



RESEARCH ON AMWAY (CHINA) DIRECT SELLING MODEL



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RESEARCH ON AMWAY (CHINA) DIRECT SELLING MODEL

Thematic Certificate

To

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This Independent Study has been approved as a Partial Fulfillment of the Requirement of International Master of Business Administration in International Business Management.

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ABSTRACT

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Direct selling originated in the United States and was first successful in Amway in the United States. Soon after, it quickly spread to European countries and prevailed. But there was a problem with the imperfect sales. Amway has been sued by the federal trade commission for its illegal business practices. And the resulting decision is normal channel selling of goods to win victory. The success of Amway has brought back the vitality of the direct selling industry and become a legal new marketing model. After the successful transformation of Amway, in 1995 for "non-store direct selling model" formally entered China. At present, Amway's marketing area in China has been distributed in 31 provinces, which is the largest direct selling enterprise in China. This article through to the Amway direct selling model, in-depth studies are aimed at the Amway direct selling model of success, in order to study the reasons for the success of the direct selling mode of Amway (China) company. With the continuous development of the economy, the direct selling mode is also changing, Amway (China) direct selling model where the advantage of the success, and its model what is insufficient, is the meaning of this article research.

The research method adopted in this paper is qualitative analysis, and descriptive analysis of the paper is carried out by using references analyzing and induction method. The main theories used in this study include: PEST enterprise environment analysis, 4P marketing theory, Porter's five forces model, SWOT analysis, etc.

Keywords: Direct selling, Amway (China) company, direct selling model, 4P marketing theory, Porter's five forces model, SWOT analysis

摘要

题目： 中国直销模式未来发展讨论研究——以安利（中国）公司为例
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直销起源于美国，首先在美国的安利公司取得成功。不久后，便很快的传入欧洲国家并盛行。但这种不完善的销售方式很快就出现了问题。安利公司以公司采用非法手段经商曾被美国联邦贸易委员会控告。而最终得到的裁决是以正规渠道销售货品赢得胜诉。安利公司的胜诉唤回了直销行业的生机，成为一种合法的新型营销模式。在成功转型后的安利，于1995年以“无店铺直销模式”正式进入中国。目前，安利公司在中国的营销区域已遍布了31个省区，是国内最大的直销企业。本文通过对安利（中国）公司的直销模式进行深入探讨，目的在于研究安利（中国）公司直销模式成功的原因。随着经济的不断发展，直销模式也在不断变化，安利（中国）直销模式成功背后的优势在何处，而其模式又有什么不足，是本文研究的意义所在。

本文采用的研究方法是定性的研究方法，使用文献分析法和归纳法，对文章进行描述性分析。研究主要用到的理论基础有：PEST 企业环境分析、4P 营销理论、波特五力模型、SWOT 分析等方法。

关键词：直销，安利公司，直销模式，PEST 企业环境分析，4P 营销理论，波特五力模型，SWOT 分析。

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CHAPTER 1

INTRODUCTION

1. 1 Research background

The new term "direct selling" appeared in the United States in the 1950s and was founded by a Jew named Kasabbe. At that time, the gap between rich and poor in the United States was large, and 20 percent of the rich were in control of wealth, and the people were powerless to change the state of poverty and live in hot water. In the face of the social reality of extreme inequality, two of the graduate students at the Harvard University of the United States have proposed a profession that would allow the poor to change their poor fortunes, to buy enough for the rich to buy the goods. Since then, more and more young people have started their own business, and the number of practitioners has doubled, and many enterprises have found ways to solve the problem of unmarketable products. The ideal marketing model for dealing with the rich and poor is called the direct selling model. Direct selling was first successful in Amway, but it was also controversial. Amway has been accused by the Federal Trade Commission of using illegal business practices. And the resulting decision is based on normal channel sales of goods and receive performance bonuses, there is no such thing as an executive search bonuses to get the win. Since then, the whole direct selling industry has been able to develop continuously because of the success of Amway company, and it has also improved the public's understanding of direct selling, and is different from the concept of pyramid selling.

Direct selling in the late 1980s and early '90s began to enter China. Amway (China) company entered China in 1992 with "direct selling model" and set up its headquarters and factory in Guangzhou, which opened in 1995. Since then, large numbers of overseas direct selling companies have poured into our country.

Amway (short for "American Way") is an American company specializing in the use of multi-level marketing to sell 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.

Amway and its sister companies under Alticor reported sales of \$8.6 billion in 2017. It conducts business through a number of affiliated companies in more than a

hundred countries and territories. Amway was ranked No. 29 among the largest privately held companies in the United States by *Forbes* in 2015 based on revenue, and No. 1 among multi-level marketing companies by Direct Selling News in 2016.

Amway has been investigated in various countries and by institutions such as the Federal Trade Commission (FTC) for alleged pyramid scheme practices.

Amway(China), as the largest direct selling company in the country, is now led by the second generation of leaders, Steve Van Andel and Richard DeVos. Amway company since it was founded in 1959, after nearly 60 years of wind and rain. In these years, Amway's direct selling model has been questioned, but Amway with a spirit of perseverance, from failure to success, always believed and actively improve the quality of the consumer life dream. More than 50 years of history have witnessed the Amway's failure and success, as well as the path of two generations to start a common venture.

At present, Amway has been in more than 80 countries and regions set up a branch, the company's products from the beginning of 200 to more than 450, covers the Nutrilite health care products, personal care products, beauty cosmetics, household articles for daily use four series, a full range of meet the needs of the consumers' daily life. The Amway corporation spreads its quality products and services across all corners of the world through marketing people throughout the world.

1.2 Research objectives

The success of Amway has not been achieved overnight, and it has undergone many twists and turns to achieve today's success. From the initial experimental basement began to take the first step in the Amway business, has experienced the returned goods, such as pyramid sales ban, but never give up hope, the founder of the Amway he insists that as long as there are people in China use Amway products, he won't give up the Chinese market. The founder of Amway company has studied the Chinese market in depth, and after five business model adjustments, the company has continuously improved its mechanism, implemented the construction and marketing transformation, and laid a solid foundation for the occupation of the Chinese market.

The success of the Amway (China) direct selling model has much to learn from, which is of great importance to the local enterprises in China. Direct selling is not a

substitute for the market, it's part of the market, and it's a new marketing model for the market. The purpose of this study is to analyze the environmental analysis of Amway's Direct-selling model in China, its marketing strategy and marketing channel analysis, and draw on the cause and weakness of its success. This paper hopes to study the success of the Amway (China) direct selling model, which can drive domestic enterprises into the direct selling industry.

1.3 Research significance

Research on the direct selling model of Amway corporation is a leading role in the direct selling of local enterprises. The marketing strategy of Amway is different from that of other companies. The essence of the company is that other enterprises are worthy to learn and learn from, which has great practical significance to other enterprises during the critical period.

(a) Through in-depth research and analysis of the various development stages and different aspects of Amway's direct selling in China, the company has changed channels of thinking and content, the functions and features of marketing, the brand strategy and corporate culture of the company, which can reflect the development degree of direct selling mode from the side, understand the difference between direct selling mode and illegal pyramid selling, and the existing problems of direct selling mode, and have a better understanding and objective evaluation of the direct selling model.

(b) The core competence of the enterprise is the key to the success of the enterprise technology, and the research on the brand strategy of the company's core competence provides a reliable reference for the image strategic research of the brand of the relevant enterprises, and the selection of the strategic direction of the other enterprises has a guiding significance.

(c) Through the case of Amway collected from enterprises established to development, the how the failure of the twists and turns, how to rebuild from the failure, in order to discover Amway experience of success. It is hoped that the successful experience of Amway will guide the enterprises in the transformation of our country, and play a key role in the change of marketing concept and the implementation of brand strategy.

1.4 Research process

The success of Amway's direct selling model is worthy of reference for Chinese enterprises, which is conducive to the entry of local enterprises into the direct selling

industry. In this article, through the collection of the data for development of Amway (China) company, combining with the theoretical basis, in-depth analysis was carried out on the Amway's direct selling model, and the success factors of conclusions.

The article content is roughly divided into the following chapters:

Chapter 1: Introduction. First of all, briefly describes the background and development of the direct selling; The purpose of this research is to explore the direct model of direct selling of the Amway (China) company, to understand the development and marketing features of the direct selling directly to the China market through the collection of secondary information, deeply analyze the competitive advantage and environment of the company in China, and find out the reasons why its direct model is successful.

