

A CASE STUDY: THE SIGNIFICANT OF WORD-OF-MOUTH AND INTERNET
TO DIRECT SELLING



A CASE STUDY: THE SIGNIFICANT OF WORD-OF-MOUTH AND INTERNET
TO DIRECT SELLING

A Thesis Presented to
The Graduate School of Bangkok University

In Partial Fulfillment
Of the Requirement for the Degree
Master of Business Administration

by
Samad Akbar

2015



© 2015

Samad Akbar

All Right Reserved

This thesis has been approved by
the Graduate School
Bangkok University

Title : A Case Study: The Significant of Word of Mouth and Internet to
Direct Selling

Author : Samad Akbar

Thesis Committee :

Thesis Advisor



(Dr. Paul TJ James)

Thesis Co-advisor



(Mr. Nadim Xavier Salhani)

Graduate School Representative



(Asst. Prof. Dr. Kasemson Pipatsirisak)

External Representative



(Dr. Wutthichai Sittimalakorn)



(Asst. Prof. Dr. Aunya Singsangob)

Vice President for Academic Affairs

Acting Dean of the Graduate School

27 May 2015

Akbar,S.,M.B.A., May 2015, Graduate School, Bangkok Univerisity.

A Case Study : The Sigifiance of ‘Word-of-Mouth’ and ‘Internet’ to Direct Selling (117 pp.)

Advisor of thesis: Paul TJ James, Ph.D.

ABSTRACT

The increase in distribution channels and internet marketing result in health competitive in the business environment and the companies are forced to push themselves to a very edge of their capabilities. Ultimately the success of the companies relies on their human resources and business and marketing strategies. So the concept and statuaries of the direct selling have become an increasingly used method in order to enhance the business to customer market.

The purpose of this study is to provide an understanding of direct selling and used in market strategy and tool to develop a marketing strategy in the future. To reach this purpose, the researchers have researched on Q-NET Company.

In today's world human interactes with each other on daily base and the internet and other social media increases the interaction, and to creating a positive “Word of Mouth” as promotion tool is task as it plays an important role.The researcher explains the individual sources of “Word of Mouth” on the purchasing decision about the product. The researcher had tried to explain the dismal performance of direct selling, as compared to the normal selling process. In recent year the direct selling have seems some down due to increase in internet buying and selling, the past experience of individuals with the different direct selling companies and the scams.

The research design employed a quantitative approach. This study used the survey research via questionnaire to collect the data of participants' attitudes on each identified factors. The questionnaire used 15 closed-ended questions on survey instruments. Participants rated the questions based in a closed-ended 1-to-5 likert scale format .The survey was distributed by the researcher to current employees of "Q-Net". The sample size of this study was 284 respondents.

In this study, the multiple regression analysis was employed to measure the relationship between 9 independent variables and receptivity to direct selling experience. The score of Beta weight presented that all independent variables had positive statistical significant effect to direct selling acceptance. Among the 9 factors, the strongest influencers of the highest to lowest were credibility, trust, personal reference, search engine, online user reviews, price, brand, security issues and refund policy. As per the independent t-test analysis for gender. There are significant differences means between males and females among the factors.

This study might contribute not only to a better understanding on what and how strongly the factors are involved consumer purchasing decisions but also this study provides a direct selling company standpoint such the effectively manage and recommendations. However, direct selling companies should keep in mind that the consumers behavior might change in time to time especially in the direct selling market. Should investigate the consumer behavior in time to time and adapt the product and services to serve as the customer requires.

Approved: _____



Signature of Advisor

ACKNOWLEDGEMENT

First of all I would like to thank to Allah all mighty the most beneficent and most merciful, who has provided me the courage and health to complete my work. Secondly, I would take this opportunity to express my gratitude to my advisor Dr.Paul TG James and co-advisor Mr.Nadim without their unending guidance, support and patience this thesis wouldn't have been possible. They were always there with valuable inputs and advice that gave me a clearer understanding of the subject matter and how to go about the thesis in the first place. I would also thank my family: my parents, Fahim Akbar and Shahida Fahim for having made all the sacrifices so that I could reach this stage; my brothers Saad and Mahased for having there with all the possible supports so that I could stretch myself beyond the national boundaries to pursue the educational opportunities. Last but one least I would like to thank all the respondents who participated in the survey and to those who have directly or indirectly support me.

TABLE OF CONTENTS

	Page
ACKNOWLEDGEMENTS	iv
ABSTRACT	vi
LIST OF TABLES.....	xii
LIST OF FIGURES	xiv
CHAPTER 1: INTRODUCTION	1
1.1 Background.....	1
1.2 Statement of Problem.....	3
1.3 Intention and Reason for Study.....	6
1.4 Research Objectives.....	6
1.5 Major Research Questions and Sub-questions.....	7
1.6 Research Assumptions.....	7
1.7 Scope of Research.....	8
1.8 Limitations of Research.....	8
1.9 Benefits of Research.....	9
1.10 Conclusion.....	9
CHAPTER 2: LITERATURE REVIEW	
2.1 Introduction	12
2.2 Word of Mouth	12
2.2.1 Traditional Word of Mouth.....	13
2.2.2 The Power of Word of Mouth.....	15
2.2.3 Online Word of Mouth.....	16
2.2.4 The Power of Online Word of Mouth.....	18

TABLE OF CONTENTS (Continued)

	Page
CHAPTER 2: LITERTURE REVIEW (Continued)	
2.3 The Principle of Internet Search Engine.....	19
2.4 Consumers Decision Process	21
2.4.1 Need and Problem Recognition.....	21
2.4.2 Information Search.....	23
2.4.3 Evaluation of Alternative.....	24
2.4.4 Decision Making	26
2.4.5 Post Purchase Behavior.....	27
2.5 The Factors of Consumer Purchasing Decision.....	30
2.5.1 The Gender effects on WOD, Interest and Decision Making.....	28
2.5.2 Factors in Word of Mouth Stage.....	28
2.5.3 Factors in Internet Search Stage	32
2.5.4 Factors in Purchase Decision Stage	32
2.6 Definition	33
2.7 Concept Frameworks	34
2.8 Conclusion.....	34
2.9 Framework Question.....	36
CHAPTER 3: RESEARCH METHODOLOGY	
3.1 The Review of Research Method.....	37
3.2 Research Design and Approach.....	42

TABLE OF CONTENTS (Continued)

	Page
CHAPTER 3: RESEARCH METHODOLOGY (Continued)	
3.3 Questionaries'	43
3.3.1 Research Question.....	46
3.4 Sampling Design	45
3.4.1 Population and Sample.....	45
3.4.2 Sample Techniques.....	45
3.4.3 Sample Size.....	46
3.4.4 Data Analysis.....	47
3.4.5 Coding Structure	48
3.5 Reporting.....	48
3.6 Validity and Reliability	49
3.7 Statement of Research Method Use	50
3.7.1 Method of Inquiry.....	50
3.7.2 Methodology.....	52
3.7.3 Pilot Study.....	56
3.8 Conclusion.....	57
CHAPTER 4: DATA PRESENTATION	
4.1 Data base on the Customer's Demographic Characteristics	60
4.2 Data Presentation of Stage 1.....	65
4.3 Data Presentation of Stage 2.....	67
4.4 Data Presentation of Stage 3 Issues and Refund Policy.....	68
4.5 Data Presentation of All the Factors.....	70

TABLE OF CONTENTS (Continued)

	Page
CHAPTER 4 : DATA PRESENTATION (Continued)	
4.6 Conclusion.....	71
CHAPTER 5: DATA ANALYSIS	
5.1 Cluster Analysis.....	73
5.1.1 Summary of the Demographic Characteristics Analysis.....	73
5.2 Reliability Analysis.....	74
5.3 Correlation Analysis.....	74
5.4 Data Analysis of Factors of Word of Mouth Stage.....	77
5.5 Data Analysis of Factors of Internet Stage.....	79
5.6 Data Analysis of the Consumer Decision Making.....	81
5.7 Data Analysis of all the Factors.....	83
5.8 Conclusion.....	85
CHAPTER 6: CONCLUSION	
6.6 Conclusion.....	86
CHAPTER 7 : DICUSSION AND RECOMMENTIONS	
7.1 Overview.....	88
7.2 Research Findings	89
7.3 Discussion.....	93
7.4 Implications of this Study.....	96
7.5 Limitations of this Study	96
7.6 Recommendation.....	97
BIBLIOGRAPHY.....	99

TABLE OF CONTENTS (Continued)

	Page
APPENDIX.....	105
BIODATA.....	116
LICENSE AGREEMENT OF THESIS PROJECT.....	117

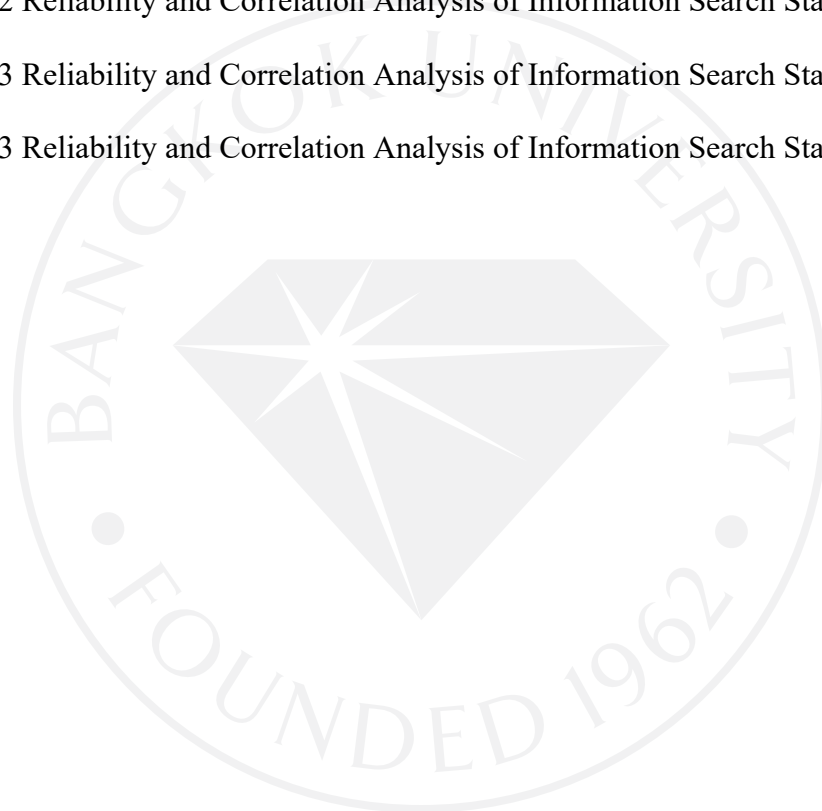


LIST OF TABLES

	Page
Table 4.1.1 Number and Percentage of Respondents by Gender.....	62
Table 4.1.2 Age Distribution of Respondents.....	63
Table 4.1.3 Number and Percentage of Respondent's by Education Background	64
Table 4.1.4 Number and Percentage of Respondents by Income Level.....	65
Table 4.1.5 Direct Selling Experience.....	66
Table 4.2.1 The Result of Frequencies Count for Credibility, Trust and Personal Reference.....	67
Table 4.2.2 The Results of Correlations Analysis for the Three Independent Variables and the Control Variables.....	67
Table 4.2.3 The Results of Independent Variables Sample T-test for Gender.....	68
Table 4.3.1 The Result of Frequencies Count For Search Engine and Online User Reviews.....	68
Table 4.3.2 The Results of Correlation Analysis for the Two Independent Variables and the Control Variable.....	69
Table 4.3.3 The Results of Independent Variables Sample T-test for Gender	69
Table 4.4.1 The Result of Frequencies Count for Price,Brand,Security issues and Refund Policy.....	70
Table 4.4.2 The Result of Correlation Analysis for the Four Independent Variable and the Control Variables.....	70
Table 4.4.3 The Results of Independent Variables Sample T-test for Gender.....	71

LIST OF TABLES (Continued)

	Page
Table 4.5.1 The Results of Regression Analysis for the 9 Independent Variable and the Dependable Variable.....	71
Table 5.1 Distributions of Demographic Characteristics.....	74
Table 5.2 Reliability and Correlation Analysis of Information Search Stages.....	78
Table 5.3 Reliability and Correlation Analysis of Information Search Stages.....	80
Table 5.3 Reliability and Correlation Analysis of Information Search Stages	82



LIST OF FIGURES

	Page
Figure 2.3 Bodo Lang(2011,p.587)-How WOM Communication Varies a Cross Service Encounters.....	13
Figure 2.2.1 Mazlow’s Hierarchy of Needs.....	22
Figure 3.1 Source Exhibit 3:3 Stage of Research Process(Zikmund1997).....	38
Figure 4.1.1 Gender Distribution chart.....	62
Figure 4.1.2 Age Distribution of Respondents.....	63
Figure 4.1.3 Education Background Distribution Chart.....	64
Figure 4.1.4 Respondents Monthly Income Distribution Chart.....	65
Figure 4.1.5 Direct Selling.....	66

CHAPTER 1

INTRODUCTION

This chapter briefly introduces the overview of the research, which includes the background of the study, statement of problems, purpose of study, research objectives, research questions, assumptions, scope of the research, the benefits of research, and limitations of research. The structure of the chapter is as follows:

- 1.1 Background
- 1.2 Statement of Problem
- 1.3 Intention and Reason for Study
- 1.4 Objectives of Research
- 1.5 Research Questions
- 1.6 Research Assumptions
- 1.7 Purpose of the Research
- 1.8 Benefits of Research
- 1.9 Limitation of Research

1.1 Background

Selling a product or services directly to the consumer is known as direct selling. In the process the sales representative or the commission base employee sells the product or services to consumers without the fixed location. In some situation, the sales are done at consumer's residence (Robert & Wotruba, 1996).

The first direct selling firm was founded in the 19th century. Since then, the direct selling process has undergone major changes. Company like Avon has changed their structure of direct selling; consumers are being given the opportunity to earn commissions by selling the company's product or service. The change has helped the

consumers, to earn commissions and reduced the overhead expenses for the firm (Abrams & Rhonda, 2002). The direct selling process could be referred as telemarketing, Direct mail, direct response, Single level marketing and multi-level marketing.

Telemarketing is referred as direct selling where the sales representative performs marketing of their product and services to consumers over a phone call. Direct mail is a form of advertising where the advertisers print the advertising subjects and mail the materials to the consumers' addresses. Direct response is the consumers' response prior purchasing of the product and services, the consumers are asked for their feedbacks by the company on purchase.

Single level marketing is another example of direct selling process, where the sales representatives work on compensation plan, they get commission for their sales. Whereas in multilevel marketing, one sales representatives earn commission on sales of other sales representative. The terms "downlines" best explained the recruitment of the sales representative in the individual team, however MLM is often subject to pyramid selling (Abrams & Rhonda, 2002).

A report presented by Federation direct selling Association state that the direct selling has a market share of US\$166. 877 billion in the year 2012, and over millions of sales representative working as commission employees. Avon product is the old and most successful direct selling firm in the direct selling market. Avon products were found in 1886 and have turnover of US\$11. 3 billion in 2011 and in today time hold the largest market share in the direct sales field. The United States Direct Selling Association (DSA) state that in "2000, 55% of adult Americans had at some time purchased goods or services from a direct selling representatives and 20%

representative that they were currently (6%) or had been in the past (14%) a direct selling representatives”.

WFDSA present a reports stating that, consumers fundamentally benefit from the direct selling process, in many ways as the “convenience and service it provides, including personal demonstration”, benefits of the product like for example coffee product/ health product.

As per the report by the WFDSA Thailand ranks 15th in the direct selling market with turnover of US\$ 2.947 Billion, Some 15.6 million Thai populations are associated with the direct selling firm, which cover over 25 percent of Thailand’s overall population. In the direct selling industry young population is drawn often, and looking to be a sale representative, as the individual wants to own its own business. Most of the young population wants to rich in their young adulthood. Desirable age “specifically before the age of 30,” (Ritteenawee, 2013)

1.2 Statement of Problems

The Direct selling process provides many opportunities for consumer and organization, it helps the organizations to create innovative ways of selling products/business to the customers, it’s also provides the opportunities for the customer to start its own business with a small amount of investment, for example, to purchase the product for the organizations (Amway) and benefit the organization to start the business at lower cost. As it’s required less number of employees and helps in reducing the wages/salaries (Xardel & Dominique, 1993).

The risk of holding inventory minimums (Amway) and the company and buyers come close in the market place. This is why many companies/business still use the process of direct selling in today's business world. However, the direct selling

process has also created other competitive advantages over other business, as it's covered the business to business market as well the customer to customer market. However, there are many problems associated with the direct selling process

Although the use of the direct marketing application overcomes the barrage of the communication, however, the company still needs to be advertised and builds the brand image, brand equity is very significant to direct selling process.

Telemarketing calls by sales representative are significant to achieve Telesales; however the process results in time consumption of the sales representative. As the sales representative need to introduce them to the consumers and the purpose for calling and followed by introducing the product and services, the added features of the product in order to sell the product (Greco, 2010).

The next issue is the overpromising, as the consumers are overpriced for the product and its features, in order to make the sale and earns commission by the sales representative, along with a promise a business opportunity of a lifetime. This allows the consumers to work on part time base and earn commission, those consumers at some point of time releases, that they were overpromised and pros of the work were overlooked and examples spoken was possible but had achieved fewer in this field of business, as the nature of business is such. The method is designed, such a way that over 90% of consumers will not achieve their goals and result in purchasing excused products. (Survey of Attitudes Toward Direct Selling, Warthin Worldwide, 1997)

Face the Rejection by the customers, many sales representatives are not aware of the rejection, as they can face during the sales and most the some of the sales representatives can't face the rejection. Often get demonized, discourage and start with the negative word of mouth in the business (Lucinda & Guide, 2010).

The product presented are often expensive, then the product in the market, as the primary goal is to recruit as many members as possible and the prices are often higher in direct selling companies. As the consumers are getting aware about the version/missions of that kind of direct selling and doesn't mean cheap product for consumers.

New channel information in the market has reduced the effect of direct selling, as a consumer in front of their computer screen can get product information, demonstration on the social side or youtube.com and all the information consumers' desire about the product.

Culture of online buying is diffusing well in the market and first world countries have already tasted the success of online shopping, also referred to as one click buying. More distribution channels with the goal of reaching the customer and the completion in the market made all the companies to adopt all policies of the direct selling in different ways. In past years there has been healthy competition in the markets, which results in reducing the market share of the company's like Amway.

In past and recent many companies use the MLM model (direct selling) and started the scam and target customer market, to become buy their products with the poor commission's plans, selling the product by overpromising commission plans or overpromising product (Lilyquist & Guide, 2012).

A pyramid scheme is a non-sustainable business model that involves promising participants payment or "services, primarily for enrolling other people into the scheme, rather than supplying any real investment or sale of products or services to the public"(Valentine, 1998), consumers get the commission on the sales in his/her team and the major issues with the pyramid

scheme is once its reach the 12 level, it exceeds the total number population of the world.

It expenses, business for the customer/consumers, as the consumers required purchasing minimums product for the company for fixed price, whether they make the sales or not .Result in expenses, the purchase product need be storage, holding expenses of inventory. (Rick &Suttle, 2009).

The direct selling process gives many benefits to consumers, to enjoy working as a sales representative, however the companies have no or little controls over the sales representative, as the sales representative can use the company's name, make the sell to consumers and keep the amount for them self and doesn't deliver the product to the consumer. In this situation the company's brand image is hurt, as the buyers will point the figure at the companies. Legal issues arise and affect the name and other sales representative goodwill are also effective in the process.

