

Njita Nyancho Fabrice

**THE ROLE OF MULTILEVEL MARKETING AND
ENTREPRENEURSHIP IN UNEMPLOYMENT REDUCTION**

Case PM International

Thesis

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ABSTRACT

Centria University of Applied Sciences	Date October 2019	Author/s Njita Nyancho Fabrice
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<p>This thesis assessed the role of multilevel marketing in unemployment reduction and poverty alleviation in Cameroon, using PM International as a case study. A face to face interview was carried out with an active entrepreneur at PM International. The result of the hypotheses tested showed that there is a strong positive relationship between multilevel marketing and job creation on the one hand, and multilevel marketing and income generation on the other. Most multilevel marketing distributors were found to be confronted with the challenges of recruiting new downlines, and high cost of products. However, cases of exploitation and inventory loading were minimal.</p> <p>The study recommends that government provide incentives to MLM companies to establish production plants in the country to exploit local economies and stem the tide of unemployment, among many other benefits. MLM companies should initiate business packages that are targeted at the poor.</p>		

<p>Key words Entrepreneurship, multilevel marketing, poverty and PM international.</p>

PREFACE

I would like to thank Mrs. Tuija Nissilä, an entrepreneur at PM-International for advising me on this thesis as well as her tremendous generosity in offering me with her valuable expertise in the network marketing sector. Her guide is the most significant aspect of my thesis because it is based on actual experience, not just theory.

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Lastly, I would like to thank me, Njita Nyancho Fabrice for always being there for me.

CONCEPT DEFINITIONS

Unemployment: Unemployment refers to a situation where people who are willing and capable of working are unable to find suitable paid employment.

Entrepreneurship: This is the willingness and ability of an individual to identify, develop, manage and successfully carry out investment opportunities along with any of its risk in an environment with the intentions of making profit.

Small business: They are privately or independently owned corporations, partnerships, or sole proprietorships that have fewer workforces and or a less annual revenue than a regular sized business.

Microfinance: There are financial institutions that provide small loans to low income individuals, poor entrepreneurs and small business lacking access to bank or bigger financial services.

Development: This means new stage or event, new product or invention. It is when a country can provide initially.

Economic Growth: This is a term that generally refers to the sustained, concerted efforts of policy makers and living and economic health of a specific area or is a phenomenon of marked productivity and increase in gross domestic product (GDP).

ABSTRACT

PREFACE

CONCEPT DEFINITIONS

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APPENDICE

1 INTRODUCTION

The world's youth unemployment has ruined a whole generation of young people. The International Labour Organization (ILO) estimates that around the world there are 75 million 15-24-year olds searching for job. Approximately 26 million young people are not in education, employment or training (Tse 2014, 14). Globally, about 85 percent of the world's young individuals live in developing economies, and an increasing proportion of these young individuals growing up in towns. In many African cities, more than 70 percent of the inhabitants are under the age of 30 with about 65 percent of the total population below the age of 35 (Ngole & Victor 2018). This making Africa the world's most youthful continent.

Reduction of unemployment has become the loudest cry in the growth cycle. It is the top priority on the UN Millennium Development Goals (MDGs) list. In 2013, the World Bank Group / IMF Spring conference finished with a goal of decreasing the number of individuals living on less than \$1.25 a day to 3 percent by 2030 (Effiom & Francis 2015). It is worth noting that Cameroon has a population of over 20 million inhabitants and most of the people belong to the middle class. Working population of Cameroon is about 12million and only a little over 200,000 people work in the public service. With government being the highest employer, this implies that the other 11.8 million people who are not government employed are a call for concern (Fund, 2010)

Most of the barriers to resolving the unemployment challenge in Cameroon includes ("Youth Unemployment Challenge In Cameroon," n.d.) :

The ongoing economic crisis in the 1990s, Cameroon's instructional system that focuses primarily on theories and abstract ideas with little or no practice in technology and entrepreneurship, insufficient work matching. Lack of capital access, little or no entrepreneurship and training, corruption and social discrimination and frustration and dismay.

There's no doubt that youth unemployment is one of the major problems facing Cameroon today as thousands of young individuals find no opportunities after college. The impact of this "pain" is harmful and dragging down the economy of the country. This will go a long way to delay its most talked about development coming in 2035. Some of these young people are engaged in the quest for "greener pastures" abroad by migrating to other countries which can offer them with the opportunity to be better. For those other youth who are not courageous enough, the end findings are generally elevated waves of crime, street children, teenage pregnancies, sexual harassment, substance abuse, gambling, among other ills.

Undertaking Multilevel Marketing (MLM) is one of the best alternatives now as it is one of those companies capable of empowering individuals by offering them with possibilities to participate in easy-to-start companies that provide significant revenue yields. Their activities in Cameroon have not gone unnoticed except that they are still young in the nation compared to some other Western and European nations where their activities have spanned over three centuries. The direct selling sector to which Multilevel Marketing Companies belong published its 2012 outlook study, which revealed that its worldwide revenues reached \$166.9 billion—a 5.4 percent increase over its \$158.3 billion sales in 2011. In the United States alone, 15.9 million people were involved in direct selling in 2012. (Effiom & Francis 2015,122.)

