

# **Empowering Women and Minority Direct Sellers Through Integrated Digital Marketing Strategies: An Intersectionality Perspective**

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*Direct selling is a highly viable path to business ownership and provides career opportunities for those who may have more difficulties finding employment due to their gender, ethnicity, and other identities (e.g., immigration status). This study examined how digital marketing empowers under-represented direct sellers from an intersectionality theoretical perspective. To address this goal, cluster analysis was performed to categorize direct selling companies by their digital marketing efforts. The two types of digital marketing direct selling companies were identified, digital novices and digital integrators. The salesforce profiles and diversity in these two company types were discussed.*

*Keywords: direct selling, minorities, women, intersectionality, digital marketing*

## INTRODUCTION

Direct selling is a form of retailing whereby individuals (commonly referred to as distributors, sales consultants, or sellers) sell products to consumers without the use of a physical store. Direct selling is a highly viable path to business ownership and a large part of the observed growth in U.S. small business in recent years. The most recent data from the Direct Selling Association (DSA) showed that 6.2 million individuals in 2018 were involved in direct selling (1 million full-time/5.2 million part-time). These sellers engaged nearly 36.6 million consumers and contributed \$35.4 billion to retail sales in the U.S. (Direct Selling Association, 2019). Many consider direct selling to be an "equal opportunity" business because of its low entry barriers. Furthermore, U.S. entrepreneurship reflects a broad demographic profile of business owners, with the substantial recent growth in women and minority-owned enterprises (Guidant Financial, 2019). Direct selling, a dynamic and diverse industry sector, has demonstrated the same growth trends.

### Women as Direct Sellers

In the U.S., women typically earn 79 cents for every dollar compared to men (Payscale, n.d.). Given this inequity and their desire for job flexibility, personal/family life balance, and advancement opportunities, many women search for part-time jobs or new business platforms that match their goals. Direct selling, as a part-time job, a second job (Wotruba, 1989), or a low-risk entrepreneurial career may suit these women. For the past decade, the percentage of female direct sellers has ranged from 73.5% to 81.8% (Direct Selling Association, 2015a, 2018, 2019), which illustrates that direct sellers are overwhelmingly female (Hyder, 2017; Crittenden & Bilton, 2019). Direct selling may allow women to effectively combine their career aspirations with traditional family values. DSA seller data indicated that the flexibility and work-life balance associated with direct selling is a primary motivation for sellers (Direct Selling Association, 2019).

Moreover, the structure of direct selling is appealing to many women not only for the work-life balance it creates, but also for the support and sisterhood it provides. For many women, the support and training (i.e., how-to videos, promotional content) they receive from the company and other consultants are extremely reassuring and critical to their success as a "newbie" entrepreneur. The low cost of entry and overhead associated with direct selling also provides women an affordable way to become an entrepreneur. Therefore, direct selling may offer career opportunities that meet a woman's family, social, and financial needs (Alford, 2017).

### Ethnic Diversity of Direct Sellers

Historically, direct sellers have been comprised of white, middle-class women (Vincent, 2003). However, the direct selling industry has recently attracted a more demographically diverse salesforce. According to DSA, 22% of direct sellers were Latinx<sup>1</sup> (Direct Selling Association, 2019). In comparison, 17.5% of the U.S. labor force was reported to be Latinx in 2018 (U.S. Bureau of Labor Statistics, 2019). Furthermore, due to recent global and U.S. migration trends, immigrant entrepreneurship has emerged as a growing sector of small business enterprises (Herms & Leicht, 2010). The Global Entrepreneurship Monitor (GEM) (Bosma & Kelley, 2019.) reported that 16% of first-generation immigrants initiated startups in 2012, compared to 13% for non-immigrant Americans, highlighting the positive influence of immigrant entrepreneurs on economic development. Given the potential for growth of this demographic segment, direct selling companies have placed emphasis on recruiting individuals from underrepresented ethnic groups as new sales representatives. For example, a home decor direct selling company, Princess House, focuses on Latina women and provides selling tools primarily in Spanish.