1.3 Intention and Reason for Study

To find out the success and what is making the business run after so much of negative feedback to the direct selling and find out the marketing strategy applied by the direct selling.

The intention is to find out the success of the business and benefit provided to the consumer. Self-employment, help the sales representatives to work on their flexible working hour. To understand the need of the companies to adopt the direct selling to be successful in the market

1.4 Research Objectives

To find the reason, why the direct selling process is still the covering large market share, although the new distribution channel is introduced to the market, the

most famous distribution channel in the current age is the “internet”, as the internet can provide the information for the consumers at any time of the day, although the internet, has its failure in 2000 as “the bubble.com”. Since then the internet culture and buying online are vastly diffusion in the market as “one click buying”, hit world web site which covers and product arrange in the market.

Still the market share of the direct firm is in billions of USD, then, is to understand the reason behind the reason for the companies to enter the direct selling market, the image of direct selling firms is well heard by consumers, however to understand the reason for the companies and customer to get involved in the direct selling.

1.5 Major Research Questions and Sub-Questions

Main question

To determine a competitive analysis based on the consumer convenience to purchase any product from direct selling firm like Qnet?

Sub question

How effective is the word of mouth for the direct selling process?

What benefit does the internet search engine provided to the direct selling?

What are the factors that could influence consumers purchasing decision?

1.6 Research Assumptions

The result of this research is based on the assumptions that make clear and understand the validity and reliability of this research.

The assumptions of this research include the foundation of this study based on a review of relevant literature which is focused on scholarly literature, and the respondents used for this study are truthful, and the samples are collected from new

consumers of Q-Net Company, who had experience in the direct selling industry or had no experiences. The data obtained and data analyzed are only appropriate and valid for the research design in this study. The Q-Net Company has been studied, to understand the factors that influence consumers to buy the product or become the activity member. The demographic data is important to understand the purchasing decision of consumers.

1.7 Scope of Research

The research studies were participated with the new consumers of Q-Net located near the Phoei Chit Bts station, in the Homepro building, floor 13th Bangkok Thailand,

The study aims to explore the factors involved and influence consumers making a decision, to purchase products or services for a direct selling company. This study can be assumed for the people who are older than 25 years old and working as an individual sales representative or new consumers of Q-Net Thailand.

1.8 Limitations of Research

The time limit is considered as the main limitation in this field of study. As the company allows a limited number of hours to access their database from this study. In the beginning the researcher had a plan to compare all the direct selling companies in the Bangkok for this study. However, later considering time and budget, the researcher has made a survey about the consumers of Q-Net firm located in Bangkok near the BTS station, who have or doesn't have experience in the direct selling process.

1.9 Benefit of Research

The companies and consumers involved in the direct selling process could be benefiting from this study, as the businesses may be benefited greatly in making decisions to sell products through the direct selling. The Buyer/Consumer may get familiar with factors influencing the decision, on purchasing for direct selling and marketers will be able to identify and analyze the factors influencing consumers to purchase through direct selling. The marketers will also be benefited to formulate their marketing strategies for direct selling and also increase the knowledge and research in field on direct selling.

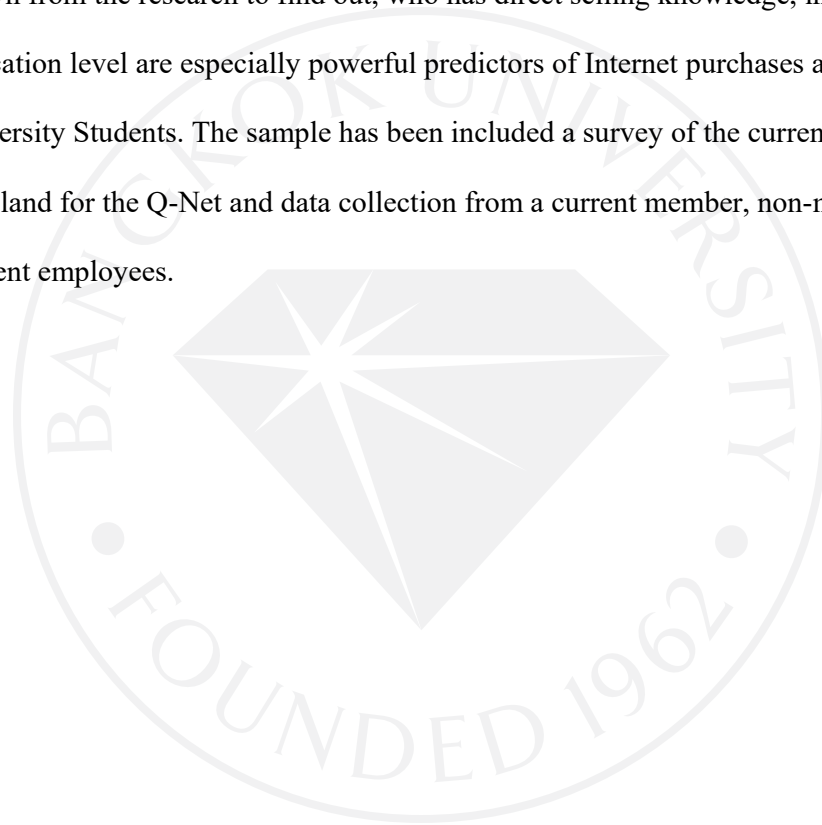
Consumers could greatly be benefited by receiving better service quality from the cause of their expressions and opinions in the survey might influence marketing strategies. Direct selling firms may also be benefits greatly by better understanding of consumer purchasing decisions and they can use this information to develop and provide more correctly service quality to meet the consumers' needs.

1.10 Conclusion

The overall of the research proposal is presented in this chapter. The research has the mission to educate, how some of the factors influence consumers/companies to sell/buy the product, though direct selling process and especially the current members of Q-Net. Consumer's attitude towards direct selling refers to their psychological state of terms for making purchases. The consumer decision is basic on decision making, which begin with the individual release the needs of the product and end with the purchase of the product. The five steps are the most important to direct selling as the sales representative needs to create the need in order to make a sale.

The interest of marketers in studying what actually motivates consumers to buy the product and how to gain a competitive edge in the market. Marketers need to

know the consumer behavior in the field of direct selling. So it is important to analyze and identify the factors which influence consumers to shop through the direct selling market, which will help in understanding the demands of consumers. Marketers also consider direct selling demography in terms of Age, gender, income and education equally important to define their strategies accordingly. Therefore, the model will be drawn from the research to find out, who has direct selling knowledge, income, and education level are especially powerful predictors of Internet purchases among university Students. The sample has been included a survey of the current members in Thailand for the Q-Net and data collection from a current member, non-members and current employees.



CHAPTER 2

LITERATURE REVIEW

This chapter briefly presents the relevant and important of the consumer behavior in the purchase. Firstly, define, the important of the WOM, it's learn and understand the different between tradition WOM and online WOM. The effect of the search engine. The importance's of consumer behaviors and the consumer decision-making process will be discussed step by step. After all the factors on consumer decision-making will be described. Finally learned the factors for the consumers to re-purchase and the conceptual framework.

2.1 Introduction

2.2 Word of Mouth

2.2.1 Traditional Word of Mouth

2.2.2 The Power of Word of Mouth

2.2.3 Online Word of Mouth

2.2.4 The Power of Online Word of Mouth

2.3 The Principle of internet search engine

2.4 Consumers Decision Process

2.4.1 Need and Problem Recognition

2.4.2 Information Search

2.4.3 Evaluation of Alternative

2.4.4 Decision Making

2.4.5 Post-Purchase Behavior

2.5 The Factors of Consumer Purchasing Decision

2.5.1 The Gender Effects on WOD, Interest and Decision Making

2.5.2 Factors in Word of Mouth Stage

2.5.3 Factors in Internet Search Stage

2.5.4 Factors in Purchase Decision Stage

2.6 Definitions

2.7 Concept frameworks

2.8 Conclusion

2.9 Question Framework

2.1 Introduction

Direct selling is a marketing strategy, in which the salesperson or commission base employee sells the product or services directly to the consumer without a fixed location, in some situation its door-door selling. In recent times, it has benefited the individual consumers become its commission base employee, by selling the product.

2.2 Word of Mouth

Westbrook (1987) defines the WOM as direct communication between consumers and consumers, characteristics of the particular good or service or about the seller with the direct involvement of the companies (Westbrook, 1987). The communication can be causal or product related, as the product-related related communication could be concluded as positive or negative. The consumers with happy, well satisfied and positive experiences are likely to pass on positive WOM (Anderson, 1998). On the other hand the fateful consumers, dissatisfied consumers often result in giving the negative feedback about the product or service, to other consumers (Richins, 1983). Word of Mouth requires

consumers to engage in deeper analysis, recall and interpret events, communication and share meaningful information with another.

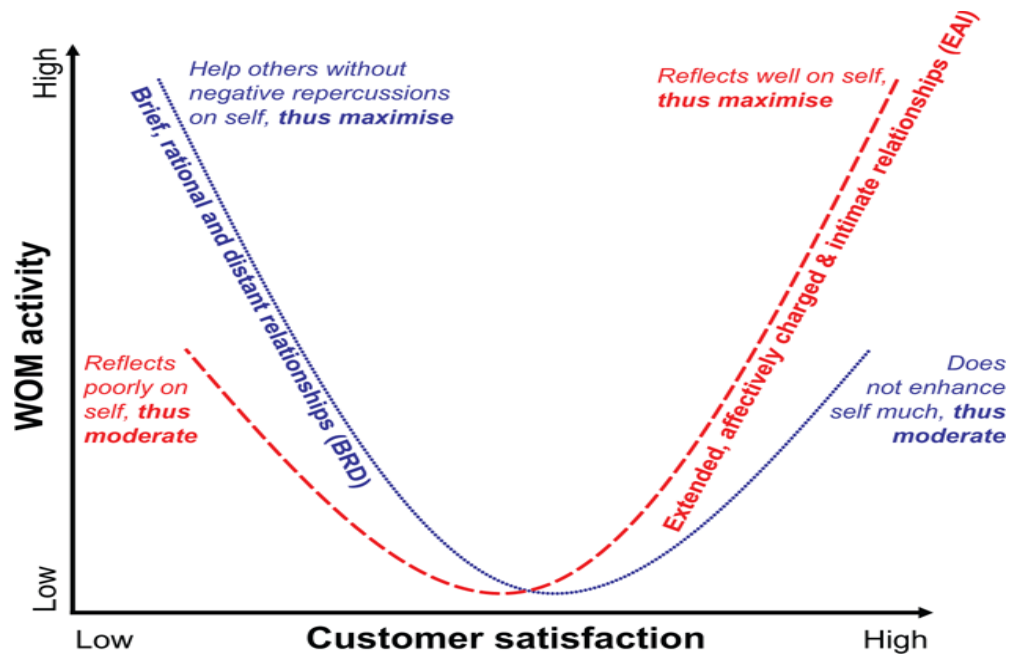


Figure 2.3 : Bodo Lang (2011, p. 587) How WOM communication varies across service encounters

2.2.1 Traditional Word of Mouth

In the beginning of the 20th century, saw the first research about WOM and from the very beginning, traditional WOM was acknowledged as being the most influential. An example of this was a study conducted by Katz and Lazarsfeld (1955), in their personal influence. Here, they found that informal, personal advice has much greater important than mass media advertising and they proposed that recommendations from people are a more important influence, than the formal advertisement (Katz & Lazarsfeld, 1995).

Brook (1957) supported this observation and suggested that the powerful networks of interpersonal relation existing within the consumer market could be used to sell the products. It is apparent that early researchers understood the power of personal contacts and recognized the importance that this held for marketing. They found that personal contacts are more powerful than the advertisement (Brooks, 1957). Modern researchers largely agree with the ideas that WOM is a potent influence governing consumer behavior (East et al., 2008), because impartial advice concerning purchases decision's reduces the level of doubt (Helm, 2000)

There have been numbers of research in Traditional WOM in recent decades, so several definitions of the concept are available. For example, Arndt (1967) well-defined traditional WOM as "Spoken, person-to-person message between a receiver and a communication, whom the receiver perceives as non-commercial, are communicated about the product and the brand of product.

Based on the past research, the researchers contemporary share the idea that WOM is almost entirely non-commercial. East et al (2008) defined WOM as: "Informal advice passed between consumers. It is usually interactive, swift and lacking in commercial bias."

Storm (1994) made a definite: "WOM occurs in real time and real life: It refers to utterances that be taken as the verbal acts of real persons on specific occasions in response to particular circumstances. These utterances are personally motivated, spontaneous, ephemeral and informal is structure- that is, they are not paid for by a sponsor; they are not composed and revised over time; they disappear as soon as they

uttered; and they are not consciously structure by means of literary devices (imagery, rhythm, rhyme) or formal patterns (poetic, epic and so forth).

Stern (1994) also accentuates some very interesting points. One of his proposals states that traditional WOM is personally motivated and spontaneous. This means that traditional WOM is, unlike ordinary advertising, something that is not planned and is a natural part of normal conversation, and it is important to emphasize that WOM is happening in a constantly changing environment. (Allsop et al., 2007). In addition, traditional WOM is spoken, so the words disappear and do not linger.

Dwyer (2007) provides an interesting dimension in his definition of traditional WOM: “WOM is a network phenomenon: People create ties to other people with the exchange of units of discourse (that is, messages) that link to create an information network while the people create social network”. The social aspect of traditional WOM is an interesting inclusion when defining the concept, as it can be argued that a social network is quite unique to work of mouth, especially when compared to ordinary advertising via television, magazines and similar media. When people share experiences, they create ties to each other and sharing information causes people to create a social network as well as information on the network

2.2.2 The Power of Word of Mouth

Mouth previous research acknowledges and documents the idea that WOM is a very powerful consumer influence, as it acts as both a sort of information and a persuasive communication tool (Schindler & Bickart, 2005; Goldin, 2002 & 1985). This explanation is the major reason why WOM is able to influence people’s buying behaviors

and final purchase decisions (Kiecker and Cowles, 2001; Buttle, 1998 & Bayus, 1985)

The literature reveals that WOM has a positive and strong influence on the new consumer acquisition (Trusov et al., 2009), and also affects awareness, expectations, perceptions, attitudes, behavioral intentions and actual behavior (Lam et al., 2005)

The power of WOM should not be underestimated because it occurs many times every day, as a natural part of normal conversation; as a result, it is spontaneous and independent of any seller (Gildin, 2003). According to a research study, using Americans as subjects, Keller (2007) found that people participate in 3.5 billion WOM conversations every day and brands are discussed 2.3 billion times per day. Even though, this research only included Americans, reveals the high level of daily WOM communication occurring around the world. According to the literature, trust, credibility, and personal relevancy are important influences on the power of WOM.

2.2.3 Online Word of Mouth

Online WOM originates from traditional WOM; researchers argue that it shares many of the same qualities. Several researchers (Hennig, Thureau et al., 2004 & Gruen et al., 2006) have found that because of the closeness between traditional and online WOM, it is reasonable to assume that the consumer's motives, important to traditional WOM, also are relevant to online WOM.

Online WOM various terms are used to refer to online WOM. For example, online WOM (Duan et al., 2008) is often referred to as “electronic WOM” (Phelps et al., 2004 & Hennig, Thureau et al. 2004) “Internet WOM”, or “word of mouse” (Helm, 2000 Goldenberg et al., 2001). These terms all describe exactly the same concept. Hennig,

Thurau et al. (2004) define online WOM as being: “ Any positive or negative statement made by potential, actual or former customer about a product or company which is made available to a multitude of people and institutions via the internet”. Just like traditional WOM, online WOM consumer based communication about a product or company. It just happens in an online environment.

Characteristics of Online WOM.

Online WOM uses new technology in an online environment, Inc. is luring mobile phone and the internet (Kiecker et al., 2001). These are often referred to as the “new media”, which is characterized by its interactivity, making it possible for the company to have a dialogue with the consumers in a way that was not previously possible (Pitta and Fowler, 2005 & Bezjian-Avery et al., 1998). Furthermore, the process of WOM communication moves considerably faster in an online environment (Mason, 2008)

As a result, online WOM has acquired a new level of importance, because internet consumers can interact with each other and share their interests and knowledge, largely due to the fact that the internet encourages interpersonal communication and activities (Wolin, 1999). At the same time, the internet possesses many possibilities that are important to both consumers and organizations, due to the process of bidirectional communication. Organizations can reach a higher percentage of people in their target audience much faster than in the real world. Online WOM can reach numerous individuals for an unspecified period of time, in direct contrast to the short lifespan of the spoken word (Hennig Thurau et al., 2009). Arguably, this makes online WOM even more effective than traditional WOM, which is hampered by the limited reach of face-to-face

communication. At the same time, the costs are very low and individuals can, make their personal opinions easily accessible to the global community of internet users (Dellarocas, 2003). The internet makes it easy for consumers to gather unbiased product information, from fellow consumers and pass on their own consumption related advice, by engaging in online WOM communication (Hennig Thureau et al., 2004). The internet offers numerous possibilities for consumers to share their opinions, preference and experiences and companies have a great opportunity to use this to their own advantage (Trusov et al., 2009). In relation to this, there is the idea that online WOM grants various advantages to consumers because of its ability to use a variety of formats (Gruen et al., 2006)

2.2.4 The Power of Online Word of Mouth

There is little question that the online world of mouth is an influential marketing tool (Allsop et al., 2007). With the new technology, WOM is even more powerful, largely due to the new possibilities created by modern communication. The internet has magnified the power of WOM in the market place (Ostrom, 2002) and new, informal communication channels such as the internet, mobile phone, text messaging, email, instant messaging and blogs, have all made it very easy to share information and opinions. Some researchers (Streukens., 2009) reinforced the idea consumers may well be more open to online WOM. The reason is that consumers actively search for information online before making any purchasing decisions (Streukens, 2009).

This idea makes perfect sense, because consumers actively seeking product knowledge online are more open to acting upon the information they gain (Streukens, 2009), because their guard may be down. Extending this important point, online WOM

appears to be a significant Influence upon a consumer evaluation of products (Hwang, 2009). Furthermore, Kiecker and Cowles (2001) found that, regardless of where WOM takes place, in an offline setting to an online setting, the influence of WOM communication is still present.

Another advantage of online WOM is that it takes place in public rooms (Andreassen & Streukens, 2009), such as the internet. Seen from the eyes of companies, this gives online WOM a great advantage, due to the fact that is able to reach a larger audience than traditional WOM, Thus, new technology, such as the internet, is something that companies can take full advantage of thanks to the internet and social media tools, it is possible to look inside what was, customarily a private sphere (Andreassen & Streukens, 2009).

2.3 The Principle of Internet Search Engine

In today's world Internet is considered an indefinite source of information that teachers might effectively use not only for lesson planning but also for their self-education. Language teachers, above others, may profit from this large amount of authentic language materials. Nevertheless, the whole process of gathering online information might be both time-consuming and non-beneficial, if the searchers do not follow the rules, which are required by web search engines. In other words, proper key word formulation, usage of advance search features and right examination of the retrieved search results, enable users to get familiar with a large number of websites.

