Who Benefits The MLM System? Case Study on Consumer Behavior Multilevel Marketing

Ramadhina Elmira¹, Chusnul Rofiah²
¹² STIE PGRI Dewantara Jombang,

ABSTRACT: This research explores who really benefits from the Multi-Level Marketing (MLM) system with a case study of consumer behavior regarding Oriflame products. This research uses qualitative methods with a case study approach to understand the dynamics and motivations behind consumer participation in MLM. The focus of this research is to explore how attitudes, subjective norms, and perceived behavioral control influence consumers’ intentions and actions in joining and remaining in MLM, how external stimuli and previous experiences influence consumer behavior. The locus of this research involved five different women's communities, namely posyandu administrators, gymnastics community, Beauty Community members, weekly social gathering founders, and weekly regular recitation members, who were selected through purposive snowball sampling. The results show that despite the potential for significant financial gain and personal development, distrust of the business model and challenges in product sales often hinder long-term success. This study contributes to the literature on consumer behavior in the MLM context and provides recommendations for companies to increase transparency and support for distributors.

KEYWORDS: Multi-Level Marketing (MLM), Consumer Behavior, Distrust, Theory of Planned Behavior (TPB)

I. INTRODUCTION

Businesses that use a Multi-Level Marketing (MLM) system often cause debate because of differences in views and experiences between consumers (Bradley & Oates, 2021). It is important to explore how the debate regarding Multi-Level Marketing (MLM) systems relates to Oriflame products (Wrenn, 2023b). Problems that arise from the MLM system can be directly linked to consumer perceptions (Banerjee & Banerjee, 2022) of Oriflame products through several key aspects: (1) Perception of Product Quality. Consumers who believe in the MLM system tend to see Oriflame products as high quality products. They often become loyal users of the product, which supports the product's claims of benefits and effectiveness. Products marketed by Oriflame, such as cosmetics, skincare and supplements, are perceived as products that provide added value and improve their quality of life (Blackman, 2021). This belief is often reinforced by positive testimonials and good personal experiences. On the other hand, consumers who doubt the MLM system may be skeptical about the quality of Oriflame products (Dixon et al., 2023). They may think that the price of the product is too high because it has to support the MLM commission structure, not because of its actual quality (Bradley & Oates, 2021). There are also concerns that the product is no better than similar products sold in traditional markets, but is sold at a premium price to support MLM schemes. (2) Trust in the Business Model, consumers who support the MLM system often believe that Oriflame offers transparent and fair business opportunities (Radhakrishnan & Aithal, 2024). They feel empowered with enough information about how the business works, commission structures, and growth opportunities. The products they sell are considered legitimate vehicles for achieving financial success (Kyei-Frimpong et al., 2024). However, skeptical consumers often feel they lack clear and transparent information. They may assume that information about income opportunities and true costs is hidden or conveyed dishonestly (Tian et al., 2023). This lack of clarity exacerbates distrust towards Oriflame products because they are considered part of a non-transparent scheme. (3) Personal Experience and Testimonials, positive experiences with Oriflame products can strengthen consumer trust in the MLM system. Consumers who are successful in the Oriflame MLM business often use testimonials and personal experiences to promote products. They show how the product has provided real benefits, both in terms of beauty and health (Sievers et al., 2021). However, negative experiences also play an important role. Consumers who feel they have failed in the Oriflame MLM business or feel disadvantaged by the system tend to spread negative views (Ding et al., 2024). They may feel the product does not provide the promised benefits, or feel burdened by product purchases that must be made to maintain their status in the MLM network. (4) Social Dynamics and Community Influence,
in communities that support Oriflame, this company’s products are seen as an integral part of a healthy and successful lifestyle (Veleva, 2021). Social support from the community can provide additional motivation for consumers to continue participating in the MLM system and continue to use and promote Oriflame products (Aripin et al., 2023). On the other hand, social stigma against MLM can influence consumer perceptions of Oriflame products. If the social environment or consumer community is skeptical of MLM, this may affect an individual’s belief in the effectiveness and authenticity of the product (Belanche et al., 2020). This stigma is often fueled by stories of financial loss or fraud associated with other MLMs (Scutaru, 2020). (5) Regulations and Compliance, Oriflame which is committed to complying with regulations and maintaining ethical business practices can increase consumer confidence in their products (Al-Dmour et al., 2020). Consumers who know that Oriflame operates within the law and has a good reputation are more likely to have confidence in the quality of the product. However, if there is a perception that Oriflame is not completely transparent or that there are ethical issues in its operations, this could undermine consumer confidence in the product. Consumers may doubt the authenticity of product claims and be skeptical of advertised benefits. The debate regarding the MLM system and consumer perceptions of Oriflame products are closely related (Scutaru, 2020). Consumers who believe in the MLM system tend to see Oriflame products as high quality and an effective tool for achieving financial success. On the other hand, consumers who are skeptical of MLMs may doubt the quality of the product and feel that the product price is too high due to the complex commission structure (Wadlewski, 2022). Personal experience, information transparency, social support, and compliance with regulations play an important role in shaping this perception. Oriflame needs to continue improving transparency, product quality and ethical compliance to overcome the challenges of distrust and strengthen consumer confidence in their products and business model (Seun et al., 2022).

This research contributes to the knowledge of the Theory of Planned Behavior (TPB) and Behavioral Theory by deepening understanding of the factors that influence consumer intentions and behavior in the context of Multi-Level Marketing (MLM), especially at PT Orindo Alam Ayu (Oriflame). Within the TPB framework, this research identifies how attitudes towards MLM (positive or negative), subjective norms (influence of community and social networks), and perceived behavioral control (ease or difficulty of running an MLM business) contribute to consumers’ intentions to join or stay away from Oriflame. Meanwhile, from a Behavioral Theory perspective, this research explores how previous experiences, both favorable and detrimental, influence consumer behavior in making decisions regarding participation in MLM. This research also highlights the role of external factors such as information transparency and regulation, as well as internal factors such as personal motivation and risk perception, in shaping consumer trust and distrust. Thus, this research not only enriches the literature on consumer behavior in the MLM context, but also provides practical insights for companies in designing more effective and ethical marketing strategies.

II. THEORITICAL REVIEW

Theory of Planned Behavior

The Theory of Planned Behavior (TPB) was developed by Icek Ajzen in the late 1980s as an extension of the Theory of Reasoned Action (TRA) to overcome limitations in predicting behavior that is not completely within the individual’s control (Ajzen, 2020). The TPB argues that a person’s intention to perform a behavior is the best predictor of that actual behavior (Conner, 2020). This intention is influenced by three main factors: attitude toward the behavior (Abbasi et al., 2021), subjective norms, and perceived behavioral control. Attitude toward behavior refers to an individual’s evaluation of how positive or negative the behavior is (Liu et al., 2020). Subjective norms relate to social pressure or beliefs about what other people consider important regarding the behavior. Perceived behavioral control reflects an individual’s beliefs about the ease or difficulty of performing the behavior, which also includes past experiences and anticipated obstacles (Gansser & Reich, 2023). The TPB emphasizes that although intention is the main indicator, actual behavior is also influenced by the degree to which individuals feel they have control over their actions (Albayati et al., 2023). By integrating these factors, the TPB provides a comprehensive framework for understanding and predicting a wide range of human behavior in diverse contexts, from health to business and social environments (Ajzen, 2020).