Robles and Cordero-Guzmán (2007) noted that Latinx immigrants often initially work full-time in the manufacturing sector when they relocate to the U.S., but also start small businesses to supplement their income or to meet a community's needs. Direct selling offers opportunities to Latina women who lack access to salaried employment due to limited English language skills, education, and/or work experience (Lin & Hassay, 2009). The motivations for engaging in direct selling may differ based on a seller's

background, such as ethnicity and gender. However, both domestic and cross-cultural studies have shown that success in direct selling depends on the individual direct seller's ability to grow her/his personal social networks (D'Antonio, 2019). Therefore, communication technology usage may be a key differentiating factor in direct sellers' success.

### **Communication Technology in Direct Selling**

Direct selling companies utilize sales and communication technologies, such as websites and social media, to facilitate communication and sales between companies, sellers, and consumers (Ferrell & Ferrell, 2012; Ferrell, Gonzalez-Padron, & Ferrell, 2010; Harrison & Hair, 2017). Digital marketing efforts include embedding a search engine in the direct selling company's website to help consumers acquire product information online (Ferrell et al., 2010) and social media to foster interactions between consumers and sellers or between sellers and the firm (Ferrell & Ferrell, 2012; Harrison & Hair, 2017). Research suggests that direct sellers find technologies useful for their professional development (Lin, Liu, & Kuo, 2013) and for enhancing consumer perceptions of relationship quality with direct sellers (Harrison & Hair, 2017).

Digital marketing and digital channels may reduce barriers to business ownership for underrepresented groups, especially women, ethnic minorities, and immigrants (Carter, Mwaura, Ram, Trehan, & Jones, 2015). However, little is known regarding how company-initiated digital marketing efforts (e.g., digital materials, contents, campaigns) may serve as resources for these individuals to address challenges in business start-up and growth. Therefore, the purpose of the present study was to identify the characteristics of direct selling companies' salesforce by examining their digital marketing strategies. The study utilized a cluster analysis to develop profiles of companies based on their digital marketing strategies, as well as their salesforce. The identity of salesforce members was examined through the lens of intersectionality theory, which explains that individuals may be disadvantaged because of multiple elements of their minority identities (Crenshaw, 1991). The present study may help further investigation in the potential associations between digital marketing strategies and the diversity in the direct selling salesforce. The findings may be particularly valuable to direct selling companies considering using digital marketing as a tool for empowering under-represented direct sellers who may lack resources for their entrepreneurial venture.

## **LITERATURE REVIEW**

### **Digital Marketing**

Digital marketing entails marketing activities using digital technologies on diverse platforms, such as the Internet, mobile phones, and social media (Chaffey & Smith, 2017). Digital marketing helps companies to develop a deeper understanding of consumers and facilitates an active conversation between companies and their customers (Smith, 2010). Digital marketing is broader than e-commerce, because digital marketing encompasses all e-marketing activities, not just the e-commerce (Chaffey & Smith, 2017). Digital marketing has accelerated a shift in the retailing industry. Retailers can no longer compete primarily on price, selection, and location. Instead, retailers are using digital technology to create value for the consumer and cost-efficiencies for the firm (Hanninen, Smedlund, & Mitronen, 2018).

Research examining the role of digital marketing technology (e.g., social media, mobile messaging) in direct selling has focused on individual sellers' usage (e.g., Harrison & Hair, 2017) or direct selling companies' usage (e.g., Ferrell & Ferrell, 2012). Harrison and Hair's (2017) study examined the role of such technology on customer relationship management and sales performance issues. They found that such technology usage enhances direct sellers' ability to form and cultivate customer relationships. Moreover, the use of technology enhances the seller-customer relationship, as well as the performance of the individual direct sellers. Direct selling was originally a distribution channel dependent upon leveraging the seller's face-to-face social connections to generate sales opportunities (Leonardi, 2010). Similarly, direct selling currently uses social media to expand social connections that may lead to increasing sales opportunities (Ferrell & Ferrell, 2012). However, to ensure effective usage of social

media, individual direct sellers must determine a way to maintain its personalized nature (e.g., personalized communication and customized selection of products), which is an advantage direct selling has over other distribution channels (Ferrell & Ferrell, 2012).

The face-to-face nature of direct selling may be emulated when using social media to connect the individual direct seller and consumer. For instance, social media can be used to share content (i.e., texts and images) about products while also creating the personal, interactive seller-to-consumer and consumer-to-consumer dialogue of direct selling experience. Whereas traditional retailers use social media for sharing information and fostering consumer-to-consumer interactions, these retailers are stymied when trying to create the personal seller-to-individual consumer dialogue of direct selling. Moreover, most traditional retailers use personal seller-to-consumer dialogue only when they are trying to rectify a problem (Ferrell & Ferrell, 2012). However, it is expected that direct sellers who heavily rely on personal connections can use social media for various purposes to promote products and consumer relations.

