreneurship and marketing have been viewed as fundamental strategic orientations or business philosophies by which an organization senses and response to internal and external stimuli and opportunities (Day, 1994; Shane & Venkataraman, 2000). Hills and LaForge (1992, p. 33) argue that 'the underlying philosophy and orientation of the marketing discipline are attuned to market and customer needs, which have direct applicability to entrepreneurship.' They identified that marketing and entrepreneurship were similar in multiple ways, including focusing on the boundary-spanning nature of their activities, extensive interplay with the environment, and their capacity to absorb risk and uncertainty. These orientations expressed in practice are sometimes consistent with each other and often highly interrelated (Becherer

& Maurer, 1997; Kwak, Jaju, Puzakova, & Rocereto, 2013; Miles & Arnold, 1991s; Morris & Paul, 1987).

Although they share much in common, entrepreneurship, and marketing, have developed mainly as distinct disciplines (Webb, Ireland, Hitt, Kistruck, & Tihanyi, 2011). However, both incorporate themes such as innovation and creativity, the importance of being opportunistic, flexible, and proactive, and they are essentially process-based and market-driven (Carson, 2010; Gilmore, McAuley, Gallagher, & Carson, 2013).

In the practical field, the people who are doing the marketing well are famous entrepreneurs. The best marketers are a community of entrepreneurs who are good dreamers, but not always the leading marketers. They are CEOs, but they act like marketing managers. Such as IKEA founder Ingvar Kamprad which his idea of packaging was the best marketing strategy. Other successful entrepreneurs like Bill Gates or Richard Branson are good at self-promoting. Steve Jobs and his storytelling Apple promotion or Jeff Bezos are examples of the real marketers.

Regarding the last USA richest people ranking on Forbes magazine, sixty-two percent are self-made billionaires or successful entrepreneurs. They did good marketing for presenting themselves as well as their businesses. We can even go further and say that all people need to improve their entrepreneurship knowledge if they want to be ready for an uncertain future. Regarding the book of Compound effect of Darren Hardy, publisher of "SUCCESS" Magazine and Mr. Philip Kotler, the solution for having a better lifestyle for most people is learning and doing entrepreneurship. It is also good to keep in mind that yesterday passive consumers are current or future active marketers of their favorite brands.

1.1.3.1 Training importance for learning Entrepreneurship skills

Every single industry is dealing with those activities which are used successfully for attaining their standard. Kaplan and Norton emphasize that 'learning' is more than 'training,' and it includes things like mentors and tutors within the organization, as well as corporate culture and ease of communication among workers that allows them to get help on a problem when it is needed readily. The value of training cannot be neglected. Long ago, numerous studies have demonstrated that there is a correlation between training practices and employee performance. (Abdus Sattar Niazi, 2011). The employee is considered the major element of every firm, and their success and failure are mainly based on their performance (Abdul Hameed., 2011). It is thought that winning organizations generally spend more on training than others because training aids the workforce acquire information about their employment role more finely. Individuals gain knowledge from their possible experience, much healthier performs in contrast with academic information. We try to answer some questions: Are today's customers ready for their future active role? Is there any intelligent training system available for them? What is the main skill that they need to develop?

Companies must differentiate themselves from competitors in our knowledge-driven society. Amongst other aspects, the competitive advantage can be gained by obtaining a knowledge advantage. A domestic learning process is essential to be close to customers and to satisfy their needs thus. It is necessary to nurture the human knowledge base in globalization times.

However, the cost of training is already one of the biggest challenges of today's corporation system. Companies are trying to optimize their training cost besides all other undeniable costs of operation. So, the next question will be: How will the existing training system that mainly runs by universities and corporations train traditional passive customers as active participants of GDP in the future? Who is going to pay the cost? And is there any experienced and proven way to follow? We discuss the answers later in the following chapters.

1.2 Philip Kotler and Marketing 1.0 to Marketing 4.0

Philip Kotler is a US author, advisor, and professor for marketing; the S. C. Johnson & Son Professor of International Marketing at Northwestern University's Kellogg School of Management (1962-2018), and he has published more than 80 books. Kotler has helped develop the social marketing sector to help individuals and groups adjust their actions and make healthier living styles. He has also developed the idea of "demarketing" to help minimize demand. He also developed conceptualizations of 'prosumer,' 'atmospherics' and 'social marketing' and is considered by many academics to be the father of modern marketing.

In the last 60 years, marketing has changed from product-oriented (1.0) to consumer-centering (2.0). In response to the new global trends, marketing changed again, and businesses focused on human concerns. Marketing 3.0 was when companies transition from customer focus to human interest and balanced sustainability and corporate responsibility. Now we are in the marketing 4.0 phase, and it speaks about digital marketing. All the businesses now agree that one of the significant sources for company innovation is the existed loyal customers who care about their favorite brand. Through social media and Internet growth, they can be part of the company's innovation plans. While consumers used to have a passive relationship with the company, they have a real active role today through co-creation with their desired company.

In his recent books, Philip Kotler, Marketing 3.0 and Marketing 4.0 talks about a new structure and marketing needs in the 21st century. The conventional 4Ps-based marketing model has advanced to a 4Cs-based mode, i.e., from product, price, place, and promotion to co-creation, currency, communal activation, and conversation.

1.2.1 The Marketing 3.0, the values-driven era

Companies must also be good at marketing 1.0 and 2.0 if they want to be good at marketing 3.0. It needs a good understanding of the product and customers essential to get good at marketing 3.0. For marketing 3.0, the four Ps (products, place, promotion, and position) remain valid. It is still the basis of every brand strategy, but some new elements such as co-creation were not present in 4Ps, and they need to be integrated into marketing 3.0 and 4.0.

In marketing 3.0, marketers view customers with mind, heart, and spirits instead of only treating them as consumers. Consumers are continually seeking answers to their concerns that the globalized world will become a better place to live. In a world of uncertainty, they look for companies

in their mission, vision, and values that address their most profound social, economic, and environmental justice needs. Through their choice of goods and services, they pursue human spirit fulfillment besides practical and emotional ones. Marketing 3.0 also seeks to please customers, as consumer-oriented Marketing 2.0. However, Marketing 3.0 businesses are more responsible for the environment of broader projects, dreams, and beliefs. Marketing segmentation is the understanding that you cannot please everyone in the way. The difference between Marketing 2.0 and 3.0 is applying these aspects of a caring society and the environment to positioning and segmentation.

1.2.1.1 Management 3.0

The company does the product features, the price, the place, distribution, and the promotion, but they ought to engage their loyal customers in setting those things. They try to do so by building a strong relationship with their customers. In the book "firms of endearment," we see how companies turn their customers to their partners for helping the company in all four Ps sections. Marketing 3.0 is a marketing strategy and a management philosophy; it must be the marketing of the spirit and values.

Companies should deal with clients and their employees in the same way. Marketing 3.0 or management 3.0 is more than a department that tries to sell more. Marketing is not what companies do to consumers; corporations have to market their employees, distributors, and suppliers, so businesses have to collaborate with the best employees, with the best suppliers and distributors. Marketing 3.0 is about collaboration instead of doing it all by the company.

1.2.1.2 Poverty and Marketing 3.0

"Development from below also serves to advance democracy and human rights." Ole Danbolt Mjøs. Muhammad Yunus was the co-winner of the Nobel Prize in 2006, and he believed in microcredit as a game-changer for changing people's lifestyles. Sustainable stability can only be accomplished by seeking ways to get out of poverty for vast populations. One such method is microcredit. As stated in the United Nations Millennium Development Goals, the awards significantly contributed to the global effort to reduce poverty. Poverty eradication is perhaps the most significant obstacle for humanity. The desired society structure should be fewer poor people at the bottom and turning them into the middle class. changing the shape from pyramid to diamond (fig 1.).

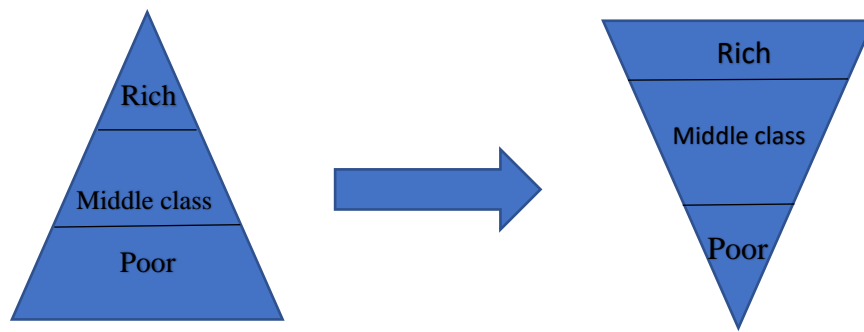


Fig 1.

Poverty reduction occurs more rapidly in China and India than in any other region. Chinese economies are rising fast and becoming a world force, transforming the community wealth system from pyramid to diamond. In 20 years, from 1985 to 2005, extreme poverty has declined considerably in rural India from 94 to 61 percent. By 2025 it is expected to decrease again to 26%.

Jeffrey Sachs experts' team predicted that the transition from the pyramid to the diamond would worldwide. They indicated that by 2025 extreme poverty, less than \$1 per day income would be eradicated. However, it is not easy to be done. Twenty-two industrialized countries have agreed to contribute 0.7 of their national income for eliminating poverty assistance regularly. It is like feeding the poor people, except it does not teach them how to fish. Investment and the promotion of entrepreneurship must be the only solution—the low-income society need to be motivated to climb the pyramid towards its middle.

Non-profits and government are a significant player in this approach that produces most economic growth and controls the corporate network. Even if companies think of their sales and profit, they should help the poor empower themselves and gain their purchase power.

However, three factors must be done simultaneously. Increased access for the poor to IT technology like the internet is the first factor. The disadvantaged community must be more open to information and resources for generating income. The next factor is the combination of surplus production, low demand in mature markets, and the high competition on the top or middle of the pyramid. This factor allows businesses to get more market share and growth opportunities.

On the other hand, banks can provide low-income people with micro-loans, which means more purchase power. The last factor is the government's campaign to avoid people moving into

overcrowded cities. Urbanization would bring intense urban infrastructure pressure. On the other hand, rural investment would boost rural people's quality of life and slow migration. With these three powers, there will be more untapped market available for companies.

When information is available for everyone, people will benefit from economic promotion for the products. Governments also will support companies that want to invest in undeveloped areas through financial aids and easing regulations.

1.2.1.2.1 Social Business Enterprise (SBE)

The Social business enterprise (SBE) describes an organization that earns money while influencing the community in which it operates. From the very beginning, an SBE is designed for social purposes. However, an established company can also be transformed into an SBE. If a corporation is called an SBE, the fundamental consideration is whether the social mission remains its primary business target and is clearly expressed in its decision-making. SBEs give the most significant hope if the bottom of the pyramid will build them.

SBE's progress in improving the economic base of society is under three measures. These tests allow to easily classify which enterprise is an SBE and which does not. The first one is if the company builds disposable income. Secondly, the disposable income increases or not, finally, if disposable income expanded or not.

Extension of disposable income and SBE expands disposable income by lower price provision of goods and services. SBE increases disposable income by selling previously inaccessible products and services to the bottom of the pyramid. SBE raises disposable income by increasing the under-served society's economic activity. Since SBE targets a segment with no high value for each transaction, the goal is for large populations.

Community is an essential aspect of a strategy for serving low-income people. First, it helps to spread the word that is essential for business education and trade communication. Secondly, community group management is more manageable. In some instances where payment collection is a challenge, it helps an SBE have a community approach. Society will continue to protect its dignity and support its members to meet their obligations to pay. In most micro-loan cases, this is valid.

The poor customers are not inherently drawn by something relatively cheap in price. The brand should also be a social symbol. Icons reflect a specific story. In this situation, the anxieties and aspirations of the poor are changing the way they live. Companies can target the niche they want in

different ways and present themselves how they want. The business can be described as a teacher to fish rather than giving them free fish.

An SBE allows people to better their lives by offering affordable goods and entrepreneurship opportunities. To improve positioning, an SBE should try to establish social entrepreneurship as a point of difference. A real SBE is the one that offers an entrepreneurial strategy at the bottom of the pyramid, as opposed to other socially responsible companies and NGOs.

Companies' traditional goal is to make a profit by fulfilling the needs and expectations of their clients. Typically, when they succeed and expand, requests for valuable donations come from their customers. They choose to answer the request in different ways, like marketing campaigns. Therefore, people begin to expect businesses to act as a socio-cultural entity rather than just a profit-making one. So, in marketing 3.0 and 4.0, companies will be judged by their social and environmental commitment to their customers.

SBE's similarity to Multi-Level Marketing companies in operating and their strategies made us look at SBEs in depth. Both types believe in the power of community and use Word of Mouth as their promotional tool. Entrepreneurship training and knowledge are an inseparable part of SBE and MLM companies. Both types' common goal and benefit are changing pyramid to diamond that needs empowering people through entrepreneurship.

1.2.1.3 Eradicating poverty and 4Ps

Some companies have entered the Marketing 3.0 stage of being. The differentiation strategy for a company that lives in the marketing 3.0 stage should be presented in its marketing mix. Its products should be the ones that can be affordable to consumers with a low income. For low-income consumers, affordability is the most critical factor, not just lower prices.

Enterprises in packaging should be innovative. As disposable income restricts the amount that customers can spend at any time, providing goods and services in inexpensive packages is of the greatest priority.

Promoting is more comfortable and more economical through Word of Mouth in communities. It is better to be done by Informal leaders in the community. An informal leader can be anyone who can manage the community like a teacher. Women usually do the best word of mouth. They also can influence the people around better than men, and unfortunately, the significant population of poor people is women.

Distribution within a group is often most effective on a peer-to-peer basis. Traditional distribution to relatively small markets that are usually far away from urban areas is costly. So, the only possible option is always to disperse markets using customers as licensed vendors in low-income regions. People trade with their community, creating a win-win trade between them. Buyers can buy an inexpensive commodity while sellers can produce their profits.

1.2.1.4 Marketing 3.0 Sustainability, environmental concerns

Marketing 3.0 is becoming more important to customers' lives in times of global economic crisis as they are influenced by rapid change and turbulences from the social, economic, and environmental aspects.

Marketing 3.0 businesses give solutions and encouragement to people who are faced with these problems and meet customers on a higher level. Companies differentiate themselves by their values in Marketing 3.0. The issue is that the world is running out of resources. Poverty is spreading, and water shortage is a problem. In marketing 3.0, a company says we care, and we do not just want to sell our products, so they show they care about society and the environment in the best possible way. In addition to environmental consequences, consumers are now worried about the social impact of the goods they buy and seek green products more than ever.

Sustainability may be an effort from the enterprise itself and respond to the market demand or changes in competitors' strategies. In the future, companies may be forced to change their acts because of climate change or potential shortages of raw materials. Marketing priorities and tactics must be tailored in all situations to sustainability.

Marketing 3.0 is sustainable. Countries are in various stages of growth, so that it is easier to be a 3.0 marketing company to sell goods in developed countries with additional cost than a country in which the majority of people are poor. In developed countries, people are more informed and apprehensive about the growth limits and want to see businesses doing something that shows concern. But In a different form of territory, maybe one deep in Africa, which does not have much of a middle class, it does not matter that a company is in the marketing 3.0 stage or not. However, this fact can be changed in future thanks to empowering poor countries or cutting cost strategies by companies.

However, consumers expect companies to comply with legal regulations, but they also expect to be socially responsible and work environmentally friendly. This expectation has contributed to a rise in customers' desires that businesses and marketers must contend with them. Consumers would

quickly abandon enterprises related to unethical corporate practices or business operations that harm the environment. In another way, if they face unhealthy consumer behavior, marketers should push consumers to more sustainable consumption. Social marketing has changed many aspects of sustainability and strengthened them. Environmental protection, obesity, or other sustainability issues are the things social marketers care about them.

1.2.1.5 Corporate culture in Marketing 3.0

Marketing 3.0 is about integrity in the corporate culture that should be collaborative, cultural, and innovative in the working forces. It is about harmonizing shared standards and employee behavior. It should transform workers' lives and inspire people to change their lives. Building their integrity will help businesses compete on talent acquisition, increase efficiency, handle differences, and market their values to employees as important as selling their mission to consumers.

The word market does not mean that employees are manipulated. It means that they are known and should not only compensate but also should be psychologically fulfilled at their saddest time. They should be proud of their company and see that company cares about them. Both partners, company, and employees, should earn equal rewards for their work in a team. It builds team management 3.0.

Robert McKee, a renowned journalist, claims that people can be convinced by two different means. The first is to base the theories on collecting facts and figures and inspiring people to debate critically. An option he suggests is to write exciting stories about ideas and deal with people's feelings instead. Apple's Steve Jobs often prefers the second option when it comes to launching a new product. Marketing is more of a dialog. It is not the organization that owns the brand or forms a brand image. Customer owns the brand, and they build the brand image through stories that they tell about the brand everywhere, like what we are witnessing on social media.

So, Marketing 3.0 works on the culture of the company. The company marketing flews should understand the shift from consumer-centric to human-centric ideology. They should be prepared for more customer engagement in all the marketing strategy process. This preparation means more training and leading the learning process toward a new concept.

1.2.1.6 Social Media effect on marketing 3.0

The growth of social media is one of the promoters of current technology. There will be two broad categories of social media. Firstly, expressive social media like blogs, Twitter, YouTube, or Facebook. In the other grouping, websites like Wikipedia or Rotten Tomatoes are part of collaboration media. Social networks are now new resources that will allow co-creation to continue. Many companies use their social media tools to improve their co-creation with their customers, like Microsoft or Apple.

Currently, there are significant shifts in the power structure. For these power changes, the Internet, which brought access to lives and openness, was mostly responsible. Customers' communities have more power than at any time before. They are now more effective than past. They do not hesitate if a company is large or a brand is famous. They like sharing stories about brands, good and bad. Random brand discussions are now more reliable than targeted marketing promotions. The critical source of influence has been social networks, which have overtaken external marketing and even personal interests. In determining which brand to select, consumers prefer to take their peers' lead than just a routine commercial on TV. People are protecting themselves by writing on social media about their bad experiences with a brand.

Social media are now causing a revolution in digital marketing, and no business can do a lousy job. It is so evident that only good companies will be there in the future. It means that companies cannot convince consumers to purchase anything. In ancient times consumers were misled, and many people would not tell lots of people that they bought the wrong product, but they could do it today since many people know that thousands of people will live via LinkedIn, Twitter, or Facebook.

This brief description of Marketing 3.0 can show the revolution in customers' role perception. Customers can force companies to be more socially and environmentally responsible. They even can stop bad companies from manipulating customers through fake commercials. We are in the Marketing 4.0 era, and the effect of digitalized marketing will be discussed later.

1.2.2 Marketing 4.0

Much has changed lately in terms of technical developments. In recent years they have merged, and the combined effect of this convergence has dramatically changed worldwide marketing practices. Marketing 4.0 book authors believe that integrating technology will inevitably lead to digital marketing and traditional marketing integration. People are looking to be in contact. Being in touch with others makes them want more personalized items than when they are alone. Thanks to big data analytics, we are witnessing more customized products and services like what Nike is doing.

1.2.2.1 Marketing 4.0 and Customers active role

The future of marketing and transforming conventional marketing into a digital future One will significantly improve the interactions between businesses and their stakeholders while customers play a central role in providing value for all parties.

Marketing 4.0 incorporates the engagement between businesses and consumers online and offline. Digital interaction is not enough in the digital economy alone. In reality, the offline touch causes a clear differentiation in an increasingly online environment. Besides, while brands are more flexible because of rapid technological changes to be more competitive, their real character is more original than ever. Authenticity is the most critical asset in an increasingly open world for a company. In Marketing 4.0, there will be a more digital connection, and artificial intelligence helps marketing performance, but at the same time, human-based interaction is crucial for customers' participation in different levels of the production process.

1.2.2.2 Different dimensions of change in Marketing 4.0

The market is increasingly inclusive. Social media eliminates geographical and demographic obstacles, allowing interaction and contact between the company and customers, as well as innovation through cooperation with customers. Customers care more about marketing messages from brands and rely more on the f-factor (friends, family, fan, and followers). Finally, consumers purchase differently. When they want to make choices, they pay more attention to their social network. They trust the reviews more than the message delivered by advertising.

The change is happening in dimensions, and for understanding the role of customers, it is good to know more about Marketing 4.0 dimensions.

1.2.2.2.1 From Exclusive to Inclusive

Economic power is more distributed than at any time before. Economic powers like the European Union and the United States are witnessing the economic power shift from the west to the rest of the world, the majority in the East, which countries like China experienced steady growth lately. New economic powers are rising, and it will change the story for market and marketing.

New economic powers are now doing good in the innovation viewpoint. Recent data collected by Robert Litan indicate a decline in innovation in the US. For example, in the US, the number of bankruptcies is more than companies that start to work, or only eight percent of the country's total starting companies are start-ups, while this number was fifteen percent thirty years ago.

The company itself is heading towards inclusiveness. Technology helps automation and miniaturization to reduce costs for products and provide new markets with services that were impossible to offer before. The innovation technology in the business sector has led to cheaper and easier production for markets with less Purchase power, once known as "non-marketable." Thanks to Mass-marketing, now we have unique products and services available all over the world. That works in the opposite direction too. New products could be created and launched in emerging markets with reverse innovation before offering elsewhere. For developing products, being economical in production and supply with low price is a new differentiation strategy. In this sense, Marketing 4.0 eliminates the limits of Marketing 3.0, which could be affordable in some developed countries.

Also, internet openness makes it possible to inspire entrepreneurs from developing countries from their equivalents in developed countries. They build clone companies with local variations during implementation. There are, for example, PayPal inspired Chinese Alipay, and Uber inspired Iranian Snap. In those nations, consumers can experience the same service as western countries' companies without waiting for them to come to their country.

Today, convergence and merging are typical between industries. Industries have a better choice rather than competing. They can either collaborate or synergize to meet the same market. They usually choose the second option. For example, the integration of tourism and education industries made a good revenue for Malaysia. International students go to Malaysia and spend money for years instead of just a touristic short stay.

Nowadays, social inclusiveness is being accepted by people. They do not need to be like each other to be inclusive. They can live united in peace despite their differences. In the world of online

social media, people communicate without geographical and demographic limits. When there is no limit to social media's effects, it will also encourage international teamwork for innovation.

Based on these changes, more people are moving to the middle class or higher levels worldwide. It means more education for customers and more demands and perspectives through them for company products and services. Customers can help the companies differentiate them in a better and easier way while it is more economical than current strategies. Entrepreneurship grows, and it means more loyal customers have the intention of helping their beloved company. Clients are more connected thanks to social media, and their idea and satisfaction is not just the slogan of companies. So, customers are now more critical than at any time in the past, and they can help companies in a better and more effective way.

1.2.2.2.2 From Vertical to Horizontal

Globalization provides equal opportunities. Companies' success is no longer based on their size, country, or advantage in the past. Newborn small local companies can be a competitor for well-known big international companies. In the end, there will not be any company that can control the others excessively. To succeed in marketing 4.0, a company needs a good relationship with its customers' communities for a vital co-creation and well-established cooperation with its partners and competitors for more co-opetition. Innovation used to be vertical from the company R&D sector to customers, but in the marketing 4.0 era, customers beside companies are participating in innovation activities. Companies traditionally have trusted in innovation from their inside R&D team, so they invested a lot in their research and development infrastructure. But lately, they noticed that internal innovation is never enough to survive in the rapidly evolving market. Innovation today is horizontal; ideas provide on the market, and then companies use the ideas to satisfy people's needs and sell their product or service.

For smaller businesses and brands, there are no physical facility limitations with the internet. This fact encourages companies to enter markets which they had not previously entered and to existing one's opportunities to expand, but there will be significant competitive challenges. As industry boundaries are disappearing, businesses are too challenged to track their rivals. Indeed, competitors from both the same sector and other similar and related industries should be considered in the future. For example, for companies like Barnes & Noble's was difficult to forecast the emersion of startups like Amazon and eBay.

Recent industry research indicates that most clients trust more in the f-factor means friends, families, Facebook fans, and Twitter followers than in marketing communications. The majority ask for advice from strangers on social media and trust them more than ads and expert opinions. The definition of consumer trust is now horizontal and not vertical anymore. In the past, marketing campaigns have quickly impacted consumers. They also pursued experts and listened to them for making their decision. So, we are witnessing the growth of communal rating systems such as TripAdvisor or Google restaurant rating.

Brands and consumers can no longer have a vertical relationship, but rather a horizontal relationship. In the past, corporations have used different advertising channels to relay their advertisements. Some businesses have also invented a not-so-authentic distinction to differentiate themselves from their rivals and endorse their brand image. So, people do not hundred percent trust the brand image transmitted by the marketing campaign. The approach will no longer be successful, as consumers defend themselves against bad brands the threaten them with the support of their communities. Indeed, customers are partners of the company at all production levels and cannot be treated as past. The brand should be honest about its real value because it is the only way to build trust between brands and customers.

Horizontally connected customers mean a more active role for them in all production processes. They are involved and linked to their peers to evaluate the companies which want to sell their products to them. A small startup that can be started just with one entrepreneur can be a threat or opportunity for existed companies. It all depends on the level of relationship of companies with their clients. If companies work well with their loyal customers, they will not have an issue with newborn rivals.

1.2.2.2.3 From Individual to Social

Consumers were motivated by personal desire and by a passion for social conformity when making purchasing choices. For each of the two variables, the importance varies from person to person or between industries. The overall weight of social conformity has recently increased thanks to the forums, social media, and resources provided by the internet that enabled this significant change. Customers are progressively interested in others' views. They also share their thoughts and draw up immense feedback, and all after, they will build their brand image that usually is different from the image that the company tries to create.

Customers follow more societal opinions in marketing 4.0. Most personal buying decisions are social choices. Customers engage with one another and talk about the brands and businesses. Customers are no longer passive targets from a marketing relations point of view but are becoming active media. Some companies like Amway has been exploring communities as a new type of media asset. So, they have created a social media network that has become a reliable medium for clients.

Companies have no control over the dialog content of Community-generated forums. If they make a mistake or something terrible happens in the company production process, they must be prepared for a substantial social reaction. However, good companies with positive reputations and truthful statements about their products should have no worries. But there is no space for companies that do not believe in being honest about their products and services. Hiding or isolating unsatisfied customer' reviews in today's transparent digital environment is almost impossible.

1.2.2.3 From 4P's to 4C's in Marketing 4.0

In two recent books, Philip Kotler, Marketing 3.0, and Marketing 4.0 talks about a new structure and marketing needs in the 21st century. He talks about the latest concepts in today's marketing, like Crowdsourcing and Co-creation. In such a connected world, the traditional 4Ps-based marketing model has progressed to a 4Cs-based mode, i.e., from "product, price, place, and promotion" to co-creation, currency, communal activation, and conversation.

1.2.3 Crowdsourcing and customer active role

"Crowdsourcing is a sourcing model in which individuals or organizations obtain goods and services, including ideas, voting, micro-tasks, and finances, from a large, relatively open and often rapidly-evolving group of participants." Crowdsourcing existed before the digital era, but in today's business world, companies or individuals use the internet to share the work between a big group of people to use the synergy and get a better result.

In the book "The wisdom of crowds," the author believes many people out there would like to participate in different levels of the company's activity. Getting the crowd to join the company or co-creation with your fans is an example of one of the four Ps that would be the "Promotion." One of the main issues is how businesses should directly invite some of their customers to participate in their product creation process. In the Business-to-Business world, companies used to cooperate in designing and other parts of the production process. Any company that produces a technological

component now passes an inside alpha and outsourced beta test. The alpha test ensures that the work of the element does not break down, and the company will do it with the support of its scientists. After that, they choose some of their loyal customers to test the products' function and propose any suggestions for improvements before the final product launch. The second test is the Beta one. Companies like Amway, which have a partnership with their customers, have a great loyal customer source. Amway and its partners' real win-win relationship will result in an important asset: the community of loyal customer-partners.

1.2.4 Co-creation and 4Ps

Co-creation means consumers' active role in participating in all product or service design and production levels from A to z. The term is often used for any way an organization enables customers to engage in ideas, designs, or content.

A brand has been the image of a company's total consumer experience over recent years. Marketers are trying to transmit the company's message through advertisements to capture the trust of their consumers. Marketers must fulfill this claim with a clear and measurable differentiation strategy in their marketing mix to demonstrate actual brand value. In marketing 4.0, consumers are empowered to assess and even track the brand positioning claims easily. Brands can no longer make unfounded, unverifiable promises with this openness, thanks to the internet and social media.

For understanding what types of products and services to offer (product and price) and how to deliver (place and promotion) to the customers, companies use the marketing mix. There is the classic format of four P's: product, price, place, and promotion. Products and services usually will be chosen by doing in-depth market research to determine possible consumers' needs.

Businesses need to decide where to sell the product to make the product readily available and affordable. Companies must also convey product information to possible customers through different techniques such as advertisement, public relations, and sales promotions.

If the marketing mix components be well designed, selling will not be so tricky, and customers will choose the brand. In marketing 4.0, the marketing mix has been adopted to ease more customer active participation. The classic four P's should be evolved as the four C's (co-creation, currency, communal activation, and conversation).

1.2.4.1 Co-creation and Product

A rising number of customers in marketing 4.0 are looking for a more active role in producing the goods they buy. Recent technological developments, most notably the Internet's advancement and growth, have greatly enhanced customers' capacity to take a more active role in new product design. Co-creation is a new strategy used by companies that include customers in the production process. Through co-creation and involving customers in the first stages of production, companies increase their success chance rate. Co-creation also helps clients to personalize products and services, generating a superior value proposition.