Behavioral Theory

Behavioral Theory, which is rooted in the principles of behavioral psychology, emphasizes that human behavior is primarily learned and influenced by interactions with the environment (Hayes & Hofmann, 2021). This theory focuses on how external stimuli and the consequences of behavior (reward or punishment) shape individual actions (Tandon et al., 2022). In this context, behavior is considered to be the result of a learning process through classical and operant conditioning. Classical conditioning, first introduced by Ivan Pavlov, describes how an association between a neutral stimulus and a meaningful stimulus can produce a learned response (Astrachan et al., 2020). Meanwhile, operant conditioning, pioneered by B.F. Skinner, highlighted how the consequences of behavior—such as positive (reward) and negative reinforcement (avoidance of punishment) strengthen or weaken the behavior (Norholt, 2020). Behavioral Theory also recognizes the role of modeling and observation in learning, as explained in Albert
Who Benefits The MLM System? Case Study on Consumer Behavior Multilevel Marketing

Bandura's social learning theory, where individuals learn new behavior through observation and imitation. Overall, Behavioral Theory provides a powerful framework for understanding and modifying behavior through manipulation of the environment and consequences, as well as identifying factors that strengthen or inhibit certain behaviors (Tandon et al., 2021). This theory is widely applied in various fields, including education, behavior therapy, marketing, and organizational management, to influence and improve desired behavior.

Multi-Level Marketing

Multi-Level Marketing (MLM) is a marketing strategy that involves a network of independent distributors selling products directly to consumers and recruiting other people to become distributors in their network (Wrenn, 2023a). This model generates revenue from two main sources: direct product sales and commissions from sales made by recruited network members (downlines) (Ezekiel & Toba, 2020). MLMs often use a tiered commission structure, where distributors earn bonuses and incentives based on their network's sales volume. This model offers flexibility and residual income potential that is attractive to many people, especially those looking for a side or full-time business opportunity with relatively low initial capital (Ezekiel & Toba, 2020). However, MLMs are also controversial due to their similarities to illegal pyramid schemes, where more revenue is generated from recruiting new members than from product sales. This lack of clarity creates distrust among the public. Success in MLM depends largely on an individual's ability to build and manage a broad network (Hayes & Hofmann, 2021), as well as effectiveness in sales and training new members. Regulation and adherence to ethical business practices are critical to distinguishing legitimate MLMs from fraudulent schemes, as well as ensuring that consumers and distributors receive transparent information and adequate protection (Bradley, C., & Oates, 2021).

Oriflame

PT Orindo Alam Ayu, better known by the Oriflame brand, is one of the leaders in the beauty and personal care industry in Indonesia (Lase, et al., 2022). The company was founded in 1986 and since then has introduced various innovative and high quality products to the Indonesian market. Oriflame operates a Multi-Level Marketing (MLM) business model, which allows individuals to become independent distributors and sell their products directly to consumers (Jokhu, J. R., & Telaumbanua, 2022). This business model has provided opportunities for thousands of people throughout Indonesia, especially women, to develop their own businesses and achieve financial independence. Oriflame is known for its focus on products containing natural and environmentally friendly ingredients, as well as its commitment to innovation and excellence in the beauty industry. The company also provides strong support to its distributors through training, marketing tools and digital platforms that make it easier for them to run their business. Despite facing challenges in terms of distrust and stigma associated with the MLM business model, Oriflame continues to strive to improve transparency, business ethics and product quality to strengthen its position in the industry and society (Watuna, 2022).

III. RESEARCH METHODS

In this research, a qualitative method (C. Rofiah, 2023) was used with a focus on a case study approach (C. Rofiah, 2023) on the theme "The Consumer's Dilemma" in the context of the Multi-Level Marketing (MLM) business model, with an emphasis on Oriflame products. A qualitative approach allows researchers to gain an in-depth understanding of consumers' experiences, perceptions and attitudes towards the MLM business model and the products offered. Case studies were chosen as a research method because they allow in-depth analysis of complex and contextual phenomena, such as the dilemmas faced by consumers in considering business opportunities and trust in Oriflame products. Through this approach, researchers can collect data from various sources, including interviews, observations, and documentation, to describe and analyze problems well. With a focus on Oriflame products, this research aims to provide rich and contextual insights into the dynamics involved in consumer participation in MLM businesses as well as the implications for the company and society as a whole. With the Methods model Simple Research Design With triangulation theory. Simple qualitative research can still be compiled without having to carry out lengthy discussions but can still be accounted for (Rofiah, 2021). This research uses Simple Research Design Methods With Triangulation Theory. Simple qualitative research can still be prepared without having to carry out long-winded discussions but can still be accounted for (Rofiah & Bungin, 2021). When modifying the model from a simple design to a simple design model with triangulation theory/simpleresearch design with triangulation theory. There are 7 main steps, namely the following is an explanation of these steps:
Who Benefits The MLM System? Case Study on Consumer Behavior Multilevel Marketing

1. Select a social context and develop research questions.
2. Conduct a literature review, in which research questions about social context are answered based on the literature explored.
3. The literature review continues by exploring the research methods that will be used as well as using research methods to collect data in the field.
4. Researchers carry out data analysis in the field and use theory as a pen for data analysis.
5. Researchers prepare a draft report.
6. Researchers carry out theoretical triangulation.
7. Researchers report the results of their research while still including the findings that have been obtained in the field

Research Locus
This research was conducted on 5 women's communities, namely: posyandu administrators, gymnastics community, Beauty Community members, weekly social gathering founders and weekly recitation members. This research starting February 2024 until this research was completed.

Research Informant
In this research, a purposive snowball sampling model was used to select respondents from five different women's communities, namely posyandu administrators, gymnastics communities, members of the Beauty Community, founders of weekly social gatherings, and members of regular weekly Koran studies. This method was chosen to ensure that the research sample included relevant variations in terms of experience, knowledge and perceptions related to Oriflame products and the MLM business model. Purposive snowball sampling allows researchers to select initial respondents who fit certain criteria, such as membership in a relevant community, and then ask them to recommend other respondents who may have valuable insights or experiences. In this way, the research sample can develop organically over time and allow for the inclusion of a variety of perspectives and experiences. This approach allows researchers to gain a deep understanding of the ways in which Oriflame products and their MLM business model are understood, adopted, or avoided by members of various women's communities. By interviewing members from a variety of backgrounds and experiences, this research was able to produce rich and varied insights into the complexities of “The Consumer’s Dilemma” in the context of Oriflame and the MLM industry as a whole.

Informant data table

<table>
<thead>
<tr>
<th>No</th>
<th>Informant's Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yulianti Atifah</td>
<td>Chair of Posyandu Cayakgayam Post 1</td>
</tr>
<tr>
<td>2</td>
<td>Eka Windanata</td>
<td>Founder of Weekly Grocery Arisan</td>
</tr>
<tr>
<td>3</td>
<td>Anik Mujibatin</td>
<td>SAG Catalgayam Group Gymnastics Member</td>
</tr>
<tr>
<td>4</td>
<td>Puti Kusuma Dewi</td>
<td>Senior Director Beauty Community Maki Paki</td>
</tr>
<tr>
<td>5</td>
<td>Fika Tamami</td>
<td>Weekly Routine Study Member</td>
</tr>
</tbody>
</table>

Source: Researcher Data, 2024

Data Collection Technique and Triangulation
To obtain data, researchers used the following techniques: 1. In-depth Interview Technique; 2. Direct Observation Technique; 3. Documentation Techniques. Source triangulation and theory triangulation are two types of triangulation used in this research (Rofiah, 2021)
IV. DATA ANALYSIS TECHNIQUE

In this research, the data analysis used is the Manual Data Analysis Procedure (MDAP) by Rofiah, (2022). According to Rofiah, (2022), the proposed data analysis method is comprehensive and systematic but not rigid; providing a space that designs intuition and creativity as optimally and maximally as possible. This method makes researchers come out of their isolation and the analysis process is seen as a team activity rather than a purely individual process. The analysis process began immediately after the first interview and continued until the data saturation point had been reached. The analysis process consists of four parts:
1. Through preparation of the coding process.
2. Categorization process.
3. The process of determining the theme.