Executing digital marketing strategies is requisite for any business. However, many direct selling companies only utilize social media. Direct Selling Mobile (2019) emphasized that direct selling companies also need to utilize content marketing, such as blogging. With the content marketing approach, direct selling companies can build an audience by publishing content that inspires and educates their target market. Also, creating and using their own apps may allow direct sellers to create greater visibility to consumers and distributors, which may consequently increase revenue (Palmer, 2019). Therefore, examining how digital selling companies use various digital marketing strategies and how it relates to their salesforce characteristics will provide deeper insights into efficient business practices.

### **Intersectionality and Social Positionality**

Understanding personal attributes associated with the success of individual direct sellers is important because, as salespersons for the firm, their success affects the firm's performance (Crittenden & Crittenden, 2004; Harrison & Hair, 2017). The concept of intersectionality, originating from Black feminism research, denotes that the intersections between an individual's identity in social class, race, and gender categories form a specific type of oppression (Crenshaw, 1991; Dy, Marlow, & Martin, 2017). Positionality theory, stemming from intersectionality, offers that an individual's social position is shaped by the person's multiple identities and characterized by hierarchical differences and unequal access to economic, cultural, and political resources based on these identities (Anthias, 2001). Therefore, a marginalized position that constrains an individual's human, social, and economic capital may pose structural barriers to the individual's entrepreneurial activities (Dy et al., 2017). For example, immigrant women may be excluded from some policies that benefit women entrepreneurs due to their status as immigrants (Carter et al., 2015). Studies examining the experience of individuals with intersectional social positions have indicated their unique challenges. For example, Cytron (2007) noted that financial capital is the most critical resource for a Latinx immigrant entrepreneur's business to survive. However, they often lack the knowledge of where and how to access financial assistance. Azmat (2013) stated that migrant women entrepreneurs often face multi-faceted challenges influenced by their human capital, cultural and institutional factors, gender, and social capital. However, without the lens of intersectionality, the experiences of these individuals are often viewed/interpreted based on their socio-economic classes in academic research (Crenshaw, 1991).

In the present study, our aim was to identify profiles of direct selling companies and their salesforce by their digital marketing efforts. We paid close attention to those who may be traditionally disadvantaged because of their gender identity, immigration status, and race, or the intersection of these identities. To address this overarching goal, we proposed two stepwise research questions:

***RQ1:** How do direct selling companies differ in their use of digital marketing strategies?*

***RQ2:** What are the salesforce characteristics within the identified types of direct selling companies?*

## METHODS

### Sample

The present study used secondary datasets collected by the Direct Selling Association for data analysis, including the 2015 Web Presence survey (Direct Selling Association, 2015b) and 2016 National Sales Force Survey (NSFS) (Direct Selling Association, 2016). The Web Presence survey explored "organizations' use of websites, their interactions with back-end systems, as well as Internet advertising, email marketing, and social networking activities" (Direct Selling Association, 2015b) and was distributed to DSA's member companies. A person from each member company's corporate office completed the survey on behalf of their respective companies. A total of 76 companies participated in the survey. The primary product or service the companies sold were wellness products (28.9%), personal care (17.1%), home durables/home décor (17.1%), clothing and accessories (9.2%), home & family care (3.9%), leisure/educational products (5.3%), services/miscellaneous (3.9%), and others (10.5%). The NSFS collected information regarding independent sellers' demographics, motivations, experiences, as well as their attitudes and opinions regarding the direct selling industry. The sample was drawn from independent sellers representing DSA member companies. The NSFS was completed by 2,832 respondents, representing 81 companies. The respondents were provided with options to complete the survey in English or Spanish language. In both datasets, the respondents indicated the brands they represented by company code.

To address the research questions posited for this study, the researchers matched the data entries of these two datasets that shared the same company codes. In this way, we were able to identify information of corresponding companies that each direct seller represented. After matching these two datasets, 1,788 individual seller entries were removed because their companies were not present in the Web Presence survey. The final sample was comprised of 1,043 individuals working for 17 U.S. direct selling companies. The matched sample included 128 male and 915 female employee respondents between 19 and 84 years of age ( $M=46.9$ ). The individuals represented one or more direct selling companies. The primary product or service the companies sold included: wellness products (41.2%), personal care (17.6%), clothing & accessories (5.9%), home and family care (5.9%), home durables/home décor (5.9%), services/miscellaneous (5.9%), and others (11.8%).