The research carried out at MIT, which calls lead users, has shown that many companies always have users who take the product they just purchased from the business and develop it independently. It may be a video game in which they play, a bicycle, or a car, making it work better. With these lead users' companies have another asset: watching individuals who take the product by their cost and making it better. It can be a reason to develop a good relationship with loyal customers to understand what they have in mind about the product or service offered. There should be a two-way canal for this active dynamic knowledge sharing discussed in the CKM part.

1.2.4.2 Co-creation and Price

Pricing in marketing 4.0 is changing from standardized to dynamic. In some industries, dynamic pricing, setting variable rates based on consumer demand and capacity usage, is not recent. But recent technological change has taken dynamic pricing to other industries as well. For example, online retailers collect a large amount of data, allowing them to conduct big-data analytics, and, in turn, they give each consumer a specific price. Companies can maximize their revenue by applying dynamic pricing based on historical purchasing trends, proximity to store locations, and other aspects of consumer profiles.

Businesses use a combination of cost-based, competition-based, and consumer value-based pricing methods to determine a retail price for the item. The most useful feedback that consumers have in connection with pricing is customers' willingness to pay, measured in market value-based pricing. Customers should be the judge on the product's worth, and for example, a company can say to customers, "pay whatever you want based on your physical and mental satisfaction."

1.2.4.3 Co-creation and Place

Also, the channel definition is evolving. Customers may help to co-create the networks of distribution channels. The consumers at the intermediate level are the final passive targets and the distribution networks. They act as the intermediaries that reshape the product and decide where and how-to resale it. It is happening right now in the Amazon reseller program that in the intermediate level, people will order products from the mother company and decide where and how to manage the rest of the selling process.

The most potent distribution method in the sharing economy is peer-to-peer distribution. There are newborn startups that provide convenient access for consumers to goods and services not owned by them but by other consumers. Airbnb and Uber are two important examples that are big threats to traditional hotel and taxi service. The emergence of 3-D printing will accelerate this peer-to-peer sharing even further. Imagine clients needing a product and receiving the product in front of them instantly. In marketing 4.0, consumers like to have immediate access to the required goods and services, that this can only happen with their peers. Indeed, everyone can be a future active partner of the companies that these active partners need more entrepreneurship knowledge.

1.2.4.4 Co-creation and Promotion

Promotion in marketing 4.0 also changed a lot in the last years. Promotion used to be a one-sided affair, with businesses sending messages to customers as passive consumers. The development of social media today allows clients to respond to those messages and start their active role. Customers can talk to each other about the promotion message easily through the internet. For example, some platforms work based on customers' talks and assessments about their favorite brands, like Trip Advisor or Google. Companies that adopt a new marketing mix (the four C's) have a high chance of surviving in the marketing 4.0 era. The selling concept, however, needs to change as well. Customers used to be passive objects of selling methods. The idea is to have both company and customers actively obtain commercial value in marketing 4.0. Companies are engaging clients in their transparent promotion activity with increased customer involvement.

There is no conflict between digital marketing and traditional marketing because one should go away, and another should remain. Indeed, traditional marketing builds significant awareness and interest in the early phase of interaction between businesses and clients. Digital marketing is growing in importance as interaction signs of progress, and customers demand closer relationships with the company.

1.3 CKM

1.3.1 CKM short academic review

Organizations have long recognized knowledge management (KM) as an essential business strategy (Hull et al., 2000). To manage customers' increasing sophistication and change preferences, KM is undergoing a paradigm shift towards a dynamic customer-centric approach. In recent years, organizations have recognized Customer Knowledge Management (CKM) as a significant role in gaining a competitive advantage. In CKM, customers become partners of the organization, and with the acquisition, sharing, and development of their knowledge, both parties make a profit (Sulaiman et al., 2011) (Sarhadi, 2013). CKM involves bringing the customer perspective into the knowledge management equation even though customers are reluctant to engage in voluntary knowledge sharing (Desouza et al., 2008).

Organizations recognize the need to develop cordial relationships with customers and serve them in their preferred ways. This calls for effective management of customer knowledge (Davenport et al., 2001). Organizations capable of continuously creating new customer knowledge and effectively managing customer knowledge assets are the ones with a competitive advantage over their rivals (Zhang, 2011). Hence, an emerging area of interest within KM research and practice involves customer knowledge management (CKM) (Kuhlen,2003; Rowley,2002). It refers to KM strategies about managing organizational knowledge obtained through interactions between organizations and their customers (Zanjani et al., 2008).

1.3.2 CKM strategies

These are three CKM strategies that organizations use to manage customer knowledge:

1. management of knowledge for customers;
2. management of knowledge from customers; and
3. management of knowledge about customers.

First, the management of knowledge for customers refers to CKM strategies that organizations use to manage knowledge flow from organizations to customers. Organizations need to select an effective medium to communicate with customers about their products, services, markets, offers, and discounts (Taylor and Baker, 1994). Continuous knowledge flow directed from organizations to

customers is a prerequisite to assist customers in their decision-making. Besides supporting customers in their buying cycle, it also helps them use products and services (Horovitz, 2000b). This enables customers to understand organizations, their offers, and their products and services better (Davenport and Klahr, 1998; Garcia-Murillo and Annabi, 2002). However, this strategy is about the company's organizational ability, and companies are doing it for a long time. In this research, the last two strategies were highlighted and discussed more.

Second, customers' management of knowledge refers to CKM strategies that organizations use to manage knowledge flow from customers to organizations. Knowledge acquired from customers helps organizations enhance the quality of their products and services and develop new products and services (Garcia-Murillo and Annabi, 2002; Salomann et al., 2005; Zanjani et al., 2008). Such knowledge must be incorporated for innovation, idea generation, and evaluation (Thomke and von Hippel, 2002; Tidd et al., 2005). Knowledge from customers is essential for organizations to realize the concept of "design with customers" (Sigala, 2012). It also acts as a powerful crisis management tool for organizations (Bulearca and Bulearca, 2010). This strategy will help companies be more flexible toward environmental changes; simultaneously, the quality of products and services will increase, resulting in more customer satisfaction.

Third, management of knowledge about customers refers to CKM strategies that organizations use to manage knowledge flow among customers. Besides customers' preferences and past transactions, knowledge about customers encompasses analyzing customers' present needs, future desires, changing tastes, and trends (Davenport et al., 2001; Gebert et al., 2003). It involves exploring customers' perceptions of products and services to identify their preferences and concerns, and this enables organizations to gain a sense of the sentiment on the ground so that their customers can be served in their preferred ways (Salomann et al., 2005). With the use of this strategy, companies can get competitive advantages against their rival in Marketing 4.0. this strategy will prepare a company for future changes and decrease the cost of adoption for the company. To get this type of info, the company's personnel need a paradigm shift about customers' importance and the role of an adequate training system.

1.3.3 Why CKM?

Koenig and Srikantaiah believe that having the right processes and systems to manage customer knowledge is vital for the following reasons:

- better and more timely design of new products and services;
- early warning and competitive intelligence;
- customer commitment and loyalty;
- the synergy of collaboration.

Knowledge management has traditionally been of interest to businesses because they understand that it would add to their competitive advantage. There are different ways customer information can be gathered. Some refer to systematic data from transactions that are collected. Others are extracted from direct interaction with the customer. Academic sources claim that personal interactions with customers lead to better content than transactional data and explain why customers do what they do. While transactional data is useful to recognize problems and preferences, it is challenging to explain consumer decisions. Companies may question clients through personal interaction and understand the root of their challenges, desires, and needs. Customer knowledge managers concentrate mainly on the knowledge that comes from customers, rather than focus on customers' main job. Marketing 4.0 companies realize that their customers are more knowledgeable than one might think, so they seek knowledge through direct interaction with customers, but still, they get data from their sales representatives that need to be modified.

CKM is a continuous strategic process through which businesses encourage their customers to become their knowledge partners from passive information or consumption sources. Learning from knowledge gathered from customers must be further processed within the organization. It can be used to meet better the current and future needs and wishes of the customer. It is crucial for building up a learning relationship with customers to learn from clients, and this critical mission includes the active participation of clients in the business processes. In digital marketing, the business's activities and operations will be effective only if clients and their expertise are included in developing strategies, products, and services. This cooperation is a win-win situation for the clients and the business itself.

1.3.4 CKM and Marketing

In marketing, the customer is the center of attention. The purpose of marketing studies is to increase the understanding of customer preferences. One approach has been through the development

of market intelligence, where the company tries to collect information on various factors that can potentially affect a product's profitability. Among these factors are customer preferences. This approach consists of environmental scanning techniques, formal and informal interviews with stakeholders, analysis of sales reports, customer databases analysis, and formal market research (Kohli A and Jaworski BJ, 1990). A critical source of market research studies is customers' knowledge that needs more to explore, and the company can get more benefit.

Nowadays, marketing researchers are trying to learn about consumers' characteristics and tastes as much as possible. Unfortunately, customers' knowledge about innovation, rivals of the company, or new unreached niche to serve, has not been considered enough in marketing studies done by companies. As a result, methods to gather the information that the consumer retains or needs have not been developed and adapted. Gaining such data from direct interaction with customers will help the business gain a competitive advantage in product innovation and other production sections.

1.3.4.1 Marketing 4.0 and CKM

Companies think more about clients in Marketing 3.0 and 4.0 and strive to outsource their R&D with open innovation. In marketing 4.0, the relationship with loyal customers is crucial. To eradicate the confusion between businesses and consumers, they need to do some data exchange. Customers may exchange the data obtained by the company is one example of such data exchange. Customer Knowledge Management (CKM) is an excellent way to strengthen ties. In today's highly competitive environment, it will also offer a competitive advantage to the company.

1.3.5 Five Styles of CKM

Based on Michael Gibbert, Marius Leibold, and Gilbert Probst 2002 research, five styles are supposed for CKM:

- 1) Prosumerism: Alvin Toffler (1980) first used the expression 'prosumer' to denote that the customer could fill the producer and consumer's dual roles.
- 2) Team-based Co-learning: team-based value chain (or systemic) learning relationships using the knowledge of its customers. Team-based-learning focuses on reconfiguring entire organizations and systems of value.

3) Mutual Innovation: Simply asking users about their future needs is likely to result in new products (although it can lead to continuous product improvement); the breakthroughs come from mutual and tightly integrated innovation practices.

4) Communities of Creation: Communities of creation as a CKM style is reflected by the process of putting together customer groups of the expert knowledge that interact not only with the company but notably also with each other (Sawhney and Prandelli, 2000; Wilkestrom, 1996).

5) Joint Intellectual Property: This style of CKM is probably the most intense involvement between customer and corporation. The notion of the corporation being 'owned' by its customers. The Swedish companies Skandia Insurance and Kooperativa Förbundet (KF) increasingly think of themselves as businesses owned by customers, i.e., being in business for and because of their customers. Thus, intellectual property does not reside in the company but is 'owned' partly by the customers.

The next chapter looks for the existing CKM type in Multi-Level Marketing companies and how these companies could overcome CKM barriers with their partnership relationship with loyal customers.

1.3.6 CKM & Open Innovation

In the light of a history of poor solutions and several technology failures, many companies have realized the importance of customer knowledge management in today's business world (Salomann et al., 2005). Customer knowledge management involves processes related to the identification and acquisition of customer information and the creation and operation of customer knowledge. Such information is beyond the company's outer limits, and this knowledge extracted can be to create value for the organization and its customers (Paquette, 2006). As a kind of external knowledge, customer knowledge is a vital resource that can support new product development, facilitate the sensing of emerging market opportunities, and improve long-term customer relationships. As such, customer knowledge management is concerned with managing and exploiting customer-related knowledge (Jiebing et al., 2013). Create shared customer knowledge with the organization to create value for both parties can achieve better products.

Lack of information is a significant barrier to progress in service enterprises, and the transition of consumer knowledge is the key to knowledge management. Many academic studies have been

done on data transition due to its undeniable effect on the corporation's innovation level. Lievens et al. (1999) claimed that the successful implementation of consumer information transfer would reduce the uncertainty associated with the customers' needs, rivals, technology, and other aspects of the production of new services. Through effective customer data transition, companies will gain relevant information for their innovation development.

It is almost impossible for businesses to build all technology and markets by just internal resources, so they should gain applicable outside information that can be translated into internal personnel and enhance its current performance. It can also build the synergy of the internal and external knowledge sources that will allow the organization to reach limited capital from outside. This fact has some positive effects like advertising effects of single internal research and development, retain strategic flexibility, and mainly promoting innovation that is different from the current one.

1.3.6.1 Open Innovation

Almost all are technology innovation-oriented in the traditional theory of closed innovation. Innovation is producer-oriented and depends on internal innovation capital, while clients are not seen as potential innovators. So, this asset was missing in most businesses, and companies used to rely just on internal forces. With the idea of "Open Innovation," academics and entrepreneurs started to dig beyond the organization for the origins of innovation.

"Open Innovation" was first proposed by Chesbrough (2003), who pointed out that open innovation can break the organizational boundaries, access the innovation source from external, and commercialize enterprises' internal innovation achievements to other external organizations. Open innovation refers to the use of internal and external activities to accelerate innovation, while commercialization refers to the innovation outcome in the market to achieve economic benefits.

Some scholars, mainly represented by Von Hippel (1988, 1989, 2001, 2002, 2007), pointed out that users are the primary external innovation sources of open innovation and proposed a revolutionary view that "users are innovators." Then, Von Hippel (1988, 1989, 2001, 2002, 2007) identified the concept of "lead users" and studied users' innovation networks. Furthermore, he put forward two main reasons for the user to participate in innovation: getting suppliers' better products/services and reducing innovation costs (Von Hippel, 1988, 1989, 2001, 2002, 2007).

More and more enterprises have progressively been embedding open innovation within their organization's innovation process in practice. Ahn et al. (2015) has carried out research and pointed out that open innovation can be the right approach for enhancing small-and-medium-sized enterprises' performance (SMEs).

In the studies on knowledge management and innovation, Ahn et al. (2015) put forward that innovative SMEs benefit from working with non-competing partners, such as customers, consultancies/intermediaries, and public research institutes. Darroch (2005) presented knowledge management as a coordinating mechanism. They held that a firm with a knowledge management capability would use resources more efficiently and be more innovative and become better. Ferraris et al. (2017) argued that the firms that develop and possess superior knowledge management capabilities could better manage external knowledge and combine it with the internal one.

1.3.6.2 Customer co-production and innovation

The idea that consumers should serve as co-designers proposed by Piller et al. (2004). The open innovation process can be interpreted as a mechanism that can be used to gather and incorporate information to produce innovative market ideas and then change product/service requirements. As the co-designer, the customer suggests that businesses engage consumers in open innovation practices. This paradigm will change the story of innovation in marketing 4.0.

Slater et al. (2014) pointed out that customer knowledge acquisition can help enterprises develop “marketable” new services or products and improve customers' perceived quality of service. Organizing and disseminating customer knowledge benefit the breadth and depth of enterprise knowledge. The application of customer knowledge can enhance service innovation capability, reduce innovation costs, and shorten the innovation cycle.

Customers' involvement in all production levels allows businesses to efficiently concentrate on improvements in customers' needs, which means more products and services adequate with real customer's needs that will cause more revenue for the company. Through co-production, customers will help the company test innovative products first with real loyal customers, which can obtain the customer's reaction and attitude and allow the company's innovation process, so the efficiency of innovation can be improved. This customer engagement process will help companies to have a better image of future customers' needs.

1.3.2 Factors that are important in CKM transfer quality

Indeed, different factors are involved in CKM quality. These factors can be divided into two main categories, personal and organizational factors. By studying them, the most critical factors will be distinguished, and then with focusing on the main factors, it will be easier to find a suitable model or pattern to study and suggest to other eager companies that want to improve their CKM level.

1.3.2.1 Personal factors

1.3.2.1.1 Responsiveness to Customers

Usually, scholars consider customer responsiveness organizational by scholars, but it can be a sales personnel soft skill because they are in touch with customers, and an effective long-term relationship will start with them. They can solve first impression customer issues or increase the attention of the customer.

1.3.2.1.2 Intelligence

Intelligence, which is based on knowledge and cognitive abilities, is essential for making a practical decision. Hopefully, an intelligent individual will consider the future and develop successful strategies that guarantee the company's success. Therefore, there is a two-way relationship that means intelligence is an important attribute not only for the business where the individual is working but also for the organization's clients looking for a long-standing partnership.

1.3.2.1.3 Competence

A client expects a professional employee to offer the best guidance and assistance possible. Competence is the know-how of an individual that is necessary to turn information into abilities. Since competence directly affects the company's success, it is in the interest of all parties to have professional personnel who are competent. If the company profits from the employee's competence, this competence will increase its efficiency and profitability.

1. 3.2.1.4 Motivation

Customer knowledge distribution strongly depends on how motivated a person is: the higher the motivation, the higher the level of knowledge passed on. Naturally, companies try to create an atmosphere that keeps the motivation level of employees high. However, this motivation can also be for customers who like to participate in different production levels, like innovation. The higher motivation is the participation will be more effective. Motivating the customers can be done mainly in two ways, financial and non-financial incentives. (Ahmed et al., 2009).

Motivation needs to be investigated more because of its importance. According to Foss et al., three types of motivation can be distinguished: intrinsic, extrinsic, and introjected motivation. Each category is correlated with various unique needs, and these various forms of motivation are based on individual characteristics, so each of them can contribute to different qualities of job performance. Naturally, each form of motivation often influences the employee's information-sharing behavior (or the customer).

1. 3.2.1.4.1 Intrinsic Motivation

Intrinsic motivation includes performing a job following the desires and personal values of the individual. There is no external force on an intrinsically motivated individual, and he/she is self-motivated for actions of sharing information, and he/she likes to do a job as doing the job gives him more satisfaction.

1. 3.2.1.4.2 Extrinsic Motivation

If an individual participates in an action to achieve a positive outcome or prevents a negative external effect, there is Extrinsic Motivation. External factors such as incentives or the avoidance of punishment induce an extrinsically motivated individual into action. As a result, their performance of doing a job does not show their interest.

1. 3.2.1.4.3 Introjected Motivation

This form of motivation is a mixture of intrinsic and extrinsic motivation and occurs when, but without accepting it, a person internalizes an external control. External rewards or punishments no longer drive the person's actions; instead, it is the person himself who governs his / her conduct. A significant motive for introjected motivation is to "promote feelings of value" and enhance or

preserve the person's self-esteem. Employees (or customers) share their knowledge with introjected encouragement to demonstrate and improve their reputation, regardless of whether the knowledge is useful.

Foss et al. have shown that workplace design has a strong effect on the various forms of motivation and, eventually, on the employee's ability (or customers') to share information with others under the elements of job autonomy, task identity, and feedback. A good perception of motivational processes will help companies to promote the transfer of information wisely. So, it can be anticipated that a work atmosphere that encourages motivation is more likely to get better knowledge sharing results.

1. 3.2.1.5 Monetary Compensation and CKM

CKM means realizing value for both company and customers. In marketing 4.0, customers are partners of the company, and loyal customers are an asset for value creation in different ways. So, they are not out of the company's boundary anymore. However, CKM needs a re-thinking of the locus of competence and a re-thinking of the corporate value creation's primary recipient. On the other way, motivating the customers can be done mainly in two ways, financial and non-financial incentives. (Ahmed et al., 2009). Value appropriation has recently attracted some discussion in the consumer networks (Prahalad and Ramas way, 2000; Sawhney and Prandelli, 2000) and the open-source community (e.g., Lakhani and von Hippel, 2000). Companies need to return some value to their co-creator, the client, if they want CKM to be sustainable. Such types of value-sharing might involve straightforward methods such as 'greater customer satisfaction' and tailored goods and services but may also suggest the consumer's actual monetary compensation for his/her services, such as exclusive discounts, preferential financing deals, or even direct payments.

However, if consumers are going to play an active role in marketing, businesses should research what factors may inspire them to have a better relationship. Imagine that the corporate structure would be difficult to encourage workers without benefits or rewards for employees. Some variables are essential for studying the CKM purpose, they are described below, but monetary compensation is one of the most important ones. The role of marketing and clients in this century is evolving. Many businesses are aware of the value of their loyal customers to their potential success. They started looking at them as partners, and if they do not alter any motivating factors, it will not be well defined. If consumers can change the story for businesses by sharing their thoughts and result in more sales, they will have the right to have a share of the profit in a fair manner.

Indeed, there should be a metric system that can compensate customers based on their revenue-making participation. Is there any close proven model that can be a guideline for other companies? The possible answer will be discussed in the next chapter.

1.3.2.2 Organizational factors

1.3.2.2.1 Knowledge Culture

There is a particular form of knowledge culture in any company, but in some organizations, it may be more developed and in others less established. In any organization, the internal and external knowledge flow between employees and customers needs to be encouraged. Barriers that obstruct the smooth flow of the exchange of knowledge must be removed. The culture of knowledge lived within an organization represents itself in the practice of information management and sharing. Identifying and sharing best practices helps create new products and improve current processes for both businesses and consumers.

1.3.2.2.2 Customer Learning

It is necessary to get feedback and evaluate the consumer's psyche and actions to ensure a deeper customer understanding. After that, these findings must be interpreted internally by the organization to conclude, such as order trends. To establish customer-oriented strategies and an important mechanism to ensure customer learning, the continuous internal processing of customer information, such as the distribution of customer knowledge within various business units, is crucial. Therefore, customer learning is an integral component of the process of customer knowledge management.

1.3.2.2.3 Organizational Learning

Like the customer learning process, companies also need to learn from their interactions with customers. Analyzing knowledge from, for, and about consumers will provide useful insights into actions and reactions, such as when new products are launched. Such a learning process helps the company better understanding customers' behavior for designing new products and services, tapping into new markets, or changing existing products/services and introducing them to new consumers.

To ensure sustainable success, organizations must subsequently provide the necessary expertise to handle customer knowledge to secure learning sustainability across the organization.

1.3.2.2.4 Customer Involvement

The best way to satisfy customized consumer needs is to include customers in product or service innovation with intense knowledge exchange. For the parties involved, this close partnership between the consumer and the supplier is a win-win game.

1.3.2.2.5 Brain Gain

Brain drain and brain gain are closely linked. An employee who does not make active and frequent use of the knowledge gained will eventually forget what he once knew. If the knowledge does not store, he will have trouble recalling this knowledge to be lost over time.

The same issue is faced by an enterprise that fails to establish a reliable infrastructure for data storage. This data storage is necessary for preventing the loss of critical knowledge gained. This knowledge database must be continuously updated to ensure clear access to the organization and employees to up-to-date information for the company's future success.

The Pareto Principle, also known as the 80–20 rule, works well in such cases and can also be employed in knowledge management. (80 % of the effects come from 20 % of the causes) With 20 % of the information, it is possible to find 80 % of the answers. The remaining 20 % of the answers cost 80 % effort. So, let's see what factors are the most important ones which can bring more results.

Based on the analyzes of Soumit Sain and Silvio Wilde in “Customer Knowledge Management Leveraging Soft Skills to Improve Customer Focus,” book: the most critical factors in the personal category are Competence and Motivation. The result for organizational factors ended in Customer Learning, Customer involvement, and Brain Gain. In the third chapter, we will see how these factors play roles in our case study.

1.3.3 CKM limits & Concerns

Many researchers point out the advantages of CKM in enhancing performance as follows: Customer knowledge can be known as an important competitive advantage in the retail business; the use of CKM helps a firm in extending innovative products/services and making important management strategic decisions (Shannak et al., 2012); CKM helps in comprehending how different factors interact in determining knowledge that should be used to increase the performance (Kankanhalli, Lee, & Lim, 2011); CKM helps companies in extending a variety of marketing activities such as promotional campaigns or sales motivations schemes that targeted customers; CKM enhances and upgrades organization performance based not only on using customer feedbacks but also in making customers being as assets and partners (Shannak et al., 2012). But there are some limits and barriers in gaining an adequate level of info from customers:

1.3.3.1 Motivational barriers: However, using social media for CKM is a challenge for organizations (Kaplan and Haenlein, 2010). For one, CKM involves bringing the customer perspective into the knowledge management equation even though customers are mostly reluctant to engage in voluntary knowledge sharing (Desouza et al., 2008).

Customers may not want to share their knowledge to create value for the company, and then they pay for the output product or service to which they had a significant contribution with their experience and knowledge. Indeed, if companies need customer partnership, they should try to find a win-win solution that satisfies customers for sustainable continuous knowledge sharing.

1.3.3.2 Cognitive barriers: The problem here is the expense of establishing current CKM approaches. Usually, the existing infrastructure of Information Management (KM) may not be adequate for effective CKM. So, building new infrastructures has an additional cost for the company that may be out of its budget. The best way for estimating new knowledge sharing methods and costs will be that the consumer knowledge manager needs to put himself in the corporate clients' shoes, investigating their intrinsic and extrinsic motivations to share their information for the company's benefit and then determine the expenses of setting up CKM.

1.3.3.3 Cultural barriers: A change in attitude about considering the consumer as an expert individual is not easy to do. The customer used to be a passive consumer of products and services in traditional knowledge management. Even in Customer Relationship Management (CRM), there is no

active role expected for customers, and they could just be promoted to loyal clients of the company. But CKM conceptually varies from the KM. Increasing efficiency is the primary goal of KM, but CKM concerns with innovation and growth. Customer knowledge Manager pursues ways to collaborate with their clients in different production levels to co-create value for the company. This new concept is even further from traditional customer retention goals.

In an era in which rivals sell their goods, always closely resemble and only available readily on the internet, customer retention is sadly becoming more difficult than before. However, Customer knowledge managers are also less concerned with retention figures for consumers. Instead, the emphasis is on how the business can create growth by gaining new customers and engaging them in the company's value-creating goal.

Of course, customer knowledge is not a replacement for R&D, and CKM does not mean sharing all company information with clients. Some companies might think they know their company better than their customers, and this perception may stop them from working together with their customers and exchanging ideas. Others might have a bad experience from their customers' particular idea, which failed, so they do not try to create a CKM relationship. Indeed, if we want a useful CKM tool for company development, we will need excellent management behind it. A wise CKM plan makes everyday changes more dynamic and versatile.

1.3.3.4 Competency barrier: Companies that want to develop their CKM strategy face the challenge of competencies. Understanding that their current KM or CRM systems have the more internal capacity. Opening current KM or CRM systems that have platforms for internal use are limited to be scaled and do not allow for the type of interactivity and convenience that customers expect for effective CKM. CKM managers are also different from KM, and CRM ones as their attitudes and goal are different. They need new standards of competence that may not be readily available in the talent acquisition market.

1.3.3.5 Relationship maintaining costs involved in CKM: A successful creation of relationships can create customer loyalty and especially bring higher customer lifetime value. Active customers' participation in the operation of the organization requires continuous contact. It should be effective and protect the flow of knowledge. This goal only achieves through a strong relationship with customers. It may take some time and the company's money, but it will finally boost its income.

However, because this partnership would have some cost and getting the result of this expense will be visible in its long-term financial plans, some managers will find it difficult to accept.

Chapter 2: Multi-Level

Marketing & Case study

Chapter overview

This chapter is dedicated to qualitative analysis of the project when it goes to study a case study about a successful direct selling company with a defendable level of efficient CKM with its partners, so they build an undeniable financial result worldwide. In 2019, Italy became its first European market in sales. This private company established by two friends, Rich DeVos and Jay Van Andel, in 1959, and their annual revenue reached nearly nine billion USD last fiscal year. The company name is Amway.

Amway already registered over one thousand two hundred patents, and they could achieve that by their dynamic R&D strategies that need customers' cooperation besides the company's investment. In the last five years, they invested almost five million USD in their R&D facilities, and they are managing seventy-nine high tech labs all around the world with more than one thousand hired scientists. Amway focuses on three main categories: Health and nutrition, beauty and skincare, and Homecare.

2.1 Multi-Level Marketing

Tom Peters, the legendary management expert and author of the classic best-seller *In Search of Excellence*, describes network marketing as “the first truly revolutionary shift in marketing since the advent of ‘modern’ marketing at Procter Gamble and Harvard Business School over fifty years ago.” The emerging success of network marketing has been written about in such journals as *Forbes*, *Fortune*, *Newsweek*, *TIME*, *U.S. News & World Report*, *USA Today*, *The New York Times*, and *The Wall Street Journal*. The recent issue of *Fortune* said about network marketing: “An investor’s dream, the best-kept secret of the business world, an industry with steady annual growth, healthy cash flows, high return on invested capital, and long-term prospects for global expansion.” Today, network marketing is recognized by many experts and accomplished businesspeople as one of the fastest-growing business models in the world.

Network Marketing is based on the network between people who have the same goal of success in their independent business. However, they are connected, and their success depends on their teammate’s win. MLM business's structure promotes a real win-win correlation between members, which results in more synergy to the whole system. The value of networks is defined by Robert Metcalfe: $V=N^2$. That means the network’s economic value equals the number of the network’s users squared, which stands for adding users; the value increases geometrically.

Multi-level marketing (also called network marketing) is a form of direct sales in which independent distributors sell products, usually in their customers' homes or by other means like social media. In theory, distributors can make money from their sales and those of the people they recruit (Barett, 2008). Independent distributors develop an active customer base, which buys the company’s products, earns a commission, or the difference between the wholesale and retail price. Additionally, distributors build their downline of independent distributors who also make a customer base, thereby expanding the overall organization (Gonzales, 2008). Multi-level marketing (MLM) techniques are built for establishing healthy relationships inside the distribution channels of a company. Through relationship referrals and direct selling, the parent company promotes its products directly to consumers. The distributors conduct selling and promotional activity to reduce the company's promotional expenses considerably.