Chapter 2: literature review. According to the definition of direct selling, compared with the traditional distribution mode, the role of the direct selling model and the simple summary are obtained.

Chapter 3: Introduction of concept and development. The introduction of direct selling and direct selling model, including the concept, characteristics, classification and sales channels of direct selling and direct selling model; the difference between the concept of pyramid selling; the Amway company's introduction and development in China: the company's direct selling model environment and marketing tactics, analysis of marketing channels.

Chapter 4: Research methods. The research method adopted in this paper is qualitative analysis, and descriptive analysis of the paper is carried out by using references analyzing and induction method. The main theories used in this study include: PEST enterprise environment analysis, 4P marketing theory, Porter's five forces model, SWOT analysis, etc.

Firstly, PEST analysis is used to analyze the macro environment of marketing in China. The change of environment has a great impact on the development of enterprises. Using the 4P marketing theory to analyze Amway's development strategy, marketing strategy, target market and location in our country. Using porter's five models of Amway company's competitive position in the industry were analyzed, and finally, SWOT method was used to analyze the great advantages and the hidden dangers of the Amway direct selling model, and the reasons for the success of its direct selling model were given, which were summarized and suggestions were put forward.

Chapter 5: Research conclusions. Through the study of the macro environment of Amway (China) company analysis of the direct selling industry in our country, 4 p marketing theory analysis of Amway (China) the company's marketing strategy, five model analysis of Amway (China) company market competition status, the SWOT analysis of advantages and disadvantages of Amway direct selling model, the successful conclusion is drawn, and the future development suggestions are put forward to lay a foundation for the local enterprises to enter the direct selling industry.



CHAPTER 2

LITERATURE REVIEW

According to the FTC: "Direct selling is a blanket term that encompasses a variety of business forms premised on person-to-person selling in locations other than a retail establishment, such as social media platforms or the home of the salesperson or prospective customer."

Direct selling consists of two main business models: single-level marketing, in which a direct seller makes money by buying products from a parent organization and selling them directly to customers, and multi-level marketing (also known as network marketing or person-to-person marketing), in which the direct seller may earn money from both direct sales to customers and by sponsoring new direct sellers and potentially earning a commission from their efforts.

Direct selling, which is a marketing method that is sold directly to the manufacturer or the distributor to the product, which is not in the wholesale and retail to the consumer, including the TV sales, catalog sales, the sale of the house, the mail-order, the automatic supply machine, they call it "direct selling".

Modern direct selling is actually a form of business that transfers some of the profits from agents, distributors and advertisers to direct sellers. While the main difference between the modern direct selling model and the traditional sales model is that the sales channel is different, as shown in the figure:

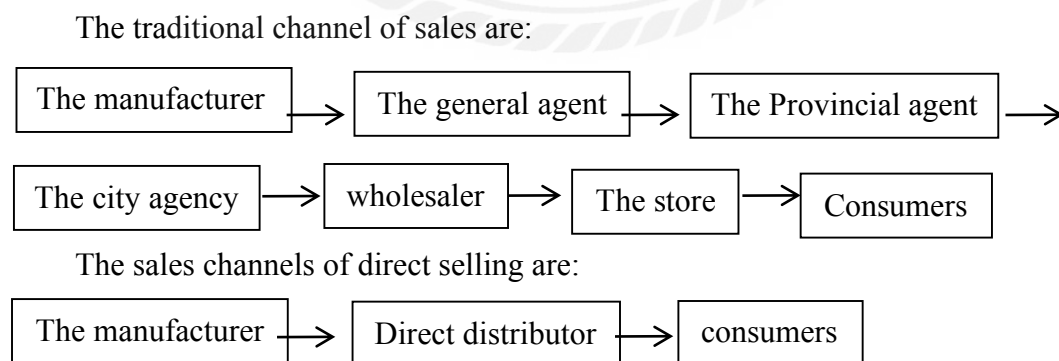


Figure 2-1 The main difference between direct selling model and traditional sales model

(Source: <http://wapbaike.baidu.com/item/>)

Can see from the Figure, the traditional way of distribution of goods need to pass the manufacturer, the general agent, the provincial agent, the city agents, wholesalers, shops, so that a number of circulation, consumers need to take the initiative to the door of choose and buy, goods will arrive. It is necessary to add that price to each part of the product, so that the price of such layer will eventually damage the interests of both the consumer and the factory. However, the direct selling is the goods from factory, through direct sellers to reach consumers' hands. This way of selling saves a lot of intermediate links and reduces the price of the products, which makes both customers and manufacturers profitable.

It shows that the direct marketing of direct selling has not only saved marketing and advertising, but also lower prices than other stores. By direct selling, faithful customers can be obtained, and the higher the sales performance of the direct selling members, the higher the commission rate, the more real work is realized, and the remuneration is paid according to the work. At the same time, the realization of the direct selling can effectively shorten the channel, to speed up the capital operation, help enterprise strategy adjustment and tactical transformation. Therefore, direct selling has become the legend of modern marketing.

With the rapid development of interest and networking, the progress of the world is changing our old marketing concept, the product distribution is not just accelerating the product transformation, but the producer's control of the distribution channel and the process of personally transferring the products and services into the hands of the consumer. Direct selling will be a new way of distribution of products in the 21st century, which marks the advance of market economy towards "network distribution system".

CHAPTER 3

INTRODUCTION OF CONCEPT AND DEVELOPMENT

3.1 The overview and development of direct selling and direct selling model

3.1.1 The overview of direct selling and direct selling model

In modern economic theory, direct selling is a marketing way to sell products directly from the manufacturer or distributor. The world direct marketing association defines the concept of direct selling as follows: direct selling refers to the way in which marketing personnel and consumers directly face each other directly in the place of non-fixed retail stores, and conduct product marketing by explaining and demonstrating to consumers. In September 2005, China promulgated the regulations on the "direct selling management", the third article of the regulation refers to the definition of direct selling: direct selling refers to the distribution mode of enterprises recruiting marketing (direct selling), selling products to the final consumers directly outside the fixed business premises, and stipulating that the payment to direct sellers can only be paid by direct sellers directly to the final consumers. So direct selling is a legitimate marketing method. People have an understanding of direct selling, and in short, it's a form of business that direct sellers sell to consumers directly to consumers. And "direct selling model" is by reducing the middlemen and reducing product circulation and meet the demand of the customer benefit maximization of an efficient way of marketing. This is a way to sell more of the middleman and the costs than the traditional distribution of distribution, and it lowers the price of the product, which makes both the consumer and the manufacturer benefit both.

There are three aspects of direct selling: one is the need for public consumption awareness, the other is the establishment and formation of one-to-one relationship, and the third is the on-site demonstration to promote sales. Since there are no additional costs for the distributors and the inventory, it's the direct seller directly with consumers face to face, which makes it more affordable for the firm and the consumer.

3.1.2 Characteristics and classification of direct selling

The direct selling model has the following important characteristics:

(a)Direct selling

The most important feature of direct selling is to reduce the middlemen such as dealers, agents and wholesalers. The sales of products have realized the process from the manufacturers directly to the customers. Such management process can help to save the intermediate costs of agents, wholesale and retail, and facilitate the circulation of information, which is conducive to the company's in-depth understanding of market information and the more effective implementation of market policies.

(b)Network organization construction

Another important feature of direct-selling companies is the construction of networks, which use the Internet to organize the expansion of direct sales personnel. The direct seller develops the line through his own referrals or indirect references, creating his own network distribution department. Due to the strict network management system developed by the direct selling company, the development of personnel and the reward of calculation are more effective in management.

(c)Multiple level of remuneration method

Rely on the network that builds, direct selling company executes the way of multilayer. Direct sellers can not only get paid for their own sales, but also get a certain percentage of bonuses in their direct referrals or indirect referrals. In essence, the multi-level payment method is the foundation of direct selling company, but the payment method of each direct selling company will be slightly different.

(d)The transformation of the role of direct selling personnel

In the direct selling company, direct sellers is not only the personnel engaged in sales operations, in fact, they are the biggest consumers directly. According to statistics, the product that direct seller consumes (in order to handle direct seller's procedure) accounts for more than 70% of the total sales of the company, and the reward that they receive is also the benefit of its consumer product.