### Measures

All measures used in this study were developed by the Direct Selling Association (DSA). The variables examined were: a company's digital marketing effort, individual sellers' demographics, selling motivations, and selling activities. Digital marketing effort was measured by the question, "How important is each of the following digital marketing efforts in your company's overall marketing strategy?" with an eight-item 5-point scale, ranging from *not at all important* (1) to *very important* (5). Three of the eight items were discarded from analysis due to missing data. The remaining five items included: search engine optimization, content marketing/blogs -corporate voice, content marketing/blogs-direct seller voice, content marketing/blogs/reviews- influencer voice, social media campaigns. At the individual seller level, we examined the sellers' working hours per week, motivation, income from digital outlets, residence area (rural vs. urban), ethnicity (Latinx or not), family immigration history (first-generation immigrants or not), age, length of time representing the company, and satisfaction toward money earned for time spent (see Appendix A for these questions and scales).

Because the responses were not normally distributed, two variables (i.e., working hours per week, percentage of income from digital outlets) were transformed into categorical variables with two levels (i.e., high vs. low), split by the median value. The residence area was determined by matching the direct seller respondents' zip codes to the Rural-Urban Continuum Codes (RUCC; United States Department of Agriculture, 2013). According to the Code, a RUCC of 1 to 6 is considered urban, whereas a RUCC of 7 to 9 is considered rural. Direct seller's motivation was measured using questions regarding the importance of 10 aspects of digital marketing. The 10 aspects were transformed into one categorical variable with two

levels: highly-driven sellers vs. aspirants. (See Appendix B for the results of the analysis for this variable).

### **Cluster Analysis Based on Digital Marketing Strategies**

In order to segment direct selling companies into distinct groups based on their digital marketing efforts, a cluster analysis was conducted using the Web Presence dataset (Direct Selling Association, 2015b) and methods suggested by Hair, Black, Babin, and Anderson (2010). Cluster analysis has been used by scholars to understand market segments and build market and consumer profiles (Punj & Stewart, 1983). The cluster analysis was conducted in three steps. First, a hierarchical cluster analysis was performed to determine a cluster solution (i.e., the optimal number of groups) based on five items regarding the company's marketing effort. The items included: search engine optimization, blogs with corporate voice, blogs with direct seller/distributor voice, blogs/reviews with influencer voice, and social media campaigns. Distance between cases (i.e., companies) was calculated using Ward's method to minimize the total within-cluster variance (Hair et al., 2010). Using the elbow principle, as suggested by Hair et al. (2010), a solution of two clusters was determined. Next, discriminant analysis was conducted to provide support for the emergent clusters. Finally, cluster centroids were determined using k-means algorithm, providing a final step of validation.

### **Ad-hoc Analysis**

After cluster analysis was conducted based on companies' digital marketing efforts, ad-hoc analyses were performed using a matched dataset to evaluate the distinctiveness of clusters based upon their salesforce profiles. To compare between the profiles of sellers representing the company clusters respectively, *t*-tests were conducted on continuous variables (i.e., age, length of time representing the company, satisfaction toward money earned for time spent) and binomial tests were conducted to compare the categorical variables (i.e., the sellers' working hours per week, motivation, income from digital outlets, residence area, ethnicity, first or second-generation immigrant) between salesforces of the two company types.

## **RESULTS**

The result of hierarchical cluster analysis based on direct selling companies' digital marketing strategies, determined an ideal two-cluster solution. Discriminant analysis revealed that 97% of cases were classified, providing additional support for the two clusters. The clusters were named: *digital novices* and *digital integrators*. The definitions and detailed descriptions of these two company clusters are provided below. The mean values of marketing strategies for each cluster are shown in Table 1.