To be more effective in use the internet as the search, the search engine is best tools, as the internet search engine is designed to search the website for the exits web

search, well for the domain name or for the key word. Web search might be simply explained as an individual is looking for an information by using of World Wide Web, which is a collection of interconnected web pages (Sperling, 1997). The information or pieces of the information is gathered by the search tools, directories and web search engines. With click on the information is found on the search engine. It's important to find, understand the process of search engine as the some information may not be found the domain is not registered or got expired, etc. and they are two main search base engines

Crawler-based Search Engines

Web search engine is defined by Hock as “a service on the Web that allows searching of a large database of web pages by word, phrase, and other criteria”. To be more precise, the searching is based on a text-match and the database is built by a crawler. The crawlers, or spiders, scan the Internet and identify new pages. After the identification, the page is indexed under virtually every word on the page, the URL, meta tags, the URLs of links, etc. The indexing program then retrieves related pages in the database according to the user’s query. It also determines the order of the results while following a relevance-ranking algorithm (Wikipedia, 2013).

Meta Web Search

The Meta web search engine provides collective searches. It is a searching tool that does not have its own database and uses other web search engines and sends them the query at the same time. The results are then compiled on a single web site or in multiple frames or windows. The result duplicities should be deleted (Notess, 2007). According to

Hlavenka, the number of web search engines that are used by Meta search varies between a few and hundreds of engines.

It might seem that Meta web search could settle the debate over using several web search engines, e.g. Iskra recommends gathering and comparing results from a number of the search engines. Nevertheless, Meta engines are used less than regular web search engines because of the prevailing number of their negatives. First, the major web search engines do not support Meta searches. They are considered to be parasites' on others which collect the data. In other words, Google, Yahoo and Ask block the query

2.4 Consumer Decision Process

The “consumer decision process considers as a model that represents a road map of the consumers’ mind’s” (Blackwell, Miniard, and Engel, 2001). The process begins with the realization of need to be satisfied, followed by four core stages as follows, information search, evaluation of alternative, purchase and post-purchase (Kotler & Keller, 2009).

2.4.1 Need and Problem Recognition

Before the consumer goes to problem recognition, consumers need to understand they need. As Maslow described human needs “as well-organized in a proponent hierarchy-a pressing need would need to be mostly satisfied before someone would give their attention to the next highest need” (Maslow, 1943)

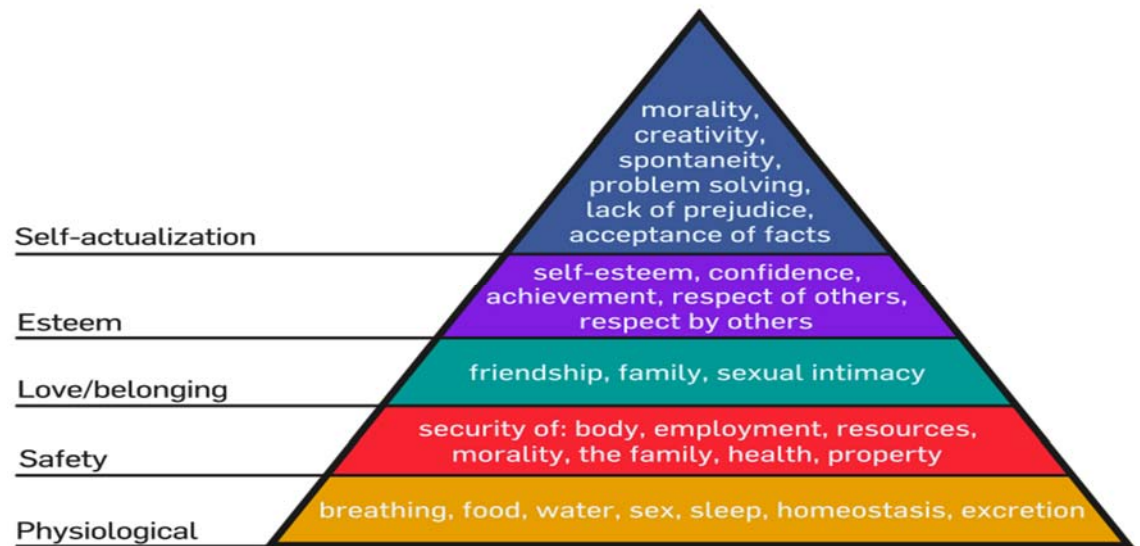


Figure 2.2.1: Maslow's Hierarchy of Needs

Source: Maslow, A.H. (1943). A theory of human motivation. *Psychological Review*, 50(4),370.

Solomon et al (2006) describes the consumer purchase process always begin with the consumer recognition some sort of problem or need that would be satisfied by purchasing good or service. This realization of the current stage of individual and understanding the different between disable stages of individual, result in consumer realizing the problem to be solved and self-motivated or behave in certain disable way to solve the problem or need of individual.

On the other words, “if the satisfaction with the actual state decreases or if the level of the desired state increases beyond a critical level, a problem is recognized that propels a consumer to action”, explained by (Kardes, 2002). Actual state occurs when consumer runs out of the product and can be simply demised by purchasing that item.

The desired state usually influenced by factors that affect consumer's aspiration and circumstances, such as the influence of the reference group, culture and lifestyle trend.

2.4.2 Information Search

As the consumer has solved the problem in problem of recognition stage, the consumers head to the next important stage of information search. In this stage, consumer search for information about product and service, the search can be internal or external search. Consumer learned from their past experiences, about the product or service they had bought. Those types of information are in store in their memory and analyzed or recalled that information at the time of facing a problem or understand the need. Stored information is often scanned by individual and tries to find the solution from the information.

Once a problem is recognized, relevant information from long-term memory is used to determine, if a satisfactory solution is known, what the characteristics of potential solution are, what appropriate ways to compare solutions are, and so forth. All there are internal searches.

Consumer purchase decisions do not fully depend on the internal search, as the information gather are not enough to conclude the purchase decision (Noel, 2009). Therefore, it is usually followed by external search. All the possible search sources are encompassed passes in external search and sources of information in the consumer's mind; these include for example independent sources, personal sources, marketer-based information, and product experience (Hawkins, Mothersbaugh & Best, 2007).

In general, consumers are searching for the product, brand and additional information; however, that's not the case in the entire situation, in some situations consumers are making purchases by searching for few or less information. Instead, consumers often look for cost and benefits and decisions can fundamentally depend on price and benefits to consumers. According to Asch and Wolfe (2001), the amount of search depends on individual wills, which are fundamentally dependent on individual motivation and interest to make purchases and some information are stored in the consumer mind, other sources which are obtained with ease.

Contrary to Noel (2009) and Solomon et al. (2006), Asch and Wolfe (2001) describe consumers' information sources can be categorized into four sources. Which are personal source, commercial source, community sources and experimental source. Contrary to Noel (2009) and Solomon et al. (2006), Asch and Wolfe (2001) define personal sources and commercial sources as the external source of information and experimental to be internal sources of information. Contrary to Noel (2009) and Solomon et al (2006) define consumers get disperse information from those elements, which help in making a purchase. Commercial source is considered most real and dependable sources of information, as the short running film generates a lot of information and other elements are a significant source of information.

2.4.3 Evaluation of alternative

Blackwell et al. (2001), Kardes and Solomon (2004) identify the process of the consumer's alternative evaluation into two processes.

Product categorization Process: Consumers usually determine the product that position in the same category. They compare one product choose over the other product able in the market, which is in a similar category. It's important for the companies to understand how consumers grouped the product. Many consumer researchers show that “well-known and respected brand name from one product category is extended into the other product categories, is one way companies employ categorization to their advantage”, (Blackwell, Miniard & Engle, 2001) For example, dole brand name, associated with fresh fruit, could work well in frozen sections.

Alternative Evaluation Process

2.1 Non-compensatory evaluation strategies: This strategy is more likely to be applied to a low - involvement situation. Consumers eliminate the entire alternative that does not fit in their basic standards. In some cases, consumers do not concern to reach the optimal decisions; they merely want to make “good-enough” decision (Kardes, 2002). In this strategy, some weak attributes cannot be compensated for the weakness of the product taste. The simple rule that is usually applied in no compensatory evaluation strategies is lexicographic rule, elimination-by-aspect rule and conjunctive.

Lexicographic rule: Consumer starts to rank the attributes in their order of importance. The consumers compare the various brands and will select the brand that is the best on the most important attribute are considered equally good, then consumers will compare to the second most important attributes.

Elimination-by-aspects rule: Like lexicographic rule, brand are first evaluated in the most attribute, attribute most cutoffs also are imposed. The consumers may use

cutoff such as “must be under \$2” (Blackwell, Miniard & Engle, 2001). The brands are the most important attributes and not surpassing the cutoff point, the brand is selected.

Conjunctive rule: Minimum cutoffs are established for each attributes, if the brand meets the cutoffs for all attributes, it is chosen. The cutoffs may be revised if all brands are not acceptable.

Compensatory Evaluation Strategies:

Under high-involvement situation, the consumer tends to use compensatory evaluation strategies. Unlike no compensatory evaluation strategies, the weakness of one attribute may be compensated by the strength of another attribute (Blackwell, Miniard & Engle 2001). According to this model, consumers do not have to reject the brand just because it has low ratings in particular attribute, because the strength of other attributes may overcome and the brand could still be chosen.

2.4.4 Decision Making

Consumer move to decision making stages, here the consumer will analyze and practice the decision rule, in order to choices the product and brand option. (Evan, 1996) Decision rules are referred as a heuristic and here the value is assigned to a product and the decision is made on determining and criteria base. Solomon et al (2006) defines for consumer analyze the heuristics, which help in making decisions, as its help in breaking down large complex information into small and modest information.

Kotler and Keller (2009) define that there are two factors which are critical in decision making. The first is a consumer’s attitude, as the most powerfully and significant factor in consumers purchasing decision and supplementary factor is an

unanticipated situational factor. The consumer's attitude is depending on the surrounding; other consumers can effect and result in reducing individual preferences. Here are the effects depending on an individual relationship with the consumers. The probabilities are greater that consumer changed their mind by the other person's attitude. These negative attitudes of other consumers affect the consumer purchasing decision.

The other factor of unanticipated situation is 'the other reason', which might change the consumer behavior, here the situation can simple as the disliking of sales person in the store or the disliking of one losing a job. It's critical to understand the purchase intention and preferences toward a certain product or brand are sometime reliable predictors of individual buying behaviors, because of the factor mention.

In some situation, consumers don't spend time on information search and evaluation and alternatives stages, instance consumers engage in impulse buying. Even et al (1996) defines that consumers often purchase lower cost products on impulse. In impulse buying, consumers make a purchase with no or little information search and the purchase is made all a sudden, as the individual releases immediately need for a purchase. Impulse buying is always a sudden purchase, in which consumer skip the major steps of information search, evaluation and alternatives, which consist or occurs in recognition and the actual purchase (Even et al, 2006)

2.4.5 Post Purchase Behavior

The final stage for making decisions is post-purchase evaluation. After purchasing consumers would conclude what they have experienced during the process. The conclusion generates two outcomes: satisfaction and dissonance (Tan, 2010). If the

product or service experience is beyond their expectations, they would satisfy to their selection. However, the dissonance is caused as the final selections do not meet expectations. If dissonance happens, the consumer would search information and evaluate alternatives again to get a better choice.

Although the consumers analyzed and consumed the heuristics and decision rules in their purchasing decision, however, it's not necessary to be always logical and the factors to be analyzed. Sometime consumer purchasing decisions depend on the normative and emotional factor rather being a purely rational justification.

2.5 The Factors of Consumer Purchasing Decision

2.5.1 The Gender Effects on WOD, Internet and Decision Making

The “Gender identity will be used to refer to the personality traits of masculinity and femininity, and gender role attitudes refer to attitudinal differences regarding the roles, rights, and responsibilities of women and men” (Fischer & Arnold, 1994). Male and female have different influence on WOD stage, internet stage and decision making stage.

Word of Mouth Stage

The WOD is a verbal exchange between two or more consumers. As the verbal communication is happening in real time and in the real world (Storm, 1994), the WOD influence the gender differently (Jose Capo, 2014). Kotler and Keller (2009) states the different shopping behavior between men and women. Women tend to easily purchase a product without knowing the proper information about it, whereas men are more passive to a product. Women include outsider in her group, when making a

purchasing decision (Wintering et al., 2009) and believe the outsider has all the information needed in her purchasing decision. As for the men the decision is made by trusting the inner-circle, when making a purchasing decision (Grabmeier, 2005).

Internet Stage

Spelling (1997) states “the internet is a collection of interconnected webpages” and the “the World Wide Web (www) is interconnected to the search engine”. Gender influencing the internet differently, as male and female use the internet differently (Weiser, 2000). Female use internet for gaining information, chatting, education and email, whereas the male has a different attitude to towards internet, as they use the internet for online shopping, online game, web searching, reading blogs online and building a web site (Weiser, 2000). Female use internet for information's sake, reading material online to gain knowledge (Liu and Huang, 2008) about the product or services. According to Sherman et al, (2000) male has a different approach toward the internet, as they use the internet for professional needs or to gain information.

The gender had differently social status, as female use internet to maintain their social value, social need and the social value can affect their decision towards issues (Garbarino and Strahilevitz, 2004). A Male decision on the other hand is more product, performance base and has less effect on social views (Garbarino and Strahilevitz, 2004).

Consumer Decision Making

As explained in section 2.5, the consumer decision making passes through 5 steps before a decision is made, as the male and female have different need and want, the

decision making process differs in gender (Gill, Stockard, Johnson and Williams, 1987 & Carli, 1999). Consumers decision making is based on price, brand, refund policy and security issues and those factors affect male and female. Accord to Block and Morwitz (1999), found that the probability that a purchased product was on a planned list was higher for female than male. Female listed more objects of sentimental value, while men chose more items relating to leisure and finances.

Male and Female has a different approach to word brand, Mittal and Kumakura (2001) state that female consumers are more brand loyal than male consumers. Contrary to this Meutinho and Good (1995) state that male brand loyalty depends on the product performance. Refund policy have no influence as gender decision making (Jain and Srivastava 2000 & Srivastava, 1999). However, gender deal differently with security issues, as the male is considered the breeding earn and protector of the family and female as a housewife (HagemannWhite 1995 & Hausen, 2000). Male has a concern about security issues as they have to make sure their families are safe, whereas the females are less worried about the security issues.

2.5.2 Factors in WOM Stage

Credibility

The perception of credibility is another element dictating the power of WOM (Hung et Li, 2007). Credibility occurs when the recipient perceives at the source of a message possesses relevant knowledge, skill or experience and the recipient is confident that the source gives objective and unbiased information (Belch and Belch, 2007).

Furthermore, WOM messages are commonly perceived to be far more credible marketer

initiated communication (Allsop et al., 2007 & Buttle, 1998). The underlying reason for this is that the message typically originate from people with little commercial benefit arising from telling others about the product or a service (Gildin, 2002). To add to the level of credibility, WOM messages are especially believable when they come from unbiased people with a similar background to the receiver (Allsop et al., 2007). The most credible people are family, friends, colleagues, other networks and peers. Certainly, it can be argued that the credibility of WOM messages is a major advantage in a world where the level of trust in organizations appears to be declining (Allsop et al., 2007)

Trust

Trust refers to the level of trust between two consumers. This variation depends upon the personal relationship, present between people sharing recommendations (Keller, 2007). This is consistent with Moorman et al. (1992) who believe that trust represents a person's willingness to rely on of another individual that they believe to be reliable. The receiver of a WOM message trusts the sender's intention to make a genuine, unbiased recommendation. Adding to the intention, the individual usually trusts people with a similar personality and outlook to themselves (Eccleston & Griseri, 2008). Because the receiver of a WOM message trusts the sender, it lowers any anxiety, vulnerability and uncertainty surrounding a particular transaction (Augusto de Matos & Rossi, 2008)

Personal relevancy

The Personal relevancy of a WOM message is another reason why WOM is a powerful medium, and is highest when a message succeeds in appealing to a person's values (Allsop et al., 2007). WOM message is normally made with the intention of

making a genuine recommendation to a fellow consumer and because of this personal relevance, they are more likely to be heard and acted upon (Allson et al, 2007) emphasize that the more personally relevant the WOM messages are, the more likely it is that fellow consumers will pass the messages to others.

2.5.3 Factors in Internet search stage

Search Engine

In today world Consumers access Internet and it's considered an indefinite source of information about the product and service. Nevertheless, the whole process of gathering online information might be both time-consuming and non-beneficial.

Online User Reviews

Online user reviews have become an important source of information to consumers (Judith and Dina, 2003). The Online user reviews are a useful source of information for individual decision making, as the positive reviews can influence the consumers decision making (Anderson, 2003).

2.5.4 Factors in Purchase Decision Stage

Price

Price is unquestionably one of the most important marketplace cues. The pervasive of the price is due part to the fact that the price cue is present in all purchase situation (Donald, Nancy & Richard, 1993).

Brand

The brand was defined as the quality of the product or service. Often, brand was referred to the seller's reputation and consumer loyalty associated with the seller (Haig,

2001). Brands and features increases, as more information and consumer awareness (Kotler and Armstrong, 1997). Direct selling should strengthen shopper trust and believe by being famous and believe in buying famous.

Security Issues

Here is the most important factor that affects the individual to purchase for direct selling firms and the consumers must be sure about the product and service. The primary reason indicated by those who didn't buy for the direct selling represented, as the reveal of personal cash in hand or the credit detail to unknown personal (Rao, 2000).

Refund Policy

It the major and important issues as the sales is made directly to the consumer without fixed location, so the direct selling represented should provide unconditional refund policy to their consumers, who were not satisfied with the product (Lee, 2002). Direct selling represented should have refund policies to consumers, that they will refund within a reasonable time frame (Bishop, 1998).

2.6 Definitions

The definitions in the cause of the chapter 2 are as follows:

Word of Mouth is the passing of information from person to person by oral communication, which could be as simple as telling someone the time of day

Credibility refers to the objective and subjective components of the believability of a source or message.

A web search engine is software code that is designed to search for information on the World Wide Web. The search results are generally presented in a line of results

often referred to as search engine results pages (SERPs). The information may be a specialist in web pages, images, information and other types of files.

Brand is the "name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers.

Branding was adopted to differentiate one person's cattle from another's by means of a distinctive symbol burned into the animal's skin with a hot iron stamp, and was subsequently used in business, marketing and advertising attitudes

An attitude is an expression of favor or disfavor toward a person, place, thing, or event. Prominent psychologist Gordon Allport once described attitudes "the most distinctive and indispensable concept in contemporary social psychology."

2.7 Conceptual Framework

A conceptual framework is employed in research to outline the likely sequences of action or to present a preferred approach to an idea or assumed (Kakutani, 2009).

For this reason, the conceptual framework of the study – the system of concepts, assumptions, expectations, beliefs, and theories that supports and informs research – is a key part of your design (Miles & Huberman, 1994; Robson, 2002). Miles and Huberman (1994) defined a conceptual framework as a visual or written product, on that “explains, either graphically or in narrative form, the main things to be studied the key factors, concepts, or variables.

2.8 Conclusion

The consumer’s buying decision is the main reason behind the purchase decision for the consumers. The consumer Decision Process Model represents a road map of the

consumers' minds (Blackwell, Miniard, & Engel, 2001) and the first step in the consumer decision making process begins, when individual realized the need for the product and can be satisfied with a purchase. Maslow (1943) Best explain the need, the consumer purchases as they need to satisfy their need, which is fulfill by a product. It's the first and the main step in the buying decision and followed by the four steps in consumer decision making.

The WOM plays an important role, as it gives the additional information about the company or product to the consumer who desires the information. As the information system grows the consumer are introduced to online WOM. The online WOM is explained as the word on the internet which include the mobile phone (Kiecker et al 2001). The effectiveness of the online WOM depends on the source of information. Source of information can be a person like a friend; family and etc.