(e)Demonstration and presentation of products

In general, direct sellers will give demonstrations and explanations to consumers according to their own experience. Including the functions, ingredients and utility of the products, the on-site product demonstration will be delivered to consumers more information, which will help consumers understand the products and improve the sales of products and the confidence of consumers to buy products.

(f)Conference of direct selling companies

Direct selling companies have different types of meetings, such as product presentation, business promotion, and high-level seminars, etc. Through business explanation, experience sharing and various ideas promotion, it can increase the familiarity of direct sellers, which is also an important means to publicize the company and recruit new direct sellers. It's also to through dialogue with senior leaders, tourism, and other forms, to motivate and improve direct seller of its business.

(g)No store sales

The sales location and time of direct selling are generally not fixed and can be sold at any time and place. Direct selling places such as street, home, work place, etc. And door-to-door sales are the main form. The time of sale can be determined by the time between the seller and the customer. It's a sales model that works for some of the people who need to work part-time, and it's easy for the consumer to shopping.

There are two kinds of classification of direct selling:

(A)Single-level direct selling

Single-level direct selling means that the sales layer includes no more than three levels of direct selling system, and direct sales personnel sell the goods to consumers directly from the manufacturers.

(B)Multi level direct selling

Multi-level direct selling is also called structure direct selling, which refers to the direct selling system with more than three levels of sales layer and management level. There are two kinds of multi-level direct selling incentives: the first is to get a marketing bonus through the product and service that they sell to consumers; the second is to earn a commission from the sale of directly under line.

(C)The comparison between single-level direct selling and multi-level direct selling

The same point: it is the sales of people, who can provide the direct sale people with entrepreneurial opportunities.

The difference: single - level direct sellers are usually only responsible for sales, and the after-sales work is done by the relevant departments of the company.

Multi-level marketing adopts multi-tiered bonus system, with independent middlemen, whose management process needs to be completed independently and can be developed offline. The advantage is that every marketer can earn a bonus from the

new marketing personnel, in addition to the profits generated from the sale of goods, and the total sales of the lower line of the new group directly under the lower line or directly under the lower line. The direct underwriter may be a full-time or part-time person.

3.1.3 Direct selling channels

The direct selling channel belong to the sales channel of non-store sales, but sales ways mainly have the following two ways, as shown in the figure below:

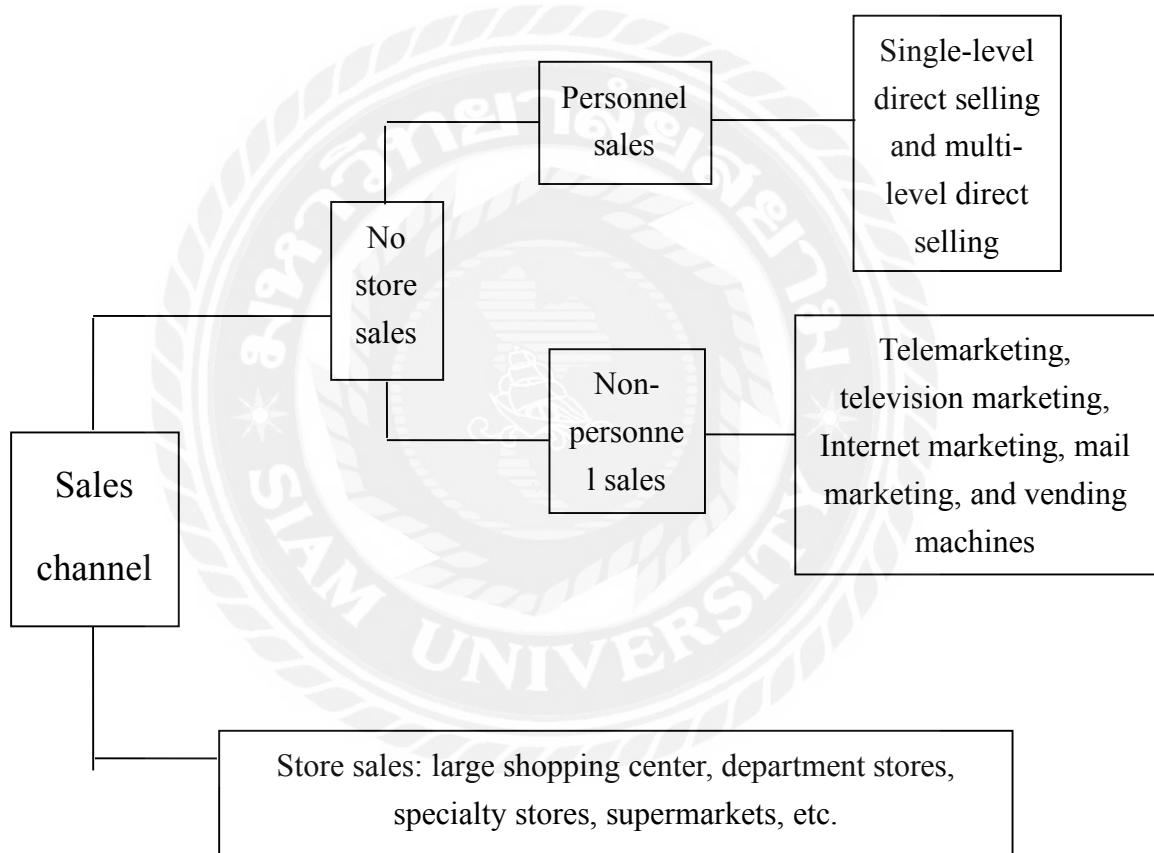


Figure 3-1-3 Two ways of selling channels

(Source: <http://wapbaike.baidu.com/item/>)

3.1.4 The difference between direct selling and pyramid selling

The illegal pyramid is that the people who stop or the experiencer pass the development and the lower line, to form a relationship with the organization manager,

and the following line of sales figures to calculate the payment, which is actually a change in the cost of the money to get the illegal benefit, to disrupt the economic order, to affect the behavior of social stability.

The apparent characteristics of pyramid selling:

(a) There is no use value and value of pyramid selling goods, and the price deviates seriously from the actual price of the commodity itself and the fictitious service project;

(b) The benefit of the participation is not from the reasonable profit of selling the product, but to the cost of the development of the person who was involved in the development of the product.

The following is the difference between direct selling and pyramid selling, as shown in figure shown below:

	Legal direct selling	Illegal pyramid selling
corporation	There is a legitimate direct selling license, the enterprise image is good, has its own shop.	It is an illegal marketing activity, without its own license plate, poor corporate image, no name recognition, no special shop.
production	The business scope is a legal product, there are many varieties, and the quality is excellent. The enterprise can produce by itself, with reasonable price and with certain international fame. The product has return guarantee.	A low quality products with high price, without their value, enterprises cannot produce themselves. And the product can't be returned or returned with severe conditions.
Management and regulations	The direct seller, through the assessment, sell their products and earn commissions and differential bonuses based on their performance. The system is reasonable and fair, and the real work is	The illegal pyramid selling requires the development personnel to enter the line to collect the goods deposit, the high "entrance fee", the number of heads to get

	achieved.	the commission. Pyramid structure, the sooner you join, the better, but without labor, the act of coercion, fraud.
Fundamental purpose	The ultimate goal of direct selling is to customers, to trade goods with customers, to achieve profits and bonuses through performance.	The fundamental purpose of illegal pyramid selling is to unrestricted development personnel and to charge "entry fees" through the development of larger teams.

Figure 3-1-4 The difference between direct selling and pyramid selling

3.1.5 The development of the direct selling industry in China

The business model of direct selling entered China in the early 1990s, and its development has experienced four stages:

First, the rising stage ——Former direct selling era (1990-1993)

In 1990, the establishment of China's first Sino-US joint venture, Guangzhou Avon products co., LTD., it marks the official entry of direct marketing into our market. The success of Avon and its initial operation has been a strong demonstration. Then some of the country's corporations followed.

In 1992, Amway China Daily commodities co., LTD officially entered China. The product offered by Amway company is characterized by that the products were "not returned for full payment" according to the Amway company. However, no matter the reason, if the customer feels dissatisfied after the use, the company will be fully refunded by Amway if the empty bottle is still in use. This system has been in operation for a long time in the United States Amway company, has been Amway company's reputation and brand symbol, return rate is very small.