Research Line of Thought

The framework of this research can be described as follows:
V. RESULTS AND DISCUSSION

Discussion

I Attitudes towards Oriflame Multilevel Marketing behavior

I.1 Promising business

"...yes, e-business is promising, sis." (Yulianti 2024)

Based on the results of an interview with the head of posyandu post 1 Catakgayam village, Mrs. Yulianti, she said that the Oriflame business which uses a multilevel marketing system is a promising business.

I.2 Appropriate portions

"...but yes, if we are appropriate, that means we get income according to what we do" (Yulianti 2024)

The second statement is also related to the first statement, where the Oriflame business can be said to be promising if its independent consultants carry out what they are supposed to do. Then they get a salary or profit according to the points they have collected.

"...What I don't like about the MLM business is that it's suitable, like for example if he works then he gets money, but if he doesn't work, for example if he has a very large team at the bottom, he won't get any money either, for example his team is really enthusiastic about selling. "But X, who is in the top position, doesn't sell, so he can't make a profit and can't get a salary, so they really work together and just profit from those at the top." (Putri 2024)

Oriflame’s multilevel marketing business is a business with appropriate portions which is also supported by the results of interviews with informant 4, namely Ibu Putri as director of the beautu community maki paki, she said she likes the MLM business because the system is suitable, in the sense that they will get a salary if they work, but for example The downline below has a lot of points, but the upline doesn’t work so the upline can’t get a salary.

I.3 Flexible time

"...and the time to run this business is flexible" (Yulianti 2024)

Oriflame’s multilevel business also has flexible working hours, which means it can be done anywhere and at any time.

I.4 Real product benefits

"...Because I know your spirit, sis, there are those who have bought and benefited from being friends with Ngunu, not just adverts for Corongunu. I understand because those who have used the product have told me about the benefits of using this, because the zinc test directly made my ngunu wong idek ngunuku even more interested in sis, so I had the courage to help sell the product. Then I’ve also tried e products, and I also feel that the benefits are really there. "So I will be more confident in convincing customers if I have used it myself" (Eka 2024)

Based on the results of an interview with the second informant, namely Mrs. Eka Windanata as the founder of the weekly social gathering, Mrs. Eka said that the real benefits of Oriflame products are not just talk or advertising. His statement is supported by his experience and that of people around him who have experienced the benefits of using Oriflame products.
I.5 Unclear business scheme

"...It's a pity for those who have registered, sis, it seems like they're in the right order to let them go, because they're not good at it, you're definitely confused about joining an MLM, and it's definitely going to be difficult to find customers, so it's a shame" (Anik 2024)

Based on the results of an interview with a member of SAG Catakgayam gymnastics, namely Mrs. Anik Mujibatin, she said that there was an unclear business scheme in multilevel marketing. Because it is thought that members who register first will make more profits than members who register later.

I.6 Oriflame's complicated multilevel marketing business

"...it's not good, sis, because it's complicated, this month's earnings can't be accumulated into the next month, it's complicated because of that target, so next month it goes back to 0, that's what e says, and we as e members have to be smart. "By the way, to seduce customers, to convince them that e products are good" (Eka 2024)

Mrs. Eka Windanata also mentioned that Oriflame's multilevel marketing business is complicated because points earned this month cannot be accumulated into the next month, so in the following month the points earned last month will automatically be forfeited.

"...Personally, I'm not very happy, sis, what do you think, it seems difficult, sis, if you're in this networking business, you have to look for people, and looking for people, I think you have to be smart and invite people, but there are also a lot of cases where you've already joined and you've joined or not. walking, yes, that's what I think, so I don't really like it there." (Eka 2024)

The statement that Oriflame's multilevel marketing business is complicated is supported by the results of interviews with informant five, he stated that the multilevel marketing business is complicated, because it is a network business where in the network business you have to recruit as many people as possible to get the maximum salary.

I.7 Not interested in business

"...I don't want to, sis, but I don't shy away, I'm polite and accompanied by the school, but I still don't want to join the business, because I think it's better to raise MSMEs yourself than join a business like that" (Anik 2024)

The third informant, namely Mrs. Anik, said that she did not want to join the multilevel marketing business Oriflame if one day someone asked her to, because according to Mrs. Anik it was better to grow the MSMEs she owned than to join a multilevel marketing business.

"...in this village there are very few people who like it like that, because regone yo is quite good sis, dadi wong deso iku are picky, e yo products are rarely accompanied by the market" (Anik 2024)

Mrs. Anik also said that in the village there are rarely people who are interested because the price is quite expensive and potential consumers prefer products that they can easily find around them.

I.8 Unethical business scandals

"...we were promised that we would get a lot of profit at the end of the sale, but up to now there has been no bonus or profit that has been promised, it turns out that this has happened, sis. I have to find as many people as possible and buy as many product packages as possible so that I can get the bonus that was promised at the start of registration." (Anik 2024)

Based on the interview results, informant three stated that businesses operating in the MLM sector have a history of unethical business scandals with the promise of getting large bonuses, but there are conditions that must be fulfilled.

"...Because they don't understand, because so far their view of MLM is not good, it's not good because there are several individuals acting in the name of MLM and their work system is not in accordance with the actual MLM work system" (Putri 2024)

Some individuals in the name of multilevel marketing and work systems that are not in accordance with the multilevel work system actually make multilevel considered bad by people who do not understand the difference between multilevel and moneygame.

I.9 Lack of information transparency

"...Back then, I didn't really understand, sis, about MLM and Oriflame, I thought MLM only profited from the top" (Putri 2024)

Based on the results of interviews with informant four, there is no transparency in the MLM business so that many misunderstandings occur.

II. Consumer perceptions of Oriflame multilevel marketing

II.1 Chain business

"...MLM is a chain e-business, and in MLM there are a lot of meetings like that, sis, usually in hotels when there are those, at that time I was hampered by not having a motorbike, right, so it was difficult for me when I had meetings like that, Yes, I think becoming an e-MLM business is difficult" (Yulianti 2024)
Who Benefits The MLM System? Case Study on Consumer Behavior Multilevel Marketing

Based on the results of the interview with the informant, he said that the MLM business is a difficult chain business, because there are many meetings.

II.2 Chase the target

"...Yes, yes, sis, regarding the e-target system, so whether we want it or not, we have to meet the target as we want, if we don't want to lose money and we can get a large profit or bonus" (Anik 2024)

Informants don't like Oriflame's multilevel marketing business because of its system of chasing targets. If you don't want to suffer losses, chasing targets will also produce large profits and bonuses.

II.3 Results are not fast enough

"...Forbid it, sis, and the results from using old products, usually if it's expensive, the results will be fast, so I'm thinking about whether I'm suitable or not, tiwasan tuku but it's not suitable, isn't it, eman. This is in terms of products, sis" (Eka 2024)

From the results of the interview, Mrs. Eka complained about Oriflame products not being used quickly, in Mrs. Eka's opinion, expensive products will always get results quickly.