Direct selling is based on the relationship with consumers who want to start their own business. In marketing 4.0 and the digital marketing era, Network Marketing, like other industries, has shifted. Even if traditional face-to-face communication exists, social media and the online world are using widely by network marketers. Individuals create social relationships, use e-commerce sites

to complete purchases, and often function as mobile showrooms for evolving product lines. The opportunity to experience the product first-hand and create a bond with a retailer who uses the product is the short review of Network Marketers' work.

Here are some of the critical skills that the real-world education of network marketing teaches: An attitude of success, Dressing for success, overcoming personal fears, doubts, and lack of confidence, Overcoming the fear of rejection, Communication skills, People skills, Time-management skills, Accountability skills, Practical goal-setting, Money-management skills and Investing skills. Good network marketing companies provide a reliable program of training in all these areas.

2.1.1 Power of Word of Mouth, MLM promotion tool

Indeed, Word of Mouth is a powerful promotion tool that has a significant share of MLM success. As discussed in Marketing 4.0, today, people have more trust in their peers' words than usual commercials. However, Word of Mouth has a more prominent role in the world of the internet. Will Rogers says: "if advertising spent the same amount of money that they on improving the product as they do on advertising, they wouldn't have to advertise it." because, in marketing 4.0 and digital internet-based marketing era, it's so much easier to talk about a product you like to others and also about a product you don't like, and power of Word of Mouth will do not let bad companies long presence anymore. Indeed, if companies do good, customers will promote companies' activity to their surroundings.

Companies like Apple and Nike are good examples of beloved companies that are doing their business good. These kinds of companies usually make more money than others. Despite the general idea that the companies of endearment are the ones who spend more on frequent advertising, they spend less on marketing. The customer is doing an advertisement for his/her beloved company! It seems logical that companies pay more on their relationship with their loyal customers because they make more money in the long run.

2.1.2 Issues regarding MLM

Indeed, regardless of the size of the industry of Direct Selling or Network Marketing industry that is undeniable (about 192 billion annual revenue Published by Liam O'Connell, Mar 30, 2020), just about 118 million people are involved in the industry (Liam O'Connell, Jul 24, 2019). The

industry's nature is based on Word-of-Mouth promotion, and there are no distinguished advertisements on routine media network, so lots of people do not have a clear image of MLM or may dismiss it with Pyramid schemes.

Discussions at EU and US levels have resulted in problems based on certain parallels between MLM and Pyramid schemes. Many MLM-based companies guarantee their distributors higher profits based on the extra-commission received from their downline. Other businesses do not send consumers and distributors any facts or send them misleading information about their products. Both these practices are immoral and are known as "misleading commercial practices." A commercial way is deceptive when it contains false information or omits information that the average consumer needs. According to the context, to take an informed transactional decision and thereby causes or is likely to cause the average consumer to take a transactional decision that he would not have taken otherwise (Directive 2005/29/EC of the European Parliament and the Council of 11 May 2005).

Further criticisms regard MLM as an aggressive method when distributors visit customers in their homes and attempt to convince them in different ways to buy goods not needed. On the other hand, some firms compel the distributors to buy large amounts of products without the possibility to return the unsold goods. Usually, distributors purchase products for themselves (Maloney, D. - MLM Because lots of people join MLMs. In Business Tips, Angelo State University). A commercial practice shall be regarded as aggressive if, by harassment, coercion, including the use of physical force, or undue influence, it significantly impairs or is likely to substantially harm the average consumer's freedom of choice about the product (Directive 2005/29/EC of the European Parliament and of the Council of 11 May 2005).

The European Commission sponsors such research projects to decide whether European degree rules on multi-level marketing are needed. One of the studies highlighted that MLM techniques are still critical because they contain methods they typically use in prohibited 'pyramids and snowball systems. The problem is that Multi-level marketing at least potentially facilitates the building of an infinite level of marketing, which is a similar structure as pyramid scams (Micklitz, H., Monazzahian, B. et al., 1999).

Pyramid schemes allow distributors to earn incentives to recruit new network members or part of their initial investments. The plan in which one member gets commission only for the continuous purchases of new members he brings into the network is included in the same group. The US authorities have also been paying careful attention to regulating fraudulent pyramid schemes.

According to the Federal Trade Commission, participants in a pyramid scheme expect to gain financial benefits far more than their contributions based mostly on downlines' charges. Some private organizations seeking to differentiate between a legitimate MLM scheme and a risky pyramid structure have proposed various client guides. The US National Consumer League (NCL) has created and supported social and economic justice for consumers and workers in the United States and abroad. Such a guide is offered in the United States. The critical distinctions between legitimate MLM and fraudulent pyramid schemes are shown below (Fig 2.).

Comparisons between MLM and Pyramid schemes

	Multi-Level Marketing plan	Pyramid
Business focus	Sales of products and services to end-users (NOT other distributors)	Recruiting new members.
Profits	Primarily based on the sales of products and services by the distributor. Perhaps some percentage of income from sales by downline recruits.	Primarily membership fees paid by new recruits or “bonuses” for meeting recruitment goals.
Products or services for sale	Household goods or services that consumers typically use in everyday life. Goods and services are priced competitively with traditional retail outlets.	Often a thinly-veiled and poorly-made “miracle” product or service that few consumers want or need. Merchandise is typically priced well above comparable products sold in retail stores.
Start-up costs	Low or none at all.	Often involving recurring “membership” fees or expensive “educational,” “training,” or “advertising” materials that can easily be found free of charge elsewhere.
Support system	Low-pressure, eager to answer questions about the business and provide detailed information in writing upon request, such as a business and marketing plan	High pressure, with a constant focus on recruiting new members of the scheme. Hard to reach when questions arise.
Employee/customer references	Eager to provide references who provide honest evaluations of the viability of the MLM plan and the work necessary to succeed.	Unwilling or unable to provide references or only provides references who themselves attempt to recruit a caller.
Sales pitch	Provides detailed information about the work involved. Offers no promise of easy riches. Does not use high-pressure sales tactics.	Involves promises of large profits with minimal work, often in high-pressure seminar environments. Uses phrases like “limited time offer,” “can’t miss opportunity,” and “guaranteed income.”
Info available?	Has a good report with the consumer protection agencies and is registered with the local Chamber of Commerce.	Not registered with the local Chamber of Commerce. Information about the company is scarce or limited to a Web site.
Getting out of the business	Easily accomplished and accompanied by a reasonable merchandise buy-back program	Difficult, with high-pressure tactics used to keep participants in the scheme, possibly accompanied by pitches to spend more money on “training” to improve performance.
How long the business will last	Sustainable, based on repeat sales of products and services	Doomed to collapse
How likely you’ll profit	Profits are based on time and effort devoted to selling goods or services to consumers.	The vast majority of participants lose money.
The bottom line	It’s a legal business opportunity that may or may not be a good fit for you.	It’s illegal. Don’t waste your money.

Source: www.fraud.org – A guide from NCL’s Fraud Center

Fig 2.

Finally, despite all the legal concerns of MLM networks both at the US and EU level, it is agreed that ethical corporates and companies which treat with respect for consumers and distribution network representatives of these plans could be considered correct and legitimate trade practices.

2.1.3 MLM and Entrepreneurship

Direct Sales is a business model that offers individuals entrepreneurial opportunities as independent contractors through one-to-one sales, home or online product demonstrations, and services, usually outside the fixed retail establishment.

MLM helps individuals to start their businesses at low start-up costs. They do not need to worry about the goods or services they want to sell, as corporations have supplied them with proven products in a network that they do not even need to worry about fixed and variable costs such as development, R&D, distribution, leasing, services. With the Internet and web services, they can even use their smartphone to offer goods and services online.

Everyone who wants to be a business owner can benefit from the platform provided by MLM companies and what they need for success is their entrepreneurial knowledge practice. The company's standard training material, like books and podcasts, will add to their knowledge every day. With their uplines' help, they apply their entrepreneurial knowledge consistently and persistently to build their own business. Like all other businesses, their success depends on what they learn and how much they can apply it consistently and persistently.

More than six million entrepreneurs in the U.S. are selling products or services through the direct selling channel, providing a personalized buying experience for more than 36.6 million customers. That is because direct selling offers a low-risk way to participate in a fast-growing part of the economy. (DSA- 2019- public affairs fact sheet)

2.1.4 Entrepreneurship teachability and MLM training

Extant literature seems to favor the notion that entrepreneurship can be taught (Fayolle and Gailly, 2015; Heinonen, 2007; Kuratko, 2005; Matlay, 2005; Neck and Green, 2011; Rideout, 2013). However, the question remains how entrepreneurship should be taught (e.g., Heinonen, 2007; Mwasalwiba, 2010). Furthermore, as Fayolle (2013) notes, while extant research on Entrepreneurship Education (EE) approaches highlight the importance of “active,” “experiential,” “learning by doing,” “real world” and “entrepreneurial” pedagogies, little is said about the methods to integrate such components in EE courses. However, there are a few exceptions. For instance, Padilla-Meléndez et al. (2014) recommend outdoor training activities because people learn best when they have a direct exchange with their own experiences; that is when they learn by being involved in problem-solving

exercises while having space and resources needed to generate immediate success or failure in their actions.

Based on Philip Kotler's article "Frontiers of marketing in the third millennium," marketing experts may also need a new conceptual orientation related to the customer's well-being and society's marketing management. However, they should be educated in various fields of technological transformation, such as nano and neuroscience. It must be considered that the roles of marketers vary in terms of future co-creation and just-in-time processes that make a consumption-production model just-in-time. Thus, businesses or governments should consider various training programs for them if they want to be ready for future changes.

The training is more experiential in network marketing, and regardless of whether the network marketer can be successful in his Direct Selling business or not, the training itself is helpful for other parts of his life. Many IBO examples become very successful in other careers, thanks to the business training and knowledge they first gained in their Network Marketing experience. For individuals who want to learn the real-world skills of an entrepreneur, network marketing is a practical, real-world business school.

However, the exciting part is when we compare a network marketer's characteristics with the traits that an entrepreneur must have to be successful. They are somehow the same. Network marketers are marketers with a specific economic entrepreneurial training experience that could become good examples for other marketers who should gain more entrepreneurial knowledge.

The question is this: Are Network Marketers more ready for the undeniable entrepreneurial changes in the 21st century rather than current marketing experts or not? On what scale? The third Chapter will discuss it more in detail.

2.1.5 Pyramid to a Diamond

A pyramid means a few people have very high purchasing power at the top of the pyramid. More consumers will be in the medium section of the pyramid and many consumers at the very bottom. It is important to reshape the pyramid into a diamond. In other words, more individuals should have higher purchase power at the bottom of the pyramid and therefore shift to the middle level. It will shrink the bottom of the pyramid and fatten the center.

MLM businesses have always been accused of being the best business for the top of the pyramid in public eyes! It implies that it is more beneficial for individuals who join the organization first. It is not true because many senior network marketers who joined the organization first are making less money than junior members who later joined the business. It means they are getting what they deserve. For example, Amway's successful leaders believe they are part of a system that is not like the pyramids incorporation world. Indeed, the company's CEO usually gets the highest amount of salary, and it is so difficult for an employee to be CEO of the same company shortly. After the head of a company, some middle managers get paid based on their background and years of experience, but in MLM business plan all depends on IBOs' (Independent Business Owner) effort and desire for success.

MLM aims to eliminate inequalities and provide success opportunities for all people with different backgrounds. MLM's vision is about changing all pyramids to diamonds. It needs less poverty and more middle-class families in the middle. If this happens, more people have time and money to have their own business, which means more MLM growth. In Marketing 3.0 and 4.0, it is already discussed that eliminating poverty is part of companies' social responsibility. It is good to remember that MLM companies can train ordinary people, with no particular background and income, to entrepreneurs who can change their lifestyle.

2.1.6 Poverty and MLM

In Marketing 3.0, the goal is to empowering crowds of people to learn fishing instead of feeding them with fish. They need to know entrepreneurship first, and then through their knowledge, they can build their own business. For new entrepreneurs, however, the cost of entrepreneurial education should be affordable because they need to be educated first to start their own business, make money, and invest in their education.

People may support each other through communities in education and promotion areas that generally cost them a lot. A low-cost training system can happen by teaching face-to-face entrepreneurship values and using Word of Mouth's strength to support their small businesses. These tools are widely used in MLM business and Network Marketing philosophy base on the power of community.

Eliminating poverty is further than just a social responsibility. It can expand the existed market for companies that will cause economic development. MLM companies' platform will help people access high-quality products that they can make good money of them just by using in their routine

life and talking about them with their surroundings. They do not need to worry about all production challenges, distribution difficulties, or even some startup fixed costs, only they need to focus on their entrepreneurial training, and then they will teach the same to their downlines. They learn, practice, and teach what is required for being an entrepreneur effectively and economically. This earned knowledge can be used in other business fields as well. Indeed, they are not amateurs anymore, and they are trained to be an entrepreneur.

Most MLM companies use commodities as their business plan products. It helps network members to satisfy their essential nutrition and health needs. If they are happy about their experience, they can talk to others and share their story with them. The network will grow only if more people try the products and be satisfied. However, while adding to their entrepreneurial knowledge, they can also make money from their activity.

The similarities of the recommended solutions for eliminating poverty in Marketing 3.0 and MLM companies' vision are why this study will suggest the MLM platforms as a proven and economical way of preparing people for their future entrepreneurial lifestyle.

2.1.7 How we can improve CKM using MLM experience

However, among all CKM types mentioned in chapter two, joint intellectual property is how Multi-Level Marketing companies use it to achieve a higher CKM level and innovation level. This type of CKM gave them the atmosphere that they can build the company innovation level up. Prosumers, partners of the mother company, have enough motivation to think, care, and share their ideas with the mother company because they feel they belonged. The company's success is their success, and this win-win correlation gives a higher synergy to the whole organization.

Referring to CKM barriers, joint intellectual property has less problem regarding motivational, cognitive, and even operational obstacles due to its win-win philosophy. The fact that the company's profit is partners' profit helps the customer have a better intention and motivation for sharing the idea of taking part in the production process. The cost of education of someone eager to learn is manageable. It lights up the theory that the MLM educational system can be an excellent example for other companies interested in improving their CKM level.

For example, Amway educational systems have more than sixty regular annual training sessions that all partners are taking apart to learn the business skills and educate themselves in success. These sessions diverse in the number of participants, and all the costs will be covered by IBOs (Independent Business Owners). Sixty years of Amway's presence in entrepreneurship education shows its operational power. Their CKM model can be a good case study for scholars who want to help marketing 4.0 companies in their CKM journey.

2.2 Case Study: Amway

Qualitative case studies allow for rich and naturalistic data to be obtained (Stake, 1995). Being commonly used to investigate emerging themes that lack strong theory (Yin, 2003), they are known to provide descriptions and generate theories in previously under-investigated areas (Eisenhardt, 1989). In this part, Amway, as a best direct selling company (based on DSA 2019 ranking), will be investigated. The goal is to understand Amway's relationship with its Independent Business Owners and Amway CKM system.

2.2.1 Historical Overview

Amway's history is a part of the long history of direct selling, which started with peddlers selling things door to door. In the 19th century, direct selling declined because of big companies' mass marketing strategies, such as department stores. Fortunately, some companies realized that direct sales could bring some additional value over sales of their goods in large stores in the late 19th century and early 20th century. They favored the intimate touch, with salespeople exclusively doing home demos of their goods. Door-to-door sales associates sold brushes, cooking utensils, and other items in the 1920s, but retail stores battled with local peddler rules. Company-employee relations legislation of the federal government contributed to the independent contractor approach. Salespeople were no longer workers as private contractors: they were private businessmen who purchased goods for resale.

“The first network marketing began in 1941 when two men created a mechanism to distribute Nutrilite vitamins. Within this mechanism, in addition to making money in retail sales, distributors earned a bonus on the sales of those individuals whom they personally recruited.”

Amway (short for "American Way") is an American multi-level marketing company that sells health, beauty, and home care products. The company was founded in 1959 by Jay Van Andel and Richard DeVos and is based in Ada, Michigan. The company's manufacturing facilities include a 3.5-million-square-foot production plant in Ada, Michigan, and plants in California, South Korea, and China. Amway products were delivered to distributors in the United States, Canada, and the Caribbean region through 12 Amway Service Centers.

Via a network of over three million independent distributors worldwide, Amway Corporation sells its products and brand name products from other businesses. Amway provides a wide variety of items, ranging from cleaning products, cosmetics, and supplements to travel services, discount car sales, and catalog merchandise, unlike many other Multi-Level Marketing (MLM) businesses.

The Amway business opportunity provides each person the chance to advance their own autonomous career and thrive based on their objectives. Via a fair pay package and a large family of high-quality product lines, Amway helps its business owners, and Amway Academy offers e-learning classes, web presentations, and personal training courses. Amway Academy, for example, issued more than 3,000 certificates across Europe in 2010.

Amagram is the company's monthly magazine to be in touch with its distributors, and Amway provides a wide range of promotional literature, audio, and video materials for informing its partners. While the distributors did much of the product marketing, Amway also sponsored ads in magazines, newspapers, radio, and TV. Its promotional expenses were much smaller than those of other firms, enabling Amway to launch new products cheaply.

In the 80s, estimated annual retail sales exceeded \$1 billion for the first time. Amway expanded its U.S. headquarters in Ada, Michigan, and built a new cosmetics plant where ARTISTRY™ products were developed and manufactured. The company recorded explosive growth during the 1990s, increasing its revenue volume from \$1 billion in 1990 to \$7 billion in 1997, mainly through international expansion. Around 80 percent of Amway's revenues are generated from Asia.

Today, Amway is the world's largest direct selling company (\$8.8B reported sales, 2018). They manufacture and distribute their products exclusively sold in 100 countries through Amway Independent Business Owners (IBOs).

2.2.2 World Leading Brands

Split into nutrition, beauty, and home care categories, Amway offers a diverse portfolio of high-quality products. Their brands NUTRILITE™, ARTISTRY™, and AMWAY HOME™, contribute to personal well-being and delight consumers. These brands are just part of the brands that Amway and IBOs are working with is working with:

2.2.2.1 Nutrilite is the world's leading brand of vitamins, minerals, and dietary supplements. Sales literature states, "Nutrilite is the only global vitamin and mineral brand to develop safe and effective supplements made from whole-plant concentrate, known as phytonutrients, grown, harvested and processed on its own certified organic farms, setting it apart from other makers of dietary supplements."

2.2.2.2 Artistry Cosmetics had its beginning in 1968, as Edith Rehnborg Cosmetics. Edith was the wife of Nutrilite's founder. The name was changed to Artistry in 1972. Artistry is among the top five prestige cosmetics globally and the only one marketed through direct sales.

2.2.2.3 eSpring: eSpring is the world's No. 1 selling brand of home water treatment systems, providing clean drinking water to families around the world.

2.2.2.4 Atmosphere: Best-in-class air treatment systems that deliver clean air to customers' home or car, connected to them on mobile

2.2.2.5 iCook: Cookware that builds confidence in the kitchen and brings family and friends together through food.

Quality is never expensive, and all Amway products have a: "100% Customer Satisfaction Guarantee".

2.2.3 Founding

The story of Amway started with the friendship of two young people, who became the founders. Jay Van Andel was born in Grand Rapids in Michigan in 1924, and Richard M. DeVos was born in the small neighboring town of Ada in 1926. They both had Dutch background and some common characteristics like hard work, good management ability, and entrepreneurship potential.

They both served in the Army Air Corps during the Second World War and returned to Michigan after the War. The two young men purchased a schooner and sailed to see Latin America after selling Wolverine and a few other small businesses. The ship fell in the Caribbean, and the two remained in South America for the next six months and returned to Michigan and began importing and selling Caribbean handicrafts through JaRi Company.

DeVos and Van Andel were founded in earlier 1949 to import wooden goods from South American countries by the Ja-Ri Company (abbreviated from their first names). After the seminar in Chicago, Ja-Ri became a distributor for Nutrilite. Nutrilite provided commissions for the sales of new distributors launched by senior distributors and the benefit for each product sold. By 1958, DeVos and Van Andel had set up more than 5,000 distributors in their organization. In April 1959, however, in response to concerns about Nutrilite's stability, they founded the American Way Association or

Amway, with some of their leading retailers. They later added more products to their distribution system.

The scientist in Ohio invented their first product, Frisk, as an organic concentrating cleaner. The right to manufacture and sell Frisk was given to DeVos and Van Andel. The name was then changed to LOC. The Amway sales corporation was founded in September 1959 for sales and marketing plans to supply, shop, and operate products. Amway services corporation was established to manage insurance and retail benefits. With the aid of few people, Van Andel and DeVos began operations in their basements. During his career in inspiring and educating new distributors, DeVos created new product technologies and tracked sales literature. The new business was established in Ada, Michigan

They bought a 50 percent stake in the original LOC manufacturers Atco Manufacturing Company in Detroit in 1960 and changed Amway Manufacturing Company's name. In 1964 Amway Sales Corporation, Amway Services Corporation, and Amway Manufacturing Corporation joined forces to form Amway Corporation. Amway, in 1972, acquired Nutrilite's control interest and in 1994 got full ownership of the company.

2.2.4 1960s, Business Model start

Jay Van Andel and Rich DeVos's new success was shared by those who kept the same values and vision. They built a unique business model, encouraging others to join Amway, and taking part in the growing company's benefits. It has become a model for recognition and reward that continues to be developed worldwide in Amway markets.

The business was fast expanding. In 1964 sales of Amway reached \$10 million. In 1960, sales of \$500,000 were produced in the first full year of operations. Thousands of new Independent Business Owners (IBOs) registered every month. They developed so quickly as they planned. DeVos said: " We were always scrambling, just trying to catch up on back orders, working on training people adequately."

In 1960 was launched a washing detergent, SA8. The credibility of Amway for the sale of soap was mainly based on the feedback of this product. They had some other products like aerosol shoe spray, hair products, cookware, and cosmetics. The newly released SA8 Laundry Detergent was shown to be a big seller for AMWAY Home-care products. In a few years, the company employed over 700 staff, added over 200 exclusive goods, and over 100,000 IBOs.

With its growth in Canada, Amway began international development in 1962. In 1968 distributors could sell products manufactured by other firms through the Personal shoppers' Catalog. A significant reorganization took place in 1964. The Amway Business was founded in the three branches – sales, services, and manufacturing – with Van Andel as CEO and DeVos as Chairman. The two founders have always taken crucial business decisions together.

Newborn enterprise started a few misprints and encountered new problems in the 1960s. For instance, they attempted to sell underground fallout shelters in an age of priority civil protection against nuclear war, and later customers lost interest in shelters. More failed products such as automotive generators with 110-volt capacity and water heaters were made. However, even though some things failed, the company sold over 150 goods in 1968 through its 80,000 IBOs.

The Aerosol production plant in Amway was completely burned down in July 1969. A temporary facility was built up the next day. The new building was finished six months later, and the company was relocated.

2.2.5 Growth and Controversy 1970s-80s

Because of the potential of the business opportunity and good company presence on the market, more and more IBOs joined Amway. Amway trucks were traveling more than 5.23 million kilometers per year, shipping products to millions of distributors.

Amway's experience was characterized by diversification and takeovers during this period. In 1972, Nutrilite Products, Inc., which presented direct sales to Van Andel and DeVos, was acquired. An additional facility for Amway dealers was acquired in 1978 in a luxury resort and hotel complex on Peter Island, British Virgin Islands. Besides, the organization has purchased a boat, Enterprise II, as a floating conference center to award and train its significant distributors. They also bought the dilapidated Pantlind Hotel in Grand Rapids for IBOs who came to the corporate headquarters. A major addition to downtown Grand Rapids was the newly revamped and renamed Amway Grand Plaza Hotel and the newly built Grand Plaza Tower.

Amway's major law challenge was the successful protection against the accusation of an unlawful "pyramid scheme." Pyramid type of companies will pay distributors for just recruiting people. Federal Trade Commission (FTC) in 1969, filed formal charges against several businesses, including Amway and the Nutrilite. In May 1977, three months of FTC hearings began, and in 1979 Amway's MLM Proposal was deemed legitimate by the FTC. The ruling was based on the conclusion

that distributors were not paying for recruiting new distributors, that goods were sold to retailers to obtain incentives, and that the company was ready to retake excess retail inventories. In his book *Multilevel Marketing*, Lawyer Rodney K. Smith concluded, after reviewing many cases, "Amway is not and never has been an illegal pyramid scheme."

In the first half of the 1980s, Amway revenues fell for the first time, and another significant issue occurred. Some big IBOs sold their businesses, and several top leaders either stopped or were terminated or fired. The pyramids' arguments have once again been raised, not against the company, but against some distributors who have advised their downlines to buy a big stock of products, tapes, or training materials for personal use or to sell to customers could not be retailed easily.

Amway failed on some projects as well. The Mutual Broadcasting System (MBS) was acquired in 1977 with its hundreds of affiliated radio stations, but DeVos claimed the lack of expertise, unsatisfactory targets, and profitability led to MBS's selling in 1985. Amway produced and sold some satellite dishes, but the last division was finally sold in 1989.

Amway's most famous occurrence in the late 1980s was its failure to take over Avon Products, Inc. In 1989, Amway and corporate raider Irwin L. Jacobs jointly bought 5.5 million Avon shares, about 10.3% of total shares. A week later, Amway offered to acquire Avon for \$2.1 billion in cash without Jacobs' cooperation. Avon declined the deal, and Amway withdrew his offer in May 1989. While the offer was failing, Amway's financial strength was well indicated.

Besides, Amway has made vigorous attempts to be responsible for the environment. Many of Amway's early items are biodegradable, and their SA8 was available in a phosphate-free format to manage water channel contamination, and items are concentrated, which reduces the amount of packaging that has ended up in waste dumps. Amway changed its aerosol products to eliminate certain compounds after chlorofluorocarbons were found hazardous to the ozone layer. In 1989 Amway was the main sponsor of Icewalk, a two-month expedition to the North Pole to solve environmental concerns. Amway was also involved in the global Re-leaf initiative to plant 100 million trees by 1992 in collaboration with the American Forestry Association. On 5 June 1989, Amway was recognized as one of two companies with the United Nations Environmental Program Awards of Excellence. The company announced that it would not co-operate in the Cosmetics, Toilet & Fragrance Association movement against the ban on animal experiments and end all animal testing in its research programs on the same day. Amway has been designated as 1992 Recycler of the Year by the Michigan Recycling Coalition for its on-premises recycling center and recycling activities in its operations and product growth.

The idea became increasingly popular despite the legal combat and sometimes unfavorable media broadcasting of Amway and direct sales. In 1988, overall retail revenues, according to the direct selling association (DSA), stood at about \$9.7 billion, up 10.3% from 1987, of which Amway accounted for around 16%. In a 1976 U.S. household survey in Harris, 16 % of the respondents sought Once tried to sell directly. The employment rate went down, which could impact the people's will of the second job as their own business. The DSA recorded that 81.4 percent of all salespeople were women in 1988, while more women become IBOs and sold Amway products.

Amway also continued its European expansion in the 1980s, with operations in Switzerland and Belgium in 1980, in Italy in 1986, and in Spain in 1986. The first Amway operations were performed in Latin America in 1985 and followed by Guatemala in 1987. The new Amway de Mexico headquarters was built in Mexico City in June 1990. Amway's flexible culture adoption was one of its continuous success reasons. Amway participated in Japan's Sharp Company small induction sales through its MLM business plan. This range was suitable for small Japanese homes and was well marketed at home while Amway distributors were demonstrating. The 1988 sales of \$536 million to Amway (Japan) Ltd., made Japan Amway's largest overseas branch.

2.2.6 International Expansion During the 1990s

Amway had a successful presence in the 1990s, focused on rapid international growth, strong family leadership, and a good financial position. Eight of the children Of Van Andel and DeVos took their leadership positions when founders were retiring from the organization in the early 1990s. In 1992, Dick DeVos was named President, and Steve Van Andel was elected President of the group. As Senior Chairman and Member of the Management Board, Jay Van Andel plans to remain in action with the company.

In the 1990s, Amway's free enterprise slogan became more notable as the communist economies in East Europe and other nations were failing. Amway's areas extended to Korea, Hungary, Brazil, Portugal, Indonesia, Poland, Argentina, the Czech Republic, Turkey, and Slovakia during the first half of the 90s. In response, according to one report in the October 1994 U.S. News & World Survey by company regulatory analysis and media criticism, global expansion was probably part of Amway's plan to offset slower sales in the US. However, Amway did not struggle in terms of overall results, and in 1994 revenue rose by 18% to a total of \$5.3 billion over 1993. Dick DeVos reported that 70% of revenues in 1994 come from abroad and expected that by 1996 this figure would grow to

75%. In 1994, Amway shifted its entrepreneurial operation to the Eastern European market in Vietnam and even China.

Japan was one of the most stable international markets of Amway in the 1990s. Amway provided a new entrepreneurial platform in a society where many Japanese businessmen were used to remaining in one company during their careers. Amway operated without spending money on ads in Japan until around 1989, with word of mouth recommendations provided by volunteer IBOs. Over five hundred thousand Japanese were Amway members in 1990, making it one of Japan's biggest and most profitable international firms. Amway (Japan) Limited had a pre-tax income of more than \$164 million. By the mid-nineties, revenues were more than doubled, and 816,000 salespeople joined the Japanese subsidiary. In 1994, because of Amway Japan and Amway Asia Pacific's success, centered in the Hong Kong market that amounted to about 6.7 billion, DeVos and Van Andel's net wealth became doubled and worth an estimated \$9 billion. So, founders ranked among the ten wealthiest people in the United States, according to Forbes magazine.