Network marketing organizations generate 70 percent of direct sales (Albaum & Peterson, 2011). With these statistics, it appears that Multilevel Marketing (MLM) has the capacity to be a useful source for job creation, revenue generation, and a means of crossing the poverty line. If the claims of Multilevel Marketing Companies were to be upheld, they could play an important part in poverty alleviation. It is in this respect that this thesis tries to link the relationship between entrepreneurship (MLM) and employment generation in Cameroon; assessing the level of unemployment in Cameroon and how far entrepreneurship has thrived.

1.1 Aim of the Research

The aim of this study is to examine the role that entrepreneurship plays in reducing unemployment or the creation of employment in Cameroon. The case was PM International which is a German company but operate globally. All these influence the employment rate in Bamenda, and these features also influence promoter's motivations for establishing their businesses networks on firm employment levels.

1.2 Significance of the Research

It is advisable to lay great importance on the significance of this study target groups and potential recipients showing how it will add knowledge or contribute to knowledge. Hence, this study will be of importance or vital to many. To the entire Cameroonian population, this study will broadly enlighten and educate them on the concept of entrepreneurship and how small industries development brings about unemployment reduction in Cameroon scale. Also, the Cameroonian government is not left out. This thesis will clearly show the public authorities and government officials how to effectively develop small scale industries as they have been identified as engine of economic growth and development hereby providing employment for the teeming unemployed youth.

The study will help the policy makers to recognize the importance of small-scale industries in the provision of employment to the labor force for economic development. correspondingly, to students and other scholars who intend to widen their knowledge in the study of entrepreneurship development as a solution for unemployment reduction, this study shall be a basis of reference since it focuses on the cause of the establishments, how the unique characteristics of the industries have facilitated their role in the provision of employment undertaken to join their activities and how their activities contribute on economic growth and development.

2 CONCEPTUAL LITERATURE

In this chapter, I shall lay emphasis on 3 main concepts. These concepts are entrepreneurship, how to become an entrepreneur and small and medium size enterprises.

2.1 Concept of entrepreneurship

The definition of entrepreneur depends on whom you ask. An entrepreneur is an individual who practices business in a company that seeks to create profit, alone or together with others. These operations include a degree of risk-taking. An entrepreneur is an opportunist and risk-taker who is the main production factor without which the other factors cannot be efficient. An entrepreneur is an innovator who introduces new technologies into the workplace or market, growing effectiveness, productivity or producing new products and services. (Dhaliwal, 2016) He contributes his own initiative and abilities in planning, organizing and managing the business and incurs the loss and gain resulting from unforeseen and uncontrollable circumstances.

An entrepreneur is one who undertakes an enterprise, acting as conciliator between capital and labour to produce goods and services. Creativity and innovation are important techniques that help the entrepreneur to see things in a different perspective and initiate new approaches to the business. Creativity is the act of thinking new things and coming up with new ideas. It is also concerned with new ways of looking at opportunities and approaches to solving problems while innovation is the execution of newly created ideas (Hisrich, 2011). Indeed, innovation, the act of introducing something new is one of the most difficult tasks for administrators. It takes the ability to understand all the forces at work environment.

Entrepreneurs continue to complement their understanding by reading books, business publications, attending seminars or taking refresher classes to reinforce their weaknesses. The abil-

ities that need to be acquired through seminars or classes include creativity, funding, controlling, identification of opportunities, assessment of ventures and overall organizational management. Many have studied the notion of entrepreneurship and have attempted to trace its connection with economic growth and development. The results from these studies are mixed but majority points to a positive relationship between small and medium scale business creation and self-employment that leads to economic growth and development (Danko, 2011). Similarly, there are several definitions of entrepreneurship as there are scholars or books on the subject.

Entrepreneurship implies innovation, risk-taking, a market-stabilizing force, begin owning and managing a small business, and two kinds of entrepreneurship exist. In many developing countries, entrepreneurship is the driver of financial growth and development. It has grown considerably since its founding owing to many possibilities it offers to creative and business-oriented people (Weidinger, Fischler & Schmidpeter 2013). Entrepreneurship development is the capacity to envisage and determine a course for a new company venture by mixing data from the functional fields and the internal environment in the framework of the exceptional uncertainty and ambiguity that a new company venture encounters.

A greater percentage of jobs are created by entrepreneurs who started with small businesses. (Allen 2016) believed that people in entrepreneurship have more opportunity to exercise freedom, higher self-esteem and overall sense of control over their own lives. It is a single activity that brings together productive resources to produce an output whose value is expected to exceed the price of all productive resources. It is essential to note that entrepreneurship includes the problem of planning, organizing and managing resources in relation to a company obviously stands out as the tasks of the entrepreneur. Most economists today agree that entrepreneurship is a needed component in all societies to stimulate economic growth and development possibilities. In the developing world, successful small businesses are the primary engines of job creation, income growth and poverty reduction.