II.4 Transportation constraints

"...in the past, I explained it to my friend, if you join, you will get this and that, yes, people will definitely be tempted, but then again I think I will be hampered by bicycles, so I won't join" (Yulianti 2024)

Mrs. Yulianti doesn't like Oriflame's multilevel business because of transportation problems which mean that Mrs. Yulianti can't attend meetings which are quite far from home.

II.5 Lack of experience and knowledge

"...I will not run into the MLM business, even though I have no experience" (Yulianti 2024)

The first informant, Mrs. Yulianti, stated that she did not want to join the multilevel marketing business Oriflame but did not run away if asked to join, the reason she did not want to join was because she had no experience.

"...Yes, in my opinion, because they don't have marketing skills, sis, it's also difficult to sell their products, because as a sales marketer, you have to be super, you have to understand the product specifications, you have to be patient, that's also important" (Yulianti 2024)

In his second statement, the reason people don't join multilevel marketing is because they don't have marketing skills. Where sales marketers must understand product specifications, then they must also be mentally strong and patient in dealing with various customer characteristics.

"...I don't think so, sis, is it really that easy for me to get money from joining one day? Yes, there is still a lot that needs to be learned so that I can market the product, because I already have the skills, Corongunu, unless I just joined, say on April 4th, then I was promised that I would have made a profit on April 5th, that is, maybe I could join, but in fact I didn't. , you have to prepare everything, right" (Fika 2024)

Mrs. Yuli's statement is supported by Mrs. Fika's statement, that joining the Oriflame multilevel marketing business is not easy, you have to have skills that must be learned to be able to sell your products well.

II.6 Capital limitations

"...In my opinion, sis, they don't have the capital to join the business, because souls don't pay, don't pay for products, don't let angels do it, dadine yo akeh seng refuses" (Anik 2024)

Mrs. Anik as the third informant said that one of the reasons people reject Oriflame's multilevel marketing is because of limited capital.

II.7 Time limitations

"...I've tried selling online in the past, but it wasn't regular because it was a hassle doing homework, it was a hassle getting ready to sell at the shop, so you couldn't stand by your cell phone, so time was a problem, like that wasn't possible, you had to keep updating, every time there is something new, this or that promo, in the end you don't end up posting the products"

The fifth informant said that she had limited time when joining Oriflame multilevel marketing. This time limitation arose because she had other activities besides being a housewife.

II.8 Limitations in selling products

"...Many sis, because many people are unfamiliar with Oriflame, the price of Oriflame products is also relatively expensive, so it's difficult to sell in large quantities and we live in the village, where the village people have a lot of mendang, it's better, maybe if If there's a promotion and the promo price is reasonable, they will definitely be interested in buying it, sis" (Yulianti 2024)

The difficulty in selling Oriflame products is because the price is expensive, marketing products in villages will be a bigger challenge because many people don't know about Oriflame, it is likely that residents in villages will buy Oriflame products during promotions.

"...Yes sis, and sometimes a lot of people think that I'm offering to join a business, even though I just want to offer the product" (Yulianti 2024)
Who Benefits The MLM System? Case Study on Consumer Behavior Multilevel Marketing

Village residents can be said to be the most unfamiliar with the Oriflame industry, which gives rise to misunderstandings when they want to market Oriflame products.

II.9 Confidence in business

"...but after not studying it in more depth, MLM really has a big influence on the Indonesian economy, so if we already understand MLM, it's good, and MLM is not about cheating people, MLM is very different from money games" (Putri 2024)

Based on the results of the interview with Putri’s mother, after studying more deeply about MLM, it turns out that MLM is very influential on the Indonesian economy. She also concluded that understanding the MLM system is good, and that MLM is not the one that deceives people because MLM is very different from money games.

II.10 Upline success

"...Because many have tasted success" (Putri 2024)

Mrs. Putri said she was confident that she could be successful in multilevel marketing at Oriflame because she had seen the success of her upline, which made Mrs. Putri very confident that if she joined multilevel marketing at Oriflame she would also be successful.

III. Consumer subjective norms

III.1 Sell your own way

"...previously I was invited by my friend to join Oriflame, but I didn't even get the member number, but I joined in selling the products, sis, so I got the Oriflame catalog too, basically I just helped my friend market Oriflame products, later if someone ordered it, I Tell him, then he will order it from Oriflame" (Yulianti 2024)

Based on the results of an interview with Mrs. Yulianti as head of posyandu post 1 Catakgayam, Mrs. Yulianti’s experience of helping her friend sell Oriflame products, Mrs. Yulianti also received an Oriflame catalogue.

"...I don’t mind, sis, because it’s complicated, except arek and seng kulak and I smell ngedolno gapopo but I make my own profit" (Eka 2024)

This statement from Mrs. Yulianti is also supported by the results of an interview with Mrs. Eka. Mrs. Eka said she did not want to join Oriflame’s multilevel marketing but wanted to help sell products by taking her own profits in accordance with the provisions of Oriflame’s code of ethics.

III.2 Feeling depressed

"...Yes, yes, sis, this pie pie must be mayokno, it must be dolek wong" (Eka 2024)

The reason why Mrs. Eka didn’t want to join Oriflame’s multilevel marketing was because she was under pressure, because she had to market the products she had purchased and look for people to recruit.

III.3 Positive testimonials

"...It's good sis, the oil smells good, the powder is good quality, the lipstick is nice, but I've never tried using the product, I've only seen the testimonials shared by my friend's daughter" (Anik 2024)

Mrs. Anik stated that there are many good testimonials for Oriflame products, so even those of her who have never used the products can believe that Oriflame products have good quality.

III.4 Prohibition from family

"...At first they didn't like you, especially knowing that it was based on MLM, yes, at first my parents didn't let me join the Oriflame business, in the end I joined in secret" (Putri 2024)

Based on the results of the interview with Putri’s mother, she explained that the people around her did not like the multilevel marketing business, so her parents were not allowed to join Oriflame multilevel marketing, so Putri’s mother chose to secretly register herself as an Oriflame member.

III.5 Provide information

"...then when I got my salary, I told my parents that I would join this business and I could get a salary from my job, from then on they believed that this was not a fake business or a scam like that" (Putri 2024)

After joining multilevel marketing Oriflame and getting a salary, Putri’s mother dared to talk to her parents that joining multilevel marketing Oriflame could earn a salary. Since then, Putri’s mother’s parents believed that Oriflame multilevel marketing was not as previously imagined, namely fraudulent business

III.6 Positive community

"...Alhamdulillah, while joining Oriflame there was no pressure at all, all of the members' friends were also kind, within the network they were not stingy with knowledge, always sharing tests, sharing tips, sharing happiness and so on" (Putri 2024)

After joining Oriflame’s multilevel marketing, Putri’s mother did not feel any pressure at all, because her fellow members were good members of the network and were not stingy with knowledge, always sharing testimonials, tips and sharing happiness.
Who Benefits The MLM System? Case Study on Consumer Behavior Multilevel Marketing

IV. Consumer search behavior

IV.1 Information from social media

"...That's my friend's daughter, because she's part of the business. Yes, I know from his WA status. 2023, sis, I understand Oriflame" (Anik 2024)

Based on the results of an interview with Mrs. Anik as a member of SAG gymnastics, she found out about Oriflame from the wa status of the child of Mrs. Anik's friend.

"...The first time I heard about Oriflame products was from a Facebook friend, Sis, I was offered the product, but I forgot what the product was" (Putri 2024)

Mrs. Anik's statement was also supported by informant four, namely Mrs. Putri, she learned about Oriflame products from Facebook friends.