Amway's power in the 1990s reflected the positive reception of the public offerings in Asia. In Asia and markets worldwide, the business achieved success, which resulted from almost all growth due to international expansion. Amway formed twenty new international affiliates between 1990 and 1996, rising to more than 75 countries and territories in which it operated. Sales grew 300 percent between 1990 and 1996, to a total of US\$ 6.8 billion at the same time as the company's rapid expansion abroad. Amway's international market's dynamic growth, which produced more than 70% of its revenues across the company, could not have been better because they did not have the same results at home.

Amway's success in the first half of the 1990s depended mainly on its international markets' growth. In 1998, when China's government banned direct sales for concern that it would breed illicit activity, exploring China's new market, launched by Amway Asia Pacific in 1994, hit a mortal barrier. Finally, Amway solved the problem by changing the traditional buy and retail the products to the new format that IBOs did not need to stock products first to sell them directly by Amway platform. In the late 1990s, the Asian economy suffered a more debilitating blow, and its impact on Amway's balance sheet was easily discerned. The 1997 turnover stood at \$7 billion, before declining 18.5% to \$5.7 billion in the following year. Amway reported a drop in revenue for the first time in more than ten years.

In 1999, the Amway company owners formed a new holding company, Alticor, and founded three new companies: Quixtar, Access Business Group, and Pyxis Innovations, a sister (and separate)

company based on the web. Pyxis, which was eventually replaced by Fulton Innovation, continued research & development. Quixtar was founded to sell consumer goods over the Internet at volume discounts. Some industry analysts believed that the new company would eventually replace the traditional Amway business.

With the help of Quixtar, all "Independent Business Owners" (IBO), instead of from their "upline or sponsor" could order directly on the Internet from the Amway website and have products delivered directly to the home. Alticor decided to close Amway North America after 2001 after virtually all Amway distributors had switched to Quixtar. It was then announced in June 2007 that the brand Quixtar would gradually be eliminated in favor of Amway Global brand in two years.

2.2.7 Amway Mission

Amway's mission and vision are simple: we work each and every day to help people live better lives. They achieve this vision by assisting IBOs worldwide to discover their potential and achieve their goals by offering better products and opportunities through its dynamic business plan.

Jay Van Andel and Rich DeVos created the ethical and operational standards that continue to guide the company and its IBOs in all their activities. These founding principles are Freedom, Family, Hope, and Reward.

It is represented as Amway will always support people's fundamental FREEDOM in deciding their futures, enabling them to protect and maintain their families. In proportion to their efforts, Amway often still offers people HOPE and the chance to win REWARD.

Amway understands the personal value of everyone. Amway is socially responsible, and They believe to be good citizens in the communities where they live and work. So, Amway and IBOs are actively helping to make a difference. For example, the One by One Children's Initiative was launched in 2003, and since 2003 it has spent over 166 million US dollars on many causes.

Amway's business is based on relationships that are rooted in its founding partnerships. This profound relationship lay between all parts of Amway's business, from manufacturing to IBOs. The Amway business model is focused on good and reliable partnerships. Thanks to their customer relationship, they can offer excellent, extremely convenient, and personalized customer support. New IBOs are always treated personally by their uplines. Their in-depth product knowledge rooted in their consumption of the same products will help new IBOs answer their questions or any customer

concerns, whether the problem is about products or starting their own business with the Amway platform's help.

2.2.8 Amway Independent Business owner's qualification plan

The accomplishments of its independent IBOs drove the growth of Amway. Amway had no formal control over its distributors and relied on bonuses or incentives to motivate IBOs. With the development of the company, distributors have created more extensive and larger selling organizations. Their income and rank improved and were affected by levels of achievement known as "pin levels." A successful IBO's first rank level is Platinum, and then they have direct access to products from the company instead of his/her uplines.

From the beginning of Amway's story, the award system started using the jewels' name in achievement awards for additional sales levels. The first Ruby, followed by Pearl, Emerald, and Diamond, was awarded in 1962, each featuring a decorative pin on top of the particular stone. In 1966 the first double diamond, the triple diamond in 1969, Crown in 1970, and Crown Ambassador were achieved at the highest level in 1977. In 1984, just twenty-five years of Amway's birth, there were 24 Crown and 15 Crown Ambassador. Almost all these 39 IBOs were married couples, and 28 of them were lived in the United States.

2.2.9 Amway Business Plan

The potential partners of Amway should first be registered on the company's official website. For using the company's available resources and software, they need to be subscribed to the website and pay a small annual fee (in Italy, it is about 30 euros). If an IBO wishes to quit the company, the sales and subscription fees will be refunded. They will have access to all unique retailer discounted products based on their registration. The way they want to do business is free to choose, so Amway customers can choose to work alone or start their own business and build their distributors' team.

But if customers decide to start their own business, new salesmen sponsored by them become part of the "personal group" or "downline" of this distributor. In exchange, they will create their own personal groups, making their first sponsoring retailer's personal community. The package provides distributors with various revenues. One way of doing so is to have the "necessary discount," which means the difference between the distributor's price for the commodity and the buyer's retail price. Distributors make no profit from selling the products to their downline distributors. Amway

performance bonuses range from 3 to 25 percent based on the point value or PV and the system business volume (BV) assigned to all items. Point value is stable, but with inflation, business volumes increase. The percentages of sales compensate as a bonus as the number of PV increases. A value of 100 brings a bonus of 3 percent, while 1500 is a 15 percent level, and 7,500 PV is 25 percent. (All numbers are based on the USA Amway business plan.

Silver maker is a distributor that generates 7,500 PV in one month; Gold direct sustained this for three months. From there, they go up to the precious stones: Ruby (a month of 15,000 PV), Emerald (sponsors three directs of gold), and Diamonds (sponsors six teams of gold producers). If distributors enter one of the levels, they receive a jewelry pin-set.

2.2.10 International Expansion

In 1962, Amway spread to Canada. Australia was the first market in 1971 in the overseas world. Since then, almost every year, other markets have opened up. In more than 100 countries and regions, Amway goods can be purchased and sold.

In 2012, Amway became the world's number one in sales between direct sellers' companies, with global sales of \$11.3 billion, surpassing Avon. Since 2012 Amway is the biggest direct selling company based on DSA statistics. 90% of Amway's market is now carried out by its affiliates abroad. Nutrilite revenues account for 45 percent.

These are some of Amway market launches detail worldwide in Fig 3.

Year	Countries Opened	# of Country(ies)
1959	United States	1
1962	Canada	1
1971	Australia	1
1973	United Kingdom	1
1974	Hong Kong	1
1975	Germany	1
1976	Malaysia, France	2
1978	Netherlands	1
1979	Japan, Ireland	2
1980	Belgium, Switzerland, Barbados	3
1982	Taiwan	1
1985	Austria, Italy, New Zealand, Panama	4
1986	Spain	1
1987	Guatemala, Thailand	2
1990	Mexico	1
1991	Brazil, Hungary, Korea	3
1992	Brunei, Indonesia, Poland, Portugal	4
1993	Argentina	1
1994	Czech Republic, Slovakia, Turkey	3
1995	Chile, El Salvador, Slovenia, Uruguay, China, Honduras	6
1996	Costa Rica, Colombia, Greece	3
1997	Phillipines, South Africa, Romania	3
1998	India, Dominican Republic, Haiti, Venezuela	4
1999	Denmark, Sweden, Norway, Finland, Åland Islands	5
2001	Croatia	1
2002	Singapore	1
2003	Ukraine, Botswana	2
2005	Russia	1
2008	Vietnam	1
2010	Jamaica, Estonia, Latvia, Lithuania	4
2013	Peru, Amway Bulgaria	2
2014	Kazakhstan	1

Fig 3.

2.2.11 Amway sales performance

Amway has expanded quite rapidly. Historic sales data are given below at the average retail prices between 1959 and 2000. In 2000, Amway was restructured to become a part of the holding company Alticor. Alticor and Quixtar sales data are reported as actual sales. Amway reached its peak in 1997 with worldwide retail sales of 7 billion USD. Here we see some recent revenue history of Amway global (fig 4., 5., 6. & 7.).

Year	Sales (USD)
2000	3.84 Billion (5.1 Billion ERP*)
2001	4.1 Billion (5.4 Billion ERP*)
2002	4.5 Billion
2003	4.9 Billion
2004	6.2 Billion
2005	6.4 Billion
2006	6.3 Billion
2007	7.1 Billion
2008	8.2 Billion
2009	8.4 Billion
2010	9.2 Billion
2011	10.9 Billion
2012	11.3 Billion
2013	11.8 Billion
2014	10.8 Billion
2015	9.5 Billion
2016	8.8 Billion
2017	8.6 Billion
2018	8.8 Billion

Fig 4.

Year	Estimated Retail Sales	Year	Estimated Retail Sales	Year	Estimated Retail Sales	Year	Estimated Retail Sales
1960	\$0.5 million	1970	\$120 million	1980	\$1 billion	1990	\$2.2 billion
1961	\$1 million	1971	\$165 million	1981	\$1.4 billion	1991	\$3.0 billion
1962	\$2 million	1972	\$180 million	1982	\$1.5 billion	1992	\$3.9 billion
1963	\$6 million	1973	\$210 million	1983	\$1.13 billion	1993	\$4.5 billion
1964	\$10 million	1974	\$230 million	1984	\$1.2 billion	1994	\$5.3 billion
1965	\$38 million	1975	\$250 million	1985	\$1.2 billion	1995	\$6.3 billion
1966	\$40 million	1976	\$300 million	1986	\$1.3 billion	1996	\$6.8 billion
1967	\$50 million	1977	\$375 million	1987	\$1.5 billion	1997	\$7.0 billion
1968	\$65 million	1978	\$500 million	1988	\$1.8 billion	1998	\$5.7 billion
1969	\$85 million	1979	\$800 million	1989	\$1.9 billion	1999	\$5.0 billion

Fig 5.

Alticor/Amway Historical Sales (graph)

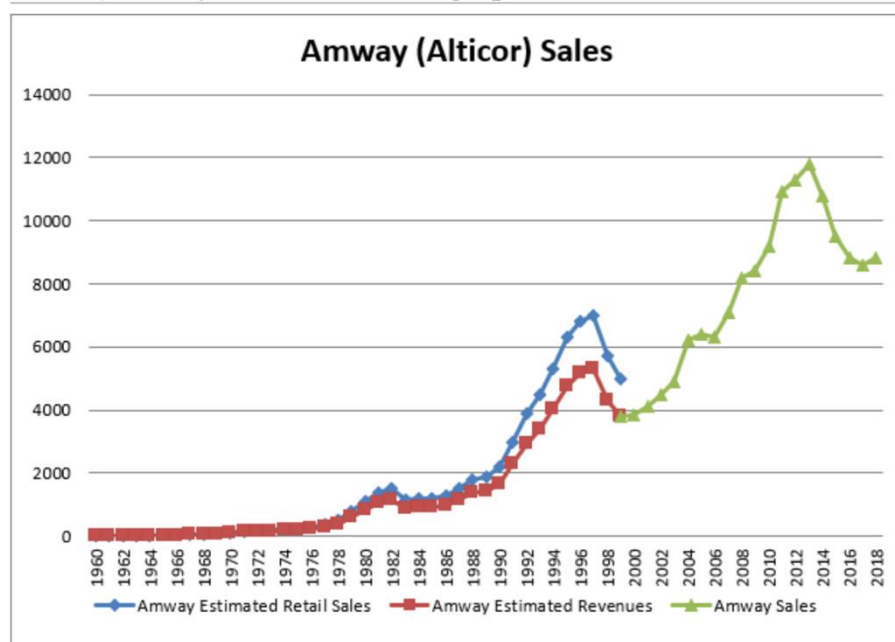


Fig 6.

Until 1999 sales were reported at Estimated Retail. This is approximately 32% higher than actual sales revenues from sales made to Amway distributors.

Quixtar North America Sales Data

Year	Quixtar	Partner Stores	IBO Bonuses
2000	\$448 million	\$70 million	\$143 million
2001	\$751 million	\$65 million	\$230 million
2002	\$901 million	\$57 million	\$282 million
2003	\$1.035 billion	\$58.3 million	\$343 million
2004	\$1.1 billion	\$68.5 million	\$373 million
2005FY	\$1.058 billion	\$76 million	\$345 million
2005CY	\$1.094 billion	\$75.5 million	\$350.4 million
2006	\$1.118 billion	\$84.6 million	\$370.1 million
2007	\$1.072 billion	\$70.1 million	\$363.0 million

Fig 7.

2.2.12 Amway and CKM

In Amway, regular customers become independent marketers, and they can start their own business right away after their subscription. They need to learn entrepreneurship, and Amway provides the infrastructure for doing so. Customers who are partners of the company will share their knowledge with Amway to improve the products that they use and grow their own business. About four million people are partner with the company, and they are the best source of CKM data. They love to share their ideas with the company, and their business plan helps them reach this valuable source at a reasonable cost. This win/win relationship brings more synergy to the company's CKM level, resulting in overall company sales.

2.2.13 Amway & Innovation

Amway has been at the forefront of scientific innovation ever since the first product was launched on the market over 60 years ago. Amway continuously improves and modernizes Amway classics with 100 research laboratories worldwide to offer its customers the latest. Each new product is checked rigorously to ensure that it meets the highest level of quality. Many certifications from third parties demonstrate that Amway succeeds in producing goods that people can trust.

Nearly 1,000 scientists, engineers, and technical professionals are employed. More than 1,200 patents were issued and over 400 papers published in leading industry journals by Amway R&D professionals.

2.2.13.1 Open Innovation

First, it was known around 2006 that growth would gradually slow down as Amway ran out of new markets for entry by regional expansion. Furthermore, a five-year retrospective study of its innovation pipeline found that the company created innovation capabilities mainly.

Open innovation seemed the best way to control the growth constraints of the company. By working with third parties to develop and commercialize their inventions, Amway could make up for its capital inequalities. To enter a more comprehensive network would allow the organization to level out and innovate at the same pace as its larger rivals.

The company increased its focus to continue its growth at its current pace to increase its market share. In 2007 the global leadership team introduced its program to produce and acquire new products, "Growth Through Innovation" (GTI).

“In addition to product innovation, the R&D function was encouraged to think about innovation in broad terms and reevaluate how it conducts market research, the processes that guide product design, and how products are packaged. Business model innovation was also part of the initiative, with Amway looking at new ways to market and distribute products and services,” says Ron Sharpe, fellow, Open Innovation, Amway.

The company did not have enough resources to commit to internal product development. The challenge was to see how exponential innovation can be accomplished without incorporating sufficient exponential technological capital.

R&D management chooses the best approach for all. The group may allocate internal development to the project if it has the resources and abilities to develop a particular technology. However, if the company does not possess the right expertise or does not wish to invest in a specific sector, the Open Innovation group can undertake outside technology mining to find a suitable third-party partner.

“This is the heart of our open innovation approach,” says Sharpe. “Once started, all projects are subject to the same checkpoints and evaluation criteria, regardless of whether they are developed internally or externally.”

To date, open innovation has documented more than \$500 million in technology products. Sharpe says that open innovation has helped Amway to introduce the new categories without disclosing information.

As Amway's initiatives for open innovation mature, the organization adds dedicated resources (contracting, regulatory, and so on.) out to R&D and puts more resources and sensing stations worldwide. Amway would also actively seed its networks by maintaining ties with the small to medium-sized enterprises interested in technology but are not technically ready for their product production. Amway actively guides these businesses about developing their products, and in exchange, the companies are more likely to innovate in the direction Amway takes.

Amway is well on its way to being a great business, full of potential growth opportunities, through their open innovation with increasing external partners. Indeed, Amway IBOs from different academic and professional backgrounds are the available resources for the company's innovation growth.

“And with more flexibility and less aggressive timelines, the Open Innovation team could focus on longer-term projects with the potential to provide more value than the incremental innovation on which we had previously focused,” says Sharpe.

David Groh, Leader of Open Innovation for Amway, says: “Like every company, we have a limit to our resources like people, money and time. No number of resources can make up for, you know, millions of people that are out there on the globe inventing stuff open innovation. It means looking outside your organization your walls and being open to innovation or ideas technologies from outside. The open innovation scientists we refer to them as Scouts because they are scouting the world. That is what they are out scouting the world for technologies, and it is constantly looking for those hidden treasures and have to talk to a lot of different people to find something that's truly unique.

One of the most exciting stories that have come out of our open innovation efforts is with the Norwegian fishermen. I mean, imagine if you will these fishermen working at a hatchery right, it is outdoors. They live weather barely, but this group of fishermen had beautiful hands, which was an observation by one of the scientists. I was working at this Salmon Hatchery noticed and figured out that it resulted from one of the materials that were in with the salmon eggs and found some benefits in anti-aging, which became the basis or the technology behind it.

Many entrepreneurs have a good idea, but they may not have the capital or the means to commercialize that, and that is where we come in as we can bring our scientific know-how and our

capabilities to help them commercialize it. ROI efforts today if we found technologies that have been commercialized in 17 products in 55 markets around the world with an impact of over 700 million dollars in new product sales and ways about helping people live better lives.

So, the open innovation Scouts are looking for that science that's going to power that the technologies we find ultimately go into products that can help change people's lives.”

2.2.14 Amway and Sustainability

The world and its inhabitants are concerned by Amway. This sincere interest is clearly expressed in the historical contribution of the business to environmental sustainability. It is a pillar of the company from its founders, Rich DeVos and Jay Van Andel, since 1959. At Amway's first offering, Liquid Organic Cleaner, or L.O.C., was one of the first concentrated, biodegradable purifying products, using environmental ingredients. Amway has become a world leader in the categories of health, beauty, and home, always looking for fresh and creative ways of respecting the Earth while serving its clients.

2.2.14.1 Environmental responsibility

Many of Amway's products have been ecologically favored and green since Amway was founded in 1959. It started with Liquid Organic Cleaner (L.O.C. ®) as one of the first items on the market for biodegradable cleaning.

Since then, Amway has continued to develop and manage new products around sustainable environmental concepts such as organic farming practices, waste management principles, packaging, and the use of sustainable recycled materials where possible.

Since Amway believes in sustainable agriculture, Amway operates a global agri-food company in the United States, Mexico, and Brazil that produces botanical plants for nutrient and artistic goods, covering almost 6.000 hectares of organic farmland. They also collaborate with small farmers worldwide who work in organic farming.

They protect the health of the soil, reduce contamination, and make quality water available. Instead of people using harmful substances, this strategy depends upon nature to control nature. For example, they use the soil to protect and fertilize the plants with local bees, earthworms, microorganisms, and trained falcons that scare the birds during harvest time. These activities help

keep land and water safe. Amway farm activities are always documented for water and energy efficiency with other sources.

2.2.14.2 Social responsibility

Being responsible to the society is part of Amway values as Amway co-founder Rich DeVos adds: “We believe it is essential to be more than a corporation that simply makes or markets stuff. To remain viable, we know we must first improve the well-being of people around the world.”

Amway insists on going further than conventional ways of doing business to help people live happier lives. Amway's goal is to combine its products, resources, and operations with its values to benefit people and the world.

For example, Amway is in an ideal position to help people's nutrition. In partnership with local humanitarian organizations, Amway is committed to sharing its expertise and products to help more people and communities achieve better health than before. “The Nutrilite™ Power of 5 Campaign fights childhood malnutrition by providing Nutrilite™ Little Bits™, a micronutrient powder, to families of malnourished children. When mixed with their food once a day, Nutrilite™ Little Bits™ adds essential nutrients that help them survive, thrive, and grow.”

Amway offers an opportunity for entrepreneurs, many in developing countries, to strengthen business and personal skills. With access to online and offline business and learning tools, Amway Business Owners learn practical skills that they can use in their business and beyond, including budgeting, public speaking, and financial management. For example, In India, Amway provides training through health and entrepreneurial curriculums for over 200 community health facilitators in four communities. These women help local families learn about health, hygiene, nutrition, and the importance of vaccinations. They also distribute and sell feminine hygiene and cleaning products. A local production facility for feminine hygiene products has been opened and provides jobs and a reliable supply of products, improving girls' school attendance and learning. In another case, in 200 cities across Russia, 2,500 mom entrepreneurs are trained to own and operate small businesses. This program is organized in partnership with national and regional governments and includes a microfinance/loan program.

Here are some of Amway sustainable activities since their establishment (fig 9. & 10.):

2020 Amway Corporate Social Responsibility (CSR) goals update

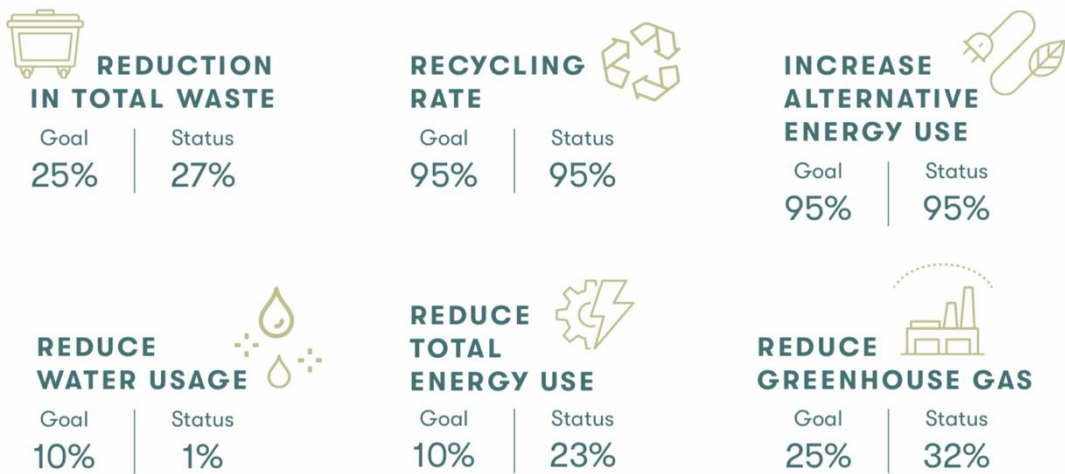
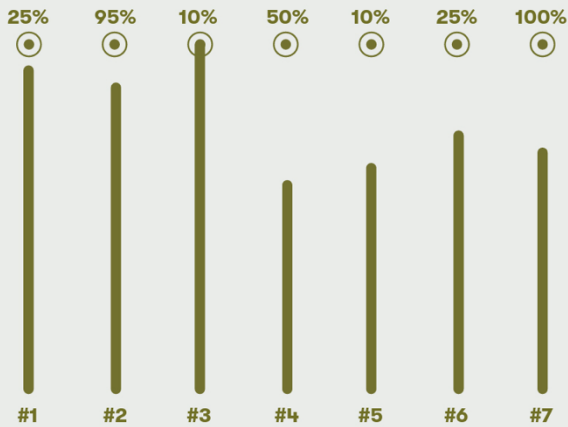


Fig 8.



Fig 9.

Goals & Progress



In 2015, we set ambitious sustainability goals to be reached by 2020. These are our results through the end of 2018.

- #1 Reduce total waste generation
- #2 Recycling rate
- #3 Reduce total energy usage
- #4 Increase alternate energy usage
- #5 Reduce water usage
- #6 Reduce greenhouse gas emissions
- #7 Landfill-free across all manufacturing



22+ million pounds

or 88% is the total projected recycling rate for Amway's global supply chain in 2019.

40m gallons

of water consumption was reduced in Amway's worldwide supply chain facilities, a 25% improvement.



500,000 megawatt hours of wind-generated energy

make up 50% of the electrical supply for operations in Ada, Michigan.

Solar power panels

have been installed to serve as renewable energy sources in Buena Park (20% total energy consumption), Madurai (10% total energy consumption) and Ada (approximately 1% total energy consumption).

10% electrical consumption reduction

for Amway's global supply chain.

Reductions in electricity consumption have been achieved through process optimization projects, investment in energy-efficient lighting and consolidation activities.

Green space replaced 8 acres of concrete for manufacturing

in Ada, Michigan, U.S. In the future, an additional 20 acres of land have been designated to be returned to natural green space.

PROBLEM

155 million children

worldwide are stunted (too short for their age) or undernourished, according to the World Health Organization (WHO).



The first 5 years of life

are critical to brain and body development.

SOLUTION



15 vitamins and nutrients

are included in each 1-gram sachet of Nutrilite™ Little Bits™. The formulation follows guidelines from the WHO.

Children in 14 countries

are receiving Nutrilite™ Little Bits™ through the Power of 5 Campaign.

3.1 million children

die of malnutrition each year, according to the WHO. Survivors often suffer from health problems throughout their lives.

130,000 children

benefit from a daily supply of Nutrilite™ Little Bits™.

27 humanitarian organizations

partner with Amway to distribute Nutrilite™ Little Bits™ and track the height/weight progress of children in our programs.

100% of funds donated

are used to provide Nutrilite™ Little Bits™ to malnourished children.

SUSTAINABLE DEVELOPMENT GOALS



Fig 10.

2.2.14 Amway future vision

One of the most profound debates about Direct Selling companies' future is about the sharing economy companies like Uber and Airbnb and their similarities with MLM companies. The popularity of budding startups can be a threat or opportunity for direct selling companies like Amway.

Amway started in 1959 and celebrated its 60th-anniversary last year. The Economy in the 21st century faced rapid changes, and some traditional concepts could not predict the changes in some economy concepts like not dependency on a place for selling the products on online platforms or the number of followers on Instagram as a capital. One of the main factors of all these changes is the Internet. Today, all companies will adapt themselves to new trends in the digital world, and if they do not do so, they may go out of the market. The direct selling industry is also changed tremendously in the last 20 years.

Indeed, predicting the future of a Direct Selling company like Amway needs more knowledge about the industry. Multi-Level Marketing (MLM) companies are part of the Direct Selling Industry with a turnover of 192 billion dollars in 2018 based on the Direct Selling Association report. Amway's first MLM company started in 1959, and right now, thousands of MLM companies are working worldwide. Nobody can neglect the MLM companies' presence and power after sixty years of operation and the vast global sales volume.

However, the future of Direct Selling companies, like all other industries, cannot be taken guaranteed. The main concerns rise with the effect of the internet and digital age on the business. These questions need to be answered to view Amway's future: 1) Is there any substitute or serious competitor for MLM companies? 2) What MLM companies are doing with the 21st-century changes? Are they adaptable? What they did so far? Answering these questions needs to see what Sharing Economy is.

The Economic of Capitalist Sharing can be described as an alternative to the companies' traditional business model, which employs employees to manufacture products and send them to consumers. In the sharing economy, people hire out other people's things such as their cars, homes, and personal time in a peer-to-peer style.

Sharing Economy companies have a lot in common with Direct Selling ones. There are a lot of successful newborn businesses that we could not even imagine in the 20th century. New forms of internet-based platforms such as Amazon and Uber are growing so fast. People can be part of the Sharing Economy platforms, and thanks to the opportunity, they can start an entrepreneurial type of

business besides what they are doing traditionally. The entrepreneurial spirit is needed for those who want to be involved in these platforms, like MLM companies. Some experts see them as a threat to the Direct Selling industry.

Indeed, it is good to see what Amway company leaders think about the topic and what they have in their minds and what they are doing to be prepared for the business's future.

Based on an interview in DirecTech Newsletter 2015, Doug DeVos, Co-Chairman/President, Amway Corp, has seen his company and Direct selling industry evolve over generations. This talk is about understanding his perception of how direct selling is keeping up and what role technology may play in the future.

In answer to the question: “Do you consider Direct Selling to be behind other industries in its use and leverage of technology?”

Doug Devos answers: “In any industry, even if you’re not at the forefront of developing technology, on the leading, bleeding edge, you’re going to have to try to get close to it. I think direct selling is doing fine using new technology. Each company is going to have to figure it out at their own pace. We will be fast followers in the industry to make sure we get there.

In answer to the question: “In the last 3-4 years, companies have developed hundreds of new ways to help people make money on the side, and many in our industry see the sharing economy as direct competition. Do you consider the Uber’s and Etsy’s of the world to be a threat or an opportunity?”

Doug Devos adds: “We don’t look at those kinds of things as a threat because we think it makes the pie bigger. If anything, it continues to expand and enhance the entrepreneurial spirit. And when there is an entrepreneurial spirit out there, we are going to be just fine. We must make sure that we present the business opportunity and the products in a way that people say, “OK, that’s for me.” So, while we want to learn from and understand how people are enabling entrepreneurship differently from what we do, we like who we are. We like being Amway.

Are we going to wake up tomorrow and say we do not want to be Amway? Of course not. We are going to learn, to be fascinated, and to a certain extent, enjoy what is happening there because, in our mind, it is enhancing the entrepreneurial spirit.

Many times, in direct sales, we talk amongst ourselves, but we fail to get the consumer's information. We think, “I’m going to do a better job of selling myself.” Rather than, “Why do not I

stop for a second and see what the world is interested in?” One of our entrepreneurship study reasons is that we want to learn from this pool of interested people. What holds them back? What interests them? What do they need?”

The Amway Global Entrepreneurship Report (AGER) has been done since 2011, and AGER2018 is the eighth annual report conducted by Amway with the focus on understanding the entrepreneurship landscape globally and by country. The study was conducted on a sample of 48,998 men and women in 44 countries.