Second, chaotic management stage (1994-1997)

With the introduction of the direct selling business model, it has been used by some unscrupulous people, to conduct "pyramid fraud" and illegal pyramid scheme, to disrupt the market order, to severely damage the consumer's interests, and to the public security and stability.

Third, prohibit pyramid selling and foreign direct selling enterprises transformation specification stage (after 1998)

Due to the immature market development in our country at that time, the way of direct selling is not well understood, the supervision method is not perfect, and the desire of some people to get rich quickly is urgent, which leads to consumers being deceived and giving illegal direct sellers an opportunity. In the face of the increasingly serious illegal pyramid selling activities to the social stability and consumers' rights and interests, our government has resolutely adopted a strict ban on pyramid selling measures. In 1998, the state council issued a notice on the prohibition of the sale of business activities and the notice concerning the transformation and sale of foreign investment in pyramid selling enterprises, and approved the transformation of 10 foreign direct selling companies such as Amway, Avon and Mary Kay in the United States into the operation of the store operation and the employment of salesmen.

Fourth, the opening of direct selling market and direct selling regulations formally launched stage——New direct selling era(September 2005)

According to the development of China's economic growth and the development of diversified circulation modes, and the implementation of relevant WTO commitments, in September 2005, the state council promulgated the regulations on direct selling administration and the regulations on the prohibition of pyramid selling, which was formally implemented in November and December of that year. On July 12, 2006, the newly established direct selling supervision bureau was established under the state administration of industry and commerce. The promulgation of the two regulations marks the new stage of the opening of China's direct selling market and the legislative process of direct selling.

Direct selling in the emerging market economy of China, was once a sensitive concept. In the late 1990s, due to the interference and destruction of illegal pyramid schemes such as "mice and rats" outside China, consumers were deeply disgusted. In 1998, the state council ordered the cessation of all pyramid selling activities in China. Since then, the whole Chinese direct selling market has been in crisis. In 2002, after China joined the World Trade Organization, on the basis of full consideration of WTO members' opinions, it expressed the legislation on the issue of direct selling and

made legislative investigation on the drafting of the provisions on the direct selling business of foreign-invested enterprises. In September 2005, the regulations on direct selling was promulgated and implemented in December. The promulgation of direct selling laws, which will ensure that many of the businesses that are in direct selling industries, are guaranteed by the law, that the spring of China's direct-selling industry has arrived.

The direct selling industry has been in China for more than 20 years. After years of development, the direct selling market in China has gradually matured. Direct selling can successfully enter China, showing that it has certain advantages:

A. The employee of the direct selling is not subject to the restriction of age, and is not restricted by sex, and the retired and retired people can be engaged in the retirement or retirement of any man, young man, middle-aged or aged person.

B. Direct selling industry is a non-store sales business, which is not restricted by funds, and does not need to have certain funds to operate.

C. The direct selling industry is not limited by educational qualifications and talents, and there are no restrictions on the ability of high and new technology and management.

D. Engaged in direct selling industry, can not be bound by time, can be professional, also can part-time work.

E. The direct selling industry can avoid being abused by the boss. The direct selling industry is a profession that is directly linked to the salary and performance. It can realize the real meaning of multiple labor and distribution. It is also a kind of family business, where the husband or wife is engaged in direct selling, and the children can help promote sales.

F. The direct selling business can excavate the potential of the person, train the talents of the person, and develop a positive and progressive mental attitude.

3.2 Introduction and development of Amway company

The Amway company, located in the grand fast city, Michigan, is the largest direct-selling enterprise in the United States, and was founded in the basement in 1959 by Mr. Steve Van Andel and Mr. Richard DeVos. According to the official web site from the Amway company, Amway is a multi-level direct selling company that manufactures consumer goods.

It started with a partnership between two founding partners, Mr. Steve Van Andel and Mr. Richard DeVos, who had a modest desire to make more money for their families, and started a little soaps business. So, the story of Amway begins with a little piece of soap. Throughout the 1950s, both founders were looking for a new product to expand their business, and finally decided to produce a multi-purpose concentrated cleaner, which was welcomed by millions of housewives. Since then, Amway has launched the home care products, which has been popular in the us market since its launch, and has opened up a new business in Amway. In just a few short years, Amway's employees have been more than a thousand people, over 200 products, and a rapid growth in sales, over half a million dollars.

In 1963, Amway set up its first foreign branch in Canada, and the Canadian branch was born, which was the beginning of Amway's growth as a multinational enterprise. Then, in May of 1971, an Australian branch of Amway was established outside of North America, and the opening of the first branch of Australia was a sign that Amway was starting to join the international multinational corporation. Amway Asia Pacific is set up first branch company in Australia, is now owned by Amway products in Australia, New Zealand, Asia, Thailand, Brunei, mainland China and Hong Kong, Macao and Taiwan with the exclusive agency, headquartered in Hong Kong, China.

Amway company is stepping on the wave of China's reform and opening up, with the ideal of adding color to more people's life, and entering the Chinese market. In 1991, one of the founders, Mr. Richard DeVos, went to Beijing with his wife to learn about the environment and feasibility of Chinese investment. In 1992, Amway (China) limited was established in Guangzhou and became one of the first direct selling companies approved by the state administration for industry and commerce. Amway (China) company is not like other companies direct import business model, in line with the good faith management, the long-term based on enterprise strategy, spent nearly three years on production base of infrastructure construction. In 1995, Amway (China) daily necessities co., LTD., it was officially launched in Guangzhou, at present, the business area has spread all over the country 31 provinces and autonomous regions. In order to cooperate with China's national conditions, since July 1998, Amway China has been operating in the way of "store sales plus direct seller", selling Nutrilite health food, Artistry beauty cosmetics, personal health care products, home care products and furniture durable queen's gold pot, etc. At the same time concurrent research, development, production, the main products are mainly health care products. Amway (China) company sales of nearly 22 billion yuan in 2010, Amway China has become the

world's largest market.

Amway has had a successful transition from the first generation of leaders to the second generation, and with the co-leaders of the second generation of leaders Mr. Steve Van Andel and Mr. Richard DeVos, it has opened a new chapter, and also has created a new opportunity for more people to start a business. What they found in the process of starting a business is something that was so deep and so important to this day that people and relationships were the core of any successful business, and with the trust of the client, there would be an endless supply of business. Their continued entrepreneurial spirit has been a model of the corporate world.



CHAPTER 4

RESEARCH METHODS

4.1 Macro environment analysis of the direct selling industry in our country

PEST analysis is a method used by strategic consultants to help enterprises review their external macro environment. It refers to the macro environment and the general environment, which refers to all kinds of macro forces that affect all industries and enterprises. Analyzing the macro environment factors, different industries and enterprises according to their own characteristics and management needs, analysis of the specific content of difference, but generally deal with Political (here), Economic (Economic), society (social) and technology (Technological) in these four categories: the main external environment factors affecting enterprise is analyzed.

4.1.1 The political and legal environment

The political environment mainly includes the political situation of the country and the government system, which is the political force and the legal policy that affects the marketing activities of enterprises. The development of the enterprise marketing market cannot be separated from the law. Only by doing business according to the law, can the enterprise be better protected by the national law, and the enterprise will continue to grow and expand.

After China formally joined the WTO in 2002, it proposed legislation on direct selling and began to draft laws and regulations on the basis of full consideration of WTO members' opinions. Finally, in September 2005, the long-awaited "regulations on direct selling management" was officially launched and implemented in December. Direct selling regulations direct sellers outside of a fixed place of business in directly to the final consumer products by way of promoting sales. The promulgation and implementation of the regulations means that the direct selling industry has the guarantee of law, and the standard of direct selling products is fully standardized, and the boundary between direct selling and illegal pyramid selling is strictly defined.

The coming of spring in China's direct selling industry will bring large number of laid-off urban workers and rural surplus labor to a large number of employment

opportunities, and also give many people who have the ideal and the ability but lack the venture capital to open the door of wealth, thus realizing their ideal of life.

4.1.2 The economic environment

Economic environment mainly refers to the economic problems faced by the enterprise business activities including economic structure, industrial layout, resources situation, the level of economic development and the future trend, etc., its running situation and development trend will direct or indirect impact on business activities. With the development of China's economy, the increase of per capita income and the enhancement of the buying force of the society makes the marketing opportunity of the enterprise enlarge.