2.2 Becoming an entrepreneur

At a time when the job market is getting narrower in Cameroon (Sosale & Majgaard, 2016) on the other hand, many business opportunities abound. Presently, being an entrepreneur is one of the most popular ways of working. Paid employment is no longer as safe a choice as it used to be, and the difference between paid employment and the risks inherent to entrepreneurship has diminished. The call to entrepreneurship gets even louder as the Cameroonian economy is in dying need of job creators than job seekers. Hence, being an entrepreneur in Cameroon will be the perfect decision to make (Vudo 2008,122). The main question now is: How can I become an entrepreneur in Cameroon?

More and more entrepreneurs are required because entrepreneurship is a social lifeline and moving force. In Cameroon, there are many choices to be an entrepreneur or to operate in an entrepreneur-like way. The various forms of entrepreneurship such as a self-employed person, a member of a co-operative, a partner entrepreneur, a part-time entrepreneur or a temporary entrepreneur. Part-time entrepreneurship in connection with studies or hired labour has become clearly more common. Becoming an entrepreneur together with others has also become more common, especially among young people. The following paragraph comprises of some tips to get one started as an entrepreneur in Cameroon.

Entrepreneurship is a good opportunity for a profession, but not for everyone. Entrepreneurship, simplified in three words, is work, work and work. It doesn't do any good to blame the economy, your boss, your family or your friends. Change can only occur when you make a conscious choice to make it happen. Identify the correct company: a business ' goal is to succeed and make a profit. Permit to explore. Be prepared to look at distinct facets of yourself (personality, social styles, age) and listen to your intuition (Lobga 2019). We tend to disregard intuition even though we often understand the reality deep down. When I'm tired, ask yourself what gets me energetic, how do you understand what right company is. There are three popular approaches to entrepreneurship: do what you know you are great at, do what others are doing but do better, and finally fix a prevalent issue (Lobga 2019).

Business planning strengthens your possibility of achievement. A lucrative business idea provides a solution to a customer's requirements in a market that has as its competitive edge a space for a company with excellent service. Most people don't plan, but it's going to assist you get quicker to the market. A company plan will assist you to achieve clarity, concentrate and trust. There is no need for a scheme to be more than one page. As your objectives, strategies and steps of action are written down, your company becomes genuine.

Know the business target audience before you spend a euro. Before you spend money, find out if people will buy your products or services. This may be the most important thing to do. Start by validating the market. In other words, who, exactly, will buy the products or services other than your family or friends. What is the size of your target market? Who are your customers? Is your product or service relevant to their everyday life? Why do they need it? There is industry research available that can be used to Know the target audience of company before spending a euro. Find out if individuals are going to purchase your products or services before you spend cash. This may be the biggest thing to do. Start with market validation. In other words, who will purchase products or services that are other than your family or friends. What's your target market size? Who are the customers? Is your product or service appropriate to your daily lives? Why are they needing it? Industrial research is accessible which can be discovered free of charge. The most significant way of obtaining this data, however, is to ask your target market / customers directly and then listen over for free. However, the most important way to get this information is to ask your target market/customers directly and then listen (Afana 2018, 64).

Comprehend your personal finances and choose the proper kind of cash for the company. Your private and company lives are interconnected as an entrepreneur. You're likely to be your first investor, and perhaps your only one. Having a thorough knowledge of your personal finances and the capacity to monitor them is therefore an important first step before looking for external financing for your company. Therefore, to simplify this process, it is suggested to set up private accounts in a money management scheme like mint.com. When creating the business plan,

consider what type of business you are building. It may be a lifestyle business (smaller amount of start-up funds), a franchise (moderate investment depending on the franchise), or a high-tech business (will require significant capital investment). Depending on where you fall on the continuum, you will need a different amount of money to launch and grow your business, and it does matter what kind of money you accept (Tso 2018).

Build a support network. You've made the internal commitment to the business. Now you need build a network of partners. You created the company's inner commitment. Now you need to build a network of followers, consultants, associates, allies and suppliers. Join networks such as NAPW.com, your local trade chamber, or other appropriate business groups. Even though we buy products and services daily, people don't want to be "sold." The more you serve, the more cash you're going to create. Ask yourself when considering your customers or customers: what can I offer them? How can I make them in their own endeavours effective? To cultivate a network of supporters, advisors, partners, allies and vendors. If you believe in your business, others will, too. Network locally, nationally & via social networks.

The more you serve, the more cash you're going to create. Ask yourself when considering your customers: what can I offer them? How can I make them in their own endeavours effective? This strategy can assist you find fresh ways to understand your product or service and provide more value that will be appreciated by your clients. Get the word out and be ready to inform who you are and what you are doing with confidence and without apology. Use and adopt the most effective Internet tools available for your news broadcast (Instagram, Twitter, Facebook, YouTube, LinkedIn). Use social networks as "pointer" places; i.e. point out anything that you think will be of interest to your followers and followers. Although social networks are vital today (you must use them!), don't underestimate the power of other methods to get the word out: for instance, word-of-mouth advertising, website and internet marketing tools, public relations, blog posts, columns and articles, speeches, email, newsletters, and old-fashioned but still essential newsletters (Afana 2018).