The AGER 2018 provides key findings, trends, and insight on the topic of Entrepreneurship, particularly on “What Drives the Entrepreneurial Spirit.” This year’s report fittingly examined what people believe will help them be successful as entrepreneurs and the type of business they could envision starting.

Amway leads entrepreneurship by understanding the attitudes, desires, and fears around entrepreneurship and using this information to build a more entrepreneur-friendly world. This data collection is increasingly important as the work environment is continually changing, with more employees leaving the traditional workplace and pursuing entrepreneurial career paths.

“Gaining a greater understanding of why people decide for or against owning a business and what kind of businesses are most appealing is helpful for effectively fostering a world of entrepreneurs,” said Amway Co-chair Doug DeVos.

He adds: “We want to keep driving on the data to help us think about someone and their success first. We have always done that, but now there are more and more tools to help us do that even better. If there are things to work on, as an industry, it is Caring for an army of entrepreneurs. Volunteers. You have to be transparent about the investment you make, what they spend, and their earnings expectations. It’s also an example of how other industries are now struggling with it, and they could benefit from the institutional knowledge of the Direct Selling Association.”

He talks about the most exciting thing about Amway as: “It’s all about people. It is about their success. You know, my Dad and I were talking about the next stage for the company, and he said, “Doug, you have to do that. You must move forward because people need more opportunity, they need to be able to see that, and you cannot stay still. You can’t just try to hold on to what you have got; you have got to keep moving forward.” Somebody right now, today, is deciding on our product or our business opportunity. Do they want to spend the money to buy the product? Do they

want to spend the time and the energy to do the business opportunity? Are they willing to engage or not?

That is what gets me going every day: we have an opportunity to be helpful in somebody's life. And we want to make sure we are doing it to the best of our ability. So, we have got thousands of employees and hundreds of thousands of Amway Business Owners. Every day and every moment, we have an opportunity to do that, and we must figure out how to do it to the best of our ability. So, what else, what more could you want to wake up and go do?"

Doug DeVos recognizes that technologies and strategies will change, but direct sales are all about people, and they will always change. It is not about high tech or high touch, but combining the two into something better.

With the changes currently taking place in Amway's digital side, Amway managers will not underestimate the need for adoption and question the future with wisdom and potential first-hand market knowledge. Naturally, they must learn and improve over time, and they will do so.

Chapter 3: Qualitative analysis

(Interviews) & Quantitative analysis (Entrepreneurial Intention
Questionnaire (EIQ))

Chapter overview

This chapter is the most challenging one, and it is going to do quantitative and qualitative analysis verifying the effectiveness of presenting a business plan based on interviews and Entrepreneurship Intention Questionary (EIQ). There are fifteen interviews with top Amway leaders, which are done online or offline to study more about the possible hypothesis. They have been chosen randomly from different demographic items and backgrounds.

Customers' future active role means being more active and doing what is necessary and helpful without even being supervised or compensated right away. It means more intention and passion for learning and applying what is learned to be more cooperative with the mother company in the way of a win-win correlation. Based on the Journal of Strategic Marketing, Entrepreneurship and marketing have been viewed as fundamental strategic orientations or business philosophies by which an organization senses and response to internal and external stimuli and opportunities (Day, 1994; Shane & Venkataraman, 2000).

At this level, we focused on marketers' entrepreneurial readiness based on Philip Kotler's books that indicates a more entrepreneurial knowledge need of marketers in the future. Indeed, customers can be potential marketers of the company's products and services as they already started doing so by influencing their surroundings. For understanding the effectiveness of Amway's business plan for entrepreneurship training, the Entrepreneurial Intention Questionnaire (EIQ) can be used. EIQ was developed and tested using 519 students from two Spanish and Taiwanese universities by Linan and Chen (2009) rooted in Azjen's (1991) Theory of Planned Behavior (TPB). Indeed, with this tool, we can measure the entrepreneurial intention level of Network Marketers, including Amway partners, compare to people who have just marketing experience or people who do not have marketing experience at all. With the help of a statistics program, the project will analyze the result of a survey and compare the groups on diagrams, and we can see if network marketers are more ready for their active role in the future of marketing rather than corporation marketers or not.

In this chapter, we are going to analyze the accuracy of these two hypotheses in general: H7: There is a significant difference between these three groups Entrepreneurial Intention: 1) people who do not have Marketing and Network Marketing experience 2) people who only have Marketing experience 3) people who have Network Marketing experience & H8: People with Network Marketing experience have a better entrepreneurial intention level than other groups.

3.1 Qualitative analysis – interviews

So far, we could have a better vision of marketing in the 21st century. Customers will have an active role in marketing 4.0, and companies need to find a reliable way of communicating with their loyal customers to build up a good relationship that results in effective CKM. The company can use the mined CKM data for a different production level, from design to marketing. But the question is: Is the current CKM system developed and sufficient enough to satisfy the company's growing needs in the 21st century? Is there any existing, proven model that can be a good CKM guideline for other corporates? How can this model overcome CKM limitations? And so on.

With the case study and Overt Participant Observation as an exploratory tool, some possible hypotheses need to be verified. I was involved in the MLM business since 2003. I worked in two MLM companies, and I could have significant leadership achievements in both companies. My direct contact with business leaders and company representatives helped me develop some hypotheses and interview questions. Interview questions are designed to verify the accuracy of the hypothesis. These are some hypothesis which needs to be investigated:

- H2: Amway special business plan (MLM) will promote an effective CKM level
- H3: Amway innovation and sales success has a positive correlation with its CKM level
- H4: MLM business plan can be a good sample and guideline for interested amateur companies in CKM
- H5: MLM business plan can be continued and succeeded in the 21st century
- H6: Amway business plan can fill the employment gap (automation and artificial intelligence effect) in the future

In this section, twenty top leaders, who have the platinum level and above in the Amway leadership rank system, had been chosen to be interviewed. The interview type will be semi-structured open-ended questions. However, fifteen interviews have been done, and some of them asked to do anonymous interviews because part of the questions was related to CKM and they did not have an academic background about, and at the same time, they did not want to dictate their ideas about Amway and Amway future to lots of people who follow them in their business track. Seven interviews were gathered online on the google forms platform. Five interviews have been done face to face, and three interviews in offline written format. With the help of semi-structured standardized

open-ended interviews, the mentioned hypothesis had been discussed, and the result of data analysis will be reported here.

Interviewers were asked to answer twenty same open-ended questions related to Amway, Amway CKM system, and Amway's future. The questions aimed to check the accuracy of the hypothesis with leaders who have been successfully involved in the business for years. Transcripts of interviews will be discussed in this chapter, and further research might be used for more analysis.

More hypotheses can be verified, but five central hypothesis' verification results' are based on the interviews.

3.1.1 Interview Questions & Transcripts:

Thank you for accepting this interview about Customer Knowledge Management and Entrepreneurship. The importance of CKM in the 21st century made us do this research on customers' role and their relationship with the company to improve overall company performance. First, in improving the quality of products and services that the company provides, the potential revenue growth is represented by the synergy of the two-way relationship between customers and company executives. As you are one of the most successful entrepreneurs who build his/her empire based on Amway company's system and platform, we would like to have this interview with you. Thanks in advance for your cooperation.

1) Would you please briefly share with us your success story? Which accomplishments have you had so far?

- A1: We have successfully built a large Network Marketing business in multiple countries.
- A2: 3 years ago, I introduced myself first to Amway products, and the quality of them attracted me to use them frequently, and then I benefit the business plan and share what I knew with others, and step by step, my business grow up. I am so happy that I could build up an Asset thanks to the Amway platform. Now I am at the platinum level and what is valuable for me is the group of positive-minded people I could know and be in touch with through this business.
- A3: I started the business while I was a student. One of my roommates presented me to the business, and because I trusted him, I joined the business immediately. It took three years of learning and using products that I took the business seriously, and thanks to hard-working, I have a good team and organization now. My pin level is platinum.
- A4: I cannot see myself successful, but I had some achievements in the business. When I was introduced to the business, I didn't have any job and wanted to find a way to have an immediate income. That was why I was not serious at first, but I did like the products and then the business plan step-by-step. Now, I have the gold level in the business.

- A5: my family and I immigrated to the US to build a better life. I was an employee in a good company, but I felt that being an employee cannot satisfy my big dreams after a while. So, I opened a small supermarket, and after my job, I used to work for myself. My wife's sister introduced me to the business, and I liked it as a good opportunity, so I registered and started my own business right away. It took us about five years to me Platinum, and right now, I am in Emerald qualification. My story is full of ups and downs.
- A6: Before Amway, I had network marketing experience with one local company in Iran. The company's products were gold jewelry, and they used the MLM platform for selling them. The business platform was interesting for me, and I used the skills even after quitting the business. When Amway introduced me, I knew it well, so I joined the day after. After one year, I got to the Platinum level, and my emerald pin just took two years.
- A7: I worked for an MLM company and tried to present it to my friend in the USA. I did not know that he is already involved in the Amway business. He introduced me to his business, and I liked the business plan then. It didn't go well first, but after about three years, I got my first pin-level, Q12. Now I am platinum in the business, and I am working with a team of people worldwide.
- A8: Amway presented to me by my sister-in-law. I was so negative about the business. So I just ignored the offer. After one year, my close friend came to me and talked about Amway again. Because of my friend, I just decided to start the business. It took me about two years just to place my first order from the website. I was always around Amway people, but I did not want to start working. After my friend's success, I decided to take the business seriously, and after five years, I got my platinum pin.
- A9: When I was at school, I used to read books like Think and grow rich or Magic of Thinking Big. My father's library was full of motivational books. I came to a land of opportunities to study and follow my dreams. I studied for almost seven years, and I got my Ph.D. in mechanical engineering. Some after, I started my job as a researcher and professor at the university. The prestigious job was great, but I did not like the rat race. Days are all the same, and I was sick of routine life. One of my students introduced me to the business. It was interesting that educated people were involved in the industry with different backgrounds. It was challenging to look at your student as your mentor, so I did not accept the offer first. She didn't give up and introduced me to his mentor that he was older, and his background was somehow the same as mine. After months of questioning the business, I finally joined the business and last month was nine's anniversary of my enrolment.
- A10: I was still a student and busy with my dissertation while coincidentally met some of my close high school classmates on the street. They were all involved in the business, and they had the plan to call me and present me to the business. When I understood that they are making good money, I could not resist, and I joined the business right after. It was difficult for my wife and me to change our mindset, but thanks to our leadership system and our mentors' support, I have a big organization in the US and Canada right now.
- A11: I moved to Canada in 2015 with my son. For a while, I worked in a kindergarten. One of my colleagues talked about Amway. As a single mom, it was difficult for me to care about my job and business at the same time. I finally decided to join the company, and now I have a big team of entrepreneurs in Canada. It was not easy at all, but with hard work, everything is possible.
- A12: My father started the business in 1998 when I was ten years old. So, I grew up with Amway training, and I was familiar with the Amway system. When I went to college, I met my wife. We got married, and making money became my priority. I started the Amway business with the help of my wife. We worked together to build up a network of successful entrepreneurs. My wife helped me a lot with the ladies in the team, and I usually was busy with the guys. I just finished my emerald qualification last month, and I planned to be in diamond qualification next year.
- A13: After seven years, I have a good organization, and my pin level is gold. I lost my father when I was 15, and from that time, I used to work hard. Later I started my own business that was related to wooden furniture. I met a guy in a supermarket, and we exchanged visit cards. He called me and invited me to a business meeting. To be

honest, I did not want to go, but he insisted, and then I became a little bit curious about it. I went there, and I coincidentally met one of my childhood friends. He was already in the business, and because of him, I am in the business now. I cannot call myself successful, but I am so happy for building an asset for my family and me and even the next-generation of mine.

- A14: I came to the US to do my master's degree, then I met Mary at the university. Soon after, we decided to marry. Mary's roommate offered her a business opportunity that was interesting for my wife. I did not like it at all, but my wife decided to go to the meetings. After a while, I could meet more people from the business, and I liked their personality. They all had goals in their life; they were happy and ready to help each other. So, I decided to be serious about the business, and we together worked hard. We have six qualified teams in the business, and our pin right now is Diamond.
- A15: My pin level is Platinum, and I will be diamond in the next two years. I used to work for a company, and my job was to go door to door and ask people if they want to change their gas or light supplier. The job was commission-based and did not have any fixed working hours' time. I could see that if you ask enough people, you can get what you want. When Amway presented to me, I could see that it is the business that I can do. I joined the business. It was more difficult than I was thinking, but it was doable.

2) Would you please talk about the mother company that supplies the infrastructure for your business? (Es. How big is the company? How many people are using the platform for building their own business? Achievements etc.)

- A1: The parent company does about \$9 billion in sales every year. Amway has a business in over 100 countries and territories. There are over 3 Million active distributors globally.
- A2: Amway is a big company established in 1959 with two friends. The company is presented in more than 100 countries, and Amway sales are about 8 billion per year. About 4 million people all around the world are doing Amway business.
- A3: Amway is a platform for those who want to start his/her business. They began 60 years ago, and right now, Amway is the number one company in direct selling sales. Millions of people all around the world are using the platform for having their own business.
- A4: Amway company is the first direct selling company in the world. They have a revenue of about US\$8 billion. Four hundred fifty products are available through Amway's business plan, and anyone can use this potential for starting his own business.
- A5: Amway company provides the infrastructure for us. Company established in 1959 with two gentlemen with the names of Rich DeVos and Jay Van Andel. Now the company is number one in the direct selling industry. There are almost 4,000,000 people who use the Amway platform.
- A6: Amway company uses the MLM platform that will be categorized in the direct selling industry. Amway is the best in the market, and they are selling their products in 102 countries. They have about eight billion revenue, that's all will be produced by Amway distributors.
- A7: Amway is a company that I am working with it. They have a lot of exclusive brands that are distributed just by Amway distributors. The company has about 400 products in different categories, which are well-known for their qualities. Amway is presented in more than 100 countries.
- A8: Amway company started about sixty years ago. They grew step-by-step, and right now, they are number one in the direct selling market.

- A9: Amway company tries to sell products directly to customers by the network of its satisfied customers who are independent business owners. They started their plan 60 years ago, and nobody could imagine the success they have today. Their global sales are almost US\$8 billion, and their business is presented in over 100 countries.
- A10: platforms can make life easier. For example, Facebook is a platform that people can be in touch with their friends easily. Or Uber is a platform that people who want to work as a taxi in their free time can join and be part of the Uber community. For someone who wants to be an entrepreneur without having enough knowledge and capital, Amway is a platform that facilitates their job. Amway does all production procedures, and IBOs or independent business owners just do marketing and sales for their own business.
- A11: Amway company was established in 1959, and from that date, they successfully are leading the market. More than 400 products in different categories are available on five continents.
- A12: Nutrilite company was the first one that used Multi-Level Marketing for selling its products. Amway bought the company and changed some products and business plans. Now Amway business is well known, and it has about 9 billion annual revenue.
- A13: Amway does not need to be introduced. They started 60 years ago, and they are already presented in a hundred countries. Quality products with reasonable price are the main motivator factor for independent business owners who work with Amway.
- A14: Amway company was established in 1959. There are more than 400 products in different categories. Two main categories are nutrition and skincare products. Most of the sales come from Nutrilite and Artistry brands. Marketing and sales of the company come from the activity of independent business owners who chose to build their own business through the Amway platform.
- A15: The mother company that I work with is Amway or American Way. It provides the products and infrastructure like distribution channels for people who need support for starting their own business. Amway global sales last year were 8.6 billion USD.

3) What are the main points which make your business unique?

- A1: Leadership, Mentorship & helping people to lead a better life.
- A2: -
- A3: teamwork is vital in Amway. Mentorship helps people to learn from people who have already done the job and have the same experience. A real win-win game is the one I like more.
- A4: Amway business is a real win-win game. It has two sides: first, if you'll be successful, the company also will be successful. Another way of a win-win game is when your sponsor helps you be successful, and he will be successful as well. The MLM platform's real teamwork will help people have more power against the problems and more financial and non-financial capital for being successful.
- A5: I think the business plan is the point that makes Amway different from other businesses. Multilevel marketing is the way Amway sells its products. With this business model's help, people can be part of the company, and the benefit of the company is tied to their benefit. So, they have more motivation because they are building up their own business, and it can be passed to the next generation.
- A6: Everyone heard about the story of the old man and the sticks. If you put all sticks together, it will be more difficult to break them down. In Amway business, you are not alone, and you will make an organization for being successful. Then everyone in the organization will help you in your success journey.
- A7: The teamwork and the power of binary. As humankind, we don't have more than 24 hours a day, but when you join with your friends and do something as a team, your power will be extended exponentially. This is easily possible in Amway.
- A8: being free and having the opportunity for real financial freedom is important for me. I do not know any other ways to reach my financial freedom before I get 40.

- A9: In my idea, Amway products are special. The quality of the product and the quality of service that the clients can get from their trusted ones will make the shopping experience unique. MLM structure also gives binary power to its independent business owners that cannot be easily found in other businesses.
- A10: The fact that you consume the products you were always consuming, but this time you shop them from your own business, makes the business plan interesting. We everyday talk about the products we are satisfied with and buy the same product. We never get paid for marketing that we are doing for the companies. In Amway, you will get paid for your commercial activity.
- A11: I love Amway products, such as skincare and cosmetics ones with the Artistry brand. Prestigious products with reasonable prices are available for independent business owners and their customers. I can see the effect of products on my skin, and I am so confident in recommending them.
- A12: The business plan of Amway is the power plant. You may find similar products in other companies, but what attracts Amway is binary power.
- A13: Three powers makes our business unique. Power of spoken word, power of unity, and power of submission. When people join each other, power will be exponentially bigger than when they are alone. We attract what we want and say in our life. If we want happiness and speak positive so positive results come to us. Being a good student for leaders, who already did the job and want the best for us, is powerful.
- A14: MLM business plan is different and powerful. For normal people who do not have significant capital or talent, the only way that they can change their lifestyle is to be united with the same people around them and try to do things in a teamwork format.
- A15: I think the mentorship system of multilevel companies makes them special. In other incorporation, systems are difficult to find a mentor who did the same job, and your success is as important as his/her success. Like a father who wants his son to be more successful than him. In Amway business, leaders want their downlines to be more successful than themselves. I call it a real win-win game.

4) Could you call yourself a successful entrepreneur? What characteristics should an entrepreneur have?

- A1: I would. There are many characteristics an entrepreneur should have. Some key ones in my mind are "Leadership, Compassion, Vision, willingness and ability to communicate across different creed, religion, nationality.... connect with others at a human level".
- A2: Yes, being consistent and persistent. Being eager to learn are the main characteristics of my mind.
- A3: I think so. I tried hard to help others, and step by step, I built my asset. For being successful, you should not be afraid of being failed. Hardworking is the key to success in my mind.
- A4: I am not a genius or talented person in entrepreneurship. But I am successful in the field, and that is because I worked hard. Being consistent and persistent can be two main characteristics of being a good entrepreneur.
- A5: Not yet. I have a long way to go. I am happy with what I am, but I can always do better, and I know that there is no end in this business. You can always be better and better, and that is the beauty of the business. Being focused, hard-working, having Leadership skills and teamwork ability are some of the successful entrepreneur characteristics.
- A6: Yes, I am. I built a big organization on three continents thanks to the Amway platform. Consistency is the main characteristic that a successful entrepreneur should have.
- A7: Not yet, but I am going to be a successful entrepreneur soon. For me, being focused is the most important characteristic that an entrepreneur should have.

- A8: Yes, because I built an organization from zero to what I have now. I could see many people that their life changed a lot thanks to the business plan. I feel that I was part of this change, and I am satisfied. Never giving up is a game-changer.
- A10: Before the diamond level, I cannot call myself a successful entrepreneur. But I think I am on track to success. Being consistent is the most important characteristic of a successful entrepreneur.
- A11: I always try to do my best, but my question is better to ask my leaders.
- A12: Yes, I am. I try to do something every day for my business, and I don't afraid of being failed, so I never give up.
- A13: I do not know; I just try my best, and I do not think about being the best. Being teachable is really important in this business.
- A14: If you can do your job and change other peoples' life, I think you are so blessed. I am a good servant. If you help more people succeed, you will be more successful in the end, which is the beauty of this business.
- A15: When I can call myself a successful entrepreneur, I could be retired from the business and grow without me. Still, I need to learn and do more. Hard-working and doing something every day for your business can bring success.

5) Do you believe that Entrepreneurship can be taught? Everyone can be an entrepreneur?

- A1: I believe everyone is born unique and special. Anyone can choose to become an Entrepreneur. But to what level they believe in themselves will, in the end, determine their level of success.
- A2: yes, in special culture, everyone can be an entrepreneur. Also, I believe some people have the more inborn potential for some needed characteristics, but they also need to work on their skills to be masters in the field.
- A3: yes, like other skills, you may have more potential, but if you do not add some work to your talent, you will not get the desired result. Entrepreneurship knowledge also can be added by experience, and experience can be transmitted by who did the job. Everyone can be an entrepreneur if he wants to be.
- A4: I think so. Because I did not have a special talent and my sponsors helped me a lot with the training. I learned many skills by reading books and participating in Amway training meetings. Anyone can be successful if they want to be. This is my idea.
- A5: I do not know it well, but I can see everyone has the potential, but this potential only can be developed when they want to develop it. So, yeah! I can say that everyone can be an entrepreneur if they want and if they try hard.
- A6: Yes, everything can be taught just needs the willingness to learn.
- A7: I know some people who have inborn potential to be successful entrepreneurs, but they are not right now because they did not foster their talent. It means they have talent but not skill. In my idea, training is essential.
- A8: I changed a lot from being negative about business to being successful today and making good money. I changed because of the Amway training system.
- A9: Yes, everyone can be an entrepreneur if he/she wants and try.
- A10: I think so. Maybe for some people, it is easier than others, but I think everyone can be an entrepreneur with a good training system.
- A11: Yes, it is possible to learn entrepreneurship. Learning time for some people is shorter than others, but in my idea, all people can learn entrepreneurship. Just it is a matter of time.
- A12: with a combination of knowledge and experience, the learning process will be easier. In-Network marketing, whatever we learn in our training system, will be applied immediately in our routine business life.
- A13: Yes, all MLM training system is for teaching people to be an entrepreneur.
- A14: like any other field, if you want to learn and try enough, you will finally get what you want.

- A15: being an entrepreneur is not easy. But it is simple. If you decide to change and add action to what you decide, you can become what you want to be.

6) In his recent books, Philip Kotler talks about the customers' active role in the future of marketing. It means customers will be part of the production system through their active interaction with different company departments. What do you think about this phrase: "we have more need of entrepreneurship knowledge for marketers and customers in the future"? Do you think the current marketers' or customers' knowledge of entrepreneurship is enough for facing the 21st century? Can you see Amway's training system as an economical way of educating a considerable number of people about entrepreneurship? How high is the cost of education in Amway? Why?

- A1: I believe at the end, the marketplace and customer determine what products will be moved. However, I believe Amway is a Platform, not any product. Over the last 60 years, they have evolved their product range to appeal to the current need. However, the MAIN product Amway has is the business itself. Giving someone anyone, an opportunity to be their boss. There is a cost to anything. Today's university system is the costliest to acquire a degree, which the majority of graduates don't even use after they graduate. Of course, it costs to learn from others who have gone before on succeeding in business. Compared to the cost of education in anything else, it is negligible.
- A2: I believe entrepreneurship knowledge needs to be improved for everyone, and in the 3rd millennium, we need it more than before. Amway training cost is low enough that everyone can afford it. No one charges you for the 24/7 training and mentorship. Amway's win-win game built up an atmosphere that people love to help each other because their success depends on other teammates' success.
- A3: I think we need more entrepreneurs. People in the 21st century need more welfare, and they try to start their own business. Amway's training system includes podcasts, books, seminars, and one-by-one mentorship. The cost is not high, and normal people can afford it easily. Motivated individuals share their knowledge with others for having two-way success for both parties.
- A4: If the world change in the way that we are witnessing right now, we will have more entrepreneurs in the future. It means there will be more entrepreneurship knowledge need. I do not know about the current marketer's knowledge level of entrepreneurship. However, I think anyone should add to his knowledge.
- A5: I think there is a gap between what people know about entrepreneurship and what they should know about it. I agree with the mentioned phrase in the question. I think that network marketing is doing the best in this sense. I learned from my mentors that you need to invest in yourself. Anyway, the cost of entrepreneurship education is low enough that almost all the people in the business can use training materials.
- A6: I see people when they join Amway business who do not know that much about entrepreneurship. But after a while, they will change, and their knowledge about entrepreneurship will be distinguished. I think people are not ready that much for 21st-century changes, and Amway can help people to be more informed. Amway training cost is low because all partners will pay for their education.
- A7: As generations are changing, we can see more entrepreneurship needs than our parents 50 years ago. I think it will be the same for the next 50 years. I mean, our children need more entrepreneurship knowledge, and it's better to get it today rather than tomorrow in a real tough life.

- A8: Marketing officers are usually trained by a traditional system that prepares them to succeed in the corporate world. I have some people in my organization who have a marketing background. They admit the importance of entrepreneurship knowledge, and they are more successful even in their first job thanks to the Amway training system. The cost of training, thanks to social media and the internet, is even lower than before.
- A9: We pay about US\$100/Month for the podcasts and books we get from the business and for the regular training meetings we have every Monday and Friday. Nobody is obliged to pay the cost, but I think people must invest in themselves to be successful.
- A10: I do not know. What I know is 30 years ago, there was no need for computer science. With the changes in 21st-century, people also need to be prepared. Entrepreneurship can be one of the knowledge which people will need more. The cost of training in the MLM system is much less than other similar programs. People first will be trained by their mentors, and at the same time, they are mentors of their downlines, and 90% of the time, there is no education cost at all.
- A11: I always suggest teammates earn money from the business and invest some of that for their learning materials. There is no price for the valuable training of Amway. Anyway, the cost is not considerable.
- A12: More entrepreneurs mean a more dynamic society against undeniable changes in the third millennium. The more, the merrier. Amway's learning cost is nothing compared to the cost of starting a new business.
- A13: We will have more need for entrepreneurship knowledge because we will have more unemployed people in the future. Jobs are disappearing. One economical way of teaching entrepreneurship to people is a multilevel marketing platform.
- A14: 60 years ago, Amway founders believed that they could partner with their loyal customers. Today we still are thinking about customers' Active role. In my idea, companies should study multilevel marketing platforms to have more satisfied customers.
- A15: -

7) If the cost of entrepreneurship education is low, do you believe it happens thanks to the Network Marketing structure? What do you think about filling the needed entrepreneurial knowledge gap in the future by using the Network Marketing model?

- A1: The willingness and ability of leaders to comeback and empower others coming behind them is powerful. Network marketing because of the nature of the business incentives leaders to help others.
- A2: yes, why not. I do not know how, but I think it is possible.
- A3: MLM structure will help people to share what they know easily. A win-win structure also helps a lot. It is a good idea. In some countries, I heard that young politicians experience MLM for having a better sense of leadership.
- A4: The training system of Amway is based on the training held by independent business owners. IBO's Like to know their own business, so they will pay for their education and look at this as an investment for the future of their success. As a result, Amway company's cost of training is low, and I think it can be a good model for other companies if they want to have a plan like what Amway has.
- A5: Thanks for the business plan people are related to each other, and the learning is continuous. People who have more experience can teach whatever they know to their downlines. So it doesn't need any special infrastructure, and it will be the new way of education.
- A6: Of course, it is because people are connected in MLM structure and can easily ask questions from their direct sponsors. They also can use weekly economic training meetings provided by their uplines.

- A7: I looked at training expenses as an investment for my future success. The bigger is the dream, the bigger the investment should be. However, the cost of entrepreneurship training in the MLM system is not too high, thanks to its multilevel structure.
- A8: The win-win structure of MLM will facilitate knowledge transmission. Also, training will be more effective when people are eager to learn.
- A9: I think so. Because people should be trained first and then train others in the MLM system, even if they do not like teaching or being taught, they know they will get money from this act, so they try to do their best to build a strong infrastructure for their own business.
- A10: -
- A11: yes, it helps a lot. A sponsor loves to help his/her downlines because he knows they are sharing the success pie. So, we have a teacher with passion and a student who wants to learn to build up his empire.
- A12: The training system is economical because anyone pays his share. Anyone knows that he is responsible for his own business and they should take care of expenses. Now we have about 100 million people all around the world involved in network marketing; most of them are doing it beside their full-time job. If numbers go up, easily we have more people with first handed entrepreneurship knowledge.
- A13: The training cost will be paid by independent business owners and not by the company. The company just change the mindset. MLM system pays you when you teach whatever you learned to new members. Their success will bring yours.
- A14: I do not know how big the cost of training in other companies, but in Network Marketing, people know that they should invest in themselves if they want to change.
- A15: Anybody with any background can join Amway. Through a training system, they can be successful entrepreneurs. 90% of the training happens face to face, So people teach whatever they learned to each other. If other companies want to do so, they need to build a win-win atmosphere.

8) Are you used to work as an employee before starting your own business? Would you please describe your experience?