"...Yes, I'm a little curious, sis, but I don't keep looking here and there for Oriflame, I just saw it on my nephew's social media, because he's also a member of Oriflame, it's been quite a long time, I don't know the exact year, sis, because he I also got lots of prizes and redeemed them cheaply."(Anik, 2024)

The fifth informant stated that he learned about Oriflame products through social media from social media owned by the informant's nephew.

IV.2 Recommendations from friends

"...I found out from my friend, sis, I was once invited, a friend of mine was joining MLM, I've known about MLM for a long time, sis" (Yulianti 2024)

Based on the results of an interview with Mrs. Yulianti, she learned about Oriflame from a friend who is part of the Oriflame multilevel marketing business.

"...From my friend who joined Oriflame earlier, sis, she used to get cheap perfume, get a bag, get a wallet, that is, if she met her target, she would get prizes like that. If you don't get Oriflame as a gift, you don't have much money, yes, yo, my stuff is cheap" (Eka 2024)

Mrs. Yuli's statement is also supported by Mrs. Eka's statement, that she learned about Oriflame products from friends who are members of the Oriflame business. In the Oriflame business, when a member reaches their sales target, they will get rewards such as cooking utensils, accessories or cheap redemption of Oriflame products.

IV.3 Conformity to needs

"...Sometimes I don't intentionally cheat on you, sis, I'm like, for example, I'll give you a certificate, then why do I need this, yo, in the end, I don't offer, I already have the catalogue, so they can look at the products in the catalogue, and then they can test the perfume in That's the catalogue, because if you rub it you can smell the perfume. Sometimes I also bring products that I've never used before, the customer doesn't tell me to try it myself, it's better if they have the goods" (Eka 2024)

According to Mrs. Eka, consumers will buy products according to their needs, sometimes accidentally telling the informant's friend that they need a product that can overcome their skin problems, from there the informant will offer products that are suitable to overcome these problems, offering catalogs and product testers as well as support for consumers. can believe more.

V. Consumer buying behavior

V.1 Confidence in the company

"...Eee what, the first time I joined there was no consideration at all, because at that time I was working in a pharmacy, and I joined this business because I wanted to earn extra money, but after I learned and I followed the business, thank God there were no considerations Again, I'm even more stable" (Putri 2024)

Based on the results of the interview with Putri's mother, Oriflame already has good branding, so Putri's mother did not have any considerations when she wanted to join Oriflame's multilevel marketing business, and along with as time goes by, Putri's mother gets more and more benefits and makes her more confident in the business.

V.2 Fair work system

"...because it's equally unprofitable for those at the top, so for example if you want to have a higher level than those who joined before you, that's really possible" (Putri 2024)

His confidence in Oriflame's multilevel marketing is increasing because the business has a fair work system, because everyone works together and it doesn't just benefit those at the level above, because in Oriflame's multilevel marketing, everyone gets a salary according to their respective portions of work.

V.3 Attractiveness of product quality

"...As for the quality, sis, it's really good, the price is really good, it's not good if there's no promotion, but jare wong jowo onok rego gowo rupo" (Yulianti 2024)
Who Benefits The MLM System? Case Study on Consumer Behavior Multilevel Marketing

Based on the results of the interview, Oriflame products are very famous for their good quality, even though the price is relatively expensive, all expensive products will definitely bring good benefits.

"...Have you ever tried lip balm, and also the pressed powder, my lip balm is really delicious, sis, my lips are really moist, Dadine doesn’t dry out her lips at all, but I rarely don’t use it when I leave the house, so “Yeah, I don’t use it when I’m going to sleep, because if you finish using lip balm, your lips will look like you’ve eaten fried food hehe, it’s really oily, sis, but it’s good, if the powder is good, I’m fine with it” (Fika 2024)

Another factor that attracts consumers to buy Oriflame products is the attractiveness of the good quality of the product. The results of an interview with Mrs. Fika, after using lip balm from Oriflame, the lips become more moist, powder from Oriflame is also very good according to her.

"...Once sis, I tried Tendercare, the zinc perfume smells like chocolate, I tried Tendercare because the word e can be used on the lips, but how come it doesn’t work on the eye bags while using it, it can get rid of all the acne. Yo, the perfume is delicious, sis, it lasts a long time, yo, it lasts a long time, but yo, Regane is prohibited” (Eka 2024)

The attractiveness of the product quality is further supported by a statement from Mrs. Eka, the quality of Oriflame tendercare products which can be used to treat dry lips, acne, eye bags, and so on. Not only that, the perfume that Eka’s mother used last a very long time.

V.4 Ease of product purchasing system

"...No, sis, Oriflame purchases directly from the members, so there’s no difficulty at all, we just have to order from the members, while waiting for it to be ready” (Fika 2024)

According to Mrs. Fika, there were no difficulties when purchasing Oriflame products, because the purchases were made directly by Oriflame members while waiting for the items ordered to be ready.

"...Before I became a member, I could get it from an Oriflame member, because Oriflame products cannot be sold in e-commerce or other offline stores” (Putri 2024)

Mrs. Fika's statement is supported by Mrs. Putri, Oriflame products can be obtained directly through Oriflame members, because Oriflame products cannot be sold in e-commerce or other offline stores, because this is a code of ethics that must be adhered to by all Oriflame members.

V.5 Doubtful about potential profits

"...When recruiting, sis, when looking for new members, a lot of them say no because this is an MLM business, maybe because they don’t understand what the MLM business system is like, because many people often think that MLM is the same as a money game”(Putri 2024)

Based on the results of interviews with mothers and daughters, many consumers are doubtful about the benefits they will get if they join Oriflame multilevel marketing, they think that this business is the same as a money game, even though in reality multilevel marketing is very different from a money game.

V.6 Make considerations before buying

"...if you ask me whether I want to buy it or not, the answer is I want to, but I don't think that's enough money to buy make-up or anything like that, because there are still things that are more affordable than Oriflame” (Anik 2024)

Based on an interview with Anik’s mother, when buying an Oriflame product, she will make considerations because she prefers to buy other products that are more affordable.

VI. Consumer usage behavior

VI.1 Share experiences

“...I also told them that I was suitable for using Tendercare, then they also asked, can it be repaired for cracked feet, Sis? Yes, don't answer according to the benefits listed. So, if someone orders from me, I just tell my friend who is an Oriflame member, then I get the member price according to the existing Oriflame member price provisions, then I sell it to the customer at the catalog price, so I don’t get any profit from that. earlier” (Eka 2024)

Telling stories about experiences after using Oriflame products will be one way to attract buyers to try them, because consumers will be more confident in personal testimonials from the seller of the product.

VI.2 Usage experience

"...Yes, I’ve used the product, sis, I used facial wash and lipstick before” (Yulianti 2024)

Based on the results of interviews with Mrs. Yulianti, her experience of using Oriflame products in the form of facial wash and lipstick.

VI.3 Trust recommendations

"...God willing, yes, sis, usually if you try it once you will become addicted, because the product is really good” (Yulianti 2024)
Who Benefits The MLM System? Case Study on Consumer Behavior Multilevel Marketing

After using Oriflame products, Mrs. Yulianti will recommend it to other people because of the superior quality of Oriflame's products. Mrs. Yulianti is also sure that she will be addicted to using good quality products.

VI.4 Repeat orders
"...I don’t do it very often, sis, because e products are long-lasting, but they expire for a long time, if they don’t run out, I don’t buy them" (Eka 2024)
This statement is supported by Mrs. Yulianti’s statement which was mentioned above, that she will be addicted to using products that have good quality. Mrs. Eka stated that she will buy Oriflame products again when they run out. This purchase is done regularly but not too often, because Oriflame products are long-lasting and the expiry date is 5 years, so there is no need to worry about the expiry date even though the product has not been used for a long time.