According to statistics, more than 43.68 million people worldwide to participate in the direct selling industry. In the Americas, more than 12.2 million people across the country to participate in direct selling industry; In the region of Asia, more than 305 people in South Korea are engaged in direct selling. In Japan, more than 2 million people are involved. The number of people in Thailand participating in direct selling is more than 3.2 million, and Taiwan is more than 2.9 million. Multi-level direct selling, after a half a century of wind and rain, laid down its position in the marketing market. Harvard University graduate school of business has established a direct selling professional. It is claimed that multi-level direct selling is the way for ordinary people to succeed.

With the continuous change of the global market economy, the simplification of the marketing organization level and the continuous flattening of marketing channels, the information-based and networked society is changing our outdated marketing concepts. In this trend, our country must be adapt to the development of market economy in the world. However, the reemployment of the knowledge economy era first needs the entrepreneurial capital and high technology management skills, which is an unattainable high threshold for the broad masses of the unemployed. Therefore, the direct selling industry is the best choice for the vast majority of civilian workers.

4.1.3 The social and cultural environment

The social and cultural environment influences the behavior and preferences of consumers, thus indirectly affecting the marketing activities. And preferences play an important role in the purchase decision process. The daily diet of our customers is not

only in order to solve the problem of temperature and satiety, but the people who buy the health products are constantly increasing, focusing on the nutrition health food and pure natural extraction products, meanwhile, the people who have invested in healthy investment are constantly increasing, and the people's ideas of investment and value are also improved, and the healthy and environment-friendly living concept is pursued.

With the continuous expansion of China's health industry, direct selling has become one of the important marketing methods of health. As the first major product of direct selling, health food is the product category with the largest contribution to the market. However, the advantages of direct selling in healthy lifestyle, health services and the transformation of advanced results will bring more opportunities for the rapid development of health industry.

4.1.4 The science and technology environment

The development of science and technology has caused huge changes in people's life. "Science and technology is the first productivity", and the progress of science and technology is a symbol of the development of a country. Science and technology not only affects the production and operation of the enterprise internal, but also interact with other environmental factors, interdependence. Each new technology application will bring new development opportunities to the operation of the enterprise, and will also change people's view of consumption and values.

At present, our country is the second largest economy in the world. With the development of economy and society, our country will become a digital economy, the Internet, the Internet of things, big data and cloud computing, widely used new technology and new tools in the market. The scale of direct selling in China market has exceeded 2000 million, at the same time, China's direct selling new tools for the application of new technology has been more than other markets in the Asia-pacific region. In the next five years, the development of macro economy and society will bring a new pattern to China's direct selling.

4.2 4P marketing theory analysis of Amway (China) company marketing strategy

The marketing mix (also known as the 4 Ps) is a foundation model in marketing. The marketing mix has been defined as the "set of marketing tools that the firm uses to pursue its marketing objectives in the target". Thus the marketing mix refers to four broad levels of marketing decision, namely: product, price, promotion, and place.

In the concept of marketing portfolio, the 4p marketing is:

Product

The products mainly include the entities, packages, brands and services, and focus on the function of product development, and put the product features in the first place.

Amway (China) focuses on brand building and designs products for different groups of people. The consumer group covers all ages from children to the elderly, and its products currently have four series of 10 sub-brands, which are nutrition-health food for Nutrilite brand, beauty cosmetics for artistry brand, personal health care products series (the oral care of the brand name of the brand, the anti-antiseater of the brand, the body care of the brand, the hair care of the brand, the hair care of the brand), the home series (Amway life brand, Yixin brand air purifier, queen's brand pot).

The Amway (China) 4 product series can be found in appendices.

Amway company's diversified products are designed to meet the needs of customers at different levels. Adopting multi-brand strategy can make different products more accurate, which is conducive to market promotion and customers' systematic understanding of products.

At the same time, Amway company has incorporated environmental awareness into the production and development of products, reducing the production of waste products and improving economic efficiency. Amway (China) new upgrade of the home cleaning series products, all use a high concentration formula, just use a little bit of the amount can clean, and can reduce the pollution to the environment. In addition, the raw materials of the Nutrilite product, whether in the United States of the country of origin or in China, insist that chemical pesticides, chemical fertilizers and herbicides are not used, and the natural environment is protected by natural fertilizers such as biological and plant compost of the cultured pests. Therefore, amway has received many awards from the United Nations environmental organization.

Price

According to different market positions, different price strategies are established, the pricing basis of products is the brand strategy of the enterprise, and the value of the brand is the focus on the brands.

Amway (China) has a unified pricing system across the country. For nutrilite

nutritional health food, artistry beauty cosmetics, queen pot to adopt a high into the market, quickly withdraw money to develop new products to obtain high profits of skimming pricing strategy, for personal care and household care products to adopt a low price to enter the market, in order to attract consumers, stimulate demand, increase market share and penetration pricing strategy to realize a high-volume, low-margin business.

Nutriline: the leading brand of vitamins, minerals and dietary supplements has been the sponsor of the Chinese sports delegation of the 27th and 28th Olympic Games in a row. It has become the only special nutritional supplement for the Chinese sports delegation of the 2013-2020 Olympic Games.

Artistry beauty cosmetics: the world's most popular one of the five major brands of high-end brands, has moisturizing lipid matrix and so on a number of patents.

Home care products: using concentrated formula, which is both environmentally friendly and efficient, is designated as the only special product by China southern and arctic expedition team.

The Amway (China) is guided by a multi-brand strategy, while adopting multi-brand extension strategies to create a brand of star, with different strategies for each brand. It can be seen from that function of the product that the research and development of the product is the cornerstone of the product, focus on the research and development of the product, and build a good quality product.

Place

The business is not directly in front of the consumers, but it's about the development of the distributors and the network of sales, and the connection between the enterprise and the consumer is done through the distributor.

Amway's direct sales model is the complete pattern, with "shop sales + employ salesmen" mixed operation model. The Amway sales staff know the customer's needs by communicating with the customers, and they will introduce the products suitable for them and use them for product use demonstration. Finally, they provide a convenient quality service through the way of delivering the door. This kind of direct selling channels, through the establishment of sales staff own network, expand product sales, to reduce the cost as much as possible at the same time, the process of communication with consumers, reduce the distance between sales staff and the consumer, increase consumer trust and loyalty of customers.

The direct stores of Amway (China) do not only have the function of ordinary store operation, but also have a good advertising effect. The establishment of a store allows consumers to learn more about the Amway product by experiencing a product experience. The store also facilitates the purchase of goods by marketing staff, and can enjoy the regular training of the company in the store, and timely understand the product dynamics. However, the store is only open to the concessional customers and business representatives of Amway, ordinary consumers can not directly be in the store shopping, can only through Amway direct seller to buy.

In order to encourage the sale of the salesperson, the Amway company implements the system of hereditary bonus, which is paid by the sale of 4% of the sales volume under the performance of the company under the company's rules and regulations, and can be inherited from the future generations. There are also various levels of Amway's direct selling network to reflect the performance of direct sellers. The higher the level, the better his performance. There are several main levels:

(a) Business representatives. This is the lowest level of direct sellers, you just need to comply with the requirements for company and after the formal join formalities, can become a sales representative. Their function is to sell the company's products to obtain commissions and bonuses, and shall have the right to introduce other persons to join the direct selling team, form their own department or organization.

(b) Trainee business director. The company shall send a notice to the trainee business director, and prepare the training and examination for the trainee, and sign the contract of the trainee business director.