2.3 Small & medium scale enterprise role in unemployment reduction

Small and medium scale enterprises (SMEs) form a large part of private sector in both developed and developing countries. SMEs have been variously referred to as a 'source of employment generation' (Amin 2008, 12). This is because SMEs have been found to be capable to make positive impacts on the economy of a country and general satisfaction of the general population. Generally, this sector is the largest contributor to employment in most countries. This is especially relevant for new job creation. The SME sector is a major contributor to technical innovation and new product developments. Cameroon as a country has numerous business and investment potentials due to the abundant, bright and active human and natural resources it possesses.

Tapping these resources requires the ability to identify potentially useful and economically workable fields of activities. Cameroonians have made their marks in diverse fields such as science, technology, academic, business and entertainment. Accordingly, small scale industries activities and innovative imagination in Cameroon have developed enterprises in the following areas: agricultural/agro-allied where there are foodstuffs, restaurants, fast food vending etc. In information and telecom business, there are manufacturing and repairs of accessories. In hospitality and tourism business, there are hotels, beaches, resorts, parks, movies and music's. In oil and gas business, there are construction and maintenance of pipelines, drilling, refining by products. In area of environment and waste management business, there is refuse/waste collection/disposal, recycle plant and drainage/sewage construction jobs. In area of finance and banking services, there are banking, insurance and stock trading. In engineering and fabrication work, there are machines and tools business.

Nevertheless, despite these human and natural resources, Cameroon remains one of the world's poorest nations. Unemployment Rate in Cameroon decreased to 4.20 percent in 2017 from 4.30 percent in 2016. Unemployment Rate in Cameroon averaged 5.78 percent from 1991 until 2017, reaching an all-time high of 8.10 percent in 1996 and a record low of 2.90 percent in

2007. (Fund 2019, 18) Many other industrial sub-sectors to such a vibrant one that they have been able to reduce to the simplest to lower their unemployment and poverty level because of the immense contribution of the sub-sector to their economic growth and development but such cannot be said of Cameroon. (Hazlina, Abdul & Abidur 2017, 22-24). About the sad and deplorable scenario mentioned above, the government has achieved little to restore the citizen's poverty and frustrations. This has resulted in a state of hopelessness for most young individuals who have resorted to any means to succeed in life, including crime. Because they are not gainfully involved, they resort to vices. They are, in other words, unused; unemployed, not because they lack the qualification, but because the system has been crippled economically, socio-culturally, and even religiously. People were economically displaced, particularly young people and graduates (Kuratko & Hoskinson 2018, 28), a situation that obviously negates the Millennium Development Goals for 2035.

The handiness with which hunger and poverty have ravaged life and the future ambition of young people, particularly graduates, has resulted to academics prescribing the growth of small-scale sectors as the best possible remedy. Today, more than ever, the excellent need for the growth of small-scale sectors in Cameroon is required by the level of unemployment and its impact on individuals and country as well as the need for small and medium-sized enterprises.

3 AN OVERVIEW OF DIRECT SELLING INDUSTRY AND MULTILEVEL MARKETING

Multilevel marketing (MLM) idea is comparatively new in Cameroon when compared to some other European and Western countries where they have existed for over three centuries. Direct Selling Industry is a conglomerate of all companies that distribute consumer products and services through personal (seller-to-buyer) contact, especially at home, at a place away from fixed company fields (such as retail shops). It is the local feature that separates it from other types of personal selling. "Multilevel marketing also known as network marketing describes schemes where businesses contract with people to sell gates to doors or office to office for a collection of products" (Albaum & Peterson 2011, 30).

It is called multilevel because a contractor can also invite others to work and gain cash on their results. The sales representative thus has opportunities to expand the sales force and receive additional commissions on the sales of his or her recruits. MLM is a subset of direct selling industry (DSI). Distributors are used in the sale of business products. Multilevel marketing (MLM) is, strictly speaking, not marketing at DSI. The person earns a cut on the sales of people in the downline, called an override, but those in the second level may also recruit others and create their own downlines. The first person in the chain gets an override from every level, however many there may be, although the source is always less removed. Recruiters are often needed to buy the product's initial beginning stock. In many cases, the MLM company will not repurchase this inventory at a very low price. (Effiom & Francis 2015.)

Common products marketed through Multilevel Marketing (MLM) include: health and fitness goods, cosmetics, cleaning agents, electrical equipment, and many others. It is very essential to note that many Multilevel Marketing Companies (MLMs) do not incur any advertising costs as they do not participate in such activities. Middlemen (Wholesalers and retailers) are usually boycotted by MLMs, and as such, MLMs rely heavily on the activities of their distributors to

promote their products through direct sales, party plans and demonstration. Among the various MLM companies in Cameroon are; 52 Weekly Pay, Edmark International MLM program, TIENS Cameroon MLM etc.