The next important step is to learn about the trust level, of the individual person and the perception of credibility is another element dictating the power of WOM (Hung et, 2007). Those three factors in WOD stage are not only important to WOM but those three elemental effect the consumer buying decision.

As the world enters the internet age, in today's world consumers always search on the search engine for the product or for the information about the product. In the information age the internet plays another important role, in the customer buying decision.

2.9 Question Framework

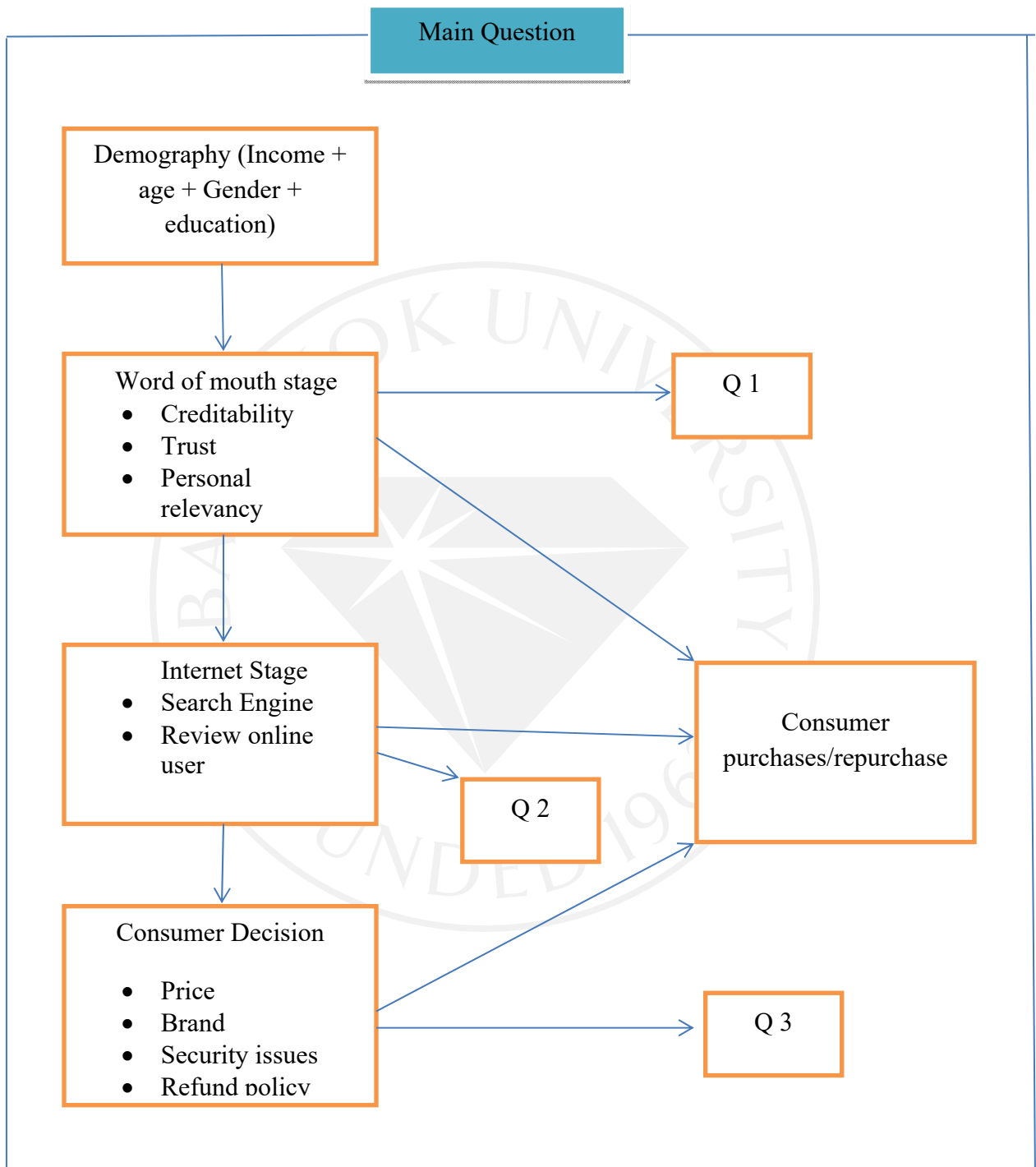


Figure 2.9 : Question Framework

CHAPTER 3

RESEARCH METHODOLOGY

This Chapter explains the overview of research methodology and provides comprehensive explanations of research processes. It comprises a review of research methodology and statement of research methodology utilities. It presents a discussion of the research methodology which focused on identifying the factors of direct selling, from the framework presented in Chapter 2. It consists of the following topics:

3.1 The Review of Research Method

3.2 Research Design and approach

3.3 Questionaries'

3.3.1 Research Question

3.4 Sampling Design

3.4.1 Population and Sample

3.4.2 Sample Techniques

3.4.3 Sample Size

3.4.4 Data Analysis

3.4.5 Coding Structure

3.5 Reporting

3.6 Validity and Reliability

3.7 Statement of Research Method Use

3.7.1 Method of Inquiry

3.7.2 Methodology

3.7.2 Pilot Study

3.8 Conclusion

3.1 The Review of Research Method

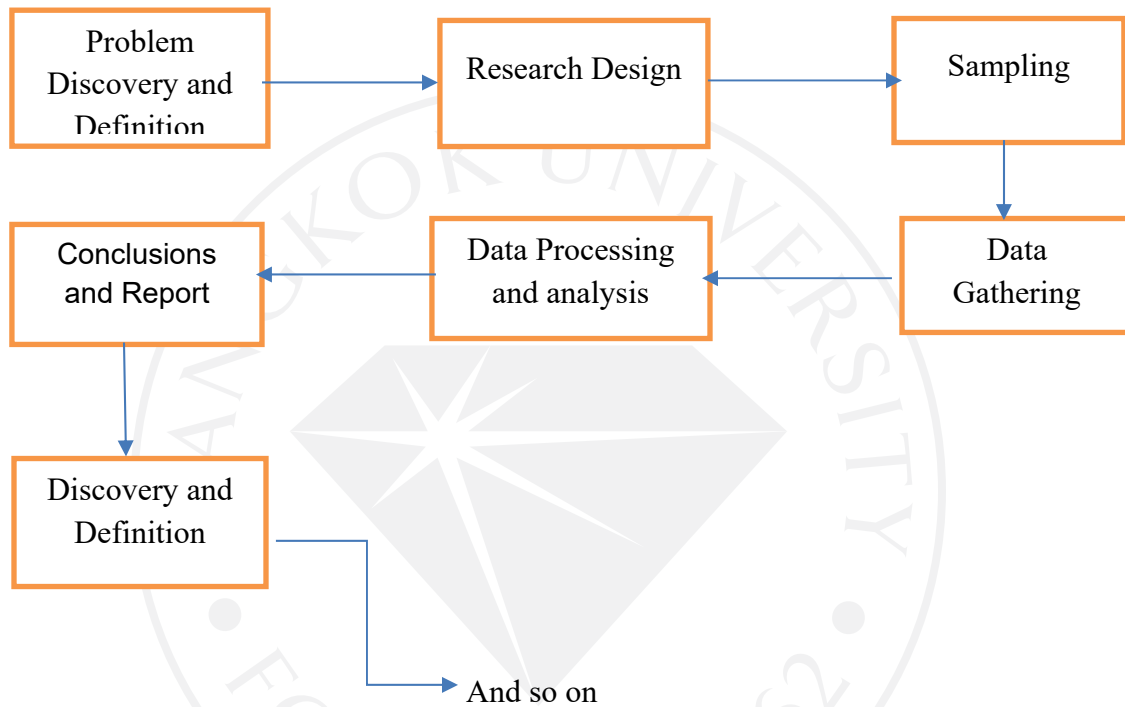


Figure 3.1 Exhibit of Research Process

Source: Zikmund, W. G. (1997). *Exploring marketing research*: Orlando: The Dryden.

The image above displays the step taken in this research process. Steps are arranged in spiral format which illustrates the cyclical process of research where the conclusion is grown from a research study usually generate new ideas and problems that need further research. Further explanation for each step as follows.

At the first-step stage of the research, research problem at this stage must be defined. In order to belief and understanding of the topics from the point of researcher

point of view are significant. The researchers may define it differently as per individual need, however, ever all the possible definition, lead to the problem in research to be researched and lead to the following process. Churchill and Brown (2004) defined the research process begins with the recognition of a marketing problem or opportunity to be solved or founded. Once the problem is briefly defined, the research is designed to provide pertinent information. Churchill and Brown (2004) state that, this part included specifying the objectives of the specific research project or projects might be undertaken so the next step of the research process should not be taken until these can be explicitly stated.

The second step: where the researchers are involved in designing simple framework. The framework is designed to guide in collecting and analyzing data. The most important aspect for the researcher is to make sure those designs are relevant to the problem stages and will use inexpensive procedures (Churchill & Brown, 2004).

Exploratory research this approach are most relevant when the research objectives includes identifying problem or opportunity, developing a more precise formulation of problem and opportunity , gaining perspective regarding the potential significance of operation in a situation, establishing priorities regarding the potential various problem , gaining management and researcher perspective concerning the character of problem situation , identifying and formulation alternative courses of action and gathering information on the problem associated with doing conclusive research (Kinnear & Taylor, 1991).

Literature like statistics, journals, articles, business journal and other hand

literature will be review in literature review which can be conduct with exploratory research. Here the survey like experiences survey will employed to interview the individual with the knowledge of the ongoing research topics or the subject that has been investigated. Here the surveys are given to the focus group and the groups are feathers dividend into the small number of individual or individuals simultaneously. In order to conducted the survey and the data for the survey are generate, collected and analysis of Interest (Churchill & Brown, 2004).

Conclusive research models are designed in a way to provide the information and it's used for evaluation of alternative stage, which far helps in taking action (Kinnear & Taylor 1991). Conclusive research model are preferred by the researcher, who is interested in the statistical test, advanced analytical techniques. In this research model the Quantitative techniques is mostly applied as the research model deal with the large sample space, compared the information with exploratory studies (Nargundkar, 2008). The conclusive research methods can be further categories into descriptive research and causal research (Malhotra & Birks, 2000).

Descriptive research can be specified that helps researcher with generate the data for their research, which help in explaining the characteristics and composition of relevant group of the studies. The relevant group could be the customers, employees, organization, or other services providers (Nargundkar, 2008).

The 3 research methods presented in this chapter, the research selection depends on individual research objectives, which are survey oriented. Surveys are design to obtain the information, facts, opinions and attitudes by interviewing the respondents.

Observation research are best suited for descriptive research, as is to measure causality in which the investigator changes one or more variables while the observing the effect of the change on another variable (McDaniel & Gates, 1998).

Third stage is the development of sample calculation. Sample is a subset of population under research design .This involves defining target population and means of calculating and selecting of sample. Depending on number of population and method of research, there are various ways in determining on numbers of samples. There are also numerous methods of selecting samples, which can be classified into two major groups, which are probability and nonprobability sampling.

The survey conducted by the General electric on the characteristics of demographics for refrigerator purchases, which consist of the buying behaviors of customers, in term of various sizes of the refrigerator and those types of data collected in the surveys are known as the primary data. The companies' storage the primary data in files and complied the same data form the warranty cars its customers had returned or if the information about the refrigerator buyer are already publish in industry statics, then the data is to consider as the secondary data, that mean the secondary data is information which are collected for futures studies (Churchill & Brown, 2004).

Churchill and Brown (2004) classified the secondary data as the internal data, that can collect within the organization records or other internal source like warranty cards, invoice, report, sales report, credit memos and sales expense accounts. The another source from external data that originate outside the organization for which the research is

being done that for , published for diary , store audit data , panel data , scanner data , periodicals , instance directories and advertising exposure data.

The subjects in the primary data are classified as demographic and socioeconomic characteristics, which includes the individual age, income and gender. Personality or the buying behaviors of the individual are classified as the Psychological and life style, which include the individual attributes, traits and mannerisms. Attitude are classified as individual's preference, views, inclination or the individual feeling toward the phenomenon and opinion , which are verbal expression of an attitude. Awareness and knowledge help in the insight or facts that help in understanding about the object phenomenon. Intention refers to the individual's anticipated or planned future behavior. Motivation is significant to recognize a need, desire, impulse or any inner state that energize, activates or channel behavior toward goals (Churchill & Brown, 2004). The fifth stage is the processing and analyzing of collecting data. The researcher must perform three tasks which are coding, editing and analyzing the data.

After finishing analyzing the data, research is now in preparation for the final stage of the research process, which is a conclusion and report presentation. The conclusion of the research must be able to provide a sufficient answer to the problem address by research objectives and questions. Following the event ,the summary of the finding to the target audience. The context of the presentation must not contain too many jargons and technical terms which may confuse the audience concerns. The findings should not emphasize on detail and rather address what can be concluded from the finding and recommendation for future research if present. Additionally, researchers

should also prepare a written report which is the documentation of the entire research for the purpose of future references.

3.2 Research Design and Approach

Studies of any particular types required to follow the methodology. As without proper understanding of methodology, methods and can lead the student to unclear understanding. The methodology state that how the studies can be conducted and what dealt with it. Furthers discussion and understanding of the method can lead to analyzing of the data and in the later stage. Other significant of the method to remove or reducers the confusion in the studies and clearly the studies by analyzing what should be done. This section of the chapter 3 will cover all about the methodology due to its significance in the studies.

In this section of chapter 3, the methodology specifically defined how the research was designed and to what approach was utilized. Although the approach is kept simple but are very significant one, two studies which makes the most, send in the information that is available and the answer that the researcher seeks to find in the this study. Before drawing conclusion of the chapter for literature review, the re-examining of everything is done, in order to products more accurate conclusion. The conclusion is important, as it will be the source of information for the chapter 4, however, some additional information will come the gathered by the researcher from the surveys that were conducted regarding the direct selling in this study.

Qualitative methods are best suited for the primary data, as the method conduct

the survey with the small population or the small sample size. The survey conductors by asking mostly most end question and the individual behavior are observed (Hair et al., 2006).

Quantitative methods deal with the larger sample space and which involved in counting, measuring and analysis of a casual relationship between variable, the purpose is to explain the phenomenon (Denzin & Lincoln 2000; Holme & Sovang 1996; Gillham 2001). Alvesson and Skoldvery, (2009) state that the researcher own ideas about the how to interpret the data and its variables to producers highly affect analyzed phenomenon.

Most of the studies are involved with conducting surveys or interviewing the subject. The researchers are in practice to analyze and reviewing the work of another researcher, which are quite common method employed in studies or research with the similarities in nature. This is why it will be done to help with understanding of what has gone wrong and where in research of companies.

3.3 Questionaries'

Questionnaire or form design is an important step in formulating a research design. According to Malhotra (2004) questionnaire are “a formalized set of questions for obtaining information from respondents”. The questionnaire is divided into three specific objectives. First, the information needed for the researcher much is properly translated into sets of questions, that respondents are willing answerable. Secondly, the most significant, the set of questions must be designed in a manner, that respondents are motivated, uplift and encourage answering the questionnaire. Finally a questionnaire should minimize response error (Malhotra, 2004).

Closed-ended Questions

Closed-ended question or set of question or the format, which limited the respondents to answer the question in a particular ways. Closed-ended is classified as multiple choice questions.

Scale Question

These sets of question are mostly employed in survey research, which scaled the respondents and the terms interchangeably with the rating scales. A rating scaling is a set of categories designed to elicit information about the quantitative or a qualitative attributes.

Open-Question

Open question that cannot be answered with a yes or no, but requires a develop answer.

3.3.1 Research Question

Main question

To determine a competitive analysis based on the consumer convenience to purchase any product from direct selling organization like Q-Net?

Sub question

How effective is the word of mouth for the direct selling process?

What benefit does the internet search engine provided to the direct selling?

What are the factors that could influence consumers purchasing decision?

3.4 Sampling Design

3.4.1 Population and Sample

A well-defined population and sample is an essential in the process of the sample design. Veal (2005) has defined the term population as “the total of category of subject that is the focus of attention in particular research project”. Population can be assumed that in such an inquiry when all the items are covered no elements of chance is left and obtained the highest accuracy. (Kumar, 2008). Sampling design is a subset of the population that is selected for the purpose of study. For example, 100 samples out of 2000. An effective sample must represent the element of the population in the most precise manner (Babbie, 2010).

3.4.2 Sampling Technique

Sample design is a method by which the sample is selected from a population. Sample design can be classified into two categories: probability and nonprobability sampling design (Martin, 1996). Probability sampling enables researches to estimate the amount of error of the sample represented toward the population, while the nonprobability sampling lacks in such capability (Malhotra, 2002). The following chart summarizes the conditions favoring the usage of both the probability and nonprobability sampling.

Probability sampling techniques are categorized into four types of probability sampling technique. Simple Random Sampling uses unbiased device such as computer or an advance calculator to assign numbers according to the amount of the population, then

select each number at random to form a sample without creating any subsets. Systematic sampling requires finding sampling ratio by dividing the sample required for the population to create subsets of equal proportion, then select sample out from each subset based on the ration. Stratified sampling separates population into subsets according to the homogeneity among the unit within a particular subset and heterogeneity between different subsets. Cluster Sampling is the last techniques which subsets are determined by the proximity between units. (Saifuddin, 2009)

Nonprobability Sample: There are also four types of nonprobability Sample as follows. Convenience or Haphazard sampling chooses the sample were chosen in any convenient manner specified by the researcher. Positive or Judgments sampling chooses according to the researcher's background knowledge and experience regarding the population. Quota sampling is the subtype of the Judgmental sampling (Martin, 1996) in which researcher's has the knowledge about different types of sampling units present within the population and divide the sample according to the percentage of the amount of sampling unit within the population. Last is the snowball sampling in which researcher asks the respondent to recommend another member of the same population and possible location to find them.

3.4.3 Sample Size

Sample sizes are most significant to the study, as the smaller size can affect the result of individual research. However the effect will be different, as it's depend on individual selection for the methodology methods. For instance the qualitative research design and techniques to support the smaller range of sample size, a range of 6-10 sample

size is recommended for this methodology methods. (Miles & Huberman 1994 ; Creswell, 2007). An appropriate sample size for a qualitative study is one that adequately answers the research question. In practice, the amount of required subjects usually becomes obvious as the study progresses, as new categories, themes or explanations stop emerging from the data i.e. data saturation. (Martin, 1996)

3.4.4 Data Analysis

Data analysis is another important factor to understand (Aaker et al., 1998). Firstly, the researcher can get information and insights by analyzing raw data. Secondly, it can help researcher to interpret and understand related analysis. Finally, Techniques of analysis data or handle of data are important and can result in constructively researcher's objectives. Ever studies conducted by the researcher are unique of its owns kind and data are analysis as per individual researcher need or the studies conducted. However, all the data will be analysis will involve in editing the data and coding of the data. Which will be a combination of one or more data analysis techniques and will have to concerned with presenting the results effectively.