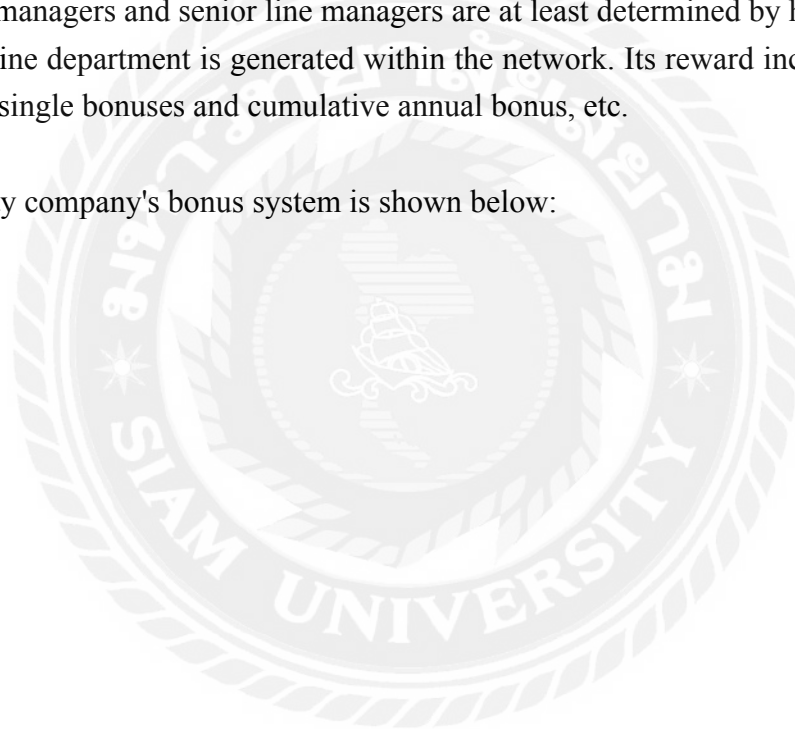
(c) The director of the business. The director of business including chapter of silver and gold award of business. If the performance of the individual and direct department is up to 21% in the month, or the performance of one of the subordinate departments reaches 21%, and the performance of the department is up to 15% or the performance of the two departments is up to 21%, the company shall go through the formalities for the addition of the director silver director, and enjoy the silver chapter bonus. In any consecutive 12 months, three months to achieve the silver seal performance, can become the golden chapter, and enjoy the golden chapter bonus.

(d) Senior director of business. The senior business director is the senior business director of direct line, ruby, pearl and sapphire. Within a period of 12 consecutive months, there are six months to meet the above qualifications of the director of the

silver chapter. In which three months are consecutive, they may become the senior business director of the company. In addition to enjoying various sales commissions and bonuses, the senior business director can also enjoy the bonus of direct line and the integration of overseas travel seminar. Rubies, jewels and sapphires are all based on the number of units in the network and the number of units in the network that make up to 21% of the operating bonus and the overall turnover. There are ruby bonus, pearl prize, sapphire bonus, etc., and also remember the integration of overseas travel seminar.

(e) Business managers and senior business managers. There are jade sales managers, diamond senior sales managers, administrative diamond senior sales managers, double diamond senior manager, three diamond senior manager, four diamond senior manager, five diamond senior manager, and so on. It is a watershed in which line managers and senior line managers are at least determined by how much of that direct line department is generated within the network. Its reward including year-end bonus, single bonuses and cumulative annual bonus, etc.

Amway company's bonus system is shown below:



	Ways to obtain/Source	Sales representative	Distributor
Customer service remuneration	The sales representative sales product	The profit from the sale of the product is calculated at 9%~27% of	

	performance to the customer.	the monthly net business volume.	
Personal sales commission	The company per month with 21% of the total amount of net operating as a market development fee.	According to the difference of net operating amount each month, the sales commission will be 3%~21%.	
Labor prize in service	The cost of the dealer's development of the market is the balance of the personal sales commission deducted from the net turnover of 21%, and the company subsidizes the performance of each sales representative.		The monthly labor bonus only dealers can be obtained.
Annual bonus	The cost is the balance of personal sales commissions and service bonuses deducted from a net turnover of 21%.		Depending on the different levels, the annual bonus also is different and the bonus can be hereditary.

Sales index	Net turnover	Commission rate	E-coupon ratio	E-coupons	Service remuneration	Total revenue
100	1250	0	6%	75	0	75
200	2500	3%		150	75	225
600	7500	6%		450	450	900

1000	12500	9%		750	1125	1875
2000	25000	12%		1500	3000	4500
4000	50000	15%		3000	7500	10500
7000	87500	18%		5250	15750	21000
10000	125000	21%		7500	26250	33750

Figure 4-2 The Amway (China) direct sellers bonus model

(Source:<http://www.baike.com/wiki/>)

Promotion

Promotion includes a series of marketing activities such as advertising, personnel promotion, business promotion, public relations and so on. Companies use a variety of information carrier and the spread of the target market communication activities.

Promote brand with advertisement

In the previous model of direct selling, Amway insisted on not advertising, and did not advertise in overseas marketing, only to do a small amount of image advertising. Along with the special market background and business model of Amway's transformation, Amway has made a major adjustment in China's marketing strategy and needs advertising to enhance its popularity and performance. The Amway brand advertising mainly concentrated in two product lines:

A. Nutrilite's advertising strategy. From 2001, the company has hired Fu Mingxia to be the spokesperson, the ambassador Tian Liang who is the ambassador to the Nutrilite's health food, the world champion Liu Xiang and Powell as the Nutrilite's global brand spokesperson, and the advertisement is broadcasted on the central television and over 47 television stations in 15 provinces and cities throughout the country. Nutrilite is not only a brand of health concepts in advertising, but also sponsored sports events.

B. Artistry's advertising strategy. The advertising strategy of Artistry is different from that of Nutrilite. The choice of advertising media is mainly in the fashion category, such as "Fashion", "Ruili", "the world fashion gardens" and other magazines.

Personnel promotion

The Amway is different from most of the salesmen of the company. Amway sales representatives are the first users of Amway products, and then the salesmen of Amway

products. Part of Amway sales staff home all filled up with Amway nutritional health products, daily necessities, cosmetics, etc., this is the power they sell.

In addition to the incentive to the bonus system, the Amway corporation has been promoting the promotion of people in Amway, the quality training, the travel seminars, the insurance and the incentives, and the ability to keep the best people in the world.

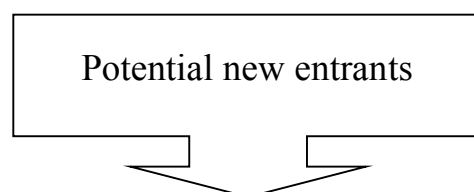
Public relations

A good corporate image is extremely important to a multinational corporation that runs a unique direct-selling model. Amway business in China must be integrated into the social environment of China and become an integral part of Chinese social life, thus creating a good corporate image.

4.3 Five forces competition model analysis Amway (China) market competition position

Porter's Five Forces Framework is a tool for analyzing competition of a business. It draws from industrial organization economics to derive five forces that determine the competitive intensity and, therefore, the attractiveness (or lack of it) of an industry in terms of its profitability. An "unattractive" industry is one in which the effect of these five forces reduces overall profitability. The most unattractive industry would be one approaching "pure competition", in which available profits for all firms are driven to normal profit levels. The five-forces perspective is associated with its originator, Michael E. Porter of Harvard University. This framework was first published in Harvard Business Review in 1979.

Michael Porter's Five Forces Model, also known as the Porter competitiveness Model, determines the competition of the five sources including the Bargaining Power of Suppliers, Bargaining Power of Buyers, Threat of New Entrants, the Threat of Substitutes, the degree of competition the competition (Rivalry). As shown in the figure:



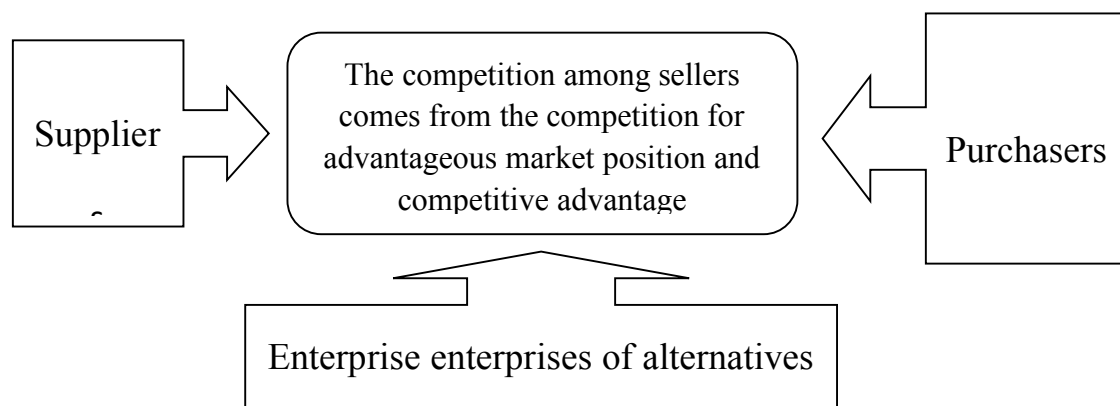


Figure 4-3 Porter's five-force model

The following five competition model analysis of Amway (China) what is in the industry competition.

