

CONSUMER PERCEPTIONS AND EVALUATIONS OF NETWORK MARKETING

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Abstract

The present work comprises the main functional and strategic aspects of network marketing, which entail a study of the perceptions and evaluations of the industry's consumers. Of certain interest are both the overall perceptions, and consumer evaluations of specific features of network marketing. Specifically, the object of analysis are the following aspects – the attitude of customers and non-customers towards network marketing as a direct sales method; the consumer perceptions of individual characteristics of MLM such as quality of the products, competitive prices, intrusiveness and professionalism of the distributors, fair compensations, etc.; the relation between the indicated characteristics and the consumption of MLM products; the perceived risk of consumers when purchasing from MLM companies as compared to other channels of non-store retailing. The specific objective is, by studying the consumer perceptions of MLM in Bulgaria, Germany and France, to make comparisons between the evaluations of consumers in countries that are different in terms of culture and institutions. Using appropriate statistical methods we found that regardless of their nationality, the consumers of MLM products have more positive perceptions of network marketing, than nonconsumers, but on the whole the public attitudes and perceptions of the industry are rather negative.