VI.5 Incompatibility with the product
"...I myself don’t use this product, it’s not suitable sis, dadi wong is a fool, for example, seng ngedolno ae ga gae product e" (Anik 2024)
Based on the results of interviews with Anik’s mother, she had a bad experience when using this product, so Anik’s mother made the decision not to use this product, so many consumers were hesitant to buy because those selling it did not use the product.

VI.6 Difficulty marketing
"...Yes, the price is the same, sis, actually the product is good, but most customers object to the price, right? You live in a Pisan village. “I didn’t just sell Oriflame products, sis, I once sold Tupperware with Sophie Martin too” (Eka 2024)
The difficulty in marketing Oriflame products is because of the price, because the place to market is in a village where most people are reluctant to choose to buy expensive products even though the quality is good.
"...then it’s also difficult for me to sell the product” (Anik 2024)
As a result of not using the product being sold, Mrs. Anik had difficulty marketing the product, it was difficult to convince potential buyers that the product being sold was good because the person selling it did not use the product.

VII. Consumer behavior evaluates

VII.1 Satisfaction with product use
"...Satisfied, sis, because the benefits of Oriflame products are great, because price also brings quality, yes, even though I have only used 2 products, but looking at the testimonials I have encountered, I am sure that Oriflame products are good and safe, because Isn’t it made from natural Swedish ingredients? If I’m not mistaken, that’s because I’ve read that too.” (Fika, 2024)
Based on the results of an interview with Mrs. Fika, after using Oriflame products and experiencing their benefits, she felt satisfied because of the benefits of the products. It cannot be denied that price brings quality. The testimonials circulating also increase Mrs. Fika’s confidence that Oriflame products have very good benefits.
"...In the evaluation of Oriflame products, I think they are all good, sis, there is nothing that is not good" (Putri 2024)
Mrs. Fika’s statement is supported by Mrs. Putri’s statement, After purchasing and using products from Oriflame, there is nothing that needs to be evaluated, because good Oriflame products are then provided to meet needs and overcome problems.

VII.2 Many product benefits according to experience
"...then also found a product that has many benefits, Tendercare is the product, it can be more budget-saving” (Eka 2024)
Based on the results of the interview with Mrs. Eka, the benefit gained from selling Oriflame products is finding products that can be multifunctional, such as tendercare, so you can save your budget to buy other products.

VII.3 Trust in the information obtained
"...No, sis, because I already explained it to my friend, I was also given a tester for the product, so I just believed that my friend explained about zinc, so I didn’t look for any more information” (Yulianti 2024)
Based on an interview with Mrs. Yulianti, positive information is very necessary for a marketer, because when making a decision he is very sure without looking for the credibility of the Oriflame product and company.

VII.4 You get lots of rewards and salaries
"...get a salary equivalent to the salary of people who work in offices, and also those who get free tickets for holidays at home and abroad” (Putri 2024)
There is a lot you can get when you join the multilevel Oriflame business, as Mrs. Putri has felt, Mrs. Putri already gets a salary equivalent to the salary of someone who works in an office, an office salary can be obtained just by working at home, apart from getting a salary, Mrs. Putri also have received and have experienced free holiday tickets domestically and abroad.

VII.5 Satisfaction of being a member
"...thank God, I have felt a salary that is equivalent to the salary of an office worker and even exceeds the UMR in Surabaya per month” (Putri 2024)
Who Benefits The MLM System? Case Study on Consumer Behavior Multilevel Marketing

The salary that the daughter's mother earns exceeds the salary of an office worker with a minimum wage in the city of Surabaya every month. Apart from the salary, she also earns profits from product sales. Mother Putri's satisfaction was conveyed in the interview.

"...I can use the proceeds from joining the MLM business to pay for my undergraduate studies, it doesn't stop there, I can also help my family economically using the salary and profits I get from joining this business" (Putri 2024)

The satisfaction of being a member was also mentioned by Mrs. Putri, the results of joining this multilevel business were able to pay off undergraduate study fees, apart from that it could also help the family's economy using the salary and profits obtained from joining the Oriflame multilevel marketing business.

VII.6 Earn a profit
"...the profit from selling that product, sis, the profit is quite good" (Eka 2024)

Based on the results of the interview with Mrs. Eka, the benefit obtained from selling Oriflame products is that the profit can be said to be quite large, namely 23% for each product.

VII.7 Object to price fixing
"...but maybe most people are not interested in Oriflame products because of the price and inconsistency in using the product, or they choose products that don't suit the needs of the problem they have, like for example if their skin problem is a lot of oil but they use the same skincare series. "For combination skin, it's not suitable" (Putri 2024)

Based on the results of interviews with mothers and daughters, many people are not interested in Oriflame products, the main thing is because the price is expensive, apart from having experience purchasing Oriflame products. which does not produce benefits because of the wrong choice of products for your skin's needs.

VIII. Consumer spending behavior

VIII.1 Social influence
"...For Oriflame, yes, I sell the catalog price but I get it from a friend's member price, but for the others, I am immediately given this price by my friend and then I am told how much profit I will take. If it's Oriflame, I sell it according to the catalog price, but for Sophie Martin and Tupperware, I don't know how much the catalog price is" (Eka 2024)

Based on the results of the interview with Mrs. Eka, the marketing model used to sell Oriflame products is easier for members and VIP customers to implement, because the prices have been decided by the Oriflame company, so there is no longer any confusion in calculating profit making.

VIII.2 Rebuying
"...Very often, sis, maybe if I can make purchases 3-5 times per month, because I also sell Oriflame products and some are used by myself" (Putri 2024)

Make purchases and spend on Oriflame products, because the daughter's mother is a member, so spending on Oriflame products can be counted as three to five purchases in one month. Some of these products are sold because of customer orders and some are used by themselves to meet their needs.

VIII.3 Pay attention to the economy
"...I've had it, sis, because I'm in the middle to lower economic category, so if I want to buy an Oriflame product I think about it first, even though I really really want it, seeing how good the quality of the product is" (Anik 2024)

Mrs. Anik will make considerations when wanting to buy Oriflame products, because the economic situation is at a lower middle level.

VIII.4 Compare prices
"...If that's not the case at the moment, sis, there are still things that are more prioritized than this, because the price is that much, right?" (Yulianti 2024)

Mrs. Yulianti will not purchase Oriflame products because there are still other needs that take priority. And if you want to buy a similar product, Mrs. Yulianti will look for a similar product at a cheaper price.

IX. Consumer behavior meets needs
IX.1 Ability to meet needs
"...Yes you can, sis, there are many Oriflame products and they are all available" (Eka 2024)

Based on the results of an interview with Mrs. Eka, Oriflame products are able to meet needs because of their many products ranging from hair care to foot care.
Who Benefits The MLM System? Case Study on Consumer Behavior Multilevel Marketing

"...Very fulfilling, sis, because at Oriflame all the care products from hair to feet are complete. And the products released are not only for one group, but are available for everyone, from small children, teenagers, adults to the elderly. This makes it easier for customers to choose the products they need" (Putri 2024)

The statement from Mrs. Eka is also supported by the statement from Mrs. Putri, Oriflame products are very capable of meeting needs, because Oriflame provides hair care products to foot care. Oriflame also provides products for all groups, from small children, teenagers, adults, to the elderly. This makes it easier for customers to choose the products they need.

"...That's really good, sis, because there are so many products, from head to foot care products, everything is available, that's why I say it can meet your needs" (Anik 2024)

Mrs. Anik also said that Oriflame products were able to meet needs.