- A1: Yes. Being an employee is following orders. It gives you hourly money but takes your freedom away. The thing you need to do to take care of your family is the thing that keeps your family away from you.
- A2: for a short period, yes, then my husband and I established our own business, back in our country, with almost 40 employees. It was a laboratory.
- A3: not really; I used to be independent always. But my parents were employees, and the image that I had from the financial difficulties of them, made me prefer to have my own job.
- A4: Yes, I was an employee before joining Amway. Being an employee is a good way to support your family, but unfortunately, it's not that pleasant experience because you feel rat race after a while.
- A5: I worked as an engineer in a big company and had a good salary before starting Amway. Right now, I still have my full-time job and do Amway in my free time. I think it is important to take Amway as a second job. Amway is not going to pay you soon. First, you need to build up an asset, then this asset will pay you back, but the expenses are always there.
- A6: I was a teacher in Iran, and I loved my job. Here in Amway also I am teaching people. The problem was the limited payments. Fortunately, in Amway, there is no compensation limit.
- A7: Not really; I was a student at that time. But all my relatives have experience with being an employee. I remember my parents that did not have enough time to be at home, and I remember that they did not have enough time for me because they were always busy at their office in the morning and had another job to do in the afternoon. I did not want to experience the same thing.

- A8: Yes, I used to work an 8 AM to 6 PM job. It's good for paying bills of normal life, but it's not a good fortune for the family life. Through Amway, I can be financially free that will support even my next generation.
- A9: yes, I always look at Amway business as a second plan, and I am still working as a university professor. I just suggest people keep their first job for paying bills and have a free mind for building their own business.
- A10: I was self-employed before joining Amway, and still, I have some investments in the construction field. The level of stress in my job is higher than Amway. I like how you can inherit your business to your children, despite my first job that you can leave just money.
- A11: Yes, I used to work in kindergarten back in Iran. I like working with children. In Amway, I am building a fortune not just for myself but also for my son. I have not limited to 40 hours week salary anymore. I face new challenges in Amway every day, and I like it a lot, maybe because I am an adventurous person.
- A12: Not really; I have never liked to be an employee because of what my parents taught me. But I heard a lot from people around me that their experience was not that much good.
- A13: Yes, I experienced different jobs before starting my Amway business. I learned a lot from what I did before, so I love building my own business.
- A14: Yes, I am still working as an engineer. What I do not like are waking up early every day and wasting time in traffic jams. I think in today's digital world, we need to find a way to do jobs digitally.
- A15: Yes. The problem was I could not save money, and all my salary goes for bills.

9) If you have experienced the corporation employee system, did you feel income inequality? What are the differences between the employee income system and Network Marketing one? Which one do you think can motivate people more to do their best at work?

- A1: Both systems will work. Questions are what one is looking for. If one looks for pay for daily work, then employment is their thing. However, if you are willing to work for some time, even if you do not see the money right of way, it is because you are building your business. Then the rewards are long-term.
- A2: this business income is passive, and it takes time until you can get benefit from the asset you are building.
- A3: I did not experience it personally, but I remember my father, that was unhappy about the payment system. In his mind, he was doing most of the job, but payment was not fair enough. In a network marketing system, everyone gets the result of his effort. Anybody can reach the top, and the payment system is equal for everyone. I think you do your best for your own business.
- A4: yes, as an employee, your income is always lower than your boss, even if you work harder. In MLM is vice versa; it means you earn as much as you try. You can easily surpass your sponsor in income.
- A5: In a network marketing system, people will be rewarded based on their effort. It is not important when you join the business; you can always be successful if you want to be. Many examples earn more than their uplines, and it is another beauty of the business.
- A6: It is important to love what you are doing. Amway business is like I have my school rather teaching as a teacher in others' school. Your income potential goes up, and you can even open your new branches.
- A7: -
- A8: Network Marketing income is unlimited. Based on your organization's growth, your income will grow. You will get paid based on your competency. However, as an employee, you will always have some limits.
- A9: Not much. The corporation's job system has some problems like efficiency. For example, employees do not do their best because they think they are not getting paid based on their doing.
- A10: I always hated being limited. It is sad when people do jobs with limits of payment, but they dream without limit, and they are always upset because they cannot get what they want. Payment inequality is not acceptable by human nature.

- A11: It is important to be satisfied with your job and salary. Usually, people work and live ok, but they cannot save that much for possible unforeseen expenses like diseases or layouts. In Amway, you will be paid based on your performance.
- A12: -
- A13: In a corporation payment system, payment is not based on the people's competency, but the payment is for the position people are in. It means everyone who can do your job will get paid almost the same. So, there is no difference between who is doing his/her job with passion or not.
- A14: network marketing is not a fast way of earning money. This means it takes time to build a foundation that can generate money for you. You need to be patient. But when an organization gets big enough, big money comes.
- A15: When you know you can earn based on your abilities, you will try harder. Being the boss of the corporation, you are working in or earning money as the company owner is almost impossible. But in Amway, you can easily earn more than your sponsor, and for doing so, you just need to build a better organization.

10) What do you think is the main motivator for people to be committed to their job? What do you think about the role of income equality in motivating people?

- A1: -
- A2: If they know the benefits of what they are doing, it will help them be motivated more.
- A3: Their feeling of being valuable at their job. Being rewarded adequately for their effort can be a good motivator.
- A4: The working atmosphere is really important. If people think they are getting paid based on their effort, they will be more motivated to do their job. With the current corporation system, I think it is really hard to measure how people can be awarded based on their effort, but in the MLM system, it is easy to do so.
- A5: Income equality is an important factor. People will do their best if they know they are going to get paid based on their competence.
- A6: as I mentioned before, their passion for their job is the main motivator. Of course, the feeling of being valuable is also important that partly comes from an adequate income system.
- A7: Maybe it is not so much nice to say, but money is the biggest motivator. People may not like the job they are doing, but they will do it because they like the money they generate. If you get paid less than what you are doing, you will lose your motivation to do your job at the same level.
- A8: In my idea, the job that can satisfy your dreams is your ideal job. I love my business when I think about my children's future.
- A9: when I am satisfied with what I am doing, it is the best motivator for me. Helping people makes me happy, and in Amway, I am doing it every single moment.
- A10: We do jobs because we want to have our essential needs, so I think the best motivator is the happiness that only happens if we have satisfied needs. This satisfaction is not only about the material or physical needs, but it is also about mental or emotional satisfaction.
- A11: For me, the job atmosphere is important. If you feel secure and you have good colleagues, you will enjoy the job you are doing. I think you need to do the job you love to do.
- A12: I do a job that pays me \$4000 a month, thinking about a Ferrari car. It's just bothering me. You should do a job that you think the payment system is fair and job can fulfill your dreams.
- A13: Money and prestige are two main motivators in my idea. Some people do not like working in job positions that they think they do not belong, even if the payment be much more than their desired job. Anyway, I know some people who are ready to do all jobs, only if the payment is good enough.
- A14: being a responsible member of society and helping others live a better life can be good motivators.

- A15: loving what you are doing or doing what you love? I asked myself this question, and I think the second option is the best one. I love painting or playing instruments, but I could not make enough money from being an artist. I decided to do a job that can give me financial freedom, and then I do whatever I love with more time and passion.

11) What is your idea about the future of Network Marketing and Amway in the 21st century?

Why?

- A1: It is huge. In the GIG Economic era, when UBER and AIRBNB are motivating people in different ways to dictate their terms of work, Amway is positioned in a great way to grow in the coming century.
- A2: 21st century is the century of business systems; Network Marketing allows all people to grow their own business even if they do not have special talent or capital. We can say the 21st century is all about information. Businesses like Uber or Airbnb started by genius people, but it may not be possible for normal people to start their start-up independently. So, platforms like Amway, thanks to their simplicity and transparency, can help more people be financially free in the 21st century.
- A3: I think it can be a good way of buying commodities. If we can manage our routine expenses of products from a system that can benefit more than using them, it can be a good source of income in the future. Now direct selling share for buying commodities is low, and it may be larger in the future.
- A4: We observe that Amway works hard to be a successful business in the 21st century. For example, they already provided all digital tools for IBOs' success. They recently changed the website format, and there are plenty of free applications available to use.
- A5: In my idea, everything can be sold in the future by MLM's business plan. We all are customers, And when we are satisfied with a product, we will recommend it to others. Usually, we don't get paid by the company which benefits the most. But in the future, if I recommend my car brand to my friend, the company may pay me for this word of speech format of commercial. It can be done through the MLM business plan.
- A6: It is an old question; people were worried about Amway's business future since 1959. I think they will continue to be successful in the future as well.
- A7: they are about 4 million Amway distributors worldwide, and I think there is a huge potential for Amway's business in the future. They did such a great job just with this number of distributors, so imagine that the numbers can be ten times bigger than today, and the result will be exponentially higher.
- A8: Amway is a dynamic company; I have observed many changes since I joined the business. These changes were at different levels and sectors, from products to the business plan. They recently invest money to change the website to a user-friendly one, and They presented lots of applications for the customer and IBO use. Amway is a company of the future in my mind.
- A9: Amway's digital platform can be the key to success in the 21st-century. Anyway, more people are looking to start their own business, and have a platform like Amway can be their savior.
- A10: Will be great. Because company owners always think about the future. Lots of changes have happened in the last 20 years that were not expected before. Thanks to the Internet, Amway is presented everywhere at any time.
- A11: It depends on how many people want to be an entrepreneur. The more people want to have their own business. The more will be the need for platforms that facilitate this process. Dynamic companies change When it is needed, and I think 21st-century is the century of MLM companies.
- A12: Thanks to social media, people are in touch more than any time before. Influencers are changing peoples' lifestyles. Companies like Amway are working based on peoples' community strength, and when people are more connected and get influenced through social platforms, they will grow. The successful entrepreneurs will then talk about their success stories, and more people will join the business to do the same.

- A13: Amway is digital right now. Independent business owners have easily connected thanks to the internet, and Amway's social media presence is also improving. I think future companies will be like what Amway is going to be.
- A14: Companies should change a lot if they want to be successful in the future. Amway does lots of surveys to understand what people want today and their future needs. I think Amway will have more products and more markets in the future same as what happened so far.
- A15: In the future, we are going to have more entrepreneurs and self-employed people, so platforms like Amway will be more popular.

12) What can Amway do to eliminate poverty? Is it on their vision? Does Amway care about sustainable growth and preserving the natural resources for the next generation?

- A1: The low startup cost literally makes it affordable for anyone to start the Amway business. There are many success stories of people who have come from nothing and have built Amway and able to take care of their family now because of Amway income. With their drive for Organic farms, Natural ingredients. Amway has been making environment-friendly products before ORGANIC was popular.
- A2: all people can join the business, and there is no exception. It does not need any special characteristics, so all people can join and benefit from the platform to change their life. During the visit that I had from Amway headquarter, my personal experience shows that Amway cares a lot about the environment. For example, employees used to ride bikes for their internal transportation, or the salt is not using for melting ice, and so on. They try to do their best.
- A3: Amway always helps malnutrition people all around the world. Amway platform can be used in the countries which need more entrepreneurship for eliminating poverty. They try organic farming and organic products. They even use worms for fertilizing the soil and middle east falcons for protecting the farm from rats.
- A4: I do not know that much about eliminating Amway's poverty goal, but the MLM system provides a platform for everyone who wants to be successful even if he or she does not have enough capital. So even poor people can join the business and be successful by just learning entrepreneurship, and there is no high cost for it. Amway is making money through retail and business building, so people can join and start making money right away.
- A5: I believe that teaching fishing is the best way, and giving fish to people will spoil them. MLM will teach people to be an entrepreneur. So, based on what you learn, you can change your lifestyle. Anyway, I think we need special MLM plans for people in developing countries. For example, products should be affordable to them.
- A6: Amway has charities in different countries and provides nutrition packages for malnutrition children. Amway may come up with new products in the future that can be affordable for poor people to consume and make money in the MLM platform.
- A7: Amway can teach you to become a good entrepreneur. Then you will not wait for the government or charities. You can start doing something every day for your own business.
- A8: The concept of Capital changed a lot during recent years. For example, an account on Instagram with 1 million followers can be a good source of income. It means the people around us now can be seen as capital. Local communities are even more established in developing countries, and Amway's business success depends on word of mouth flow inside communities. If you know more people around you, you have more capital. Thanks to social media, you will have more chances to find people who think like you or need the products you are going to offer.
- A9: I think education is the way poor people can change their lifestyle. If they know more about the economy, management, and entrepreneurship, they may find a better way of earning money. Amway's economic training system can be a good educational system for developing countries.

- A10: I do not know if Amway has any plan for helping developing countries or not, but poor people like others need nutrition and health. Amway can support these countries by providing financial and right quality products. Even it can be done through the MLM business plan.
- A11: Amway training system teach people to help each other if they want to be successful. It's not just a slogan, and Independent Business Owners practice it every day. When people learn to help each other, poor people also will benefit.
- A12: I can see big leaders like my parents are helping low-income families around them. I know even some leaders who took financial responsibility for thousand of orphans in India. When you are financially free, you have more resources to help others. Amway charity programs are also huge.
- A13: Eliminating poverty needs government aid. I do not think Amway alone can do that much. However, Amway does programs like "the power of five," which provides essential nutrition for children.
- A14: about 4 million people worldwide are using Amway training program to become an entrepreneur. In the future, more people can use the plan even in developing countries. As a result, more people will have entrepreneurship knowledge to change their own lives and the people around them by applying it.
- A15: In my idea, poor people should help themselves. I mean, they need to try more to change their lifestyle. Of course, it does not mean they do not need an adequate education system provided by governments. Companies like Amway also can help governments to make a big movement.

13) Nowadays, Customer Knowledge Management is essential for company owners to have competitive products and services. Companies are trying to collect more information from and about their clients to enhance their performance level, especially in the product development and innovation sectors. They would have more synergy, and the products or services will be better matched with customers' needs, which results in more sales. What do you think about the role of CKM in your business? Can you distinguish a higher level of participation from loyal customers in companies' product and system improvement rather than corporation system? If your answer is yes, would you please mention some examples of the role of CKM in your business?

- A1: Absolutely... End customer feedback is absolutely essential in any business growth. There is a constant effort by Amway in all markets to reach out to their distributors and customers for feedback and improvement.
- A2: two-ways communication is necessary for Amway's success. As an IBO, I used to be in touch with my clients personally and give them first handed info. Usually, I prefer voice communication over the written format of communication. CKM is done at the IBO level and Amway, thanks to its 3 million IBOs, is in touch with the final consumer. IBOs can easily help the company to improve its existed products or innovate more new items.
- A3: When your client and partner are the same, the intention of helping the company goes up. IBOs are already major consumers, and they have direct communication with their customers. So, they love to share their feedback with the company because better products mean more sales for them as well.
- A4: Before products are available to the public, Amway sends its products to high ranking leaders for testing and feedback. Leaders from Platinum and above can use the products, and they send their feedback to Amway to improve product performance. I think customers' idea about the business and products is really important for Amway.
- A5: I think they do CKM at a good level. The company always surveys and asks about the quality of the products. They also ask about what they can do to better the business than in the past. Amway company's existence is based

on the people who are partners of the company. These people do marketing for Amway products. For this kind of company, customers or partners' idea is more important than other types that usually customers are not involved in the production process.

- A6: Amway cares a lot about customer satisfaction. Even if you buy the products, you can easily return them and reimburse your money. Amway will refund all the money you already paid. This policy is done even for daily use products like shampoo. They also gather information through surveys and try to make products better than in the past.
- A7: Amway's revenue depends on its distributors' marketing and sales. Amway distributors are the main consumers of the products, and they try to find customers as well. If they are not happy about the products, they cannot be confident enough to offer their customers the products. It may be possible to get some customers with low-quality products, but it is almost impossible to do so in Amway. Because unlike other companies, Amway does not use TV commercials or other types of marketing tools. People can also ask for a satisfaction guarantee if they are not satisfied with the products' quality.
- A8: Customer feedback is really important for the company. They always collect info through surveys from their partners. Amway also sends us new products to test them before their public release.
- A9: Smart companies know that customer satisfaction will secure their sales. If customers are not satisfied, they will amplify the problem by talking to people around them, and in MLM structure, it means complete disaster for the company.
- A10: MLM structure can help people share their feedback easily with top leaders and even top managers of the company. People in the MLM system are connected more than all other corporation systems because they were even connected before they join the business, and through Multilevel marketing, they are connected more than before.
- A11: for other companies, customers are passive players, but in MLM structure, customers will make sales for the company and have an important active role. Indeed, knowledge about and from customers is really important for MLM companies' success.
- A12: Sixty years ago, companies could still manipulate customers through charming commercials on TV or billboards. Amway respected customers and involved them in the Business. If products are low in quality, IBOs don't use them and recommend them to others. They simply inform the company about the problem, and the company will fix it as soon as possible.
- A13: Customers always have firsthand knowledge about the products and services they get. Amway's performance shows that they always believed in their customers, and these consumers can easily be a partner of the company.
- A14: the company will collect IBOs and customers' feedback. They will analyze that data and change products or business systems based on it.
- A15: -

14) How your mother company builds an atmosphere that results in a higher CKM level?

- A1: -
- A2: Amway digital platforms like websites and forums will give IBOs as well as customers the possibility of being always in touch with the company. Thanks to the internet, feedbacks will go up easily in the MLM system.
- A3: Amway business is the business of relationship. So, IBOs are independent coworkers who are good friends as well. In this atmosphere, information transmission is easy and effective.
- A4: People are motivated to share their idea in the MLM system. Because they know the company's success is its own success. In my mind, motivation is the key point here.

- A5: Multi-level Marketing is based on the relationship between people, and this relationship will guarantee communication between members, and the company can use this relationship to strengthen the CKM level.
- A6: -
- A7: because of the digital infrastructure, people can easily share their opinion through applications and social media. The network between distributors also is a good way to transmit LBOs' ideas with the company.
- A8: Company is based on two families, van Andel and Devos, which both are involved in managing the company. They always promote professional relationships and the importance of family. It is easier to find problems and solve them when the level of relationship is high.
- A9: By highlighting the undeniable independent business owners' role in the company's success, the company will promote customer participation. People are completely aware of the win-win game that they have with the mother company.
- A10: -
- A11: in MLM structure, distributors are related to each other more than other systems. They become like a family, and they share information like a family member.
- A12: when you share your idea, and you get results in your bank account by selling more quality products, you will be motivated to think more about your business and share more info with the mother company.
- A13: Amway's business plan gives people the chance to have a network of people who think like themselves. They are connected in different ways and share their experiences through this network.
- A14: People will see that their feedback is important for the company and products are changing based on their taste and desire to be happier about their relationship with the company, and their business sales go up because of their satisfaction.
- A15: Company, through frequent events and meetings, tries to be close to its leaders and customers. People can easily share their minds with decision-makers in the company.

15) Would you please tell us more about the innovation level in your mother company? Can you relate it to their CKM level as one of the crucial factors? What about Network Marketing companies' special structure? Does it help the company have a better innovation performance?

- A1: -
- A2: Amway is a dynamic company. Since the first day that I joined the company, they are changing and adapting continuously. They have more than 1000 patents on their products. Part of this achievement is related to special MLM structure. Firsthand trusted communication with customers to build more synergy for their innovation performance.
- A3: One of the main reasons that Amway chose MLM is spending more money on its R&D. Eliminated expense of marketing activities can fuel the company's innovation projects, and Amway already registered more than 1200 patents on its commodity products, which is huge.
- A4: the history of Amway is full of innovation at all levels. From business plan to products. For example, Amway toothpaste has seven patents. They spent a lot on their development researches. For example, they spent about \$300 million just on their R&D facilities in the last five years.
- A5: I think CKM will help the company to innovate more. When they use customers' ideas, it means more resources for their innovation development. Amway distributors are the main customers of the products, so their idea about the products can be really helpful.
- A6: We can call Amway a knowledge-based company. They have more than 100 laboratories all over the world, and more than 1000 scientists are working for Amway. We frequently face new products which do not exist before.

- A7: Innovation is the key to Amway's success. It makes products unique, and people are confident enough to talk about them with their surroundings. Actually, there are always some different points that cannot be found in other products. Amway already registered more than 1200 patents on 450 products.
- A8: Nutrilite was the first company that introduced vitamins and phytonutrients in peels format. Now 50% of Amway sales come from this brand. Amway always chooses brands that have innovated products in the market. Another example will be the LOC brand that produces home care products and already has some registered patents. Innovation is an inseparable part of the company.
- A9: I think yes, I can relate it to customers' feedback because the company needs to collect IBOs' comments and give detailed feedback thanks to their personal experience.
- A10: Amway invested a lot in its innovation facilities all around the world. There are more than a thousand scientists who work in Amway laboratories. Usually, companies do not care that much about commodities quality, but Amway policy is different. Their products are daily based use, and that means the daily based experience of customers. People use and sell the products, so they talk about their experience with other colleagues that it means more information flow, which can cause more quantity or quality innovation.
- A11: I can say lots of products changed during my presence in the business. Some of them changed because IBOs have difficulties selling them. I think innovation is part of the business strategy.
- A12: Amway's innovation level is high. More than 1200 patents on 450 products mean Amway is a dynamic knowledge-based company.
- A13: Parts of Amway money that can be saved thanks to marketing and sales outsourcing goes to the research and development department. One thousand two hundred registered patents show that money is investing well.
- A14: Thanks to the company's business plan, the Company is outsourcing Marketing and sales activities, and this potential can be used for innovation outsourcing.
- A15: Amway focused more on daily used products, so customers' feedback is also daily. This product category usually does not have huge R&D investments, but Amway, in the last five years, invested about US\$300 million in innovation, and there are more than a thousand registered patents on the products thanks to the money which they are saving from outsourcing their marketing and sales activity.

16) There is a significant concern related to this question: “Why would customers, of all people, want to share their knowledge to create value for the company and then pay for their own knowledge once it is deployed in the company’s products and services?” Can you see the same concern in your business? How Amway structure overcomes this barrier?

- A1: -
- A2: I have never felt this kind of barrier in our business, people voluntarily share their ideas and feedback with the company, and thanks to social media, it is even easier today.
- A3: in MLM's business plan, helping the mother company to sell more means more profit for yourself. People will share their ideas with the company to be more satisfied with consumption and selling more.
- A4: I think there is no thought like this in Amway's working atmosphere because people are partners of the company, and the win-win relationship they have with the company means company success is their own success.
- A5: this concern is valid when people are not involved in companies' profit. And MLM system people love to share their ideas when they get the direct benefit of it.
- A6: In the MLM structure, you should ask why not people share their idea with the mother company? If they know they are going to make money from their idea, they will be more than happy to share their feedback.

- A7: In Amway's business plan, people will love to share their mind with the company because they know they can get the benefit of it. Maybe this concern is more about other companies that customers are just passive targets for their sales.
- A8: When the company shares its benefits with the customers who have an active role in company development, why should customers be worried about sharing their ideas?
- A9: It may be happening because people still did not change their mindset. If they think they are sharing the idea and it can benefit them in the end, they will change their mind.
- A10: It is related to business structure. For corporations in which customers are passive targets, these concerns may be valid. But in companies like Amway, I cannot see this concern. The win-win relationship between the company and its partners makes the story different.
- A11: -
- A12: I could not get the question well. I think it is all about the mindset of people.
- A13: It is why companies should change their strategy. If customers do not buy the products, the company will be broken up. In my idea, customers deserve more profit share farther than just using the products. If they know that the company may earn more money and benefit from their ideas, they will be eager to share their ideas.
- A14: if customers know how their ideas can benefit them in final products, they will not worry about sharing their ideas with the company. It needs companies' transparency and good public relations.
- A15: -

17) They are three other main concerns about CKM. The first one is the cost of setting up a system that can give the company an adequate amount of CKM. The second one is about the internal cultural paradigm shift towards looking at customers as an essential information source in the traditional corporation system. And last but not least is about supplying the right infrastructure that can secure a sustainable flow of information between the company and its customers. Can you see the same barriers in front of your mother company CKM flow?

- A1: -
- A2: -
- A3: maybe, but in my mind, Amway MLM's plan could overcome these barriers at a good level. For example, the company always looks for customers' feedback, and they are doing the same for almost 60 years.
- A4: In Amway business, the cost of customer knowledge management is not too high, thanks to its MLM structure. IBOs are always in touch with their upline sponsors, and knowledge sharing is 24/7 with the lowest possible cost.
- A5: these limits can also be presented in Amway's business plan, but I think they have enough experience to overcome these limits. They are doing CKM since 1959, and thanks to their business plan, they always had a good relationship with their customers and partners.
- A6: I have never seen this kind of concern in our business, but of course there are some limits and difficulties that the company should overcome. The main one is changing people's mindsets. They come from a corporation system, and they bring the same mentality to the MLM structure that is not going to work well. Amway training is all about this paradigm shift.
- A7: -
- A8: As I mentioned in the previous question, all these concerns come from the corporation system structure. When customers do not share the profit pie, they will not be serious about participating in CKM. Even customers' importance will be neglected by company administration. So, there will not be enough investment for CKM.

- A9: Peoples' mindsets changed a lot after the industrial revolution. They used to be self-employed, but then they shifted to be an employee. In the 21st-century, people are changing again, so I can understand some of these concerns, but I think with a good training system company will overcome these mindset barriers.
- A10: -
- A11: Every change is difficult. The traditional idea about customers is going to change, so the companies policies should change as well. The most difficult part will be building new customers' viewpoint.
- A12: -
- A13: I think it is all about the pyramid shape of corporations. This system does not support competency, and the inertia of change is high.
- A14: companies usually think of their revenue, and changes related to customer knowledge management are not so much interesting to them because of the possible costs. This type of change costs money today, but it will show income in the long-term that is not so pleasant for all managers.
- A15: -

18) Do you think we can use the Amway CKM system as a low cost and well-established model for other companies? Is it possible?

- A1:
- A2: Absolutely, yes. There are a lot of companies which are already done in the direct selling sector and other fields.
- A3: Some companies may be possible to shift, but I do not know how service companies' platforms can be adopted because there is no product to trade. However, the main concept of MLM is valid and seems logical.
- A4: It is a complicated question. Amway is producing and selling the products worldwide, and even if their business plan seems different, the result is what all companies want. I think Amway can be a good role model for companies that want to increase their CKM level.
- A5: I do not think so. If other companies want to have the same result in CKM, they need to have the same MLM business plan. Otherwise, it will be really difficult for them to build an atmosphere like what Amway has.
- A6: Well, it is really difficult to analyze this, but I think it will be possible for all companies to care more about their customers. They need to share some benefits with them, and it can be done through the MLM structure.
- A7: It depends. Good companies that try their best to have good products and services can match the MLM business plan. Companies that work well just because of their mass media commercials won't be a good match.
- A8: I am not sure, but I think it worth giving it a try.
- A9: for companies that can change their marketing strategy to direct marketing, my answer is yes. Anyway, I see that TV commercials are not as effective as they used to be. Maybe it is time that companies should review their marketing strategy.
- A10: Answering this question needs more detail.
- A11: If it is possible, why not. Maybe companies can use it partially. That means they can keep their current marketing strategy and start adding Amway marketing format as well.
- A12: I can see more referral marketing use that is a form of direct marketing by companies. So, they could understand that the mixture of indirect and direct marketing can bring further results. It is the start for companies that can use even a full direct marketing plan as their marketing strategy.
- A13: it is a complicated question; I am not sure about it. But maybe in the future, companies can also use plans like Amway's business plan, thanks to the internet and social media.
- A14: First, managers of the companies should be trained about entrepreneurship and multi-level marketing business plan. Like all other changes, all start from changing the mindset.

- A15: -

19) Do you believe that in the 21st century, we need more entrepreneur mentality among marketers or even potential and current customers?

- A1: -
- A2: Yes, 21st century is about everyday changes, so being flexible and having an entrepreneurship mindset can help marketers succeed in their business.
- A3: we can see normal jobs are eliminating thanks to automatization. Jobs one day seemed immortal, now do not exist anymore. More entrepreneur job opportunities or self-employed ones are available these days that mean more entrepreneurial knowledge need. I do not know about the future, but it seems to be the same or even worse than today.
- A4: Yes, why not. We can see everywhere that newborn startups' numbers are rising. Many companies are laying off their current employees, and these fired employees are losing their trust in the corporation system. They may think about having their own business, and it means entrepreneurial knowledge need for a crowd.
- A5: I think so. If we are going to have more companies like Uber, Airbnb, or blabla car, It means we need more people who can manage their time and work independently. The experience shows people like shared economy companies.
- A6: yes, I think so.
- A7: Yes, maybe we don't have many entrepreneurs today, but the future is about small creative startups, which means more need for entrepreneurship.
- A8: I think marketers should have more entrepreneurship mentality because their job is somehow independent of other departments. There is no metric system for analyzing marketing performance when they are doing a market study. In my mind, they will need more knowledge of entrepreneurship in the future.
- A9: Workers are going to be replaced by technology, and the unemployment rate will go up. I think we will have more entrepreneurs around.
- A10: Yes. Universities' focus should be changed. I think the current academic system cannot be enough for future changes. In my idea, we need to start with the schools and have a specific plan for the next generations.
- A11: If we accept that we are facing more turbulences in this century more than before, we will need to worry and train more adaptable people. It can be done through entrepreneurship training.
- A12: I think so. Even today, we can feel a lack of entrepreneurship knowledge in our corporation system.
- A13: More entrepreneurial knowledge means more people who are ready for changes.
- A14: -
- A15: I think the movement is already started, and more people are now seeking entrepreneurship knowledge. The future is uncertain but being ready for changes is necessary for sure.

20) What are the main characteristics that people must have to be successful in your business? Do they need any training system? Does your training system prepare them for entrepreneurship?

- A1: -
- A2: Yes, the training system is necessary, but people's willingness to learn is also essential. More training means more preparation for success.
- A3: I think so. Without training, skills cannot be developed.