3.1 Multi-level marketing structure and operation

Starting an MLM company makes you not only accountable for selling but also hiring a sales team. It's a challenge to keep your staff motivated. MLM distributors are generally structured into network structures that are interwoven and linked. The binary structure and uni-level structure are two primary kinds of such constructions. Binary and Uni-level are the two main compensation plans used in today's network advertising sector. Although two plans have the same tag "The Pay Plan," these business models operate in a separate way. These plans, like many other MLM schemes, have their own pros and cons, strengths & weaknesses.

Binary Plan operates on the allocation of two legs, the right leg and the left leg. Success in binary MLM compensation is only accomplished through teamwork and downlines mixed attempts. Because compensation is paid on the amount of the group. In binary, the compensation is generally calculated as 10 percent of the weaker leg's complete company quantity. Ergo, sustaining each leg similarly is crucial. So, to profit from the binary, one must retain an efficient downline in two legs evenly (Scott 2013). Unilevel MLM Plan enables only one distribution line. So, every recruit that you sponsor will drop on your forehead (i.e. no spill over). There is no width limit on this scheme, and commissions are generally paid out at a defined level depth. Each member can hire as many employees in their downline(length) in this scheme. Since there is no further limitation, you can create a stronger and longer (length) network.

Direct selling companies generally choose between two options, either staff or autonomous retailers. There are no wages or other fixed costs connected with the hiring of autonomous

retailers. In the United States, more than 99 percent of direct marketing individuals are autonomous retailers. Most retailers are mainly end consumers of the item in MLMs. A non-selective recruitment using a straight compensation technique often tends to attract individuals with naive hopes for big and readily gained revenues from only a small engagement in moment and effort (Cruz & Olaya 2013, 208-210).

There are basically three reasons why revenue is gained in a multi-level marketing business. Distribution by earning a mark-up gain between 30 percent and 50 percent of the total selling cost of the bought goods; Personal volume (PV) – commission based on the value of each product purchased or sold over a period of time ; group volume (GV) commission earned by uplines for their group cumulative sales, consisting of their personal volume (PV) plus the volume of products purchased or sold by their downlines over the same period. (Spina 2015, 11.) There are also incentives or income that generally accrue to a few retailers at the top of the MLM pyramid. These include vehicles, houses, global holidays, and their likes.

The hiring of a new distributor enables only one link with its up line; the double registration of a single distributor is not consistent with the MLM compensation scheme. A distributor can participate in the MLM company's three operations: purchase of the item as end-users; sale to clients and access to mark-up profit; and recruitment of new sales people. It is mainly through recruitment that network expansion happens.

MLM provides several advantages to retailers, the business, and customers. These include low start-up costs; leverage factor (retailers can enjoy other people's revenue, i.e. down-lines profit in the distribution network); various source of revenue (retail profits, group size, and other bonuses and incentives); personal growth through training and company support equipment; enhanced entrepreneurial spirit; enhanced interpersonal abilities; and it is indeed a company model that is win – win (Severiche 2016, 87). There is no advertising expense for the business. It is therefore able to reinvest such savings by providing.

There are also challenges and limitations faced by MLM on the basis that the more emphasis it places on recruitment, the more probably it is that the business is fraudulent, saying that most MLM companies' goods are often overpriced. The claim of some products is often not created and not scientifically verified except for word-of-mouth testimonies that are not accurate. Tribble (2012) attribute the MLM distributor's failure to distinct factors: revenue expectations, business budget investment, distinct product advantages, recruitment difficulties, the limitation of the target population which is finite, which may lead to the long-term collapse of the programme.

Eisenberg suggests that the cost of a company connected with training, inventory maintenance and product promotion decreases revenues or even erodes earnings particularly for the bad distributor. Other limitations include the fact that the distributor often becomes the end user of the item, particularly when there is pressure to make purchases for prizes whereas there are no clients available for the products; market saturation of fresh recruitment becomes impossible where, for example, everyone is persuaded to enter an MLM business in a nation. Exploitation, deceit and falsehood is also prevalent as some MLM companies and practitioners exploit the financial ambitions and vulnerability of the masses to attract them into the company that often becomes unprofitable for monthly purchases for their private use rather than selling to end-users on the open market. (Schreiter & Schreiter 2018, 77-80.)

3.2 PM-International AG

PM-International AG is a global network marketing company producing a range of nutritional supplements and personal care products to lose weight. PM-International AG was founded in 1993 by Rolf Sorg in Limburgerhof, Germany. He is the present chief executive officer of the company. PM-International AG was formerly known as PM-International GmbH. The com-

pany was founded in 1993 and is based in Speyer, Germany with locations in Europe and internationally. The company is now located in the Grand Duchy Luxembourg with its corporate headquarters situated in Schengen, Luxembourg since 2015 (PM-International 2018.)

PM-International AG manufactures and distributes health, beauty, and wellness products. It offers nutritional supplements, cosmetics, and skin care products; and products for hobby and professional athletes. It distributes its products online; and through distributors or its direct sales centres. In 1995, the company launched a product line of dietary supplement products name *FitLine*. PM-International AG operates operate in about 35 countries and currently employs over 500 people across the globe with a reported revenue of about US\$632 Million in 2017. (PM-International 2018.)