Zikmund (2003) defined editing as the “process of making data ready for coding and transfer to data storage”. Editing is aimed to ensure the data are completeness, consistency, and reliability. The role of the editing process is to identify omissions, ambiguities, and errors in the responses. It should be conducted in the field by the interviewer and field supervisor, as well as by the analyst, just prior to data analysis (Asker, 1997). Careful editing makes the coding job easier. Coding is defined as the “process of identifying and classifying each answer with a numerical score or other

character symbol” (Zikmund, 2003). After finishing data preparation, the data analysis firstly requires analyzing and measuring each question by using tabulation. Tabulation simple by counting the case and categorized the case into various categories. Aim at the data cleaning in identifying the omissions, ambiguity and errors made by respondent measured as an interval or ratio, they are transformed to nominally scaled variables for the purpose of cross-tabulation

3.4.5 Coding Structure

Coding structure is useful in processing the data and analyzing the data and interpreted the data to generate an interpretation to analyze the data to research questions. Zikmund, (1997) defined “the process of identifying and classifying each answer with a numerical score or other symbol” and the coding sample are collected as follows; 1 means strongly disagree; 3 means Neutral; and 5 means strongly agree.

The Researcher uses computer to transfer the data collect from questionnaire and organizes the data to create coded data into fields, records, and files. Production coding is one of the coding process, that transfer the data from the survey or questionnaire to the storage, the data can be on memory disk or computer system for entering data. After the raw data is input into the computer, programs may check for errors (Zikmund, 1994).

3.5 Reporting

Research report can be an oral presentation or written statement to submit to special audiences (Zikmund, 2003). The general report format includes certain prefatory parts, the body of the report, and appended parts. The report format should be adapted to

suit the level of formality of the particular report situation. The contents of the report have findings, analysis, interpretations, conclusions, and sometimes recommendations (Cooper & Schindler, 2008).

The important criteria of research report need to achieve; including “completeness” that is report which provides enough information needed by the reader, “accuracy” that is report present with logical reason and correct information, “clarity” which is refer to a precise expression and clear logical thinking, and the last criteria is “conciseness” that means the report writing is directed to the point and the subject (Churchill, 2001).

The reporting format is significant to the researcher need, as it's required to select and create the format that most suite the reader needs. According to Churchill (2001) the most common and basic reporting format should consist of the title page, table of contents, introduction, body, summary, conclusion and recommendation and appendix.

3.6 Validity and Reliability

Obtaining answers to our research question are critical to the studies, however the risk of incorrect or uncompleted answer are in the studies. In order to reduces the risks the research base on two particular designs of validity and reliability (Chinall, 1997).

Validity

Krit and Miller (1987) defined validity as the quality of fit between an observation and basis. Validity is concerned with whether the finding is really about what theory appear to be about (Sauners & Thornhill, 2000). It refers to how well a specific

research method measures what are claimed to measure (Chinall, 1997)

As the validity of the data, it would appear that the information contained in the studies that were written specifically about this subject would be considered to be valid. The information that was collected from the survey by the researcher is also considered valid.

Reliability

Chinall (1997) describe the reliability as the mean of stability and consistency of the results derived from research to the probability that the same results could be obtained if the measures used in the research were simulated. Fundamentally reliability is concerned with consistency, accuracy and predictability of specific research findings. One core factor of respondent's lack of knowledge might run disc of affecting the reliability of the study. Eriksson & Wiedersheim-Paul (2001) state further by suggesting that if a respondent at the moment is tired or stressed, or have attitudes toward the questionnaire/ interview it can impact negatively on the reliability if the study.

3.7 Statement of Research Method Use

By applying the theoretical framework of "A conceptual model of the research literature orientation" as a consumer behavior model has shown in the Chapter 2. This model is created to gain the consumer profiles and understand about consumer behavior, the effect of word of mouth, benefits of the research engine and their decision making processes towards direct selling.

3.7.1 Method of Inquiry

One of the most important decisions a researcher must make is the way in which the data will be collected. Factors affecting the choice of method should be taken into account. Aaker et al (2001) mentions several factors affecting the choice of method: sampling type of population, question forms, question context, response rate, cost available facilities and duration of data collection. In this study quantitative study is employed as the method is best suited for the research need.

The quantitative method to deal with larger sample space and which involved in counting, measuring and analysis of a casual relationship between variable, the process is the explain the phenomenon (Denzin & Lincoln, 2000; Holme & Sovang, 1996; Gillham ,2001). As the students need to analyze the relationship between the factor and approach is most appropriate to the study to gather the primary data, where it's collected by research questions and the survey are employed in this study to via questionnaire to collect the data from consumers of Q-NET located at Plain Chit Bangkok, Thailand, about the attitudes toward direct selling and what are the factors that influence the customer purchasing products and services from direct selling. Respondent will participants to answer, the answer by participants are analysis of the closed end scale format, here the researcher will employ the 1 to 7 Likert scale format.

A questionnaire was employed to gather data from the consumers'-Net who has previous experience in direct selling. The questionnaires for the survey are printed and face to face survey to be conducted in this study. Although this study employed the traditional method face-to-face which incurred a higher cost, but the resulting sample

might be generalized to the overall population. Participation in this survey was completely voluntary.

3.7.2 Methodology

Questionnaire-Design

Surveys are conducted to understand the consumers' insights and approach towards the research, questionnaires are used as the survey surveys for this research.

Questionnaires are employed to gather primary data about the consumer's attitudes towards the all variables in this study. All questions in research adapted by using developed by the authors of previous studies. Some of them are designed to fit with the definition of each item.

The questionnaire was based on various empirical researches. Close-ended questions are used in this field of study, which limited the respondents to answer the question in a specific way by selecting the closest option from the given alternative choices in the question (Zikmund, 2004). The researcher had divided the questionnaire into four parts and employed the 1-7-point Likert scale. Zikmund (2004) defined the Likert scale as the respondents indicate their attitudes by checking how strongly they agree or disagree with carefully constructed statements that range from very negative to very positive toward the attitude object.

Review of academic literature, text and research articles, and identified the variables that related to the study.

1. Draft questionnaire based on the review of literature, consulting with experts and personal observations.

2. Pre-test to ensure the respondents understand the questionnaire and as a test to check if it is interpreted as intended.

3. The questionnaires were designed in English and Thai.

In this research, the questionnaire will be divided into two parts: The Part 1 will help in exploring demographic and marketing variables; where as the Part 2 will help in exploring the understanding of factors and how strongly those factors are to influences the consumers attributes towards direct selling.

The questionnaire for this research will consists of 15 questions. The questions are divided into four parts as follows:

Questions 1 to 5 are elementary on demographic and marketing variables, including gender, age, monthly income, and direct selling experience.

1. Questions 6 to 8 were related to the effects of word of mouth toward towards direct selling.
2. Questions 9 to 10 were related the significance of internet search engine.
3. Questions 11 to 14 were related the factors of consumers decision making.
4. Questions 15 to know is the consumers will re-purchase.

Sampling

Population

According to the purpose of this study, the target population of this research is current consumers of Q-Net who prior has experience with either direct selling or no experience of direct selling. Q-Net located in Bangkok has over 10000 customers. As the time and resources are limited, this study focuses on 982 members who became customers during the year of 2013. This information was gathered personal from the Human Resource Department. In this research study, the population was based on a location from a convenience sampling from current customers of Q-Net, Thailand.

A survey design provides a quantitative or a numeric description of attitudes, opinions, or trends of a population by investigating a sample of the population. The objective of a survey is to employ quantitative questionnaires or interviews to gather data from a sample that has been chosen to demonstrate a population, which the findings of the data analysis may be, generalized (Creswell, 2003)

Sampling Technique

To accomplish the research objectives and to answer the research questions, this study adopted the cluster sampling technique to select the sample. As the population is larger and the cluster sampling technique is being most effective economical, time-efficient, and feasible technique for the researcher. This study, research focuses on 982 members who became consumers of Q-Net during March to April 2013. The survey was conducted in Q-Net office during the Annual meeting of consumers 2013. The survey was administered with the help of Q-Net employees in the middle of the Annual meeting,

lunch break from 13:0pm-14:00pm as it was convenient and most suitable for consumers and the researcher.

Sample Size

The researcher used the Yamane (2009) formula to calculate the sample size for this study:

$$n = N / (1 + N(e^2))$$

Where n represents the sample size, Population size is represented capital N and e^2 Represent the level of precision ($\pm 5\%$, or at the 95 % confidence level).

The sample size, calculates method for this research as follows:

$$N = 982 / (1 + 982 (0.05^2)), \text{ Therefore } n = 284.22$$

So the researchers take 284 respondents as sample size for this study.

Coding Structure

Participants were asked to rate the level of agreements based on a seven point of the Likert rating scale with providing the various statements regarding to the factor that influence consumer decision making to purchase from direct selling. The coding structures that will be used in the questionnaire of this research are as follows:

Consumers' approach: (1) Strongly disagree, (2) Disagree, (3) Neutral, (4) Slightly agree and (5) Strongly agree

Income structure (Baht): (1) Below 10,000, (2) 10,001 – 20,000, (3) 20,001 – 30,000,

(4) 30,001-40000 and (5) 40000 above

Age structure (years): 1 = under 24, 2 = 25-27, 3 = 28-31, 4 = 32-35 and 5 = Above 35

Gender: 1 = Male, and 2 – Female

Direct selling experience: 1 = yes, 2 = No.

This study will employ the SPSS software, as the software benefits the researcher as it easy to use and appropriate in handling data (Gaur, 2006); therefore, the SPSS software will be employed in this study.

3.7.3 Pilot study

Polite, Beck and hunger (2001) start a pilot study can be used as a “small scale version or a trial run in preparation for a major study and prior to initiating the complete research, a pilot study of the direct selling process was conducted, by using of the active members of Q-Net, who had experience in direct selling process and had volunteered for this study. Ten volunteers were employed for pilot studies, 5 males and 5 females volunteers were used, 3 were in the age group 25-57, 2 in age group >21, 5 in age group 28-30, with 4 incomes in 10001-20000, 3 income 20001-30000, 3 income 30001-40000, 5 had less than diploma, 4 had degree, 1 had master degree and the data collected during the pilot study were not included in the final analysis.

All the volunteers were handed over the surveys to fills at the office of Q-Net. Upon completion and submission of the survey, the volunteers were asked to write comments on provided space on survey, to inform the researcher the area of improvement

required, like the areas of confusion, ease of survey completion, types of response choice used and the suggestions to improve the questionnaire were solicited.

As a result, several changes were made to the survey design and appearance of the survey, as the volunteers felt that the format size needed to be large; the section of the survey should be mention in the bold. Also, spacing between the questions should be increased and each section on a new page so it's easily understandable by respondents.

3.8 Conclusion

In this chapter the review of research method and understanding the steps in the research method, the path begins with classifying the purpose of objective. Which include the specific research project, might be undertaken for the features research and lead to understanding the research process can be accepted or no features action can be taken unless they are explicitly stated. (Churchill & Brown, 2004).

A research method is a framework or blueprint for conducting the marketing research project. It's defined as the purpose and how the research project should be conducted. Research design may be broadly classified as exploratory, conclusive and descriptive research. The core purpose of exploratory research is to focus and provide the insights information for the problem. Conclusive research is conducted to test specific hypotheses and examine specific relationships. The major objective of descriptive research is to describe market characteristics or functions. A descriptive design requires a clear specification of who, what, when, where, why, and way of research.

The next important aspect in this chapter discuss is the understanding of qualitative method and qualitative, as Qualitative methods are designed to collect the detailed primary data from a small group or the small sample size, this data is achieved by asking the question to respondents or by observing individual behavior (Hair et al., 2006). Were as Quantitative methods focus on a large sample size to collect the primary data, by asking the individual to fill the surveys. The collected data are counted and measured, analysis of a causal relationship between variables; trying to explain the phenomenon (Denzin & Lincoln, 2000; Holme & Solvang, 1996; Gillham, 2001)

The questionnaires are important in the research as it helps in better understanding of research and the topics research, “a formalized set of questions for obtaining information from respondents” (Malhotra, 2004). The questionnaires are classified three forms the closed-ended question, scale question and open question, as the design of the questioners are more depend on the method selected .

Sampling of the research, first the researchers can involve the population, population a well-defined population and sample is an essential in the process of the sample design.

The next step would be defining the sampling technique, sampling design is a method by which the sample is selected from a population, can be classified into two categories: probability and nonprobability sampling design (Martin, 1996). The size of the sample and follows from the coding structure for the researcher.

For this researcher will use quantitative methods to collect the primary data, analysis the data, and to make the report.



CHAPTER 4

DATA PRESENTATION

Introduction

284 surveys were distributed in this study to respondents to fill and the surveys were administered by Q-Net employees, who were not able to administer all 284 surveys and results in 16 of survey with incompleteness of answer in one of the sections or more. The researcher in this study had analyzed 270 completed surveys by the respondents.

This chapter is divided into four sections. The First will cover describes the demography of the respondents. The second looks into the result of the first stage: “word of mouth” which embeds of credibility, trust and personal reference. The third presents the result of the second stage: “the Internet stage”, which embeds of search engines and online user reviews. The fourth looks into the result of the third stage: “Consumers purchasing” which embeds of price, brand, security issues and refund policies.

4.1 Database on the Consumers’ Demographic Characteristics

4.2 Data Presentation of Stage 1 Factors such as Credibility, Trust and Personal

Reference

4.3 Data Presentation of Stage 2 Factors such as Search and Online User Reviews

4.4 Data presentation of stage 3 factors such as Price, Brand, Security issues and

Refund policy

4.5 Data Presentation of All the Factors

4.6 Conclusion

4.1 Database on the Consumers’ Demographic Characteristics

The researcher uses cluster statistics to analyze the demographic characteristics of the respondents. The tables below highlight the breakdown of data according to gender, age, educational background income and purchasing from direct selling experiences.

Table 4.1.1: Number and Percentage of Respondents by Gender

Gender	Frequency	Percent	Valid Percent	Cumulative Percent
Male	132	48.9	48.9	48.9
Female	138	51.1	51.1	100.0
Total	270	100.0	100.0	

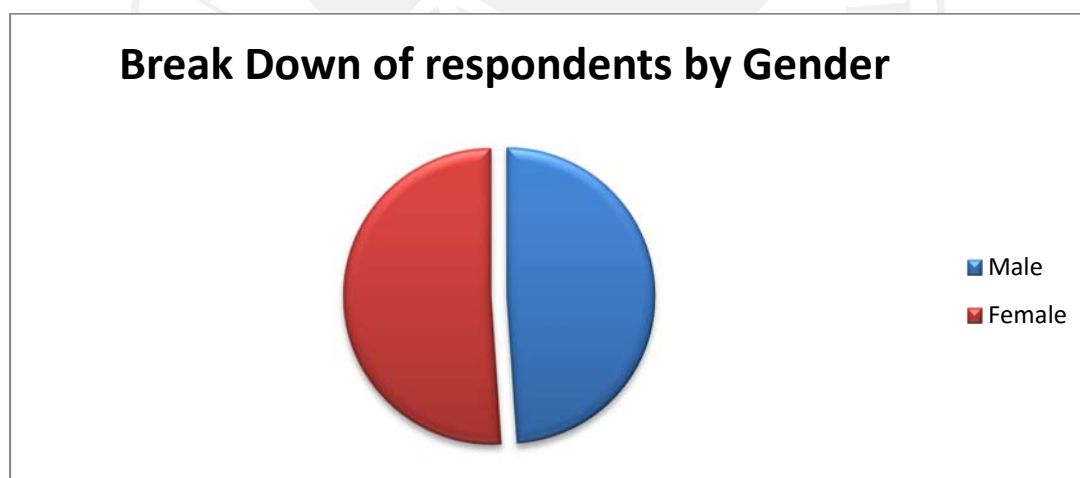


Figure 4.1.1: Gender Distribution Chart

Table 4.1.2 and figure present the respondents' age data. According to the data collected 32.6% of respondents are in the age group of less than 24. Those 25-27 years old attributed to 28.1%, while above 35 years old, 21.9%, 32-35 years old, 11.3% and 28-31 years old 6.3%

Table 4.1.2: Age Distribution of Respondents

Age	Frequency	Percent	Valid Percent	Cumulative percent
<24	88	32.6	32.6	32.6
25-27	76	28.1	28.1	60.7
28-31	17	6.3	6.3	67.0
32-35	30	11.1	11.1	78.1
Above 35	59	21.9	21.9	100.0
Total	270	100.0	100.0	

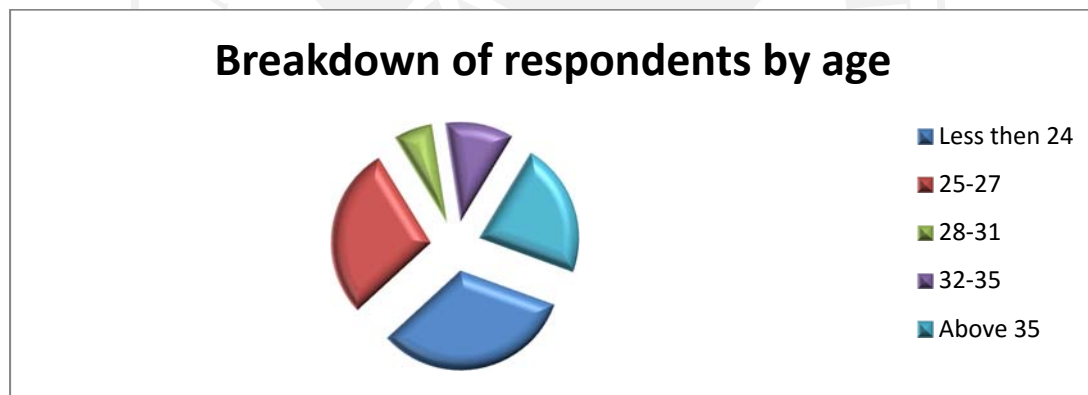


Figure 4.1.2: Age Distribution of Respondents

Table 4.1.3 and figure 4.1.3 present the results of the survey of the educational background of the respondents. For the purpose of this research, the researcher categorized education into 4 groups, namely 'lower than diploma', 'diploma', 'bachelor degree', and 'master degree or higher'

Table 4.1.3: Number and percentage of respondent's by Educational Background

Education level	Frequency	Percent	Valid Percent	Cumulative Percent
Lower Than Diploma	100	37.0	37.0	37.0
College	91	33.7	33.7	70.7
Bachelor Degree	63	23.3	23.3	94.1
Master Degree or higher	16	5.9	5.9	100.0
Total	270	100.0	100.1	

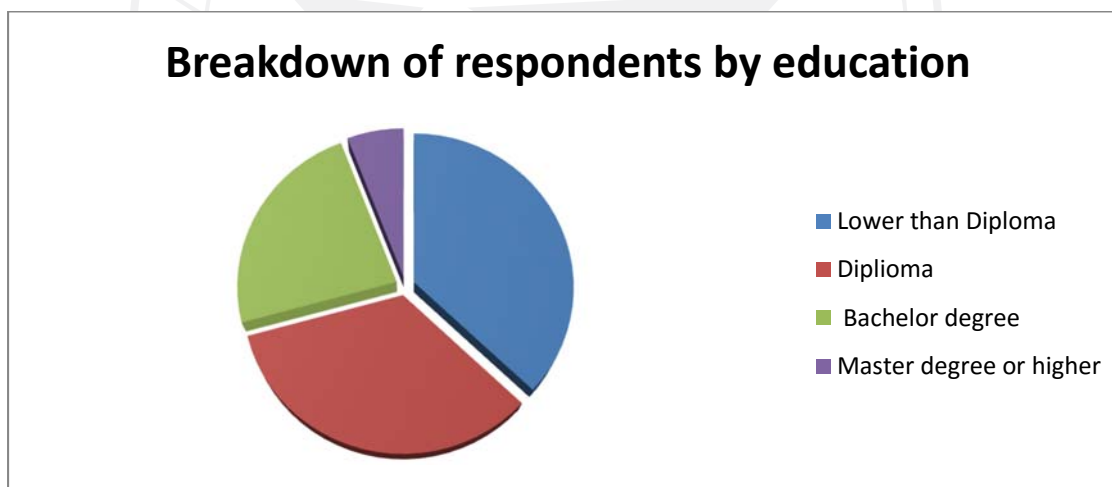


Figure 4.1.3: Education Background Distribution Chart

Table 4.1.4 and figure 4.1.4 present the results of the survey of monthly income. There are six categories of monthly income levels. These levels include the 'less than 10,000B', '10,001-20,000B', '20,001-30,000B', '30,001-40,000B' and more than 40,000B