IX.2 Solution to the problem

"...It's possible, sis, it's really possible, because there are a lot of Oriflame products, so the consumer just has to adjust whether they have problems with their skin, hair or anything else" (Yulianti 2024)

Apart from being able to meet needs, Oriflame products can also be a solution to problems, as Mrs. Yulianti said, the available Oriflame products can be tailored to consumer problems, whether skin, hair or other problems.

"...If you look at the product, it really can meet your needs and be a solution to every problem from skin to feet, sis, because Oriflame has a lot of products, it also provides skincare for dry, normal skin, etc. Counting the number of products like this, for example, Oriflame is there" (Fika 2024)

Mrs. Yulianti's statement is supported by Mrs. Fika's statement, that Oriflame products can meet your needs and can be a solution to every problem from skin to feet, all available at Oriflame. Such as skincare for dry skin, normal, oily and combination skin.

Triangulation of Theory

Attitudes towards Oriflame's multilevel marketing behavior

The results of interviews with 5 women's communities regarding consumer attitudes towards Oriflame multilevel marketing are as follows:

1. Oriflame multilevel marketing is classified as a promising business with profits, rewards and salaries then given to every member who has done their job appropriately.
2. Multilevel marketing Oriflame has flexible working hours, can be done anywhere and at any time.
3. Irresponsible individuals use Oriflame's multilevel marketing in the money game, so many people think that Oriflame's multilevel marketing business is no different from the money game.
4. Oriflame's multilevel marketing business scheme is not widely known, causing disinterest in Oriflame's multilevel marketing business.
5. Oriflame products have thousands of benefits and there are no dangerous ingredients in the product.

Based on relevant research conducted by Indhumathi, (2021), it was found that factors such as product quality, recruitment process, perception of products/services, how to spread business opportunities, and support from the above (upline support) have a significant influence on distributor satisfaction. in an MLM company. However, distributor satisfaction is not significantly influenced by the quality of the training program. The author also highlights the importance of direct marketing strategies in achieving success in the MLM business.

Behavioral perceptions of Oriflame multilevel marketing

The results of interviews with 5 women's communities regarding consumer perceptions of Oriflame multilevel marketing are as follows:

1. Oriflame multilevel marketing is a chain business with a target pursuit system, however, Oriflame multilevel marketing can also not use a target pursuit system by only becoming a seller member and VIP customer.
2. Oriflame products are classified as hair to toe care products at high end prices, products that are classified as high end will definitely have a process to get maximum results.
3. Various obstacles such as; Transportation constraints, lack of knowledge and experience, limited capital, limited time and limited product sales cause consumers to hesitate to join Oriflame multilevel marketing.
4. Make prospective members confident in Oriflame's multilevel marketing business by seeing the success of uplines who have received lots of rewards, salaries, cash awards, as well as free holiday tickets at home and abroad.

Based on relevant research conducted by Chopra et al, (2023), it was found that factors such as product quality, recruitment process, perception of products/services, how to spread business opportunities, and support from the above (upline support) have a significant influence on distributor satisfaction. in an MLM company. However, distributor satisfaction is not significantly
Who Benefits The MLM System? Case Study on Consumer Behavior Multilevel Marketing

influenced by the quality of the training program. The author also highlights the importance of direct marketing strategies in achieving success in MLM business.

Subjective norms
The results of interviews with 5 women's communities regarding subjective norms regarding Oriflame multilevel marketing are as follows:
1. Some people feel pressured if they join the Oriflame multilevel marketing business because they don't agree with the system and way multilevel marketing works.
2. Family restrictions can also be a reason not to join Oriflame multilevel marketing.
3. Communities that are members of the Oriflame multilevel marketing network will always share positive things that can increase the knowledge of members and non-members. The positive things shared can be in the form of overall information about Oriflame multilevel marketing or positive testimonials from consumers who have used Oriflame products.
4. The Oriflame company allows non-members to sell its products. This system is a new system from Oriflame which is usually called VIP Customer.

Based on relevant research conducted by Akindeji, (2022), it was found that the cognitive trust of Oriflame consumers is that they trust the seller and never commit to building a relationship if the goods provided do not match the percentage promised by the seller.

Consumer search behavior
The results of interviews with 5 women's communities regarding search behavior towards Oriflame multilevel marketing are as follows:
1. Some people know about Oriflame's multilevel marketing through social media such as Whatsapp, Facebook and Instagram.
2. Some other people learn about Oriflame multilevel marketing through recommendations from friends.
3. People often find people looking for products for their skin or hair problems. Many people buy Oriflame products according to their needs.

Based on relevant research conducted by Zhou, et al, (2022), it was found that the most important factor for respondents in purchasing products and services is saving time. They tend to buy products and services online because it is more convenient and faster. Respondents also expressed their satisfaction with the modern distribution system and considered it a convenient way to shop.

Consumer buying behavior
The results of interviews with 5 women's communities regarding purchasing behavior towards Oriflame multilevel marketing products are as follows:
1. Multilevel marketing Oriflame has good branding so its credibility is not in doubt.
2. His confidence in Oriflame's multilevel marketing is increasing because the business has a fair work system, because everyone works together and it doesn't just benefit those at the level above, because in Oriflame's multilevel marketing, everyone gets a salary according to their respective portions of work.
3. Oriflame products are very famous for their good quality, even though the prices are relatively expensive.
4. The online Oriflame product purchasing system makes it easier for potential customers to save their time.
5. Many consumers are doubtful about the benefits they will get if they join Oriflame multilevel marketing, they think that this business is the same as a money game, even though in reality multilevel marketing is very different from a money game.
6. Middle to lower level consumers will make considerations when purchasing Oriflame products, because there are still products at more affordable prices.

Based on relevant findings conducted by Palalic, et al, (2021), it was found that factors that influence purchasing decisions are: product price, product quality, public trust in MLM company products, improvement in living standards, ease of access, return on investment, product availability at affordable prices. reasonable, generating job opportunities, knowledge of direct sales, experience with salespeople, etc.

Consumer usage behavior
The results of interviews with 5 women's communities regarding purchasing behavior towards Oriflame multilevel marketing products are as follows:
1. Telling stories about experiences after using Oriflame products will be one way to attract buyers to try them, because consumers will be more confident in personal testimonials from the seller of the product.
2. Consumers will make repeat purchases after they match the product they have used.
Who Benefits The MLM System? Case Study on Consumer Behavior Multilevel Marketing

3. As a seller, you definitely have your own difficulties in marketing, one of which is that it is not suitable for the product you want to sell, so you cannot tell about your experience of using the product, this makes it difficult to gain the trust of potential consumers.

Based on relevant findings conducted by Zhou et al., (2021), it was found that the cognitive trust of Oriflame consumers is that they trust the seller and never commit to building a relationship if the goods provided do not match the percentage promised by the seller.

Consumer behavior evaluates
The results of interviews with 5 women’s communities regarding evaluating behavior towards Oriflame multilevel marketing products are as follows:
1. After purchasing and using Oriflame products, a buyer will feel the benefits of the product that has been used.
2. Positive information shared such as positive testimonials, getting salaries, rewards and profits when joining Oriflame multilevel marketing is an expression of satisfaction when using and being a member of Oriflame multilevel marketing.
3. Many people are not interested in Oriflame products, the main thing is because the price is expensive, apart from that they have had the experience of purchasing Oriflame products which did not produce benefits because they chose the wrong product for their skin needs.