The firm mostly owns distribution centres to send their products to their members around the globe and do not own any brick and stone stores. Over the previous few years, the nutritional supplement market has experienced an amazing rise globally. The growing quantity of overweighted people has reached a record high in some nations, causing a boost in sales of such products by people keen to watch over their health. The sector is anticipated to demonstrate a growth rate of 6 to 7 percent in developing and de-developed economies in the coming years. Another element to consider is the increasing sales of these kinds of companies in the emerging markets. (PM-International 2018.)

PM-International AG depends heavily on their "members." As the company's founding stone, these members are anticipated to promote and sell products or services to fresh FitLine employees. This is the most appealing element of the business as they are not considered as staff and are not compensated as such by the company. As a result, most of the company's expenditures are aimed towards buying products from third-party businesses (25 percent of their goods) or distributing their products around the globe. This direct sale strategy allows the firm to perceive comfortable resources without investing important amounts in the process.

3.3 How to start up your own sales network

PM-International provides everyone the chance to create extra revenue as an autonomous distributor, whether a white or a blue-collar worker, doctor, civil servant, pensioner, student or housewife and regardless of their training, career or social status. You decide solely how much time and energy you want to spend in your new job. You're totally free and your own boss—something that many can only dream of. How high your extra revenue will depend solely on your own engagement and talent. It can vary from interesting extra earnings to complete monthly earnings. You will be backed by a team of qualified advisors, a good network decentralized subsidiary and a detailed training program tailored to everyone. You will also have an opportunity for further incentives such as the Car and Travel Programs.

3.4 Stages to Build Your Own Sales Organization

If you want to become a PM-International distributor, you can log on their internet website. Then a request form comes out where you fill in most of your information. After you have completed the sign-up process, your request will be registered by ordering within 30 days, you will verify your request. What you order and how much cash you spend is up to you. If you don't order anything within 30 days and we don't hear from you by any other means, we'll suppose you've chosen otherwise. Your request will be deleted automatically and that's all for

you. You have not entered into any contract with us in this scenario and the situation is as if you had never registered as our distributor.

Find 5 individuals who would register and order Power Cocktail and Rectorate through your internet shop and/or begin selling separate products through the online store. You get 15 percent-25 percent reward of all the products ordered from your online store.

Teach registered person (new team partner) to do the same. In this way, your sales organization is built and expanded deeper and generates revenue for you from every level. In Finland the costs of the first month are 88 € for the products + 20 € (including a presentation bag with a drinking bottle, Plastic glasses, brochures and gift items). The cost of the next two months is € 88/month. Later the only price of this company is about 100 euros per month depending on the nation and no price at all if you sell the item you get. If you want to have a break but operate your internet company, the cost is only 6-20 € depending on the nation you are in. PM provides goods from the closest importer to the subscribers. Provisional payments PM will automatically pay to your account once a month when you send your account number to the importer.

3.5 PM International Affiliate Ranks

There are twelve ranks within the PM International compensation plan. Along with their respective qualification criteria, they are as follows:

Team Partner – sign up as a PM International affiliate.

Manager – generate 1500 GV a month.

Sales Manager – generate 2500 GV a month and personally recruit and maintain one Manager or higher ranked affiliate.

Marketing Manager – generate 5000 GV a month and personally recruit and maintain two Manager or higher ranked affiliates.

International Marketing Manager – generate 10,000 GV a month and personally recruit and maintain three Manager or higher ranked affiliates.

Vice President – generate 25,000 GV a month and personally recruit and maintain three Sales Manager or higher ranked affiliates.

Executive Vice President – generate 50,000 GV a month and personally recruit and maintain at least three Marketing Manager or higher ranked affiliates.

President's Team – generate 100,000 GV a month and personally recruit and maintain at least five Marketing Manager or higher ranked affiliates.

Silver President's Team – generate 200,000 GV a month and personally recruit and maintain at least three Vice President or higher ranked affiliates.

Gold President's Team – generate 400,000 GV a month and personally recruit and maintain at least three Executive Vice President or higher ranked affiliates

Platinum President's Team – generate 600,000 GV a month and personally recruit and maintain at least four Executive Vice President or higher ranked affiliates

Champion's League – generate 1,000,000 GV a month and personally recruit and maintain at least five President's team or higher ranked affiliate

3.6 Recruitment commissions

PM International affiliates are charged a \$60 commission when recruiting affiliates who sign up and buy a Pool Pack (\$481 or \$500). Manager and higher-ranking affiliates receive a \$120 recruitment commission. The \$60 difference is paid to the first upline manager or greater ranked affiliate when downline Team Partner recruits fresh Pool Pack members. Effectively, Manager ranked affiliates receive a \$60 override on downline affiliates recruiting Pool Pack members until a manager or greater ranked affiliate is discovered in each unilevel team leg.

A pension plan has been created for world rulers with one of the world's biggest and most reliable insurers. This is virtually unheard of in the Direct Sales industry, PM-International contributes up to 50 percent to your pension account.