Table 4.1.4: Number and Percentage of Respondents by Income Level

Income in Thai Baht	Frequency	Percent	Valid Percent	Cumulative Percent
Under 10,000B	55	20.4	20.4	20.4
10,001-20,000B	101	37.4	37.4	57.8
20,001-30,000B	88	32.6	32.6	90.4
30,001-40,000	23	8.5	8.5	98.9
Above 40,000B	3	1.1	1.1	100.0
Total	270	100.0	100.0	

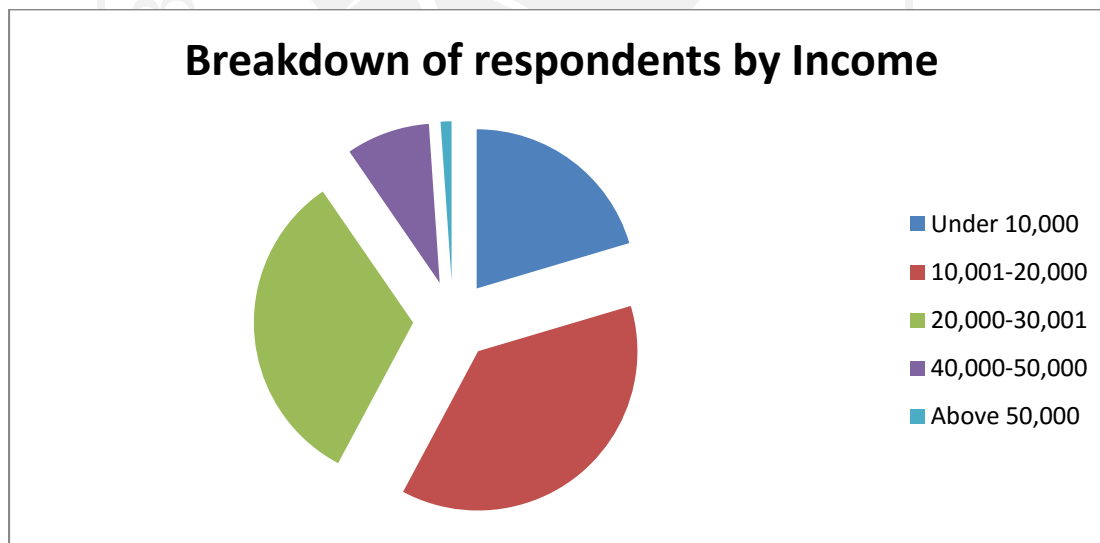


Figure 4.1.4: Respondents Monthly Income Distribution Chart

Table 4.1.5 divides the 270 survey of two groups, one are respondents with the experiences of purchasing the product from direct selling and a group of non-experience

Table 4.1.5: Direct Selling Experiences

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	222	82.2	82.2	82.2
No	48	17.8	17.8	100.0
Total	270	100.0	100.0	

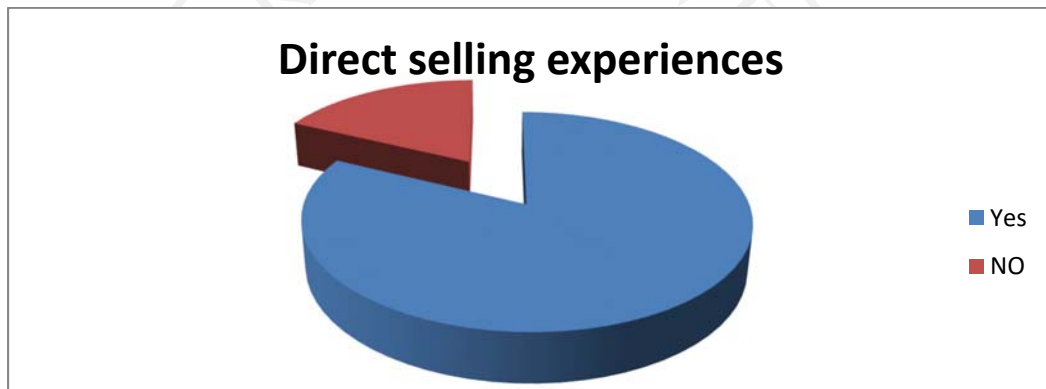


Figure 4.1.5: Direct Selling

4.2 Data Presentation of Stage 1, factors Such as Credibility, Trust and Personal Relevancy

The basic cluster data of creditability, trust and personal reference were presented in table 4.2.1.

The following quantities to the responses

- 1 Strongly disagree
- 2 Disagree
- 3 Neutral

4 Agree

5 Strongly Agree

Table 4.2.1: The Result of Frequencies Count for Credibility, Trust and Personal reference

Variable	Mean	Std. Deviation
Credibility	3.7630	.81990
Trust	3.7148	.91058
Personal relevancy	3.9444	.71668

The results of correlation analysis, which was employed to examine the relationships Between three independent variables and control variable (Receptivity to direct selling) were present On table 4.2.2.

Table 4.2.2: The Results of Correlations Analysis for the Three Independent Variables and the Control Variables

Control Variables			Creditability	Trust	Personal reference
Direct selling experiences	Credibility	Correlation	1.000	-.035	-.051
		Significance (2-tailed)	.	.566	.405
	Trust	Correlation	-.035	1.000	-.022
		Significance (2-tailed)	.566	.	.717
	Personal reference	Correlation	-.051	-.022	1.000
		Significance (2-tailed)	.405	.717	.

Table 4.2.3: The Results of Independent Variables Sample T-test for Gender

	Number of Respondents	N	Mean	Std. Deviation	Sig (two-tailed)
Credibility	Male	132	3.8636	.75940	.048
	Female	138	3.6667	.86567	.048
Trust	Male	132	3.7652	.81830	.375
	Female	138	3.6667	.99145	.373
Personal reference	Male	132	3.9848	.77148	.366
	Female	138	3.9058	.66054	.368

4.3: Data Presentation of Stage 2 Factors Such as Search and Online User

Reviews

The basic cluster data of search engines and online user review. The following quantities to the responses.

1 Strongly disagree

2 Disagree

3 Neutral

4 Agree

5 Strongly Agree

Table 4.3.1: The Result of Frequencies Count for Search Engine and Online User Reviews

Variable	Search engine	Online user reviews
Mean	3.6333	3.7296
Std. Deviation	.97306	.89870

The results of correlation analysis, which was employed to examine the relationships between two independent variables and control variable (Receptivity to direct selling) were present on table 4.3.2

Table 4.3.2: The Results of Correlation Analysis for the Two Independent Variables and the Control Variable

Control Variables		Search engine	Online user reviews
	Correlation	1.000	-.186
Search engine	Significance (2-tailed)	.	.002
Direct selling experiences	Correlation	-.186	1.000
Online user reviews	Significance (2-tailed)	.002	.

The result of two-tailed significant differences between males and females among the independent variables were present in Table 4.3.3

Table 4.3.3: The Results of Independent Variables Sample T-test for Gender

	Number of Respondents	N	Mean	Std. Deviation	Sig (two-tailed)
Search engine	Male	132	3.7727	.78722	.021
	Female	138	3.5000	1.10902	.020
Online user reviews	Male	132	3.7348	.94796	.026
	Female	138	3.7246	.85237	.027

4.4 Data presentation of stage 3 factors such as price, brand, security issues and refund policy. The basic cluster data on price, brand, security issues and refund policy

The following quantities to the responses

1 Strongly disagree

2 Disagree

3 Neutral

4 Agree

5 Strongly Agree

Table 4.4.1: The result of Frequency Count for Price, Brand, Security Issues and

Refund Policy

Variables	Price	Brand	Security issues	Refund policy
Mean	3.6148	3.0667	3.8000	3.0926
Std. Deviation	.98302	1.00334	.92306	.94983

The results of correlation analysis, which was employed to examine the relationships between two independent variable price, brand, security issues refund policy and control variable (Receptivity to direct selling) were present on table 4.4.2.

Table 4.4.2: The Result of Correlation Analysis for the Four Independent Variable and the Control Variables

Control Variables			Price	Brand	Security issues	Refund policy
Direct selling experiences	Price	Correlation	1.000	.147	-.042	-.065
		Significance (2-tailed)	.	.016	.493	.289
		df	0	267	267	267
Brand	Brand	Correlation	.147	1.000	.031	.197
		Significance (2-tailed)	.016	.	.608	.001
		df	267	0	267	267
Security issues	Security issues	Correlation	-.042	.031	1.000	-.075
		Significance (2-tailed)	.493	.608	.	.220
		df	267	267	0	267
Refund policy	Refund policy	Correlation	-.065	.197	-.075	1.000
		Significance (2-tailed)	.289	.001	.220	.
		df	267	267	267	0

The result of two-tailed significant differences between male and female among the independent variables were presented in table 4.4.3

Table 4.4.3: The Results of Independent Variables Sample T-test for Gender

	Number of Respondents	N	Mean	Std. Deviation	Sig (two-tailed)
Price	Male	132	3.5152	1.01504	.019
	Female	138	3.7101	.94524	.019
Brand	Male	132	2.9394	1.06116	.681
	Female	138	3.1884	.93239	.687
Security issues	Male	132	4.0530	.82253	.016
	Female	138	3.5580	.95151	.019
Refund policy	Male	132	2.9773	.86903	.011
	Female	138	3.2029	1.01204	.010

4.5 Data Presentation of All the Factors

The results of regression analysis for 9 independent variables and the dependent variable were presented in Table 4.5.1

Table 4.5.1: The Results of Regression Analysis for the 9 Independent Variable and the Dependable Variable

Independent variable	Beta Weight	Sig	Statistical sig effect
Credibility	.256	0.000	Positive
Trust	.262	0.000	Positive
Personal Relevancy	.302	0.000	Positive
Online user reviews	.298	0.000	Positive
Price	.245	0.000	Positive
Brand	.372	0.000	Positive
Security Issues	.251	0.000	Positive
Refund Policy	.349	0.000	Positive

4.6 Conclusion

This chapter presents the questionnaire results from 270 respondents by using SPSS program. It provides a detailed outlook of the information gathered by this study. The information enables the researcher to have an overview of the consumers buying decision of direct selling products from QNET company located in Bangkok city, Thailand

The data presentation includes demographic data, data from word of mouth stage, which has credibility, trust and personal reference. The internet benefits stage, which has search engine and online user review. The third stage as consumer buying decisions which has price, brand, security issues and refund policy.

However, it is to further understand consumer behavior without greater analysis and the following chapter seeks to examine these elements in depth for better understanding of consumer direct selling purchases and decision making

CHAPTER 5

RESEARCH ANALYSIS AND FINDING

Introduction

This chapter analyzes the collected data and seeks to find out the desired outcome of the data collection. It begins with cluster characteristics of the demographic and marketing variables were gender, age, monthly income and direct selling experience. The section focuses on the reliability of the analysis using coefficient alpha. The reliability analysis I used to examine the factors in three stages; word of mouth, the internet and the consumer decision making. The third section reveals the finding based on correlation analysis. The fourth section relates to factors analysis of all the 9 factors.

5.1 Cluster Analysis

5.1.2 Summary of the Demographic Characteristics Analysis

5.2 Reliability Analysis

5.3 Correlation Analysis

5.4 Data Analysis of Factors of Word of Mouth Stage

5.5 Data analysis of Factors of Internet Stage

5.6 Data Analysis of the Consumer Decision Making

5.7 Data Analysis of all the Factors

5.8 Conclusion

5.1 Cluster Analysis

This presents the results of the demographic profile and the agreement levels using cluster analyzing too.

5.1.1 Summary of the Demographic Characteristics Analysis

The research highlights the findings on demographic characteristics based on four major, respondents' gender, age, educational background and monthly income. Table 5.1 provides the basic demographics of respondents. The ratio of male and female are 132 (48.9%) and female are 138 (51.1%). In terms of age groups, 32.6 % (88) from less than 24 years old while 6.3% (17) are in the age group of 28-31 years old. Most monthly income of the respondents earn are 10,000-20,000 Baht (37.1%) and above 40,000 Baht (1.1%) respectively. The majority of those respondents has direct selling experience 222 respondents (82.2%).

Table 5.1: Distributions of Demographic Characteristics

Demographic Characteristics	Frequency	Percentage (%)
1. Gender		
Male	132	48.9
Female	138	51.1
2. Age		
Less Than 24	88	32.6

(Continued)

Table 5.1 (Continued) : Distirbutions of Demographic Characteritics

25-27	76	28.1
28-31	17	6.3
32-35	30	11.1
Above 35	59	21.9
3. Educational Level		
Lower than Diploma	100	37.1
Diploma	91	33.7
Bachelor's Degree	63	23.3
Master Degree or Higher		
4. Monthly Income		
Under 10,000B	55	20.4
10,001-20,000B	101	37.4
20,001-30,001B	88	32.6
30,000-40,0001B	23	8.5
Above 40,000B	3	1.1
5.Direct Selling experiences		
Yes	222	82.2
No	48	17.8

5.2 Reliability Analysis

This section reports the internal consistency of the measurement scale in this study. There was only a measurement of knowledge, which needed to be investigated since this scale had more than one item. One of the most commonly used indicators of the internal consistency is a Cronbach alpha coefficient. Ideally, the Cronbach's alpha coefficient should be above 0.7 (Pallant, 2001).

5.3 Correlation Analysis

Coakes and steel, (2007) defined that correlation analysis is a statistical tool which measure the strength of association between two variables. It measures the linear relation between two or more variables. The sign and the absolute value of correlation coefficient 'r' describe the direct and the magnitude of the relationship between two variables. The details of the measurement of 'r' are as follows.

1. The value of the correlation coefficients are ranging between -1 to 1
2. The greater the absolute value of correlation coefficient, the stronger is the relationship
3. The strongest linear relationship is indicated by a coefficient of -1 to 1
4. The weakest relationship is indicated by correlation coefficient to 0
5. The positive correlation means if one variable gets bigger, the other variable tends to get nigger too (direct relation)
6. The negative correlation means if one variable gets bigger, the other variable tends to get smaller (inverse relation)

Correlation analysis is adopted to determine and measure a simple correlation between two continuous variables. A correlation coefficient is also called the Pearson r which indicates the degree or level of relationship between two measured variables. The value of correlation of the Pearson r varies -1.0 to + 1.0. If the Pearson it means two variables have appositve relationship. If the Pearson r is negative, it means two variables have a negative relationship. If the absolute value of Pearson r is between 0.0 and 0.2, it

means two variables have a weak relationship. If the absolute value of Pearson is it between 0.21 and 0.4, it means two variables have moderate relationship, If the absolute value Pearson r is between 0.41 and 0.84, it means two variables have a strong relationship. If the absolute value Pearson r is between higher and 0.85, it means the relation between two variables is too high (George & Mallery, 2003).

George and Mallery (2003) state that regression analysis (simple or multiple) is designed to explore and measure a linear relationship between the independent variables and dependent variable in the research.

The Beta weight is the value indicates the unique contribution of each independent variable to explain the dependent variable. Beta weight varies from -1.0 to +1.0. A positive Beta value reflects a higher score on an independent variable will increase the value of the dependent variable. Conversely, a negative value of an independent variable would decrease the value of the dependent variable. The greater the Beta weight is the greater the effect between the independent variable and the dependent variable. The smaller the Beta weight is the smaller the effect between the independent variable and the dependent variable (George & Mallery, 2003)

T-Test

The t-test's statistical significance indicates whether or not the differences between two group averages most likely reflect a "real" difference in the population from the groups were sampled. This study employed the Two-sample t-test, as Snedecor and Cochran (1989) state "to determine if two populations or treatment is superior to as current process or treatment". This research focuses on the gender t-test as Wilborn et al

(2007) State “Among demographic variables, gender is the main indicator of consumer behavior”.

5.4 Data Analysis of Factors of Word of Mouth Stage

5.4.1 Reliability and Correlation Analysis

The overall constructs Cronbach’s alpha with .0721 (Table 5.2) exceeds the generally accepted guideline of 0.70 as suggested. So the measurement items in this construct are considered reliable.

Table 5.2: Reliability and Correlation Analysis of Information Search stages

Factor	Relationship	Correlation scores	Statistically significant rate	Cronbach’s alpha
Creditability	Strong	.544	P = 0.000	.721
Trust	Strong	.413	P = 0.000	.721
Person reference	Strong	.454	P = 0.000	.721

Referring to table 4.2.1: The result of frequencies, counts for credibility, trust and personal reference. The result indicates that personal reference has the highest Mean = 3.94 at SD = 0.716, credibility has the second highest Mean = 3.76 at SD = 0.819 and the trust has the lowest Mean = 3.71 at SD = 0.919 .

Referring to Table 4.2.2: The result of correlation analysis of the independent variables (credibility, trust and personal references) and the control variable (receptive to

direct selling). The result indicates that all the three independent variable's had statistically correlations with receptivity with receptivity to direct selling which are shown below

1. The correlation score for credibility to trust was $-.035$, the score indicates an inverse relation, relationship and the relationship in terms of statistically is at $p=0.566$

2. The correlation score of trust to personal relevancy was $-.022$, the score indicates an inverse relation, relationship and the relationship in terms of statistically is at $p=0.717$

3. The correlation score for credibility to personal relevancy $-.051$, the score indicates an inverse relation, relationship and the relationship in terms of statistically is at $p=0.405$

5.4.2 Sample T-test Analysis of Gender

Referring to table 4.2.3: The result of independent variables (credibility, trust and personal relevancy) sample t-test for gender.

The result indicates that between three variables, credibility had significant differences with trust and personal references to significant differences means between males and females

1. Creditability, the t-test indicated that there was no significant difference among creditability and gender. The means no differed significantly at the $p > 0.05$ ($p=0.273$)

2. Trust, the t-test indicated that there was no significant difference between trust and gender. The means no differed significantly at the $p > 0.05$ ($p= 0.374$)

3. Personal relevancy, the t-test indicated that there was no significant difference among personal references and gender. The means no differed significantly at the $p > 0.05$ ($p= 0.367$)

5.5 Data Analysis of Factors of Internet stage

5.5.1 Reliability and Correlation Analysis

The overall constructs Cronbach's alpha with.0751 (Table 5.2) exceeds the generally accepted guideline of 0.70 as suggested. So the measurement items in this construct are considered reliable.

Table 5.3: Reliability and Correlation Analysis of Information Search Stages

Factor	Relationship	Statistically significant rate	Correlation scores	Cronbach's
Search engine	Moderate	P=0. 000	0.308	0.761
Online user reviews	Moderate	P=0. 000	0.364	0.761

Referring to table 4.2.1: The result of frequencies, counts in search engine and online user review. The result indicates that an online user review has the highest Mean= 3.72 at SD= 0.973, search engine has the second highest Mean = 3.63 at SD =0. 973

Referring to Table 4.2.2: The result of correlation analysis of the independent variables (search engine and online user review) and the control variable (receptive to direct selling). The result indicates that all of the two independent variable's had statistically correlations with receptivity with receptivity to direct selling which are shown below.