- A4: Like all other businesses, for being successful in Amway, you need to try hard and be focused all the time. Without a training system, I think; still, it is possible to be successful, but it may be much harder. The training system will secure sustainable growth for the system.
- A5: Being focused, patient, and hard-working are the main characteristics. Being just talented is not enough, and you need to develop your skills. It cannot happen unless you have a good training system.
- A6: The training system is necessary to build a habit. Through repetition of good decisions, they can be a habit forever. As I mentioned before, being consistent and persistent are the two main characteristics of success in this business.
- A7: If they are all in, they will succeed in the business. It means, if they start the business, they do all the things that are necessary to be successful. For doing so, they need to be focused all the time.
- A8: Training is essential for MLM, as my experience shows that there is no success without training.
- A9: You should never give up. If you do not fail, you will not learn. The mindset is really important, and how you feed your mind can determine how you think.
- A10: -
- A11: Being honest, patient, hard-working, consistent, and persistent are the main characteristics. The training system is mandatory for being successful.
- A12: For being successful, you need to do something every day for your business. Good decisions should be followed by action. Training is good for calling what should be done up. Without training, we will lose focus, and we cannot be successful.
- A13: Being teachable is really important in Amway business. You can join the business without any skills or knowledge, and you can get all info by following the training system. Just you need to be teachable.
- A14: Consistency and persistency are the main characteristics that an entrepreneur should have. Everyone is different in talent and abilities, but everything will be possible when you try to be consistent and persistent.
- A15: People skills, communication skills, hardworking, patience, and being teachable are some of the main needed characteristics.

21) What do you think about the future of job opportunities and people's income source in the presence of automation and technology enhancement? Can you see Network Marketing as a proper solution?

- A1: -
- A2: all jobs are needed, but for the consumption of commodities, which is a big share of our routine expenses, Amway can be a good model.
- A3: Future jobs will be more digital. I think we will have more self-employed people.
- A4: It is complicated. With the developments in robotics and automation, there will be more unemployment in the future. Simultaneously, people who do not have any job cannot spend on the products, which means fewer sales for the companies. This is not desired for anyone.
- A5: We need all the jobs. In the 21st century, people do not like to be just in a corporation system, and they try to have more time and money freedom. As a result, they will look for other ways of making income.
- A6: -
- A7: I think we will have more unemployed people than employed ones. It is because we are in the digital era. Surviving in the 21st century depends on how you are ready for the changes. What people will do for sure is the consumption of commodities. At least, Network Marketing can be a good substitute for today's corporation system in this sector. People will be part of the network and, based on their activity, get the benefit.

- A8: There will be many changes for sure, but I do not have any clear image of the world's future. Many jobs are disappearing, and some new jobs are starting. I think digital companies like Amway will be companies of the future.
- A9: Everything will be more digital. Our knowledge about the Internet and digital marketing can help us survive in the future. Today MLM companies are all online, so we can say that they are part of future companies.
- A10: there is a paradox when people are losing their jobs, but still, companies need customers to make money for their purchase power. Companies will find a way to keep consumption up. I think Network Marketing companies can partly fill the gap.
- A11: -
- A12: Jobs will be more digital. Many people will work from their homes. Thanx to the Internet, starting a new business will be much cheaper than before. Lots of people may try to be self-employed or entrepreneurs in the future.
- A13: I think we will have more people who seek a second plan of income. Amway is an entrepreneurship platform for people who want to have their own business, which means more Amway partners in the future.
- A14: People are connected more than at any time before. They can influence their surroundings with just one click. This infrastructure can be used for running more start-ups in the future.
- A15: In Amway's business plan, top leaders who are already retired from the business still get money because their strong organization is still working. I think in the future, more people will use the multi-level marketing structure. They need to work for a period, and then they can have continued income based on their effort.

3.1.2 H 2: Amway particular business plan (MLM) will promote effective CKM level

Questions number 13 to 18 are related to CKM and CKM barriers. Almost all participants directly or indirectly acknowledged the correlation between MLM structure and the company's CKM level. One person did not answer to question number 13, 15, and 19. Two people did not answer question number 18. Three people did not respond to question number 14 and 16. Six people did not answer question number 17. From 105 possible answers, there are 88 received answers, which mean an 84% response rate. Almost all participants who answered the questions believed that Amway has a better CKM result than traditional companies. They also add their reasons that can be analyzed and discussed in later research. As a result, this hypothesis seems noteworthy, with an 84% agreement rate.

3.1.3 H 3: Amway innovation and sales success has a positive correlation with its CKM level

In question number 15: "Would you please tell us more about the innovation level in your mother company? Can you relate it to their CKM level as one of the crucial factors? What about the special structure of Network Marketing companies, does it help companies have a better innovation performance?" we asked about innovation, CKM, and 14 participants (93%) answered the question.

They believed an excellent CKM level in MLM could promote innovation. So, this hypothesis also is a general idea of a group, and it seems valuable to be investigated more.

3.1.4 H 4: MLM business plan can be a good sample and guideline for interested amateur companies in CKM

In question number 18: “Do you think that we can use the Amway CKM system as a low cost and well-established model for other companies? Is it possible?” we asked about this hypothesis, and 13 participants (87%) answered the question. Among them, one person did not believe that we can use the Amway business plan as a model for other companies, and 3 of them answered that they need more info and knowledge to answer the question. We also pull these 3 out of the pool, and we have at the end 9 participants (60%) who can see the Amway business plan as a role model for future companies that want to have a better CKM level. So, this hypothesis also can be studied in the future for more verification.

3.1.5 H 5: MLM business plan can be continued and succeeded in the 21st century

In questions number 11, “What is your idea about the future of Network Marketing and Amway in the 21st century? Why?” and 19, “Do you believe that in the 21st century we need more entrepreneur mentality among marketers or even potential and current customers?” the future of MLM and necessity of Entrepreneurship knowledge were discussed. Participation rates for questions 11 and 19 were subsequently 100% and 87%. Indeed, 87% of participants believe that Amway will continue its presence and success in the future, and all participants believe that in the 21st century, there is more need for entrepreneurship knowledge.

Based on these questions, hypothesis number 4: “MLM business plan can be continued and succeeded in the 21st century” seems noteworthy.

3.1.6 H 6: Amway business plan can fill the employment gap (automation and artificial intelligence effect) in the future

In question number 21: “What do you think about the future of job opportunities and people’s source of income in the presence of automation and technology enhancement? Can you see Network Marketing as a proper solution?” Three people did not answer the question. Based on 87% reached answers, we cannot conclude that Amway's role in filling Amway leaders' unemployment gap is clear. At least at this level, hypothesis number five cannot be verified.

3.2 Entrepreneurial Intention

There is a lack of agreement on the variables that determine the individual's decision to start a venture. Cognitive approaches have attracted considerable interest recently (Baron 2004; Krueger 2003). Among them, much attention has been paid to entrepreneurial intention (Autio et al. 2001; Kolvereid 1996).

Intention stems from intentionality, a state of mind directing a person's attention toward a specific goal to achieve something. The entrepreneurial process is a way of thinking: a way of thinking that emphasizes opportunities over threats. Identifying opportunity is an intentional process, and, therefore, entrepreneurial intentions are essential for the explanation of entrepreneurship (Krueger, Reilly, & Carsrud, 2000).

Attitude toward entrepreneurial behavior concerns a general evaluation of that behavior; in other words, whether it is attractive or not, entrepreneurial behavior is based on perceived consequences of the behavior and whether it will lead to a desired positive or negative outcome, for example, autonomy, personal wealth, and achievement motivation (Engle et al., 2008).

3.2.1 Theory of Planned Behavior (TPB)

Entrepreneurial intentions have psychological nature. "Psychologists have proven that intentions are the best predictors of any planned behavior, particularly when the behavior is rare, hard to observe, or involves unpredictable time lags" (Krueger et al., 2000, p.411). Since new business ventures are not developed in a day, entrepreneurship could be a type of planned behavior. To understand people's behavior, Ajzen (1991) developed the 'Theory of Planned Behavior' (hereafter TPB). The TPB of Ajzen (1991) helps to understand how we can change the behavior of people. The central factor in Ajzen's (1991) TPB is the individuals' intentions to perform a specific behavior. Intentions are assumed to be the motivation for certain behavior. Thus, the stronger the intention to perform a certain behavior, the more likely it will be performed.

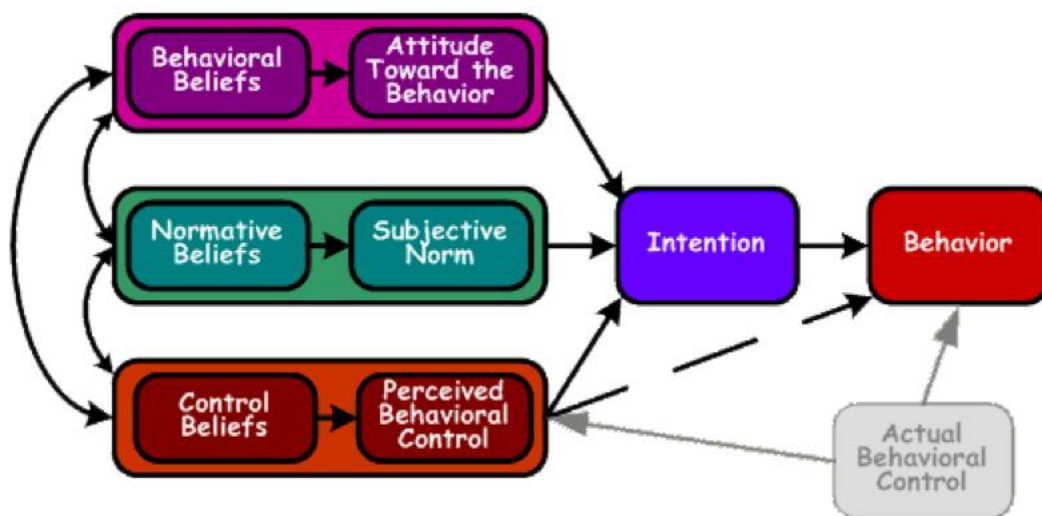


Fig 11.

Ajzen explains three factors, which are crucial in changing the intention and the actual behavior (fig 11.). First, the belief and attitude somebody has toward the behavior. For instance, a student could have a positive attitude toward entrepreneurship because one parent is an entrepreneur. Other factors influencing the entrepreneurial situation's attitude are, e.g., willingness to take risks, locus of control, need for independence, etc. (Krueger et al., 2000). The second factor is the subjective norm, which is a social influence. This aspect refers to the social pressure from the community to carry out behavior or not. For example, parents who had adverse business experiences can pressure their children not to start their businesses. The third-factor influencing intention is perceived behavioral control. This factor distinguishes the model from previous behavioral models. The idea is that the actual behavior depends on the motivation or intention to perform a certain behavior and the perception of the difficulty of performing the behavior. This perception can be developed through, for instance, experience.

After reviewing the evidence, Linan and Chen (2009) conclude that subjective norms appear less critical in their own right in affecting entrepreneurial intent. Instead, they argue that the impact of this collective factor is equivocal. Some research has revealed a significant relationship with entrepreneurial intent, whilst in others, none has been observed. Other studies show a positive relationship between subjective norms (for example, see Schlaegel and Koenig, 2014) and both attitude and perceived behavioral control. This is because of the social capital element of subjective norms and the resultant impact of influential others' values. Sometimes referred to as self-efficacy

and perceived feasibility (Engle et al., 2008) or ‘self-belief’ (Ibrahim and Mas’ud, 2015), perceived behavioral control is about a personal assessment of one’s competence and control in becoming an entrepreneur.

3.2.3 Entrepreneurial Intention Questionnaire (EIQ)

The EIQ was developed and tested using 519 students from two Spanish and Taiwanese universities by Linan and Chen (2009) rooted in Azjen’s (1991) TRB. These authors explain its development and cross-checking with other similar instruments used, for example, by Krueger et al. (2000), Autio, Keeley, Klofsten, Parker, and Hay (2001). In short, psychometric properties were found to be robust in Linan and Chen’s original study, and other researchers have shown similar results (for example, see Malebana, 2014).

Consistent with other similar models (Krueger et al., 2000; and Autio et al., 2001), the EIQ uses Likert-type scales. Five-question statements tap personal attitude. Respondents are asked to indicate their agreement level using a 1 (totally disagree) scale to 7 (totally agree).

With the help of this theory and questionnaires, this project will, through a targeted survey, examine the Entrepreneurial intention level of three different groups. One will be the people who already have marketing experience. They have academic or corporation training knowledge, versus the second group with network marketing experience, and the last group is people who have neither marketing nor network marketing experience. With the help of the excel program, the project will analyze the result of the survey and compare groups on diagrams.

3.3 Quantitative analysis

3.3.1 INTRODUCTION

Data in this survey were obtained through a questionnaire with 52 questions regarding the developed model's different aspects. The statistical population included random people who could have marketing experience. In this survey, 270 people participated. The simple sample selection was performed since the sample selection was non-probable and infinite.

First, a list of 500 people was obtained, which could have marketing experience with a different demographic background. In the next step, we had contacted these people, explained the purpose of this study, and asked for their cooperation. People that have shown willingness to cooperate were contacted, and the google form link was sent to them, and they were asked to complete the questionnaire. Finally, 270 people completed the questionnaire. Therefore, the response rate is 54%. They could not miss any questions. Thus, all 270 questionnaires were completed without any lost data. The collected data should primarily be evaluated in terms of reliability and validity. Therefore, after recording all data in Excel, each element of the model is considered in terms of reliability. The reliability of the data was determined through the normal distribution model and other tests. Excel software was used for analysis.

This quantitative analysis aims to understand how adults' Marketing and Network Marketing experience can affect their Entrepreneurship ability to be ready for their future active role in the Marketing field. So, we try to identify the model that can analyze the database from the surveys about Entrepreneurship Intention. We will examine the effect of Network Marketing's entrepreneurship training and atmosphere on people's Entrepreneurship intention.

3.3.2 DATASET

Our data set is formed of 270 completed questionnaires from random people on social media. Including 202 girls and 68 boys, mainly from Italy and Iran of different age groups. They all filled the questionnaires online on the google forms platform, and participants used their email addresses for submitting their questionnaires. So, all answers and details are saved online and can be reviewed.

There were 41 questions in total, and among them, 28 questions were related to the EIQ test. However, the rest was about adding information to help this research and other possible future research for studying the topic in depth. Participants, to submit the survey, had to answer all questions, so at the end, 270 accepting questionnaires were gathered and analyzed. The demography of participants is presented below (fig 12.):

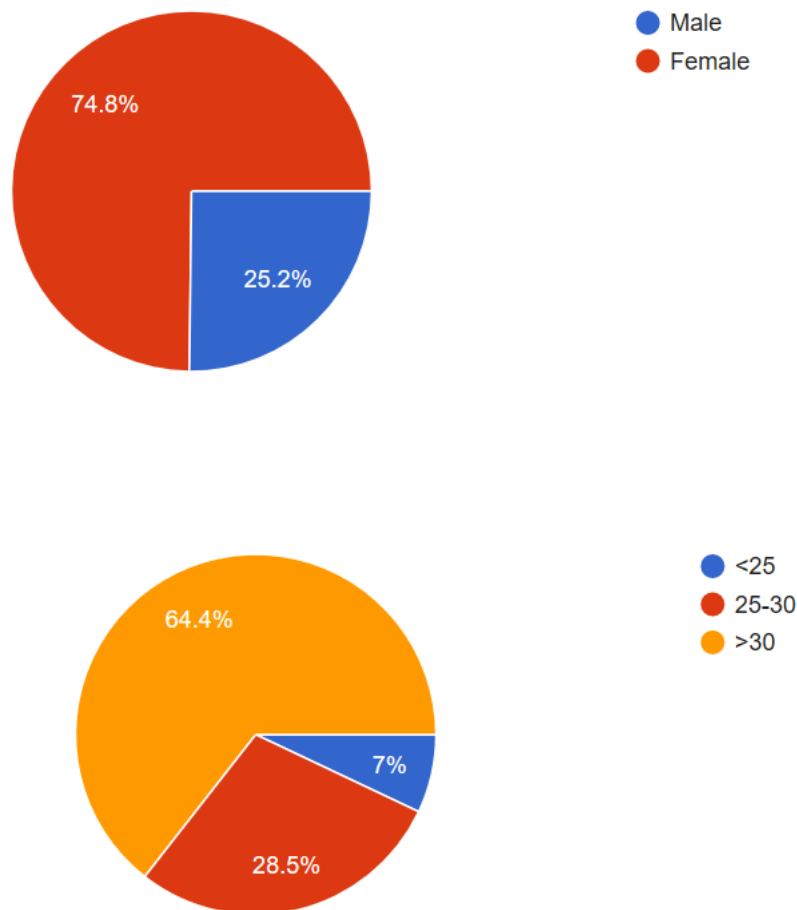


Fig 12.

Participants are divided into three main groups: 1) People who do not have any experience in neither Marketing nor Network Marketing. 2) People who had experience in both Network Marketing and Marketing and finally 3) People who have just Marketing experience.

EIQ's highest number was 120, and the lowest recorded 48. All other useful data is reported below (fig 13.):

<i>No NM and M</i>		<i>NM and M</i>		<i>M</i>	
Mean	84,39047619	Mean	97,63	Mean	92,87302
Standard Error	1,356809933	Standard Error	1,181905	Standard Error	1,450761
Median	86	Median	99	Median	94
Mode	92	Mode	102	Mode	96
Standard Deviation	13,90316458	Standard Deviation	11,81905	Standard Deviation	11,51506
Sample Variance	193,2979853	Sample Variance	139,69	Sample Variance	132,5965
Kurtosis	0,095494871	Kurtosis	1,232577	Kurtosis	0,343246
Skewness	0,483815731	Skewness	-0,83459	Skewness	-0,52802
Range	61	Range	61	Range	57
Minimum	48	Minimum	59	Minimum	57
Maximum	109	Maximum	120	Maximum	114
Sum	8861	Sum	9763	Sum	5851
Count	105	Count	100	Count	63
Confidence Level (95,0%)	2,690605013	Confidence Level (95,0%)	2,345156	Confidence Level (95,0%)	2,900029

Fig 13.

These graphs show that the distribution of EIQ ranks is almost normal (fig 14.).

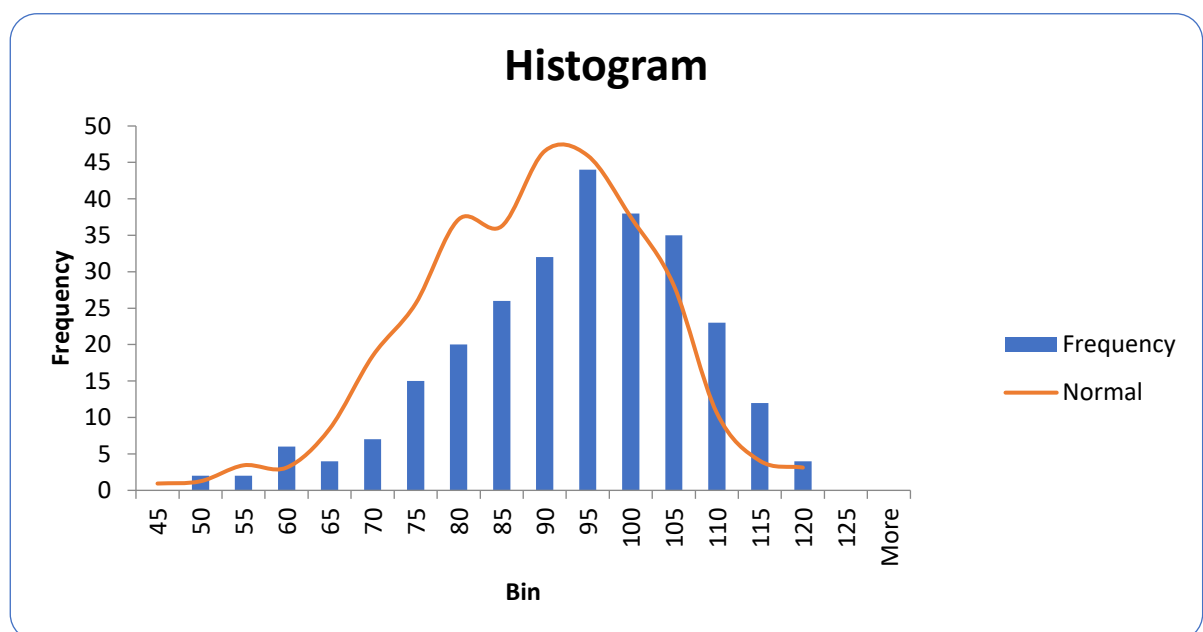


Fig 14.

3.3.3 STATISTICAL METHODOLOGY

Hypothesis testing or significance testing is a technique using data measured in a sample to test a statement or hypothesis about a factor in a population. In this approach, if the hypothesis about the population parameter was true, we test any hypothesis by evaluating how a sample statistic might have been chosen.

Examining the whole population would be the best way of evaluating if a statistical theory is valid. Since that is often impossible, a random sample of the population is usually studied by researchers. The hypothesis is dismissed if the sample data is not consistent with the statistical hypothesis.

Two forms of statistical theories exist.

- **Null hypothesis.** The null hypothesis, denoted by H_0 , is usually the hypothesis that sample observations result purely from chance.
- **Alternative hypothesis.** The alternative hypothesis, denoted by H_1 or H_a , is the hypothesis that some non-random cause influences sample observations.

The analysis plan includes decision rules for rejecting the null hypothesis. These decision rules in two ways - concerning a P-value or regarding a region of acceptance.

- **P-value.** The P-value tests the validity of a null hypothesis. Assume that the test statistics are identical to S . The P-value is the probability that a test statistic as extreme as S can be observed, given that the zero hypotheses are valid. We reject this null hypothesis if the P-value is less than the significance level.
- **The Acceptation Region.** There is a range of values in the accepting field. If the test statistics fall within the acceptance zone, the null hypothesis shall not be dismissed. The accepting area is calculated such that the potential for an error of type I is equal to the level of significance.
- **The rejection region.** The value set outside the acceptance region is referred to as the rejection region. If the test statistic would be included in the rejection area, the null hypothesis shall be rejected. In these instances, we conclude that at α -degree of significance, the hypothesis was rejected.

3.3.3.1 Anova, F-test, T-test and Z-test

The one-way ANOVA compares the means between the concerned groups concerned and decides if either of those means vary substantially from each other in a statistical way. It checks the null hypothesis, specifically:

$$H_0: \mu_1 = \mu_2 = \mu_3 = \dots = \mu_k$$

Where μ = group mean and k = group number when the single-way ANOVA returns a statistically significant result, we accept the alternate hypothesis (H_A), which means that there are two group means statistically significantly different.

It is important to remember at this phase that ANOVA on one-way is an omnibus test statistic and can't tell you which particular groups were substantially different statistically, except for at least two groups.

The following assumptions are needed for using the ANOVA test:

- Each group sample is drawn from a normally distributed population
- All populations have a common variance
- All samples are drawn independently of each other
- Within each sample, the observations are sampled randomly and independently of each other
- Factor effects are additive

In our case, samples meet all the conditions above.

3.3.3.2 F-test

F-test is a statistical test that helps us find whether two population sets have the same standard deviation or variances in their datasets' normal distribution. But F-tests should primarily include the normal distribution of the data sets. This is applied to F distribution under the null hypothesis. F-tests are a very critical aspect of the Variance Analysis (ANOVA) and are determined by two variance ratios of two separate data sets. F value formula is:

$$F \text{ Value} = \text{Variance of 1st Data Set} / \text{Variance of 2nd Data Set}$$

The main theoretical assumptions on which an F-test is based are: The population for each sample must be normally distributed with identical mean and variance, and All sample observations must be randomly selected and independent.

3.3.3.3 T-test

The T-test is used to determine whether or not two data sets vary significantly. The one-way t-test version is used to determine if the sample varies considerably from the population. The one-sample t-test formula is represented using the sample mean, the theoretical population mean, mean, the sample standard deviation, and sample size. It is interpreted mathematically as,

$$t = (\bar{x} - \mu) / (s / \sqrt{n})$$

where \bar{x} = Observed Mean of the Sample, μ = Theoretical Mean of the Population, s = Standard Deviation of the Sample, n = Sample Size

The T-test is usually used when the population variance is unknown, and samples are less than thirty.

In t-testing, the typical assumptions are those related to the measurement scale, random sampling, normal data distribution, sample size adequacy, and variance equality in standardized deviations.

3.3.3.4 Z-Test

Z Test Statistics is a statistical approach used to test an alternative hypothesis vs. a null hypothesis. It is used to decide whether the two samples' mean is different when there are known variances and the sample is large. Z Tests assess whether the sample varies significantly from the population mean. Z Test is usually used in large issues (In this case, big means more than 30 samples.)

z test formula is represented as,

$$Z \text{ Test} = (\bar{x} - \mu) / (\sigma / \sqrt{n})$$

Here, \bar{x} = Mean of Sample, μ = Mean of Population, σ = Standard Deviation of Population and

n = Number of Observation

The assumptions of the one-sample z-test are as following. 1. The data are continuous (not discrete). 2. The data follow the normal probability distribution. 3. The sample is a simple random sample from its population. Everyone in the population has an equal probability of being selected in the sample. 4. The population standard deviation is known.

3.3.4 Null hypothesis and Alternative hypothesis

H₀: There is no significant difference in EIQ rank between three different groups, including 1) People who do not have any marketing or network marketing experience. 2) People who had experience in both Network Marketing and Marketing and finally 3) People who have just Marketing experience.

H_a: There is a significant difference in EIQ rank between the three mentioned different groups.

ANOVA: Single Factor						
SUMMARY						
<i>Groups</i>	<i>Count</i>	<i>Sum</i>	<i>Average</i>	<i>Variance</i>		
no NM and M	107	9019	84,28972	193,3775		
NM and M	100	9763	97,63	139,69		
M	63	5851	92,87302	132,5965		
ANOVA						
<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between Groups	9419,987	2	4709,994	29,55624	2,54E-12	3,029597
Within Groups	42548,31	267	159,357			
Total	51968,3	269				

Fig 15.

The P-value is equal to 2,54E-12, which is lower than 0.05, so based on the ANOVA test, H₀ will be rejected, and H_a is acceptable, which means all three groups are different in the EIQ mean level (fig 15.)

However, groups are different from each other. The highest mean of EIQ ranks belongs to the group in which participants have Marketing and Network Marketing experience. Then, the group's Mean that contained people who have just Marketing experience is on the second place. There is a

group with the people who have neither Marketing nor Network Marketing experience in the third place. Here we try to understand the significance level of the mean difference between two different combinations. 1) (NO M and NM) vs. (M). 2) (M) vs. (M and NM) 3) (NO M and NM) vs. (M and NM) For doing so, we use **F-test** and **T-test** analysis.

3.3.5 Groups comparison

3.3.5.1 (NO M and NM) vs. (M)

There are enough samples on our observation, 63 people in (M) group and 107 people on (NM and M) one, that we can call our sample large. In this case, Z-test can be enough for studying the mean difference between the groups, but we also add F-test and T-test in order because we can assume our population Variance is unknown.

F-Test Two-Sample for Variances		
	<i>no NM and M</i>	<i>M</i>
Mean	84,28971963	92,87301587
Variance	193,3775348	132,5965182
Observations	107	63
df	106	62
F	1,458390744	
P(F<=f) one-tail	0,053404042	
F Critical one-tail	1,469509884	

Fig 16.

As it is shown on the above table (fig 16.), F value (1,458390744) is lower than F Critical value (1,469509884) that which means these two groups are in equal variances category, and we can do T-test two-sample assuming equal variances for understanding that is there any significant level of difference between these two groups EIQ ranks or not.

Null hypothesis and Alternative hypothesis

H0: There is no significant difference in EIQ ranks between (M) and (no M and NM) groups.

Ha: There is a significant difference in EIQ ranks between (M) and (no M and NM) groups.

We start with Z-test, and then we also look at the T-test analysis.

z-Test: Two Sample for Means		
	<i>no NM and M</i>	<i>M</i>
Mean	84,28971963	92,87301587
Known Variance	191,57	130,49
Observations	107	63
Hypothesized Mean Difference	0	
z	-4,367852896	
P(Z<=z) one-tail	6,2737E-06	
z Critical one-tail	1,644853627	
P(Z<=z) two-tail	1,25474E-05	
z Critical two-tail	1,959963985	

Fig 17.

There are two ways to test our hypothesis. First, we look at the P(Z<=z) two-tail value (1,25474E-05) that is less than 0.05, and we can reject our null hypothesis and accept the alternative one. The second way is to check the Z value (-4,367852896) if it is less than the z Critical two-tail value and this simply means the rejection of the null hypothesis (fig 17.).

t-Test: Two-Sample Assuming Equal Variances		
	<i>no NM and M</i>	<i>M</i>
Mean	84,28971963	92,87301587
Variance	193,3775348	132,5965182
Observations	107	63
Pooled Variance	170,9464453	
Hypothesized Mean Difference	0	
df	168	
t Stat	-4,133917144	
P(T<=t) one-tail	2,80952E-05	
t Critical one-tail	1,653974208	
P(T<=t) two-tail	5,61904E-05	
t Critical two-tail	1,974185191	

Fig 18.

As reported above (fig 18.), the P two-tail value (5,61904E-05) is less than 0.05, so the H0 hypothesis will be rejected, and we accept the Ha hypothesis, which means there is a significant difference between these two groups' mean. The confidence level for this result is more than 95%.

3.3.5.2 (M) vs. (M and NM)

There are enough samples on our observation, 63 people in the M group and 100 people on NM and M one, that we can call our sample large. In this case, Z-test can be enough for studying the mean difference between the groups, but we also add F-test and T-test in order because we can assume our population Variance is unknown.