4 RESEARCH METHODOLOGY

The common market research methods are techniques of quantitative research and techniques of qualitative research. These two techniques of studies have evident distinctions in function, problem-solving, and information collection. The essence of quantitative research techniques is the search for "how many" issues that are used to quantify views and behaviours. The essence of qualitative research methods is the discovery of "why" issues that are used to obtain a knowledge of the fundamental factors and motivations (Bhat 2018, 19).

For this thesis, qualitative research methods were used to obtain the opinions of the same industry owner through a face-to-face interview and telephone interview with this company's entrepreneurs. Quantitative research methods were used to find out if there would be enough prospective market to begin a sales network and customer preferences. Usually acquiring information from qualitative research methods through open-ended communication. Through a target audience's in-depth interview, the investigator can attempt to comprehend the thought and motive of the participants. (Bhat 2018.)

The outcome of qualitative research methods is non-numeric data, but more descriptive information. For deep analysis, the data should be collected in wide and detail which can help to explore insight easier. There are several frequently used qualitative research methods: One-on-one interview, focus groups, ethnographic research, case study research, and phenomenology research. The one-on-one interview has been the primary technique used in this thesis. The purpose of this technique is to obtain significant information on a private interview that is one respondent at a moment of in-depth discussion. (Southern California University 2018.)

This person interview was conducted with a Finnish branch PM-international entrepreneur Tuija Nissila and the PMI marketing director. The aim of this in-depth interview was to collect

data and identify important factors in setting up your own marketing network team and developing the business plan. The PM-international entrepreneur has been working with PM for more than six years with an increasing sales turnover. This interview was conducted on 16th of March 2019 in Centria UAS Kokkola. I was happy to get a phone call from Ossi Ohanwe (the director of PM international Finland) and we chatted for like 1 and a half hours. The detail information will be discussed in following chapters.

4.1 Qualitative Research

This individual interview was conducted in March 2019. The participant was the PM international entrepreneur who has more than 6 years experiences. The interview was designed with 3 sections that consisted of several questions. First section was about the start-up issues. The following section was concerning how to operate in a network-like manner. Last section described its current situation. The question I asked her was based on my own worries and generally asked questions. Firstly, I asked if getting into network marketing was a good decision for a graduate? I also asked her if it is worth investing capital and time into it. I asked her some of the hacks to be successful in MLM as she has gotten several years of experience.

The interviewee told me that she has always wanted to run her own business and had paid attention to different business ideas, start-up capitals, marketing techniques etc. She figured out that getting into network marketing was the best choice because it requires less start-up capital as compared to a start a new business from a fresh. Moreover, this industry does not need special marketing skills. For instance, as those FitLine product have already been advertised and marketed by the company itself. All you must do is to convince customers to gain trust in the various products. It does not require many workers. In this way, you don't need extra employees to start with.

5 CHALLENGES AND RECOMMENDATION

This chapter contains an overview of the sources, challenges and recommendation that the researcher found in the thesis. Essentially, it tries to interpret the prior researches. Also, if any gap exists in the prior works, it is tried to unveil. By presenting different opinions from different researchers.

5.1 Challenges faced by a network marketer

Multi-level marketing is not a very practical concept, even theoretically, for some this has been very profitable means of distribution for all those involved in multi-level marketing. The growth of multi-level marketing business is the result of illusory marketing that plays upon treasured cultural beliefs, social and personal needs, and some economic leanings, rather than its ability to meet any consumer needs. The main challenges faced by multi-level marketers are: Relationship Issues: This is the first and most important challenge someone would face. Charity begins at home as we all know. You cannot begin by presenting and selling your products to complete strangers. We begin first by reaching out to our close colleagues, relatives and colleagues, which in turn will in the long run influence our relationship-ships. MLM retailers are offering their products to their friends and family. They exploit them by offering products and convince them to buy the products which even they don't need. In multi-level marketing lifelong friends and the locality turns into a market. Its adversely affects relationships.

Morality and ethics: Multi-level marketing companies earn through their distributors not through the sale of its products. These companies sell the dream of earning big by hiding the ground realities of this business. So, it is morally wrong and unethical.

Lack of proper training: One of the greatest issues of MLM company is that the individuals who join it are not given any formal training, rather they are given products straight to sell without understanding of the art of selling. Without adequate training, one has no right to expect to create cash.

Pyramid structure: finally, MLM operates based on pyramid structure. It implies the distributors' revenue at the top will be high and low at the bottom. Moreover, pyramid schemes are illegal because they promise a big return in exchange for a tiny investment. People who join MLM business get the opportunity to earn more and the people who join this chain of business at later stage earns little because of the increased competition. So, it can be said that pyramid schemes are fraudulent and exploitative in nature.

5.2 Recommendations and Solutions

In relation to the company's understanding and working methods, the network marketer needs to understand 2 material: products and sales techniques plus marketing, particularly in social media. The business takes care of product expertise training, but sales abilities often need to be obtained. You can learn from others, but ultimately you need to develop your own way that is linked to your own values and interests and the benefits that the company and the product offer you and your target group. Some of these suggestions are: provide training to MLM retailers: MLM retailers should have a good compensation plan and adequate training. Professional training about the art of presenting and selling the product and service should be given to MLM distributors. Complete understanding about products, services and their advantages is very essential to attract and maintain clients.