A.The competition degree of competition (Rivalry)

The biggest competitors of the Amway (China) company are Avon, Mary Kay, and Herbalife, etc., and Avon and Mary, which are mainly cosmetics, locate the market of female consumers, which causes pressure to the grace series of Amway, and the product of Herbalife products focuses on the nutrition health products, which overlaps with the market position of Amway, which forms a front impact on the products of the company, which is the focal point of competition between the direct selling industry and the direct selling. Amway's leadership in the direct selling industry is facing various challenges.

B.Threat of New Entrants

Whether any business is subject to new entrants will depend on the current barriers to entry and the responses that may be encountered from competitors.

The leading direct sales enterprise in the world has entered China in a number of years, while the characteristics of the direct selling industry need to be explored and groped for a relatively long period of time for new entrants, and the shop construction of direct selling channels also requires considerable effort. Therefore, the time cost will be relatively high for new entrants. The restriction of the conditions requires that the new enterprises should have certain scale, and be able to bear the corresponding social responsibility. Because the direct selling industry enters the threshold also relatively

high, also caused the present relatively difficult environment.

C. Bargaining Power of Suppliers

The supplier mainly influences the profitability and product competitiveness of existing enterprises in the industry by increasing the input elements and the capacity to reduce the value quality of the unit.

The direct selling industry is different from one of the main characteristics of other industries, it is the collection of production, sales channels, terminal sales and integration, which is the characteristics of direct selling products.

Amway (China) company is their own production and sales of the products, such as Nutrilite products from natural raw materials, raw materials provided by the company, only the packaging and part of the auxiliary materials is to purchase, and the local material can replace the gender is tall, so local suppliers bargaining power is low. The Amway (US) company is the head office, because of today, the Amway (China) company accounts for the largest market share of Amway (US), therefore, it is supported in terms of the feed of raw materials, but in respect of the negotiating capabilities, Amway (China) can only accept the prices of raw materials given by the parent company, without any bargaining ability. As a result, raw materials are guaranteed in terms of supply, but the costs are relatively high.

D. Bargaining Power of Buyers

The growth of economy keeps people's income increasing, and the improvement of living standard also makes consumers pay more and more attention to health problems.

Amway's products focus on nutrition health products and commodity products, and its target market is the middle and high income people. Because this consuming population is not only concerned about the high performance and high quality of products, it is more concerned with the high visibility of the brand. So they're not so sensitive to the price. In addition, based on the particularity of the direct selling industry, was able to buy its products can only be acquired through direct sales channels and not through other channels, therefore also sustains limits the bargaining power of consumers.

E. The threat of Substitutes

Whether the lead product of Amway, such as Nutrilite, or other series of products like Artistry, is highly known in the industry, but in the industry in which it belongs, it

determines the high alternatives to the products, which only continues to strengthen the brand building and consumer loyalty to protect against the threat of alternatives. On the other hand, enhancing customer satisfaction by strengthening service quality can effectively reduce the threat of substitutes.

4.4 SWOT analysis of the direct selling model of the Amway company

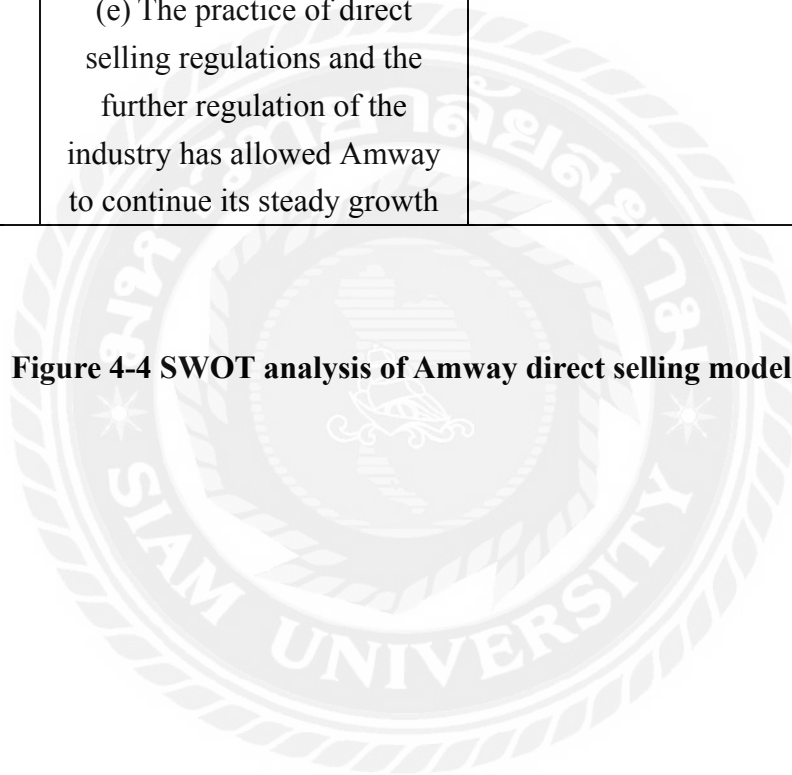
The SWOT analysis method is based on the enterprise's own strength, compares the competitors, understands the advantages and disadvantages of the enterprise, and analyzes the opportunities and challenges brought by the changes in the internal environment of the enterprise, and then makes the best analysis method of the enterprise strategy.

The following chart through the objective analysis of Amway company advantages and disadvantages in the process of the current development and facing the opportunities and threats, in order to further the Amway direct selling channels to provide theoretical basis for the improvement, innovation and management.

	Strength	Weakness
Internal environment	(a) Product diversification (b) Advanced research and technology level (c) High-quality products, integrated with environmental protection concept (d) Good brand reputation (e) High visibility and reputation, good brand image (f) Full market penetration (g) It is rich in strength and direct selling experience	(a) Product price is too high (b) Direct sellers are expensive to sell (c) Most of the direct seller's quality is low (d) Lack of direct selling personnel management (e) The bonus system is too cumbersome
	Opportunity	Threat
External environment	(a) High quality products and high technology content, further development for Amway company to lay a solid market foundation (b) Full-market penetration has	(a) The market competition is fierce, similar enterprise also has the considerable competitive advantage (b) The huge sales network makes it difficult to manage the direct selling personnel

	<p>made the brand deeply popular</p> <p>(c) Amway has long invested in public welfare and established a good social image for the company</p> <p>(d) Public relations and marketing strategy makes Amway company has established good relationship with media and the Chinese government</p> <p>(e) The practice of direct selling regulations and the further regulation of the industry has allowed Amway to continue its steady growth</p>	<p>(c) In the face of some emerging direct selling companies, Amway's bonus system is more complicated, and direct sales staff have higher sales costs</p> <p>(d) Part of the staff was lost due to the corner of the company</p>
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Figure 4-4 SWOT analysis of Amway direct selling model



CHAPTER 5

RESEARCH CONCLUSION AND RECOMMENDATIONS

Today, Amway has more than 3 million distributors in more than 100 countries and regions worldwide. Amway corporation, based in Ada city, covers 280,000 square meters. According to Forbes magazine in 2016, Amway is number 29 in the largest private corporation in the United States.

Amway now operates in more than 100 countries and regions in Europe, Asia and Africa.

This article through to analyze macro environment of Amway (China) company direct selling industry in our country, the 4p marketing theory analysis of Amway (China) the company's marketing strategy, Five forces competition model analysis of Amway (China) company market competition status, the SWOT analysis of advantages and disadvantages of Amway direct selling model, to this, in combination with China's national conditions, the following conclusions and suggestions:

(A) The marketing model of Amway (China) is a new type of direct selling model, which direct sales staff sells products directly to consumers, through stores, distribution, and other ways to sell products. This is a trend for the direct-selling industry.