**TABLE 1**  
**RESULTS OF CLUSTER ANALYSIS**

	<b>Digital novices (N=45)</b>	<b>Digital integrators (N=28)</b>	<i>df</i>	<i>t</i>
<b>Digital marketing efforts</b>				
<b>Average</b>				
Content Marketing/Blogs – Direct seller/Distributor Voice	2.71	4.25	70.17	-6.65***
Content Marketing/Blogs – Corporate Voice	3.36	4.57	71	-6.80***
Search Engine Optimization	3.62	4.46	70.78	-4.16***
Content Marketing/Blogs/Reviews – Independent or Influencer Voice	3.04	4.25	71	-5.15***
Social Media Campaigns	4.22	4.75	68.59	-3.41**
<b>Primary products/services</b>				
<b>Counts (percentage)</b>				
Clothing and accessories	3 (6.7%)	4 (14.3%)	-	-
Home & family care	1 (2.2%)	1 (3.6%)	-	-
Wellness products	<b>14 (31.1%)</b>	<b>8 (28.6%)</b>	-	-
Personal care	6 (13.3%)	<b>7 (25%)</b>	-	-
Home durables/home decor	<b>11 (24.4%)</b>	2 (7.1%)	-	-
Leisure/educational products	2 (4.4%)	2(7.1%)	-	-
Services/miscellaneous	0	3 (10.7%)	-	-
Other	7 (15.6%)	1 (3.6%)	-	-

Note. \* $p < .05$ , \*\* $p < .01$ , \*\*\* $p < .001$

### Clustered Company Profiles

The first cluster, *digital novices*, consisted of 45 companies (62% of the total company samples). Digital novices were defined in this study as direct selling companies that had recently started to embrace digital marketing, as indicated by lower scores on all aspects of digital marketing efforts (Table 1). Among all five digital marketing efforts, digital novices considered social media campaigns ( $M=4.22$ ) as most important; the three content marketing strategies scored lower, and content marketing using the direct seller's voice was considered the least important ( $M=2.71$ ). Almost one-third of digital novice companies sold wellness products as their primary offering (31.1%). In addition, compared to the overall sample, which contained only 5.9% of companies primarily selling home durables and decor, there was a larger percentage of digital novice companies selling this product category (24.4%).

The second cluster, *digital integrators*, consisted of 28 companies (38% of the total company sample). Digital integrators were defined in this study as direct selling companies that utilized all aspects of digital marketing and characterized by high scores in all aspects of digital marketing efforts. Whereas these companies placed the most importance on social media campaigns ( $M= 4.75$ ), no other digital marketing strategies were considered less than "important" by this group. Comparing the two clusters, the importance placed on content marketing using the direct seller's voice showed the largest difference ( $M_{novices}= 2.71$  vs.  $M_{integrators}= 4.25$ ). Of the 28 digital integrator companies, eight (28.6%) sold wellness products as their primary products, and seven (25%) sold personal care products.

### Salesforce Profiles Within Digital Novice and Digital Integrator Companies

Ad-hoc analyses showed that the salesforce characteristics within the two types of companies were significantly different in terms of their age and length of time representing the company (Table 2). There was no difference between the two salesforces in terms of their satisfaction toward their earnings, given the time and effort they put into direct selling. These two types of companies were also found to be significantly different in terms of: the proportions of sellers who identified themselves as Latinx (as opposed to non-Latinx), first-generation immigrant (as opposed to second and onward), who earned more than 15% of their direct selling income from digital channels (as opposed to less than 15%), who worked more than 10 hours per week (as opposed to who work less than 10 hours), and who were the "highly-driven sellers" (as opposed to "aspirants") (see Appendix B for the cluster analysis on seller motivation). No difference was found between the two company clusters in terms of sellers' residential areas; sellers representing the digital novice and digital integrator companies primarily resided in a metropolitan or adjacent area.