1. The correlation score for search engine to online user review was -.186, the score indicates an inverse relation, relationship and the relationship in terms of statistically is at $p=0.002$

5.4.2 Sample T-test Analysis of Gender

Referring to table 4.2.3: The result of independent variables (search engine and online user review) sample t-test for gender.

The result indicates that between two variables, search engine had significant differences and online user review of significant differences means between males and females.

1. Search engine, the t-test indicated that there was no significant difference between a search engine and gender. The means no differed significantly at the $p < 0.05$ ($p= 0.021$)

2. Online user reviews, the t-test indicated that there was no significant difference among online user review and gender. The means no differed significantly at the $p < 0.05$ ($p= 0.026$)

5.6 Data analysis of the Consumer Decision Making

5.6.1 Reliability and Correlation Analysis

The overall constructs Cronbach's alpha with.0751 (Table 5.2) exceeds the generally accepted guideline of 0.70 as suggested. So the measurement items in this construct are considered reliable.

Table 5.3: Reliability and Correlation Analysis of Information Search Stages

Factor	Relationship	Statistically significant rate	Correlation scores	Cronbach's
Price	Strong	P=0. 000	0.454	0.727
Brand	Strong	P=0. 000	0.419	0.727
Security issues	Strong	P=0. 000	0.554	0.727
Refund policy	Weak	P=0. 012	0.140	0.727

Referring to table 4.2.1: The result of frequencies, counts for price, brand, security issues and refund policy. The result indicates that security issues have the highest Mean= 3.80 at SD= 0.923, price has the second highest Mean = 3.61 at SD =0. 983, refund policy has the third highest Mean = 3.09 and the brand has the lowest among the four factors with the Mean = 3.09 and SD= 0.949

Referring to Table 4.2.2: The result of correlation analysis of the independent variables (price, brand, security issues and refund policy) and the control variable

(receptive to direct selling). The result indicates that all the four independent variable's had statistically correlations with receptivity with receptivity to direct selling which are shown below.

1. The correlation score for price to brand was .147, the score indicates a direct relation, relationship and the relationship in terms of statistically is at $p=0.016$
2. The correlation score for price for security was -.042, the score indicates an inverse relation, relationship and the relationship in terms of statistically is at $p=0.493$
3. The correlation score for price to security issues was -.065, the score indicates an inverse relation, relationship and the relationship in terms of statistically is at $p=0.289$
4. The correlation score for brand to security issues was .031, the score indicates a direct relation, relationship and the relationship in terms of statistically is at $p=0.608$
5. The correlation score for security issues to refund policy was -.075, the score indicates a direct relation, relationship and the relationship in terms of statistically is at $p=0.220$
6. The correlation score for brand to refund policy was .197, the score indicates an inverse relation, relationship and the relationship in terms of statistically is at $p=0.001$

5.4.2 Sample T-test Analysis of Gender

Referring to table 4.2.3: The result of independent variables (price, brand, security issues and refund policy) two sample t-test for gender.

The result indicates that among four variables, the price had significant differences, brand on significant differences means, security issues on significant difference mean and refund policy on differences means between males and females.

1. Price, the t-test indicated that there was no significant difference between price and gender. The means no differed significantly at the $p < 0.05$ ($p = 0.019$)

2. The brand, the t-test indicated that there was no significant difference between brand and gender. The means no differed significantly at the $p > 0.05$ ($p = 0.684$)

3. Security policy, the t-test indicated that there was no significant difference among security policy and gender. The means no differed significantly at the $p < 0.05$ ($p = 0.018$)

4. Refund policy, the t-test indicated that there was no significant difference among refund policy and gender. The means no differed significantly at the $p < 0.05$ ($p = 0.011$)

5.7 Data analysis of all the Factors

Referring to table 4.5.1: The result of regression analysis for 9 independent variables and dependent variables (Receptivity to online).

Regression analysis of all the 9 independent variables and dependent variables and results are indicated in Table 4 (Appendix).

1. 0.256 was the credibility beta score, the credibility level was on 0.1 and the

significant level of p was 0.000. The result shows that credibility has a positive statistical value and proves that credibility has a significant effect on direct selling.

2. 0.262 was the trust beta score, the trust level was on 0.1 and the significant level of p was 0.008. The result shows that trust has a positive statistical value and it has a significant effect on direct selling.

3. 0.302 was the personal references beta score, the personal relevancy level was on 0.1 and the significant level of p was 0.000. The result shows that personal reference has a positive statistical value and proves that personal relevancy has a significant effect on direct selling.

4. 0.298 was the search engine beta score, the search engine level was on 0.1 and the significant level of p was 0.000. The result shows that a search engine has positive statistical value and proves that the search engine has a significant effect on direct selling.

5. 0.245 was the online user reviews beta score, the blogs on the internet level was on 0.1 and the significant level of p was 0.000. The result shows that blogs on the internet have a positive statistical value and proves that the online user reviews have a significant effect on direct selling.

6. 0.372 was the price beta score, the price level was on 0.1 and the significant level of p was 0.000. The result shows that price has a positive statistical value and proves that the price has a significant effect to direct selling.

7. 0.287 was the brand beta score, the brand level was on 0.1 and the significant level of p was 0.000. The result shows that brand has a positive statistical value and proves that the brand has a significant effect on direct selling.

8. 0.251 was the security issues beta score, the security issues level was on 0.1 and the significant level of p was 0.000. The result shows that security issues have a positive statistical value and proves that the security issues have a significant effect on direct selling.

9. 0.249 was the refund policy beta score, the refund policy level was on 0.1 and the significant level of p was 0.000. The result shows that refund policy has a positive statistical value and proves that the refund policy has a significant effect on direct selling.

5.8 Conclusion

The result of the analysis of the data gathered from this study has provided a clear picture of the consumer direct selling purchasing decision

This chapter used the cluster analysis to analysis the demographic characteristics which included four major items: consumer gender, customer age, customer educational background and customer monthly income.

It is also used correlation analysis to measure the strength of association between two variables. The result is presented that the purchase making decision is related to all the independent variables.

CHAPTER 6

CONCLUSION

The direct selling firm had existed in market for centuries and firm like Avon, Amway had taken the direct selling process to a different level. In current time the direct selling process had the largest market share with a turnover in USD billions with millions of sales representatives.

This research focuses on three stages with 9 factors and the most respondents answers were with the means greater than 3, insisted the respondent answer were “Agree” and much less answered “Disagree”. This is shown that a large percentage of respondents were satisfied with the value created.

Mean greater than 3, indicated that direct selling industry grows at rapid speed and covering large market in Thailand with turnover of 2.9US billion dollar, with market share increased by 7% percentage, with the community of 10.9 million populations in Thailand. This grows helps Q-Net member to understand the consumer’s buying attitude towards direct selling.

For understand direct selling consumption-related, consumer behavior has to lead to diverse theoretical approaches. For this study, the buyer decision factor proposed by Kotler and Armstrong (1997) was adopted. This study believes these 9 factors, including credibility, trust, personal relevancy, search engine, online user review; price, brand, security issues and refund policy might be suitable to explore and analyze consumer purchasing decisions.

The finding of this study indicated that the 9 factors in three stages can lead the consumers to accept the direct selling. The research suggests that direct selling firms should practice these 9 factors on their direct selling business, in order to have more member and who are purchasing the product from direct selling. In this study, the multiple regression analysis was employed to measure the relationship between 9 independents variables and control receptivity to direct selling. The score of the Beta presented that all 9 independent variables had positive, the strongest predictors from highest to lower were security issues, online user review, trust, credibility, search engine, brand, personal relevancy, and price and refund policy

Finally, the researcher hopes the results and outcomes of this study might be significantly helpful to direct selling marketing, consumers and other researcher. May the active member of direct selling firms, should be benefited greatly by understanding the most important factors in the direct selling process and develop strategies to serve as the direct sellers need.

CHAPTER 7

DICUSSION AND RECOMMENTIONS

Introduction

This study integrates cluster analysis, reliability analysis, correlation analysis, and factor analysis and regression analysis to explain consumer behavior on direct selling.

This research investigates the impact of factors when consumers buy from direct selling.

In this chapter, the results derived from the data analysis are summarized in the first section. Next, the implication of this study is described as well. Followed by the section of limitation if this study and final recommendation.

7.1 Overview

7.2 Research Findings

7.3 Discussion

7.3 Implication of this Study

7.5 Limitations of this Study

7.6 Recommendation

7.1 Overview

The main purpose of this research was to identify the factors involved in consumers decision making, to purchase from direct selling. This study explored whether and to what extent these factors influence consumer purchase decision from direct selling firm. Understanding consumer purchasing behavior is critical to the success of the direct selling market. In the normal and digital marketing ear, one of the factors that will make a consumer select certain product is the level of customer expectation and satisfaction

before and after the sales of the product. To carry out the purpose of this study, the following research questions were examined.

Major research question

To determine a competitive analysis based on the consumer convenience to purchase any product from direct selling firm like Qnet?

Sub-question

How effective is the word of mouth for the direct selling process?

What benefit does the internet search engine provided to the direct selling?

What are the factors that could influence consumers purchasing decision?

To search the answers for research questions, the researcher focused on time and resources on 9 critical independent variable, one control variable, and four demographic and marketing variables.

The research design employed a question, non-experimental method approach, using 16 closed-ended questions on survey instruments. Participants rated the questions based on a closed-ended questions 1-to-5 Likert scale format. The survey was distributed by the researcher to the new member or to liking to buy the product of QNet in Bangkok, Thailand

7.2 Research Finding

Demographic Characteristics: This research obtained data from 270 respondents out of 284 surveys distributed to the respondents, as the 14 of the surveys were incomplete. The majority gender of the respondents of this study is male and female. The most age range for those respondents in the study was less than 24 (88), suggest that young population is taking great interest in a direct selling firm like Q-Net. The most

education levels range for those respondents in the study was less than diploma holders. 101 respondents earn were in the range of 10,001-20000 THB monthly income. Suggest that respondents with less income are attracted to direct selling firm as they see it' as secondly mean of income. The majority of those respondents has direct selling experience (222).

Sub-Research Question 1: How effective is the word of mouth for the direct selling process?

The results of correlation analysis (Table 4.2.2) were analyzed and found that credibility and trust had an inverse relation correlation to receptivity to trust (Table 5.2) and personal reference had a strong relation correlation to receptivity to direct selling. All three factors have a strong correlation relationship with direct selling and (Table 5.2) these finding indicated that credibility, trust, and personal reference serve as an information channel from the customers about the product and can purchase as any individual factors.

The Gender independent t-test (Table 4.2.3) was used in this research. T-test was used, to analyze the differences mean between gender and gender effect on credibility, trust and personal relevancy (Jose Capo, 2014). As there were significant means different between male and female for credibility and trust. The research outcomes were similar to Kotler and Keller (2009), Jeff Grabmeier (2005) and Wintering et al (2009). Kotler and Keller (2009) state, women tend to easily purchase a product without knowing the proper information's of it, whereas men are more passive to a product. Wintering et al, (2009) state, the female are more likely to trust strangers, whereas the male is likely to trust the close circle (Jeff Grabmeier, 2005). There was no significant mean different between

male and female for personal relevancy and findings indicated that credibility, trust, and personal reference were influenced by gender.

Sub-Research Question 2: What benefit does the internet search engine provided to the direct selling?

The result from correlation analysis (Table 4.3.2) were analyzed and found that all of the two independent variables had a strong relation correlation with receptivity to direct selling (Table 5.3). This finding indicated that search engine and online user review serve as alternative evaluation channels and may facilitate consumers making direct selling decisions.

The Gender independent t-test (Table 4.3.3) was used in this research. T-test was used, to analyze the differences mean between gender and gender effect on search engine and online user review (Weiser, 2000). As there were significant means different between male and female for search engine and online user review. As for the search engine, the male has higher mean value compared to female. Suggest that male use internet for professional need and the finding is supported by Weiser (2000) and Sherman et al (2000). Online user review, the male overall mean value higher compared to female. Suggest that male decision is based on product performance, female decisions on the social value and the finding is supported by Garbarino and Strahilevitz's (2004).

Sub-Research Question 3: What are the factors that could influence consumers purchasing decision?

The results of correlation analysis (Table 4.4.2) were analyzed and found that price and brand had a moderate positive correlation to receptivity to security issues and

refund policy had a strong positive correlation to receptivity to direct selling. This finding indicated that price, brand, security issues and refund policy serve as purchasing decisions channels and may facilitate consumer making purchases from direct selling.

The Gender independent t-test (Table 4.4.3) was used in this research. T-test was used, to analyze the differences mean between gender and gender effect on price, brand, security issue and refund policy. As there were significant means different between male and female for price, brand and security issue (Gill, Stockard, Johnson and Williams, 1987 & Carli 1999). As for the price, female overall mean value is higher compared to male. Suggesting, female purchasing decision is depending on price more than male decision and the finding was supported by Block and Morwitz (1999). The brand, the female overall mean value is higher compared to males, as the female is more brand loyal and the finding was supported by Mittal and Kumakura (2001). Security issues, male overall mean value was higher compared to female. Suggesting that male take security issues more seriously, as the male still considers as bread winning and protector for their family (White 1995 & Hausen, 2000).

Main Research Question: To determine a competitive analysis based on the customer convenience to purchase any product at the door or to become a member of Q-Net?

The results from the correlation (Table 4.5.1) were analyzed and found that all 9 independent variables had statistically significant correlation with receptivity to online direct selling. It means that these 9 factors of credibility, trust, personal reference, search

engine, online user review, price, brand, security issues and refund policy were involved in consumers purchasing decision.

7.3 Discussion

The result of this study indicates that these 9 factors were significantly involved and could influence consumer's direct purchasing approach. Among these 9 factors, the strongest influence, from highest to lowest, were in security issue, online user review, trust, credibility, search engine, brand, personal relevancy, price and refund Policy

Security Issue

The Beta score for security issue was 0.251 and sig =0. 0000 (Table 4.5.1), referring to the beta scores the security issues, ranked at the 1st position among the 9 factors, which indicates the factory had strong influences on consumers purchasing decision and strong relationship to direct selling. Kesh et al. (2002) support the finding by state that security was a critical factor in the direct selling process. The participants strongly agreed that security issues, such as safety of transactions and privacy are critical considerations for them when making direct selling purchases.

Online user Reviews

The Beta score for online user review was 0.245 and sig =0. 0000 (Table 4.5.1), referring to the beta scores of online user review, ranked at 2nd position among the 9 factors, which indicate the factor had strong influences on consumers purchasing decision and strong relationship to the direct selling process. The finding support online user review had always included a mix of links, commentary and persona; notes, in the

post-blogger explosion, increasing numbers of weblogs and update every hour (Rebecca's pocket, 2000).

Trust

The Beta score of trust was 0.151 and sig =0. 0000 (Table 4.5.1), referring to the beta scores for trust, ranked at 3rd position among the 9 factors, which indicate the factor had strong influences on consumers purchasing decision and strong relationship to direct selling. This finding support variable depends upon the personal trust relationship present between people sharing recommendations (Keller, 2007).

Credibility

The Beta score for credibility was 0.132 and sig =0. 0000 (Table 4.5.1), referring to the beta scores the creditability, ranked at 4th position among the 9 factors, which indicate the factor had strong influences on consumers purchasing decision and strong relationship to first direct selling, when the recipient perceives at the source of a message possesses relevant knowledge, skill or experience and the recipients is confident that the source give an objective and unbiased information (Belch & Belch, 2007).

Search engine

The Beta score for the search engine was 0.125 and sig =0. 0000 (Table 4.5.1), referring to the beta scores the security issues, ranked at 5th position among the 9 factors. , which indicate the factor had strong influences on consumers purchasing decision and strong relationship to first direct selling.

Brand

The Beta score for the brand was 0.118 and sig =0. 0000 (Table 4.5.1), referring to the beta scores the brand, ranked at 6th position among the 9 factors, which indicate

the factory had strong influences on consumers purchasing decision and strong relationship to direct selling. This finding support that consumer's may have a positive attitude toward direct selling. If the brand is referred as quality related to the product the direct selling offers. Kotler and Armstrong (1997) claimed that as more information was obtained, consumer awareness and knowledge of the available brands and features increased.

Personal relevancy

The Beta score for personal relevancy was 0.086 and sig =0.0000 (Table 4.5.1), referring to the beta scores for personal references, ranked at 7th position among the 9 factors, which indicate the factory had strong influences on consumers purchasing decision and strong relationship to direct selling. This finding support, personal relevancy of a word of mouth message is another reason why word of mouth is a powerful medium, and is highest when message succeeds in appealing to a person value (Allsop et al., 2007).

Price

The Beta score for price was 0.042 and sig =0.0000 (Table 4.5.1), referring to the beta scores for price, ranked at 8th position among the 9 factors, which indicate the factor had strong influences on consumers purchasing decision and strong relationship to direct selling. This finding support that consumers may have a positive attitude towards direct selling if the prices are low, and Heim and Sinha (2001) claimed that the price was a critical factor for direct selling.

Refund Policy

The Beta score for refund policy was 0.14 and sig =0.819 (Table 4.5.1), referring to the beta scores for refund policy, ranked at 9th position among the 9 factors, which indicate the factor had strong influences on consumers purchasing decision and strong relationship to direct selling. This finding support that direct selling should have policies convince customers that they can easily return products and get refunds or exchange products for free within a reasonable timeframe (Bishop, 1998)

7.4 Implications of this Study

The findings of this study offer implications for consumers, who is making a strategic purchase, such as purchasing though direct selling. The implication for marketers, are to understand individual consumer decision making model for purchasing the product, though direct selling, it can greatly contribute to improved explanations and predictions on the direct selling contact. This knowledge enables the company's developers to able to understand their consumer's desires and make an offer according the desires. Given the high level of buyer involvement, direct seller representation and marketers should focus on building confidence and satisfaction in their potential and existing consumers.

It's also helpful for the government to understand customer's attitude and behaviors from the report, so the government can draw up sound policies to protect consumer's interests and control the market.

Quantitative research method has employed to collect data, which is better to analysis consumer's behavior form quantity, so that the report will be more persuasive for future research

7.5 Limitations of this Study

There are some limits to the research, that have been presented here. One is that, as this research base on one single case Q-Net; further research could provide another case in order to elaborate more on the research issues in question. Another limitation is that, the researcher was not able to approach different group, so the researcher had to ask new member and Q-Net office to distribute questionnaires. Time constraints are also a limitation in this research. The members (sales personnel) have to take care of other consumers and at the same time ensuring that their consumers filled the survey forms. Some consumers are not committed to answering the question as reflected in the 16 rejected surveyed questionnaires.

7.6 Recommendation

As for recommendations that can and should be made by the researcher it appears that more studies of this nature should be done. At the present time, there is very little information review that relates to these specific issues.

Direct selling offers many opportunities for companies worldwide. Therefore, networking company like Q-Net, need to pay more attention on consumer behaviors to word direct selling approach and understand the survive and success in the direct selling era. Analyze and understand consumer behavior on purchasing direct selling products, which are important factors to be successful in direct selling.

Direct selling realize how consumers are affected by word of mouth, the internet and how these methods influence purchase decisions. There were the critical factors under the word of mouth stage: credibility, trust and personal reference.

According to independent t-test analysis of gender, there were significantly different means between males and females for word of mouth and internet factors to

control variables of direct selling. The means of males significantly higher than male, for these two factors. The researcher suggests that networking marketing should use word of mouth and the internet as the information search channel to serve male customers rather than male customers.

