

DSEF Research, In Progress

1. Selling Channel Synergies and Effectiveness

Purpose: Direct selling companies need to better understand how to equip the 20 million individual representatives, including tech-savvy millennials – who go to market on their behalf. These reps have multiple channels for reaching customers – home parties, digital parties, online sales websites, catalog and event parties, and individual orders. While the market share sales from each of these are well known (35% home, 9% digital, 12% online, 18% catalog and 26% individual), what is less known is the *carry over synergies* between the channels. This research will investigate the carryover synergies, or sales complementarities, which might exist among the multiple sales channels available to direct sales representatives.

Partner: Principle investigator is Dr. Sandy Jap, Sarah Beth Brown Endowed Professor of Marketing, Emory University

Timeframe: Data from DSA’s 2018 National Salesforce Study will be used (available by Fall 2018). Academic research report provided to DSEF by Fall 2019.

2. Empirical Analysis of Hispanic Participation in Direct Selling – Distinctiveness and Acculturation

Purpose: Twenty-two percent of Hispanics participate in direct selling, but represent only 18% of the US population. The purpose of the research is to examine the acculturation motivations of Hispanic populations that disproportionately participate as direct sellers. Similarities and differences will be explored between Hispanic and non-Hispanic direct sellers, within the cultural context of direct selling and its welcoming environment for Hispanics. Using the data from the DSA National Salesforce Survey, variables to be examined include demographics, sponsor (upline) relationships, reasons for participation, customer questions, startup expenses, earnings, downline relationships and more.

Partners: Principle investigators are Dr. Caroline Glackin, Assistant Professor of Entrepreneurship, Fayetteville State University and Dr. SherRhonda Gibbs, Associate Professor of Management, University of Southern Mississippi

Timeframe: Data from DSA’s 2018 National Salesforce Study will be used (available by Fall 2018). Academic research report provided to DSEF by Fall 2019.

3. The Dynamics of Join, Stay, Leave Study

Purpose: Based on data from the 2014, 2016 and 2018 DSA National Salesforce Studies (NSFS), Drs. Coughlan and Krafft will track and analyze individual responses of the NSFS studies. This smaller study, “The

Dynamics of Join, Stay, Leave,” will explore changes over time in the life cycle of direct selling distributors.

Partners: Principle researchers are Dr. Anne T. Coughlan, Polk Brothers Chair in Retailing, Professor of Marketing, Kellogg School of Management, Northwestern University and Dr. Manfred Krafft, Director of the Institute of Marketing at the University of Muenster, Germany. Research assistant is Julian Allendorf, doctoral candidate (2018) at the University of Muenster, Germany.

Timeframe: Data from DSA’s 2018 National Salesforce Study will be used (available by Fall 2018). Academic research report provided to DSEF by Fall 2019.

4. Student Attitudes and Knowledge of Direct Selling: A Survey of Students in Sales Programs at U.S. Universities

Purpose: This research will survey students in university sales programs across the United States about their knowledge and perceptions of direct selling. Objectives of the study include comparing students’ attitudes and knowledge of direct selling against their attitudes toward traditional selling careers and against a profile of student traits.

Partner: Dr. Larry Chonko, Thomas McMahon Professor in Business Ethics at the University of Texas at Arlington.

Timeframe: Expected release date: Fall 2018.

DSEF Research Pending

1. Digital Presence of Direct Selling Companies and its Impact on Distributor Sales Performance in Digital and Non-Digital Channels

Purpose: DSEF has received a proposal to research how a direct selling company’s digital presence influences the sales performance of its representatives in digital and non-digital channels. Management insights include helping companies:

- 1) Make informed decisions when prioritizing their digital strategies based on their goals, company size, and characteristics of salesforce.
- 2) Pair the right media with specific audiences (e.g., representatives versus customers) and provide targeted supporting functions.
- 3) Augment the benefits of face-to-face selling with social media tools and other aspects of their digital presence.

Partners:

Dr. Doreen Chung is an Assistant Professor in the Department of Apparel, Events, and Hospitality Management (AESHM) at Iowa State University (ISU). Her research interests lie in consumer behaviors in online environments.

Dr. Ann Marie Fiore is the Director of Graduate Education for the AESHM Department and University Professor at ISU. Her research focuses on consumer response toward experiential marketing efforts.

Dr. Jessica L. Hurst is an Associate Professor in the AESHM Department at ISU. Her research interests are rural retailing and human resource management.

Dr. Linda S. Niehm is a Professor in the AESHM Department at ISU. She has a Ph.D. in Retailing/Merchandising Management from Michigan State University. Her research interests include rural and community business, retailer-consumer relationships, small retailer competitive strategies, family business, and experiential marketing.