With the further standardization of China's direct selling market, the change of direct selling model is oriented to supply, which satisfies the demand of the market and adapts to the development of the times. China's huge consumer group is the basic driving force for the development of the direct selling industry, the adjustment of economic structure in China is constantly deepened, and the operation of the direct selling area is gradually relaxed, so the overall growth speed of the direct selling industry in the future will be increased, and the development prospect is optimistic. It is necessary to keep up with the development of the market economy and constantly improve the direct selling model. In the context of China's rapid economic development, it is inevitable to drive people's consumption and solve the employment problem.

(B) In recent years, with the increasingly fierce competition in employment, the advantages of low investment and low risk of direct selling model appear in the case of difficult employment. At the same time, it is also beneficial for that part-time generation of many on-the-job employee. Amway is the real leader of China's direct-selling industry, and is the first choice for potential marketers to join the direct selling industry. Amway (China) mainly focuses on health care products, however, due to the diversity of the health market and the uneven product quality, the consumers have a strong influence on the customer's affection on these products. In addition, compared with other brands in the same industry, Amway is significantly higher in price, which will be impacted by low price and may lose some customers. More important is the early stage of the direct selling industry has been affected by illegal pyramid selling, a lot of consumer's attitude to Amway doubts and skepticism. Therefore, the development of Amway (China) company is both an opportunity and a threat. So, at the same time in the direct selling market increasingly competitive, not only to stick to inherent characteristics of direct sales model, more should be the integration of advanced management methods, the construction of the diversification of channels, improvement and innovation of marketing channels, the direct selling model into the mainstream.

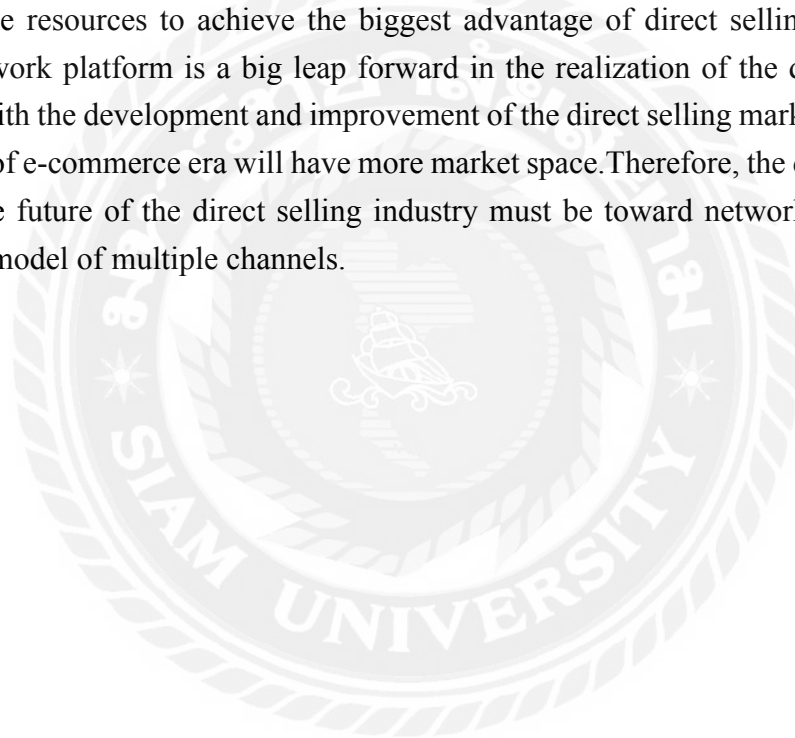
(C) The large direct selling team of Amway has been the main driving force for its rapid development, but the low quality of the direct selling team is not conducive to the long-term development of the company. During the company's transformation and operation, the management, supervision and training of the direct sellers shall be strengthened, and the quality of the personnel shall be improved, and the culture and education shall be cultivated for the professional staff to guide the direct selling of the culture, so that the performance cannot be pursued solely; it is necessary to build a perfect training system, launch a new system of direct selling personnel, and improve the professional quality of direct selling personnel, so as to provide considerate and meticulous services to consumers. To continually improve management capability, raise management level and enhance operating efficiency. New incentives should also be added to keep direct sellers loyal to the company.

(D) Through analyzing the direct selling model of the Amway (China) company, we have realized that the Amway company is a reference place for many direct selling marketing companies, both in the experience of direct selling, the research and development capability of the product, the logistics management ability and the social responsibility performance. This is why the direct selling model of the Amway (China) company can be successfully used.

In conclusion, the company has many development opportunities in China, while

at the same time faced many challenges. Only constant innovation can keep the development of enterprises.

Conclusion: many people say that direct selling is the trend of the future. In fact, some of the ideas and essence of direct selling may be the future development trend. For example, the construction of direct selling network platform. With the rapid development of science and technology, the global economy is becoming more and more networked and informationized. In the era of innovation, traffic is king, direct selling is inseparable from the Internet. Internet technology will be given full play in direct selling. Direct selling enterprises through Internet technology not only can have a lot of publicity for the ads effect, also can expand the market. Direct selling network platform will be through direct selling and the integration of Internet technology, and integrate the resources to achieve the biggest advantage of direct selling. The direct selling network platform is a big leap forward in the realization of the direct selling business. With the development and improvement of the direct selling market economy, the advent of e-commerce era will have more market space. Therefore, the development trend of the future of the direct selling industry must be toward networking and the marketing model of multiple channels.



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APPENDIX

		Product's name	Product function
Nutralite	Children's growth series	A variety of nutritional chewable (childhood)	It supplement 15 nutrients to improve anorexia and promote food
		Bio C plus(childhood)	In the case of cold, fever, runny nose, and inflammation, consumption is obviously better; It is often eaten to improve immunity system
		Children's high protein drink(Chocolate/st rawberry flavor)	Strengthen body constitution and replenish nutrition
	Nutritional supplement series	Iron-folic plus	Iron supplementation improve anemia
		Calcium magnesium	Improving sleep, increasing calcium
		Bio C plus	It is use for fever, cold, gum bleeding,

			detoxification, whitening skin, etc.
		Natural B complex	Relieve wine, protect liver, prevent motion sickness, adjust fatty liver, prevent pregnant woman to vomit, relieve pressure
		Wheat germ E	It can improve fertility, lighten that dark spot of the face, and delay aging
		Fruit and vegetable fiber	To lose weight, regulate constipation
		Garlic and peppermint	It can be use for preventing and treat cancer, preventing and treating cardiovascular disease, preventing intestinal diseases, etc
		Memory builder with ginkgo	About kidney empty, kidney failure, kidney repair, restore youthful appearance, nutrition improve memory of the brain
		Triple guard echinacea	Alleviate cold disease form, improve

			immunity quickly
		Double X tablets	Increasing bone density, supplementing 14 vitamin 8 minerals, regulating chronic disease
		Fish oil capsules	Softening blood vessels and lowering blood lipids
		Bilberry with lutein	It can improve vision fatigue and regulate cataract
		Cholesterol health	It contain beeswax and vitamin E, and adjuvant reducing blood lipid
		Natural multi carotene	Delay senility, resist mutation, prevent cataract, eye disease and so on
		All plant protein powder	Increase immunity and relieve physical fatigue

	Product Series	Product
ARTISTRY	IDEAL RADIANCE	Elegant white cream,sleeping mask,pure white multi protect,etc
	HYDRA-V	Refreshing Eye Gel Cream,Lotion Cleanser,Refreshing Moisture Mask,etc
	YOUTH XTEND	Protecting Lotion,Serum Concentrate,Softening Lotion,etc
	INTENSIVE SKINCARE	Vitamin C+HA Treatment,Boosting Infusion,etc
	MEN	Facial Moisturizer,Serum Concentrate,Post Shave Toner,etc

	Product Series	Product
Home Technology Series	Amway Home	Dish Drops,Concentrated Laundry Detergent,Green Meadows,etc
	YIXIN	Yixin Air Purifier
	Amway eSpring	eSpring Water Purifier
	Amway Queen	Twenty-one pieces of pot

	Product Series	Product
Personal Care Series	PURSUE	Hand Soap
	NOURISH	Body Wash,Moisture Stick,Hand Cream,Body Lotion
	SATINIQUE	Smooth Moisture Shampoo,Smooth Moisture Conditioner,Hair Oil Serum,etc
	Glister	Multi-action white tea toothpaste,Concentrated Mouthwash,Mint refresher spray

Figure 4-2 The Amway(China)four products series

**(Source:Journal of Amway products
<http://www.amway.com.cn/default.html>)**