Salesmanship: to whom I sell (in which group my message is most credible and reliable). What I sell (products or business or both depending on the target group and the situation and what

is the benefit to the customer, i.e. what are the sales arguments). What is my way of doing sales (whether it's an online store or a personal sales job or both)?

Build relationship based on trust: Trust-based relationships continue for a long time. Most of this business ' clients come from family and friends. They should be regarded as what they are, not as exploitation marks. It means they should be offered only those products which they require.

Teamwork: Team coaching in practice because everyone is busy and very distinct from each other. Motivating and helping team members in the way they really need and being fair to each partner.

6 CONCLUSIONS

The research was performed to examine the role of Multilevel Marketing (MLM) in reducing unemployment in Cameroon, using PM International as a case study. It was based on statements in the literature on growth that there is a role for the private sector in alleviating poverty. Two hypotheses were developed to determine, on the one side, the connection between MLM and revenue generation and, on the other side, job creation from which inferences were made. (Effiom & Francis 2015.)

Significantly the study revealed that although MLM is a means of unemployment reduction, it is not necessarily a business targeted at poverty alleviation. Indeed, one requires a powerful economic basis for sustainability in the company. Further results show that there is no instructional criterion for entering MLM. While most MLM retailers entered the company for extra earnings and part-time work, most MLM retailers face difficulties such as high product costs and difficulty in hiring downlines. Problems of exploitation and surplus inventory were not prevalent among retailers. The research proposes, among other things, the need for government to provide incentives to induce MLM companies to set up their manufacturing plants in the nation to exploit the benefits of local markets and stem the tide of employment.

I recommend future efforts in this area of research to be directed to verifying if the traditional means of distribution (marketing by indirect sales using middlemen and advertising) is inferior to MLM in terms of cost, effectiveness, and income generation for both middlemen and distributors. This will prove if indeed MLM is sustainable and true to its claims of rewarding distributors with savings from boycotting advertisement." The main reason for high rate of unemployment is simply because people haven't discovered themselves and thereby do not know what they carry to impact and benefit the society" (Shaibu 2015).

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PM International Products

Through their FitLine and BeautyLine brands, PM International market a range of nutritional supplement and personal care products.



PM International FitLine Products (<https://www.pm-international.com>)

Basics – “with the best from fruits, vegetables and cereals, fibres, live lactic bacteria and enzymes as well as valuable Indian Ayurvedic herbal extracts from, the digestive system is cared for in multiple ways”, retails at \$69 for a 600 g box.

Activize Oxyplus – “supplies the active substances which our body needs to produce energy”, retails at \$37 for a 174 g box.

Power Cocktail – “supports optimum nutrient intake” (vitamin B2, C, E and selenium), retails at \$104 for a 600 g box.

Restorate – contains “10 highly nutritious minerals for better regeneration”, retails at \$23 for a 200 g box.

ProShape All-in-1 – daily meal replacement shake (vanilla and chocolate), retails at \$34 for a 420 g canister.

ProShape Amino – “a dietary supplement intended to meet the expenditure of intense muscular effort, especially for athletes”, retails at \$62 for a 115 g canister.

CC-Cel Capsules – “for tauter skin against Cellulite”, retails at \$64 for a bottle of 60 capsules.

CC-Cel Lotion – “figure forming lotion (that) softens the appearance of cellulite”, retails at \$32 for a 125 ml tube.

Q10 – “for energy production in the cells”, retails at \$47 for a 30 ml bottle.

Heart Duo – “Omega 3 from high-quality fish oil”, retails at \$74 for a 50 ml bottle.

Omega 3 – “for healthy cardiovascular functions”, retails at \$38 for a 50 ml bottle.

Fitness Drink – “supports optimum nutrient intake” of magnesium and B-vitamins, retails at \$48 for a 450 g box of single-serve sachets.

Herbalism Tea – “high-quality herbs in a unique mixture”, retails at \$15 for a 100 g box.

D-Drink – daily supplement drink, retails at \$37 for a box of fourteen single-serve sachets.

PM International claim “many top athletes all over the world” use their FitLine supplements.

In the BeautyLine series, they offer you a line of high-quality cosmetics that are perfectly matched up to one another. Natural ingredients ensure highest possible dermatological tolerance. Gentle methods of manufacturing guarantee maximum purity and a continuously high level of quality.



PM International BeautyLine Products

Ultimate Young – “lines are immediately reduced, and the skin is visibly and noticeably toned”, retails at \$117 for a 15 ml bottle.

4ever – “a rich 24h facial care for mornings and nights to support your skin’s youthfulness”, retails at \$66 for a 50 ml tub.

Cleansing Tonic – “closes the skin’s protective acidic layer preparing it in the best possible way for the care which follows”, retails at \$28 for a 200 ml bottle.

Cleansing Milk – “frees the pores of make-up, dead skin cells and surplus grease”, retails at \$28 for a 200 ml bottle.