Dr. Liang (Rebecca) Tang is an Associate Professor in the AESHM Department at ISU. Her research interest is hospitality and tourism marketing.

Timeframe: Approval by June 2018. Academic research report provided to DSEF by February 2019.

2. Independent Sales Representative Engagement Study

Purpose: Employee engagement is a construct frequently studied in academic literature for its advantages such as increasing people's motivation, improving their relationships with the management, enhancing job performance, and reducing employee turnover rate. These positive effects have been observed in the retail industry (e.g. Sugirtha & Sneha, 2017), CPA firms (e.g. Carrillo, Castellano & Keune, 2017), U.S. federal employees (e.g. Byrne, Hayes, & Holcombe, 2017), but it has not been studied in the direct selling industry. DSEF has received a research proposal to study independent sales representative engagement vis-a-vis direct selling companies and their uplines, using well-established engagement model within the field of business management. The results of the study should help answer the important practical questions such as whether direct selling companies should make efforts to engage sales reps, what the current level of engagement is as perceived by the sales rep (i.e. do they feel engaged with the company and uplines), how they should be engaged and what concrete benefits engagement would expect to achieve.

Partners: Principle researchers are Dr. Yulong Li, Associate Professor of Management, Simmons University and Dr. Ying Liao, Associate Professor, Department of Marketing and Supply Chain Management, East Carolina University

Timeframe: Proposal approval by Fall 2018. Academic research report provided to DSEF by Fall 2019.

3. Analytics Infusion Study

Purpose: Advanced analytics investments are substantially improving profits. A higher level of smart, analytics infusion within the company offers a greater return on the investment. This survey will gauge the level of analytics infusion within your organization. The Analytics Infusion Model Survey will gauge the level of analytics infusion within companies and determine how well companies use business analytics (e.g., advanced analytics, machine learning modeling and cognitive automation) to improve performance.

Partners: Principle researchers are Dr. Haya Ajjan, Assistant Professor of Management Information Systems and Dr. Dana Harrison, Assistant Professor of Marketing, East Tennessee State University.

Timeframe: Company partners needed.

DSEF Research Recently Completed

1. Join Stay Leave: A Study of the Salesforce

Purpose: This study analyzes the responses 13,000 salespeople who participated in DSA's National Salesforce survey to identify the individual motivations for joining, staying or leaving direct sales over the lifecycle of a distributor. Insights will be shared on the process of discovery, during which the direct seller determines whether direct sales is the right opportunity for them (impacting their decision to stay or leave).

Partners: Principle investigators are Dr. Anne T. Coughlan, Polk Brothers Chair in Retailing, Professor of Marketing, Kellogg School of Management, Northwestern University, and Dr. Manfred Krafft, Director of the Institute of Marketing at the University of Muenster, Germany and Editor of the Journal of Personal Selling. Research assistant, Julian Allendorf, doctoral candidate at the University of Muenster, Germany.

Timeframe: Completed. Dr. Coughlan presented key findings in a workshop at DSA's annual meeting in June and Julian Allendorf, research assistant on the project, won the Gran Sasso Science Institute's (GSSI) Best Doctoral Student Paper award on June 8, 2017. The academic paper revisions have been completed and submission to the American Marketing Association is anticipated by the end of summer.

2. U.S. Direct Selling Economic Impact Study

Purpose: In July 2016, DSEF in partnership with DSA, launched a Socio-Economic Impact Study (SEIS) of Direct Selling in the United States that measure and report on the economic and social impact of direct selling operations. This research investigated the full economic impact of Direct Selling activity in a 5-state analysis overview (CA, UT, FL, OH, NY). The study highlights the *Direct Effect* (direct economic impact of sales due to direct selling), *Indirect Effect* (upstream or supply sales due to direct selling), and the *Induced Effect* (downstream sales due to household spending associated with the direct and indirect effects) that collectively represent the economic impact of direct selling activity on the nation's economy. The economic impact report will be finalized and released later this summer.

Partner: Dr. Robert Peterson, John T. Stuart III Centennial Chair in Business Administration, University of Texas at Austin.

Timeframe: Economic Report completed, June 2017.

3. Satisfaction Rates of Direct Selling Independent Contractors Compared to Franchising Entrepreneurs

Purpose: The purpose of the research project is to compare satisfaction levels (and related perceptions of work and personal outcomes) of two sets of business entrepreneurs: independent direct selling contractors and franchisees. This goal relates directly to the DSEF 2016-2017 research priority #4: Survey of Satisfaction Rates among Independent Contractors in Direct Selling Compared to Employees in Other Comparable Industries.