Based on relevant findings conducted by Feil et al., (2020), it was found that factors that influence purchasing decisions are: product price, product quality, public trust in MLM company products, improvement in living standards, ease of access, return on investment, product availability at affordable prices. reasonable, generating job opportunities, knowledge of direct sales, experience with salespeople, etc.

Consumer spending behavior
The results of interviews with 5 women’s communities regarding spending behavior on Oriflame multilevel marketing products are as follows:
1. Social influence can influence consumer purchasing decisions.
2. Consumers will pay attention to the economy and compare prices before buying Oriflame products.
3. Consumers who have experienced and are accustomed to using Oriflame products will definitely buy these products every month to meet their needs.

Based on relevant findings conducted by Aji et al., (2022), it was found that factors that influence purchasing decisions are: product price, product quality, public trust in MLM company products, improvement in living standards, ease of access, return on investment, product availability at affordable prices. reasonable, generating job opportunities, knowledge of direct sales, experience with salespeople, etc.

Consumer behavior meets needs
The results of interviews with 5 women’s communities regarding behavior in meeting needs for Oriflame multilevel marketing products are as follows:
1. Oriflame products can meet your needs. Because there are so many Oriflame products ranging from hair to foot care.
2. Oriflame products can be a solution to a problem.

Based on relevant findings made by (Secinaro et al., 2022), the cognitive trust of Oriflame consumers is that they trust the seller and never commit to building a relationship if the goods provided do not match the percentage promised by the seller.

Findings

Source: researcher’s findings Multi Level Marketing Consumer Behavior, 2024
Who Benefits The MLM System? Case Study on Consumer Behavior Multilevel Marketing

In this research it was found that the factors consumers are not interested in Oriflame multilevel marketing are as follows:

1. Lack of information transparency
   Oriflame has a complex compensation structure that is difficult for consultants to understand. This can make it difficult for consultants to know how much money they can make. In addition, Oriflame does not always disclose full details of its remuneration structure to consultants.
   Oriflame consultants are often pressured to recruit others into the company. This can make consultants feel like they have to sell products to friends and family, rather than actual customers.

2. Feeling depressed
   Oriflame sets quite high sales targets for its members. This can make members feel obligated to achieve these goals. Oriflame MLM sponsors or bosses often put pressure on their members to recruit new members and achieve their sales goals. This pressure can make members anxious and worried about their future. The struggle to achieve sales goals and recruit new members can put a strain on social relationships with family and friends.

3. Prohibition from family
   MLM is often associated with unstable income and high risks. Families may worry that members will lose money or be in debt. Families may also worry that members are spending too much time and energy on MLM, neglecting family and work responsibilities. MLMs have a bad reputation for unethical business practices and pyramid schemes. Families may fear that their members will get a bad reputation.

   According to Harman Malau (2017: 217), consumer behavior is the behavior of individuals, groups or organizations and the processes they use to select, secure, use and dispose of products, services, experiences or ideas of satisfaction. According to (Kotler and Keller, 2016) consumer behavior is the study of how individuals, groups and organizations select, purchase, use and dispose of goods, services, ideas or experiences to satisfy their needs and desires.

4. Social influence
   In some cases, joining Oriflame can result in losing friends and contacts. This can happen if you focus too much on business and neglect relationships with other people. Not all MLM companies are good businesses. There are some MLM companies that commit fraud against their members. Therefore, it is important to be careful before joining an MLM company.

5. Difficulty marketing
   The Oriflame MLM business has many other consultants who also compete for customers. This means that consultants have to work hard to stand out and attract buyers. Not everyone who is introduced to Oriflame products is interested in buying them. So consultants must be prepared to face rejection and respond professionally. One of the main ways to earn income with Oriflame is by creating a network of downlines – people recruited to become Oriflame consultants under sponsorship. Building a downline network requires time, energy and good communication skills. MLM businesses are often stigmatized because they are associated with pyramid schemes and fraud. Therefore, it is necessary to explain clearly to potential customers and downlines about Oriflame’s true business opportunities. Starting an Oriflame business takes time and effort, making it difficult to achieve work-life balance.

6. Doubtful about profits
   Revenue at Oriflame is based on product sales and recruiting new members. This means you have to work hard to build your downline network to earn significant income. Oriflame offers the opportunity to start your own business. But keep in mind that this is an MLM business and not a traditional business. This means not having full control over the business and being bound by the company’s rules and regulations.
   Multi Level Marketing is a marketing system that is used by giving bonuses to consumers or customers so that they can be directly involved as sellers and can gain profits from the partnership line.

V. CONCLUSION
   Based on the results of the analysis carried out, consumer behavior towards Oriflame multilevel marketing was found, namely:
   1. The lack of information transparency arises because consumers feel they do not receive complete and clear information regarding Oriflame multilevel marketing products, business opportunities and compensation. This raises suspicion and distrust towards Oriflame's multilevel marketing.
   2. Consumers feel pressured to buy products and recruit new members. This pressure can make potential consumers and potential members feel uncomfortable and manipulated. Family and significant others often discourage individuals from participating in multilevel marketing due to concerns about the potential loss of financial and social relationships.
Who Benefits The MLM System? Case Study on Consumer Behavior Multilevel Marketing

3. Consumers who are influenced by social norms and values often have a negative view of Oriflame’s multilevel marketing. The negative stigma associated with Oriflame multilevel marketing can discourage individuals from participating.

4. Consumers have difficulty marketing Oriflame multilevel marketing products and recruiting new members. This can make them depressed and hopeless. Consumers are also skeptical of the profit claims made by Oriflame’s multilevel marketing and view revenue opportunities as unrealistic and difficult to achieve.

Suggestion

Based on the research that has been carried out, researchers try to provide several suggestions to the Oriflame company as follows:

For the multilevel marketing company Oriflame

1. The multilevel marketing company Oriflame must provide complete, clear and easy to understand information regarding products, business opportunities and compensation. This can be done through educational and informational publications.

2. The multilevel marketing company Oriflame must further build consumer trust by demonstrating ethical and responsible business practices. This can be done by complying with applicable rules and regulations, and avoiding manipulative behavior and pressure.

3. The multilevel marketing company Oriflame needs to adjust its marketing strategy to target consumers who are resistant to Oriflame’s multilevel marketing. This can be done by focusing on education and building trust, rather than focusing solely on financial gain.

For further research

It is necessary to develop and evaluate Oriflame’s multilevel marketing program and interventions to increase consumer understanding and response to anti-MLM. As well as conducting an analysis of the effectiveness of various marketing and communication strategies to reach anti-MLM consumers.

REFERENCES


Who Benefits The MLM System? Case Study on Consumer Behavior Multilevel Marketing

Contoh Pedoman Penulisan Skripsi Kualitatif. CV Literasi Nusantara Abadi.


Who Benefits The MLM System? Case Study on Consumer Behavior Multilevel Marketing


ATTACHMENT

Question Guidance

<table>
<thead>
<tr>
<th>Topic</th>
<th>Question</th>
</tr>
</thead>
</table>
| Theory Of Planned Behaviour (TPB) | 1. Attitudes Toward Behavior  
2. Perceived Behavioral Control  
3. Subjective Norms |
| Behavioural Theory | 4. Searching Behavior  
5. Buy.  
6. Evaluate,  
7. Use,  
8. Spending Products/Services  
9. Fulfilling His Needs |

There is an Open Access article, distributed under the term of the Creative Commons Attribution – Non Commercial 4.0 International (CC BY-NC 4.0) (https://creativecommons.org/licenses/by-nc/4.0/), which permits remixing, adapting and building upon the work for non-commercial use, provided the original work is properly cited.