According to regression analysis of all the 9 factors; trust, credibility, personal reference, search engine, online user review, price, brand, security issues and refund policy. Security issues, Online user review and trust were the strongest, the second most and the third most strongest respectively that influence consumers direct selling purchases decisions. The researcher suggests that network marketing should focus more and emphasize on those three factors to make an effective selling model. Such the networking companies should focus on the security issues; understand the importance of social media and the trust of individual customers for purchases the products.

This study identified 9 factors in quantitative research; the finding cannot deeply explain direct selling consumer decisions in of “why” and “what” terms. Therefore, qualitative research studied could be employed and conducted to explore consumers and also further research could be conducted to identify other factors that are not explored in this research study.

In this study, a total 230 respondents were a high rate of direct selling experience. Further study could explore direct selling consumer loyalty to examine whether what factors can influence the consumer to purchase again for the company.

BIBLIOGRAPHY

- Aaker, D. A., Kumar, V., & Day, G. S. (1998). *Marketing research* (6th ed.). New York: John Wiley & Sons.
- Achrol, R. S., & Kotler, P. (1999). Marketing in the Network Economy. *The Journal of Marketing*, 63,146-163.
- Allsop, D. T., Bassett, B. R., Hoskins, J. A. (2007). Word-of-Mouth Research. Principles and Applications. *Journal of Advertising Research*, 47(4), 398-411.
- Alvesson, M., & Sklodverg, K. (2009). *Reflexive methodology. New vistas for qualitative research* (2nd ed.). Log Angeles : Sage.
- Andreassen, T. W. & Streukens, S. (2009). Service innovation and electronic word-of-mouth: is it worth listening to? Managing Service Quality. *An international Journal* , 19 (3), 249-265.
- Arndt, J. (1967). *Word of mouth advertising a review of the literature*. New York: Advertising research foundation.
- Babbie, E. (2010) .*The Practice of social research*. Belmont, Wadsworth : Cengage.
- Bendall-Lyon, D., & Powers, L. T. L. (2002). The impact of gender differences on change in satisfaction over time. *Journal of Consumer Marketing*, 19(1), 12–21.
- Bodo, L . (2011). *How word of mouth communication varies across service encounters*: WA, United Kingdom: Emerald group.
- Bonanno, P. & Kommers, P. (2005). Gender differences and styles in the use of digital games. *Educational Psychology*, 25, 13-41.

- Brooks, R. B. Jr., (1957). Word-of-Mouth Advertising is Selling New Products. *The Journal of Marketing*, 54(3), 154-161.
- Burman, D., Bitan, T. & Booth, J. R. (2008). Sex differences in neural processing of language among children. *Neuropsychologia*, 45(5), 1349-1362.
- Buttle, F. A. (1998). Word of mouth, understanding and managing referral marketing. *Journal of Strategic Marketing*, 6 (3), 241-254.
- Carl, M., Jr., & Roger, G. (1998). *Marketing research essentials* (2nd ed.). US, South-western: Thomson.
- Churchill, G. A., Jr. (2001). *Basic marketing research* (4th ed.). Australia: South-Western educational.
- Coviello, N. E., Brodie, R. S., Danaher, P. J., & Johnston, W. J. (2002). How firms relate to their markets: An Empirical Examination of Contemporary Marketing Practice. *Journal of Marketing*, 66 , 33-46.
- Creswell, J. W. (2007). *Qualitative Inquiry and Research Design: Choosing among five Traditions*. CA, Sage: Thousand Oaks.
- Denzin, N. K., & Lincoln, Y. S. (2007). *The landscape of qualitative research*. Newbury Park, CA : Sage.
- Doh, S. J., & Hwang, J. S. (2009). How Consumers Evaluate eWOM (Electronic Word-of- Mouth) Messages. *CyberPsychology & Behavior*, 12(2), 193-197.
- Dwyer, P. (2007). Measuring the value of electronic word of mouth and its impact in consumer communities. *Journal of Interactive Marketing*, 21(2), 63-79.

- East, R., Hammond, K., & Lomax, W.(2008).Measuring the impact of positive and negative word of mouth on brand purchase probability. *International Journal of Research in Marketing*, 25(3), 215-224.
- Evans, M., Moutinho, L. & Van Raaij, W.F. (1996). *Applied consumer behavior*. Cornwall : Addison-Wesley.
- Gildin, S. Z. (2002). Understanding the Power of Word-of-Mouth. *Revista de Administracao Mackenzie*, 4(1), 91-106.
- Gill, S., Stockard, J., Johnson, M., & Williams, S. (1987). Measuring gender differences: The expressive dimension and critique of androgyny scales. *Sex Roles*, 17, 375-400.
- Gillbert, A. C., Jr. & Tom, J .B. (2004), *Basic marketing research*. South-western: Thomson's
- Hair, J. F., Black, W. C., Babin B. J., Anderson, R.E., & Tatham, R. L. (2006). *Multivariate data analysis* (6th ed.). NJ: Pearson Prentice.
- Hawkins, D .I., Mothersbaugh, D. L., & Best, R. L. (2007) *Consumer behavior:building marketing strategy* (6th ed.). Boston: McGraw-Hill/irwin.
- Helm, S. (2000). Viral Marketing – Establishing Customer Relationships by Word-of-Mouse. *Electronic Markets*, 10(3), 158-161.
- Hock, R. (2007). *The Extreme Searcher's Internet Handbook*. New Jersey: Cyber Age Books.
- Jain, S., & Joydeep, S. (2000). An Experimental and Theoretical Analysis of Price-Matching Refund Policies. *Journal of Marketing Research*, 37, 351–362.

- Kardes, F. R. (2002). *Consumer behavior and managerial decision making* (2nd ed.). New Jersey: Pearson education.
- Katz, E., & Lazarsfeld, P. F. (1955). *Personal Influence –the part played by people in the flow of mass communication*. NY: First Free.
- Keller, E. (2007). Unleashing the Power of Word of Mouth, Creating Brand Advocacy to drive growth (Electronic version). *Journal of Advertising Research*, 47, 448-452.
- Kotler, P., & Keller, K. L. (2009). *Marketing management* (13th ed.). New Jersey: Pearson education.
- Lee, S., & Chae, Y. (2007). Children's Internet use in a family context: Influence on family relationships and parental mediation. *Cyber Psychology and Behavior*, 10(5), 640-644.
- The Drawbacks to Starting a Business with Direct Sales*. (2010). Retrieved from <http://www.brighthub.com/office/entrepreneurs/articles/43249.aspx>
- Mahlotra, N. K. (2002). *Basic Marketing Research applications to contemporary*. New Jersey : Pearson education.
- Malhotra, N. K. (2004). *Marketing research an applied orientation* (4thed.). Madison, WI: Irwin McGraw-Hill.
- Marsha, L., R. (1983). A Theoretical model for the study of important perceptions. *Journal of marketing*, 47, 68-70.
- Martin, N. M. (1996). *Sampling for qualitative research* . Oxford : Oxford University.

- Maslow, A. H. (1943). A theory of human motivation. *Psychological Review*, 50(4), 370
- Mautinho, L., & Goode, M. (1995). Gender effects to the formation of overall product satisfaction: A multivariate approach. *Journal of International Consumer Marketing*, 8(1), 71–91.
- Miles, M., & Huberman, A.M. (1994). *Qualitative data analysis approach: An Expanded Sourcebook* (2nded.). CA sage: Thousand Oaks.
- Mittal, V., & Kamakura, W. (2001). Satisfaction, repurchase intent, and repurchase behaviour: Investigating the moderating effects of customer characteristics. *Journal of Marketing Research*, 38(1), 131–142.
- Noel, H. (2009). *Consumer behavior*. Lausanne, Switzerland: AVA.
- Peterson, R. A., & Thomas, R.W. (1996). What is Direct Selling? --Definition, Perspectives, and Research Agenda. *Journal of Personal Selling & Sales Management*, 16(4), 1-16.
- Roger, D. B., Paul, W. M., & James, F. E. (2001). *Consumer behavior*. Florida: Harcourt.
- Sherman, R. C., Kraan, E., Cole, A., Campbell, J., Birchmeier, Z., & Klausner, J. (2000). .The Internet Gender gap among college students: Forgotten but not gone? *Cyberpsychology & Behavior*, 3(5), 885-894.
- Soloman, M., Bamossy, G., Askegaard, S. & Hogg, M. K. (2006). *Consumer behavior: A european perspective*. (3rd ed.). Essex :Pearson education.
- Solomon, R. M. (2004). *Consumer behavior buying, having, and being* (6th ed.). New Jersey: Prentice Hall.
- Sperling, D. (1997). *The Internet guide for ELT teachers*. New Jersey: Prentice Hall.

- Stern, B. B. (1994). A Revised Communication Model for Advertising: Multiple Dimensions of the Source, the Message and the Recipient. *Journal of Advertising*, 23(2), 5-15.
- Tan, C. S. (2010). Understanding consumer purchase behavior in Japanese. *Personal grooming sector*. 17, 2821- 2831.
- Thomas, C. K., & James R. T. (1991). *Marketing research :An applied approach* (4th ed.). New York : McGraw-Hill.
- Trusov, M. B., & Pauwels, R.E. (2009). Effects of Word-of-mouth Versus Traditional Marketing: Findings from an Internet Social Networking Site. *Journal of Marketing*, 73(5), 90-102.
- Weiser, E. B. (2000). The functions of Internet use and their social and psychological consequences. *Cyberpsychology & Behavior*, 4(6), 723-743.
- Winterich, K. P., Vikas, M., & William, T. R., Jr. (2009). Donation Behavior toward In-Groups and Out Groups: The Role of Gender and Moral Identity. *Journal of Consumer Research*, 36 (2), 199–214.
- Xardel, D. (1993). *The Direct Selling Revolution, Understanding the Growth of the Amway Corporation*. London : Blackwell.
- Zikmund, W.G. (1997). *Exploring marketing research* (6th ed.). Orlando, Fl: The Dryden.



QUESTIONNAIRE IN ENGLISH AND THAI VERSION

Dear Respondents:

This is an academic questionnaire to investigate the influences on the direct selling. Your individual information and participation in this survey is totally confidential and will not be disclosed to the public. This questionnaire is very important to the research. Deeply appreciate your kind cooperation and help in advance.

Your Faithfully

Samad Akbar

Advisor: Dr. Paul TJ James

Mr. Nadim

MBA English Program

Graduate School

Bangkok University

Section 1: Demographics of consumer sample

Q1) Gender	Male Female
Q 2) Age	<24 25-27 28-31 32-35 Above 35
Q3) Education	Lower Than Diploma/College Diploma/College Bachelor Degree Master Degree or Higher
Q4) Income	Under 10,000 B 10,001-20,000B 20,001-30,00B 40,001- 50,000B Above 50,000B
Q5 Direct selling experience's	Yes or No

Section 2: The Factors of word of mouth and internet to direct selling

Base on your experiences please show the levels to which you think below factors are related to your receptivity on direct selling

Factor 1: Creditability

Q6) **Creditability** Higher depends on sources relevant knowledge or experience about the product and services

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

Factor 2: Trust

Q7) **Trust** on the personal delivering the information about the product or the services

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

Factor 3: Personal relevancy

Q8) Personal relevancy of the sales personal plays an important role

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

Section 3: Internet benefit provided to the direct selling

Factor 4: Search engines

Q9) it is necessary to use **Search engines**, such as Google, to provide an effective ways to find information on products when making online search information. Eg: google.com, yahoo.com

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

Factor 5: Online User Review

Q10) How effective is **Online User Review**, like on Facebook and etc, opportunities and threats brought about by the opinions on products or services.

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

Section 3: Influence the Consumers purchasing decisions

Factor 6: Price

Q11) Price consideration is crucial because the direct selling products are often expenses then the market prices

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

Factor 7: Brand

Q12) Brand is a critical consideration because can provide us well unique of those products when making direct selling alternative evaluation

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

Factor 8: Security issues

Q13) Security issues is important as the safety of transaction and privacy are critical consideration when making direct selling

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

Factor 9: Refund policy

Q14) Refund is a critical consideration when making a direct selling decision because it can assure us to return product if the product hasn't met the requirement

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

Q15) Purchases the product the form direct selling

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

ตอนที่ 1: สถิติตัวอย่างผู้บริโภค

Q1) เพศ	ชาย หญิง
Q 2) อายุ	<24 25-27 28-31 32-35 35 ขึ้นไป
Q3) การศึกษา	ต่ำกว่าปริญญาตรี อนุปริญญาตรี ปริญญาตรี ปริญญาโทขึ้นไป
Q4) รายได้	ต่ำกว่า 10,000 B 10,001-20,000B 20,001-30,00B 40,001-50,000B มากกว่า 50,000B
Q5 ประสบการณ์ทางการขายตรง	มี หรือ ไม่มี

ตอนที่ 2: ปัจจัยของการปากต่อปากต่อปาก กับการขายตรงทางอินเทอร์เน็ต

จากประสบการณ์ของคุณ

คุณให้การยอมรับกับปัจจัยเหล่านี้ในการขายตรงมากน้อยแค่ไหน

ปัจจัยที่ 1: ความน่าเชื่อถือ

Q6) ความน่าเชื่อถือ มีเพิ่มมากขึ้น

ขึ้นอยู่กับความรู้และประสบการณ์ที่เกี่ยวข้องกับสินค้าและบริการ

ไม่เห็นด้วยอย่างมาก	ไม่เห็นด้วย	เป็นกลาง	เห็นด้วย	เห็นด้วยอย่างมาก

ปัจจัยที่ 2: การไว้วางใจ

Q7)

การให้ความไว้วางใจต่อการรับคำแนะนำข้อมูลเกี่ยวกับสินค้าและบริการ

ไม่เห็นด้วยอย่างมาก	ไม่เห็นด้วย	เป็นกลาง	เห็นด้วย	เห็นด้วยอย่างมาก

ปัจจัยที่ 3: Personal relevancy

Q8) Personal relevancy of the sales personal plays an important role

ไม่เห็นด้วยอย่างมาก	ไม่เห็นด้วย	เป็นกลาง	เห็นด้วย	เห็นด้วยอย่างมาก

ตอนที่ 3: ผลประโยชน์ที่อินเทอร์เน็ตมีต่อบริการขายตรง

ปัจจัยที่ 4: เสิร์ชเอนจิน

Q9) มีความจำเป็นอย่างมากในการใช้เสิร์ชเอนจิน เช่น Google เพื่อที่จะสามารถค้นหาข้อมูลเกี่ยวกับสินค้าได้อย่างได้ผล เช่น: google.com, yahoo.com

ไม่เห็นด้วยอย่างมาก	ไม่เห็นด้วย	เป็นกลาง	เห็นด้วย	เห็นด้วยอย่างมาก

ปัจจัยที่ 5: รีวิวจากผู้ใช้ออนไลน์

Q10) รีวิวบนโลกออนไลน์ เช่น Facebook
สามารถส่งผลดีและผลร้ายต่อสินค้า

ไม่เห็นด้วยอย่างมาก	ไม่เห็นด้วย	เป็นกลาง	เห็นด้วย	เห็นด้วยอย่างมาก

ตอนที่ 3: ปัจจัยที่มีผลต่อการโน้มน้าวต่อการตัดสินใจซื้อสินค้า

ปัจจัยที่ 6: ราคา

Q11) การคำนึงถึงราคาสินค้ามีความสำคัญอย่างมาก
เนื่องด้วยสินค้าในการบริการขายตรงมักจะมีราคาสูงกว่าสินค้าตามท้องตลาด

ไม่เห็นด้วยอย่างมาก	ไม่เห็นด้วย	เป็นกลาง	เห็นด้วย	เห็นด้วยอย่างมาก

ปัจจัยที่ 7: แบรินด์

Q12) แบนด์มีความสำคัญ

เพราะจะทำให้บริการขายตรงดูมีความน่าเชื่อถือและเป็นที่ยอมรับมากขึ้น

ไม่เห็นด้วยอย่างมาก	ไม่เห็นด้วย	เป็นกลาง	เห็นด้วย	เห็นด้วยอย่างมาก

ปัจจัยที่ 8: ความปลอดภัย

Q13)

ความปลอดภัยของผู้บริโภคมีความสำคัญอย่างมากในบริการขายตรง

ไม่เห็นด้วยอย่างมาก	ไม่เห็นด้วย	เป็นกลาง	เห็นด้วย	เห็นด้วยอย่างมาก

ปัจจัยที่ 9: การคืนเงิน

Q14)

การคืนเงินมีความสำคัญต่อการตัดสินใจซื้อสินค้าในบริการขายตรงอย่างมาก
หากสินค้าไม่ตรงตามความต้องการของผู้ซื้อ
ผู้ซื้อสามารถคืนสินค้าและได้รับเงินคืนมาได้

ไม่เห็นด้วยอย่างมาก	ไม่เห็นด้วย	เป็นกลาง	เห็นด้วย	เห็นด้วยอย่างมาก

Q15) Will you the buy the product again from direct selling firm

ไม่เห็นด้วยอย่างมาก	ไม่เห็นด้วย	เป็นกลาง	เห็นด้วย	เห็นด้วยอย่างมาก



BIODATA

Name – Surname: Samad Akbar

Address: 659, Pattanakarn Soi-29, Mubaan Kasara, Suan Luang, Bangkok, Thailand. 10250

Email: samadakbar@hotmail.com

Contact Number: +66891345254

Educational Background: Master of Business Administration (M.B.A), BU Graduate
Bachelor of Business Administration, Major in Marketing (B.B.A), Bangkok University, Thailand
“O” level, G.C.E, TSIS Thailand

Work Experience: S.I.P (Service Internet Phone), 2013-mid 2015, Worked as Marketer (Bangkok, Thailand).
Great-organize (Event Management), 2012-2013 , Worked in team of managing the event (Bangkok, Thailand).
DREAMSCAPE (Crazydomains), 2011-2012, Worked as help desk (Bangkok, Thailand).

Bangkok University

License Agreement of Dissertation/Thesis/ Report of Senior Project

Day 2nd Month Dec Year 2015

Mr./ Mrs./ Ms SAMAD AKBAR now living at 649
Soi 29 Street Pattanakarn
Sub-district _____ District Suang Luang
Province Bangkok Postal Code 10250 being a Bangkok
University student, student ID 7530203442

Degree level Bachelor Master Doctorate

Program M.B.A. Department - School Graduate School

hereafter referred to as "the licensor"

Bangkok University 119 Rama 4 Road, Klong-Toey, Bangkok 10110 hereafter referred to as "the licensee"

Both parties have agreed on the following terms and conditions:

1. The licensor certifies that he/she is the author and possesses the exclusive rights of dissertation/thesis/report of senior project entitled

A Case Study: The Significance of 'Word-of-Mouth' and 'Internet' to Direct Selling.

submitted in partial fulfillment of the requirement for M.B.A of Bangkok University (hereafter referred to as "dissertation/thesis/ report of senior project").

2. The licensor grants to the licensee an indefinite and royalty free license of his/her dissertation/thesis/report of senior project to reproduce, adapt, distribute, rent out the original or copy of the manuscript.

3. In case of any dispute in the copyright of the dissertation/thesis/report of senior project between the licensor and others, or between the licensee and others, or any other inconveniences in regard to the copyright that prevent the licensee from reproducing, adapting or distributing the manuscript, the licensor agrees to indemnify the licensee against any damage incurred.

This agreement is prepared in duplicate identical wording for two copies. Both parties have read and fully understand its contents and agree to comply with the above terms and conditions. Each party shall retain one signed copy of the agreement.



() Licensor



(Director, Library and Learning Center) Licensee



(Dean, Graduate School) Witness



(Program Director) Witness