Partners: Principle investigators: Dr. Dianne H.B. Welsh, Hayes Distinguished Professor of Entrepreneurship and Director, Entrepreneurship Cross-Disciplinary Program and Dr. Bonnie Canziani, Associate Professor, both at the Bryan School of Business and Economics, University of North Carolina – Greensboro.

Timeframe: Completed. Preliminary results were shared at DSA’s annual meeting in June 2017. Submitted to academic journals for publication.

4. Success Drivers of High Performers: How Internal and External Motivations Drive Success

Purpose: The study identifies the internal and external motivations of successful direct sellers, highlights the traits and skill-level of distributors, and discusses the common factors associated with high performers, including the level of training provided by uplines and companies.

Partner: Principle investigators are Dr. Anne T. Coughlan, Polk Brothers Chair in Retailing, Professor of Marketing, Kellogg School of Management, Northwestern University, and Dr. Manfred Krafft, Director of the Institute of Marketing at the University of Muenster, Germany and Editor of the Journal of Personal Selling. Research assistant, Julian Allendorf, doctoral candidate at the University of Muenster, Germany.

Timeframe: Completed. Research findings were presented in a workshop during the DSA’s annual meeting in June 2018. Presented at academic conferences in 2018. Academic paper expected in Fall 2018.

5. An Understanding of Women Entrepreneurs in Direct Selling and Social Media/Digital Marketing

Purpose: This study investigates the use of information communication technologies (ICT - social and mobile apps) as a means to enhance social capital creation and maintenance specifically within the direct selling channel. Using a survey of approximately 300 direct sellers in South Africa, findings suggest that, in general, technology use does enhance the women’s ability to create new relationships and to maintain existing community ties with other direct sellers. Results provide insights into the value of understanding ICT role in leading positive changes in social capital creation, bonding, as well as the empowerment of women entrepreneurs.

Partners: Principle investigators are Dr. Victoria Crittenden, Professor and Chair, Marketing Division, Babson College and Dr. William Crittenden, Professor of International Business and Strategy, D’Amore-McKim School of Business, Northeastern University. Dr. Haya Ajjan, Assistant Professor of Management Information Systems at Elon University contributed to the survey design and data analysis.

Timeframe: Research report, March 2018. Research findings presented in a workshop during DSA’s 2018 Annual Meeting. Presented at academics conferences 2018.

6. Understanding Social Media Sentiment, Positioning, and Engagement and Their Impact on Direct Selling Sales Performance

Purpose: Digital platforms have disrupted traditional distribution channels; increasing exposure to social

networks and altering salesperson interactions. Independent sales consultants in direct selling channels in particular are increasingly operating in a digitally connected marketplace where social media-based fan pages have become an important online information source for consultants and consumers. This study uses a novel respondent matched dataset consisting of 176 sales people from a single direct selling company, which integrates a variety of data types (structured, unstructured, subjective, and objective) from three different sources: sales consultants' and consumers' interactions on a Facebook fan page over 5-year period; a consultant survey; and objective sales performance data provided by the direct selling company. This research investigates how affective dimensions (positive or negative sentiment) of exchanged Facebook online messages, social network characteristics (relational and positional centrality), and online engagement through "likes" and "shares" are related to organizational survey perceptions and objective sales performance. Results provide insights into the value of understanding social media network positioning, message sentiment and engagement, as well as the relationship to sales performance and consultants' satisfaction.

Partners: Principle researchers are Dr. Haya Ajjan, Assistant Professor of Management Information Systems, Dr. Dana Harrison, Assistant Professor of Marketing, East Tennessee State University and Dr. Anne Coughlan, Polk Brothers Chair in Retailing, Professor of Marketing, Kellogg School of Management, Northwestern University.

Timeframe: Research findings presented at DSA's 2018 Annual Meeting. Presented at academic conferences in 2018.

7. Professional and Personal Benefits of a Direct Selling Experience

Purpose: This research documents the impact of a direct selling experience on 14 business and professional skills as well as 13 personal life skills. More than 75 percent of the 495 current direct sellers and 456 former direct sellers surveyed reported that they benefitted from their direct selling experience in terms of improved business, professional and personal skills. On the whole, men benefitted more than women and millennials benefitted more than non-millennials.

Partner: Dr. Robert Peterson, John T. Stuart III Centennial Chair in Business Administration, University of Texas at Austin.

Timeframe: Research report completed, June 2018. Research findings presented at DSA's 2018 Annual Meeting.