F-Test Two-Sample for Variances		
	<i>NM and M</i>	<i>M</i>
Mean	97,63	92,87301587
Variance	139,69	132,5965182
Observations	100	63
df	99	62
F	1,053496743	
P(F<=f) one-tail	0,417314144	
F Critical one-tail	1,475150313	

Fig 19.

As it is shown in the above table (fig 19.), the F value (1,053496743) is lower than the F Critical value (1,475150313) that which means these two groups are in equal variances category, and we can do T-test two-sample assuming equal variances for understanding that is there any significant level of difference between these two groups EIQ ranks or not.

Null hypothesis and Alternative hypothesis

H0: There is no significant difference in EIQ ranks between (M) and (M and NM) groups.

Ha: There is a significant difference in EIQ ranks between (M) and (M and NM) groups.

We start with Z-test, and then we also look at the T-test analysis.

z-Test: Two Sample for Means		
	<i>M</i>	<i>NM and M</i>
Mean	92,87301587	97,63
Known Variance	130,49	138,29
Observations	63	100
Hypothesized Mean Difference	0	
z	-2,559527843	
P(Z<=z) one-tail	0,005240723	
z Critical one-tail	1,644853627	
P(Z<=z) two-tail	0,010481446	
z Critical two-tail	1,959963985	

Fig 20.

There are two ways to test our hypothesis. First, we look at the $P(Z \leq z)$ two-tail value (0,010481446) that is less than 0.05, and we can reject our null hypothesis and accept the alternative one. The second way is to check the Z value (-2,559527843) if it is less than the z Critical two-tail value and this result simply means the rejection of the null hypothesis (fig 20.).

t-Test: Two-Sample Assuming Equal Variances		
	<i>NM and M</i>	<i>M</i>
Mean	97,63	92,87301587
Variance	139,69	132,5965182
Observations	100	63
Pooled Variance	136,9583486	
Hypothesized Mean Difference	0	
df	161	
t Stat	2,527050492	
P(T<=t) one-tail	0,006233437	
t Critical one-tail	1,654373057	
P(T<=t) two-tail	0,012466873	
t Critical two-tail	1,974808092	

Fig 21.

As reported above (fig 21.), the P two-tail value (0,012466873) is less than 0.05, so the H0 hypothesis will be rejected, and we accept the Ha hypothesis, which means there is a significant difference between these two groups mean. The confidence level for this result is more than 95%.

3.3.5.3 (NO M and NM) vs. (M and NM)

There are enough samples on our observation, 107 people in (no NM and M) group and 100 people on (NM and M) one, that we can call our sample large. In this case, Z-test can be enough for studying the mean difference between the groups, but we also add F-test and T-test in order because we can assume our population Variance is unknown.

F-Test Two-Sample for Variances		
	<i>no NM and M</i>	<i>NM and M</i>
Mean	84,28971963	97,63
Variance	193,3775348	139,69
Observations	107	100
df	106	99
F	1,384333416	
P(F<=f) one-tail	0,051288713	
F Critical one-tail	1,387765441	

Fig 22.

As it is shown in the above table (fig 22.), the F value (1,384333416) is lower than the F Critical value (1,387765441) that which means these two groups are in equal variances category, and we can do T-test two-sample assuming equal variances for understanding that is there any significant level of difference between these two groups EIQ ranks or not.

Null hypothesis and Alternative hypothesis

H0: There is no significant difference in EIQ ranks between (*no NM and M*) and (M and NM) groups.

Ha: There is a significant difference in EIQ ranks between (*no NM and M*) and (M and NM) groups.

We start with Z-test, and then we also look at the T-test analysis.

z-Test: Two Sample for Means		
	<i>no NM and M</i>	<i>NM and M</i>
Mean	84,28971963	97,63
Known Variance	191,57	138,29
Observations	107	100
Hypothesized Mean Difference	0	
z	-7,488781892	
P(Z<=z) one-tail	3,475E-14	
z Critical one-tail	1,644853627	
P(Z<=z) two-tail	6,95E-14	
z Critical two-tail	1,959963985	

Fig 23.

There are two ways to test our hypothesis. First, we look at the P(Z<=z) two-tail value (6,95E-14) that is less than 0.05, and we can reject our null hypothesis and accept the alternative one. The second way is to check the Z value (-7,488781892) if it is less than the z Critical two-tail value and this simply means the rejection of the null hypothesis (fig 23.).

t-Test: Two-Sample Assuming Equal Variances		
	<i>no NM and M</i>	<i>NM and M</i>
Mean	84,28971963	97,63
Variance	193,3775348	139,69
Observations	107	100
Pooled Variance	167,4503839	
Hypothesized Mean Difference	0	
df	205	
t Stat	-7,41188376	
P(T<=t) one-tail	1,60494E-12	
t Critical one-tail	1,652320556	
P(T<=t) two-tail	3,20988E-12	
t Critical two-tail	1,971603499	

Fig 24.

As reported above (fig 24), the P two-tail value (3,20988E-12) is less than 0.05, so the H0 hypothesis will be rejected, and we accept the Ha hypothesis, which means there is a significant difference between these two groups mean. The confidence level for this result is more than 95%.

3.3.6 Conclusion of quantitative analysis

Based on the results, we can see a significant difference in entrepreneurship intention rank between selected groups. It may mean marketing itself can give more participants' entrepreneurial spirit, but when people have Network marketing experience, they show a more entrepreneurial intention related to the Network Marketing atmosphere and MLM training system. MLM's economic and effective entrepreneurial system can be a good model to study for other firms that want to be ready for marketing 4.0 upcoming changes. This analysis has some limits like it needs more sample numbers from different countries and a more significant number of target questions for further case investigation. However, at this level, we can introduce the MLM entrepreneurial method as an effective way of enriching entrepreneurship knowledge and intention of marketers or interested customers.

Conclusion

In the first chapter, the importance of customers' role in the 21st century was discussed and based on Philip Kotler's books and other academic references. There is more need for entrepreneurial knowledge for marketers and customers who will play marketers' role in the future.

Companies need to improve their interaction with their customers based on Customer Knowledge Management (CKM) infrastructure. Knowledge transmission from customers to companies seems not as effective as it is needed. Some concerns are somehow related to the current corporate structure that cannot support sustainable knowledge flow between firms and customers. Amway company uses the Multi-Level Marketing (MLM) structure and looks at customers as its partners. The win-win relationship between the company and customers can be a good incentive for better CKM transmission. This better information transmission and innovation outsourcing results in good company performance.

In the second chapter, the MLM structure and Amway company case study were discussed. Amway has a significant innovation performance, and its growing revenue since 1959 can be related to their MLM particular structure. Amway focuses on Entrepreneurship training as the main factor in Independent Business Owners' success. Amway IBOs or customers are from different backgrounds, and they usually do not have any significant entrepreneurship knowledge before they join the platform.

As a result, we can now have a better understanding of the following hypothesis:

- H1: Customers will have an active role in the future of marketing, so they need more entrepreneurial knowledge.
- H2: Amway particular business plan (MLM) will promote a sufficient CKM level
- H3: Amway innovation and sales success have a positive correlation with its CKM level
- H4: MLM business plan can be a good sample and guideline for interested amateur companies in CKM
- H5: MLM business plan can be continued and succeeded in the 21st century
- H6: Amway business plan can fill the future employment gap (automation and artificial intelligence effect) in the future

- H7: There is a significant difference between these three groups Entrepreneurial Intention: 1) people who do not have Marketing and Network Marketing experience 2) people who just have Marketing experience 3) people who have Network Marketing experience
- H8: People with Network Marketing experience have a better entrepreneurial intention level than other groups

In chapter one, the accuracy of H1 is discussed, and lots of recent academic studies confirm the more active role of customers in the future of marketing that needs more entrepreneurial knowledge.

Thanks to qualitative analysis, Case Study, and Interviews, in the second and third chapter, H2 to H5 were verified, and more studies are needed to understand the detail better. H6 could not be confirmed at this level.

With the help of quantitative analysis applied in the third chapter, we could see a significant difference between the three mentioned groups, and people who had Network Marketing experience have a better Entrepreneurial Intention level than the other groups. These findings can be a good signal for the MLM structure's effectiveness in CKM and entrepreneurial training system that needs more future investigation.

Bibliography

- A. H. Maslow, A Theory of Human Motivation, Originally Published in Psychological Review, 50, 370-396.
- Alton Y.K Chua, Snehasish Banerjee, Customer knowledge management via social media: the case of Starbucks, 2013, DOI 10.1108/13673271311315196
- Andreas Kuckertz, Alicia Prochotta, Andreas Kuckertz, Alicia Prochotta, What's Hot in Entrepreneurship Research 2018, Hohenheim Entrepreneurship Research Brief No. 4 – February 2018 – ISSN 2568-4388
- ANNA MOKHNIUK, THE IMPACT OF MONETARY REWARDS ON THE MOTIVATION OF EMPLOYEES,
- Aron O'Cassa & Sussie Morrish, Anatomy of entrepreneurial marketing, Journal of Strategic Marketing, 2015 <http://dx.doi.org/10.1080/0965254X.2015.1035035>
- Arun Sundararajan, The Sharing Economy, The MIT Press, ISBN 9780262034579
- Božidar Leković, Slobodan Marić, The Technological Availability: Incentive for Opportunity Entrepreneurship, Journal of Strategic Management, Vol. 22 (2017), No. 3, pp. 011-018
- Christopher R. Schmidt Technology's Impact on the Marketing Function, ISSN 1821-3448 UDC 005.21 2017, Vol. 22, No. 3
Copyright © 2010 by Robert T. Kiyosaki All rights reserved. Published by Dream Builders, an imprint of VideoPlus, L.P., in association with CASHFLOW Technologies, Inc.
- Cristinel CONSTANTIN, MULTI-LEVEL MARKETING - A TOOL OF RELATIONSHIP MARKETING, Bulletin of the Transilvania University of Braşov • Vol. 2 (51) - 2009 Series V: Economic Sciences
- Cristinel CONSTANTIN, MULTI-LEVEL MARKETING - A TOOL OF RELATIONSHIP MARKETING, Bulletin of the Transilvania University of Braşov • Vol. 2 (51) - 2009 Series V: Economic Sciences
- Darren Lee-Ross, "An examination of the entrepreneurial intent of MBA students in Australia using the entrepreneurial intention questionnaire," Journal of Management Development, <https://doi.org/10.1108/JMD-10-2016-0200>
- Detlev Krige, FIELDS OF DREAMS, FIELDS OF SCHEMES: PONZI FINANCE AND MULTI-LEVEL MARKETING IN SOUTH AFRICA, Africa 82 (1) 2012: doi:10.1017/S0001972011000738
- Donald Laming, Understanding Human Motivation What Makes People Tick?, 2003, ISBN 0-631-21982-X
- Edwin J. Nijssen, Entrepreneurial Marketing, second edition published 2017, ISBN: 978-1-138-71290-4 (hbk)

- Eric H. Shaw, (2009), "Reflections on The History of Marketing Thought," *Journal of Historical Research in Marketing*, Vol. 1 Iss 2 pp. 330 – 345
- Erik Lindberg, Håkan Bohman, Peter Hulten, Timothy Wilson, "Enhancing students' entrepreneurial mindset: A Swedish Experience," *Education + Training*, <https://doi.org/10.1108/ET-09-2016-0140>
- Francisco LIÑÁN, C.RODRÍGUEZ-COHARD, M.RUEDA-CANTUCHE, Factors Affecting entrepreneurial intention levels: a role for education, Jel codes: M13, C21
- Francisco Liñán, Development and validation of an Entrepreneurial Intention Questionnaire (EIQ), Dept. Economía Aplicada I University of Seville
- Francisco Liñán, Yi-Wen Chen, Development and cross-cultural application of a specific instrument to measure entrepreneurial intentions,
- GONZALEZ SERRANO, GONZÁLEZ GARCÍA, PÉREZCAMPOS, Entrepreneurial and intrapreneurial intentions of sports science students: what are their determinant variables? *Journal of Physical Education and Sport*, vol 18, DOI:10.7752/jpes.2018.s3202
- Jafar Danesh Zand, Abbas Keramati, Farzaneh Shakouri, Hamid Noori, Assessing the impact of customer knowledge management on organizational performance, 2017, DOI: 10.1002/kpm.1585
- JOHN BONE, *The Hard Sell: An Ethnographic Study of the Direct Selling Industry*, 2006, ISBN 0-7546-4609-2
- K.R.G. Nair and Anu Pandey, Characteristics of Entrepreneurs: An Empirical Analysis, *Journal of Entrepreneurship* 2006 15: 47, DOI: 10.1177/097135570501500104
- K.R.G. Nair, Anu Pandey, 2006, Characteristics of Entrepreneurs: An Empirical Analysis, *Journal of Entrepreneurship*, 15: 47, DOI: 10.1177/097135570501500104
- Kathryn A. Jones, *Amway Forever: the amazing story of a global business phenomenon*, ISBN 978-0-470-48821-8
- Kevin D. Johnson, *The Entrepreneur Mind*, ISBN: 978-0-9884797-1-5
- Luca Cacciolatti, Soo Hee Lee, *Entrepreneurial Marketing for SMEs*, ISBN 978-1-137-53258-9 (eBook), DOI 10.1057/9781137532589
- *Marketing 4.0: Moving from Traditional to Digital* Authors: Philip Kotler, Hermawan Kartajaya, Iwan Setiawan Wiley, 2017; ISBN 978-1-119-34120-8 (cloth); ISBN 978-1-119-34106-2 (EPDF)
- MGarcía-Murillo, H Annabi, Customer knowledge management, *Journal of the Operational Research Society* (2002) 53, 875–884. doi: 10.1057/palgrave.jors.2601365
- Michael G. Pratt, The Good, the Bad, and the Ambivalent: Managing Identification among Amway Distributors, *Administrative Science Quarterly*, 45 (2000): 456-493
- Michael Gibbert, Marius Leibold, Gilbert Probst, Five Styles of Customer Knowledge Management, 2002, *European Management Journal* Vol. 20, No. 5, pp. 459–469
- Minwir Al-Shammari, *Customer Knowledge Management: People, Processes, and Technology*, 2009, ISBN 978-1-60566-258-9

- Morgan Milesa, Audrey Gilmoreb, Paul Harriganc, Gemma Lewisa, and Zubin Sethnad, Exploring entrepreneurial marketing, Journal of Strategic Marketing, 2014 <http://dx.doi.org/10.1080/0965254X.2014.914069>
- Najme Mehdibeigia, Masoud Dehghanib, Nour mohammad Yaghoubi, Customer Knowledge Management, and Organization's Effectiveness: explaining the mediator role of Organizational Agility, 2016, DOI: 10.1016/j.sbspro.2016.09.012
- Nicole Woolsey Biggart, CHARISMATIC CAPITALISM: Direct Selling Organizations in America, 1988, HF5438.25. B52
- Pedro Mares, Teresa Costa, Simone Galina, STUDENT'S ENTREPRENEURIAL INTENTION: ESCE AND FEA COMPARISON
- Philip Kotler, Confronting capitalism: real solutions for a troubled economic system, 2015, ISBN 978-0-8144-3645-5
- PHILIP Kotler, GARY Armstrong, Principles of Marketing 14E, 2011, ISBN-13: 978-0-13-216712-3
- PHILIP KOTLER, H. KARTAJAYA, I. SETIAWAN, Marketing 3.0, From Products to Customers to the Human Spirit, ISBN 978-0-470-59882-5
- Philip Kotler, Marian Dingena, Waldemar Pfoertsch, Transformational Sales Making a Difference with Strategic Customers, Springer, 2016, ISBN 978-3-319-20605-9, DOI10.1007/978-3-319-20606-6
- Philip Kotler, Marketing Management, Millennium Edition, ISBN 0-536-63099-2 BA993095
- Philip Kotler, Nancy R. Lee, Up and Out of Poverty the Social Marketing Solution, 2009, ISBN-10: 0-13-714100-9
- Pitsamorn Kilenthong Claes Hultman Gerald Ernest Hills , (2016), "Entrepreneurial marketing behaviors: impact of firm age, firm size, and firm's founder," Journal of Research in Marketing and Entrepreneurship, Vol. 18 Iss 1 pp. <http://dx.doi.org/10.1108/JRME-05-2015-0029>
- Ravi S. Achrol & Philip Kotler, Frontiers of the marketing paradigm in the third millennium, J. of the Acad. Mark. Sci. (2012) 40:35-52 DOI 10.1007/s11747-011-0255-4
- Rich Devos, Compassionate capitalism, 1994
- Richard M. Ryan, The Oxford Handbook of Human Motivation, 2012, ISBN 978-0-19-539982-0
- Robert T. Kiyosaki With John Fleming and Kim Kiyosaki, The Business of the 21st century, ISBN 978-1-612-68063-7
- Roger Crowdrey MIBC, Creating Entrepreneurial Mindset: Failure is an option, 2012, ISBN: 9978-87-403-0310-0
- Salman Zulfiqar, Fahad Asmi, Khurram Ejaz Chandia, Binesh Sarwar, Saira Aziz Measuring Entrepreneurial Readiness among Youth in Pakistan through Theory of Planned Behavior (TPB) Based Approach, Business and Economic Research ISSN 2162-4860 2017, Vol. 7, No. 1, doi:10.5296/ber.v7i1.11037

- Samuel T. Achie, Joshua T. Kurah, The Role of Financial Incentives as a Motivator in Employee's Productivity in Nigeria Electricity Distribution Companies, International Journal of Research in Business Studies and Management V3 , I1 , January 2016, ISSN 2394
- Soumit Sain, Silvio Wilde, Customer Knowledge Management: Leveraging Soft Skills to Improve Customer Focus, Springer, ISBN 978-3-319-05058-4 DOI 10.1007/978-3-319-05059-1
- TESTING THE ENTREPRENEURIAL INTENTION MODEL ON A TWO-COUNTRY SAMPLE
Francisco Liñán Yi-Wen Chen, 2006, Document de Treball núm. 06/7
- Uzma Hafeez, "Impact of Training on Employees Performance," Business Management and Strategy ISSN 2157-6068 2015, Vol. 6, No. 1, doi:10.5296/bms.v6i1.7804
- V. Kumar, Transformative Marketing: The Next 20 Years, Journal of Marketing Vol. 82 (July 2018), 1–12 DOI: 10.1509/jm.82.41
- Wouter Duijn, Entrepreneurial Intentions among FDEWB Students, <http://www.studiosus.nl/>
- Xin Wang, Ming Xu, Examining the linkage among open innovation, customer knowledge management, and radical innovation, 2018, DOI 10.1108/BJM-04-2017-0108
- Z. Ahmad, ROLE OF NON-FINANCIAL BENEFITS ON MOTIVATION OF EMPLOYEES, 2009, DOI: 10.13140/2.1.3130.1126
- Zoran Sušanj, Ana Jakopec, Irena Miljković Krečar,
- Zoran Sušanj, Ana Jakopec, Irena Miljković Krečar, VERIFYING THE MODEL OF PREDICTING ENTREPRENEURIAL INTENTION AMONG STUDENTS OF BUSINESS AND NON-BUSINESS ORIENTATION, 2015, UDC 005.342:378-057.875

APPENDIX

Sample of EIQ questionnaires

Giving the questions 1 to 21 the answer between 1 to 7 regarding:

- 1) strongly disagree
- 2) moderately disagree
- 3) slightly disagree
- 4) neutral
- 5) slightly agree
- 6) moderately agree
- 7) strongly agree

1. Starting my own business sounds attractive to me
2. I can spot a good opportunity long before others can
3. To start my own company would probably be the best way for me to take advantage of my education
4. I excel at identifying opportunities
5. I am confident that I would succeed if I started my own business
6. I consider entrepreneurship to be a highly desirable career alternative for people with my education
7. It would be easy for me to start my own business
8. Nothing is more exciting than seeing my ideas turn into reality
9. I would rather find a new company than be the manager of an existing one
10. It is more beneficial to society to have large enterprises than small firms

11. In my university, people are actively encouraged to pursue their own ideas
12. In my university, you get to meet lots of people with good ideas for a new business
13. I enjoy facing and overcoming obstacles to my ideas
14. My family and friends support me to start my own business
15. I have the skills and capabilities required to succeed as an entrepreneur
16. Entrepreneurship courses at my university prepare people well for an entrepreneurial career
17. In business, it is preferable to be an entrepreneur rather than a large firm employee
18. Entrepreneurship cannot be taught
19. I love to challenge the status quo
20. In my university, there is a well-functioning support infrastructure to support the start-up of new firms
21. I know many people in my university who have successfully started up their own business
22. If I became an entrepreneur, my family would consider it to be
 Bad -3 -2 -1 0 1 2 3 Good
23. If I became an entrepreneur, my close friends would consider it to be
 Bad -3 -2 -1 0 1 2 3 Good
24. Overall, I consider an entrepreneurship career as
 Bad -3 -2 -1 0 1 2 3 Good
25. I can take risks with my money, such as investing in stocks
 Very unlikely 1 2 3 4 5 Very likely
26. When I travel, I like to take new routes
 Very unlikely 1 2 3 4 5 Very likely

27. I like to try new foods, new places, and new experiences

Very unlikely 1 2 3 4 5 Very likely

28. I will take a serious risk within the next 6 months

Very unlikely 1 2 3 4 5 Very likely

29. Have you ever participated in any form of entrepreneurship education?

- Yes
- No

30. Have you ever participated in entrepreneurship education (e.g. Advanced Business Innovation, Small Business Management and Accounting)

- Yes
- No

31. Have you ever participated in entrepreneurship courses?

- Yes
- No

32. Do you plan to be self-employed in the foreseeable future after you graduate?

- Very probable
- Quite probable
- Quite improbable
- Very improbable

33. Estimate the probability (0-100%) you will start your own business next year? %

34. Estimate the probability (0-100%) you will create your own business in the next five years? %

35. What is your age?

- <20
- 20-21
- 22-23
- 24-25 ● >25

36. Please indicate your gender

- Male
- Female

37. Are you currently self-employed?

- Yes
- No

38. Are your parents currently self-employed?

- Yes
- No

39. Have your parents ever been self-employed?

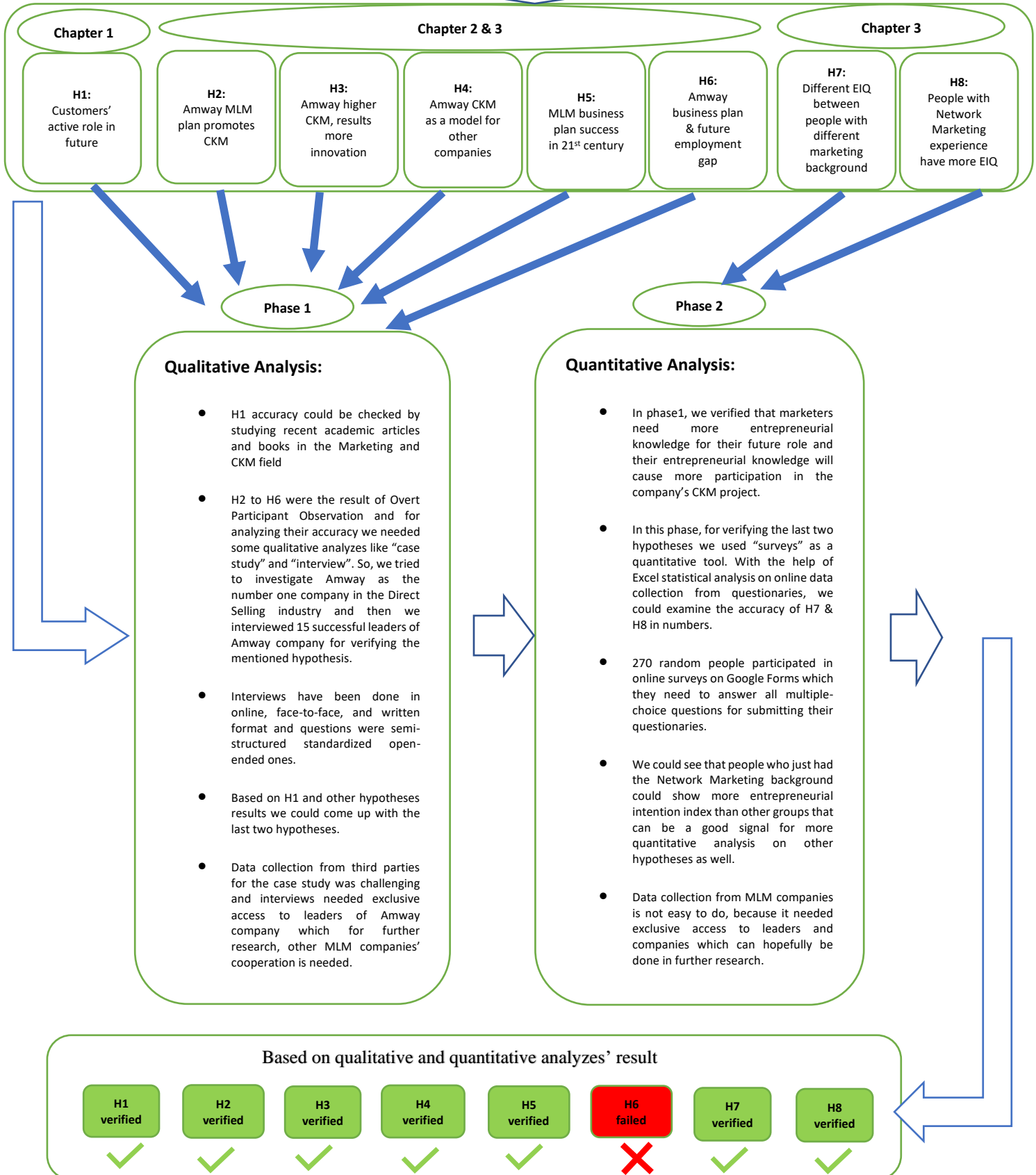
- Yes
- No

40. Among ten people, 100 Euros are disposed of by a lottery. What are the most that you would be willing to pay for a ticket in this lottery?

.....€

Methodological Framework

Based on Overt Participant Observation of Amway company which has a particular relationship with its customers under the Multi-level Marketing structure, 8 hypotheses needed to be verified. So, Mixed Method is used here.



Questionaries Data Source

docs.google.com/forms/d/e/1FAIpQLScrK3bEFSDfGQscAD3laDLr8pNR14zGt5zza2QhmTK9xA/viewform

EIQ (Entrepreneurship Intention Questionaries)

پرستشنامه سنجش روحیه کارآفرینی لطفاً به سوالات زیر پاسخ دهید - نتیجه به آدرس ایمیل شما ارسال خواهد شد - با تشکر از همکاری شما

Please answer the questions , Results will be send to your email address. Thanks in advance for your cooperation

* Required

Email address *

Your email

docs.google.com/forms/d/1YZjHMP5wM-BC4bXo0L_VY6tBwd0h08YnL0t2qa1vB24/edit#responses

EIQ (Entrepreneurship Intention Questionaries)

Questions Responses 271

271 responses

Accepting responses

Summary Question Individual

Who has responded?

Email

- bahreinimoghaddamshima@gmail.com
- mamanina_110@yahoo.com
- ali_ghasemiyeh@yahoo.com
- m_sky_2004@yahoo.com

docs.google.com/spreadsheets/d/19ga26CY-t2c-gcpU15OenHdzryRAyxFzCRtdh4AHs/edit#gid=1203351625

EIQ (Entrepreneurship Intention Questionaries) (Responses)

Last edit was on September 2, 2020

Timestamp	Email Address	Your Name (Optional)	Starting my own business	I can spot a good opportu	To start my own company	I excel at identifying oppo	I am confident the
6/4/2020 8:40:56	fateme.h.tn20@gmail.co	فاطمه	5	3	3	3	3
6/4/2020 8:49:57	mahdis.adab@yahoo.co	Mahdis	5	4	5	3	3
6/4/2020 8:50:20	niloofarvosoughi@yah	Leon	5	3	5	3	3
6/4/2020 10:40:41	khodagholim@yahoo.co	مختار	5	4	4	4	4
6/4/2020 11:45:38	s.pourbatarani1360@gm	سپهر پورباترانی	5	3	3	3	3
6/4/2020 11:53:52	lovely.f1985@yahoo.com	Dr	3	4	4	4	4
6/4/2020 12:24:08	j.h.us84@gmail.com	JHosseinzadeh	5	3	4	4	4
6/4/2020 12:46:03	r.saeedi1020@gmail.com	رضا	5	3	3	3	3
6/4/2020 13:18:25	naeme.70@gmail.com	nani	5	4	4	4	4
6/4/2020 13:24:05	dr.payani@yahoo.com	Narges	1	1	4	4	4
6/4/2020 13:52:21	m_sh200734@yahoo.co	Mahdieh	4	3	4	4	3
6/4/2020 13:55:27	gitasadeghipour@gmail		1	2	2	2	2
6/4/2020 14:00:53	zahraee2009@yahoo.co		5	3	5	3	3
6/4/2020 14:15:22	somayehkashani9@gmai	سپهر کاشانی	5	3	4	3	3
6/4/2020 14:33:05	bahar.faraz1983@gmail	Bahar kazemi	5	4	3	3	3
6/4/2020 14:56:56	samira.parizad9@gmail	Sami	5	3	4	2	2
6/4/2020 15:35:36	leila.najar@studenti.unimi		5	2	3	2	2
6/4/2020 16:27:29	anyalexandra.chiuaru@stud		4	4	4	5	5