**TABLE 2**  
**SALESFORCE PROFILES WITHIN DIGITAL NOVICE AND DIGITAL INTEGRATOR COMPANIES**

	<b>Digital novices (n=816)</b>	<b>Digital integrators (n=191)</b>	<b>p-value</b>
<b>Categorical variables</b>			
Gender			
Female	758 (92.9%)	123 (64.3%)	0.000
Male	58 (7.1%)	68 (35.6%)	
Working Hours/Week*			
Low (<10 hrs)	514 (63.0%)	95 (49.7%)	0.000
High (≥10 hrs)	302 (37.0%)	96 (50.3%)	
Motivation			
Highly-Driven Sellers	112 (13.7%)	18 (9.4%)	0.048
Aspirants	704 (86.3%)	173 (90.6%)	
Income from digital parties & online sales*			
Lower (<15%)	210 (48.1%)	32 (62.7%)	0.025
Higher (≥ 15%)	227 (51.9%)	19 (37.3%)	
Missing	379	140	
Residence			
Urban	772 (94.6%)	186 (97.4%)	0.051
Rural	44 (5.4%)	5 (2.6%)	
Latino			
No	785 (96.2%)	162 (84.8%)	0.000
Yes	31 (3.8%)	29 (15.2%)	
Immigration			
1 <sup>st</sup> Gen (not born in the U.S.)	34 (4.5%)	28 (15.6%)	0.000
Other (2 <sup>nd</sup> and 3 <sup>rd</sup> onward)	757 (95.5%)	152 (84.4%)	
Missing	59	11	
<b>Continuous variables</b>			
Working term representing the company	4.29	5.73	0.000 (t= - 11.53)
Age	44.85	56.13	0.000 (t= -11.91)
Satisfaction toward amount of money earned for amount of time spent	3.87	3.81	0.533 (t=0.62)

*Note.* \*Data split into two groups at the median. Missing data were removed for the binomial test.



The average age of the sellers representing digital novice companies was almost 45 years. Compared to the digital integrator companies, a larger proportion of sellers representing digital novice companies were considered highly-driven (13.7%), worked less than 10 hours per week (63%), and adopted digital channels for selling. Approximately 52% of these sellers reported generating 15% of their direct selling income from digital channels. In contrast, sellers representing the digital integrator companies were older, with an average age of 56 years. Half of these sellers worked more than 10 hours per week, and half worked less than 10 hours per week. In addition, we found that digital integrator companies consisted of sellers with more diverse backgrounds. In comparison to sellers representing digital novice companies, digital integrator companies had a greater proportion of the salesforce identifying themselves as male (37%), Latino (16%), and first-generation immigrants (16%).

### **Intersectionality**

In this study, proportions of Latinx and females were significantly different when comparing direct sellers representing digital novices versus digital integrator companies. We conducted post-hoc comparisons between Latinx sellers representing these two types of companies (Table 3) and between the female sellers representing either type of companies (Table 4). However, due to small sample sizes of Latinx sellers in the dataset (32 in digital novice companies and 29 in digital integrator companies), statistical analyses could not be performed (Table 3).

Latinx sellers representing digital integrator companies were older, had a larger percentage to be male and aspirants, and had a smaller percentage who earn more than 15% of their direct selling income from digital channels. However, interestingly, Latinx sellers representing digital integrator companies were predominantly first-generation immigrants (67%), whereas Latinx sellers representing digital novice companies were predominantly second- or greater-generation immigrants and onward. It was also noteworthy that none of the Latinx sellers in this dataset lived in a rural area.

The demographic profile between female sellers representing either type of company was also very similar to that between all sellers (Table 4). The only significant difference was the proportion of female sellers who lived in rural areas: 5.8% in digital novice companies and 1.6% in digital integrator companies.

**TABLE 3**  
**LATINO SELLERS' PROFILES**

	<b>Digital novices (n=31)</b>	<b>Digital integrators (n=29)</b>
Age range	26 ~ 82	23 ~ 72
Mean age	42.84	49.21
Gender		
Female	29 (93.5%)	24 (82.8%)
Male	2 (6.5%)	5 (17.2%)
Working Hours/Week*		
Low (<10 hrs)	22 (71.0%)	16 (55.2%)
High (≥10 hrs)	9 (29.0%)	13 (44.8%)
Motivation		
Highly-Driven Sellers	2 (6.5%)	2 (6.9%)
Aspirants	29 (93.5%)	27 (93.1%)
Income from digital parties & online sales*		
Lower (<15%)	7 (50%)	7 (58.3%)
Higher (≥ 15%)	7 (50%)	5 (41.7%)
Missing	17	17
Residence		
Urban	31 (100%)	29 (100%)
Rural	0 (0%)	0 (0%)
Immigration		
1 <sup>st</sup> Gen (not born in the U.S.)	4 (13.3%)	16 (66.7%)
Other (2 <sup>nd</sup> and 3 <sup>rd</sup> onward)	26 (86.7%)	8 (33.3%)
Missing	1	5
Working term representing the company	3.90	5.03
Satisfaction toward amount of money earned for amount of time spent	3.84	4.31

*Note.* \*Data split into two groups at the median. Missing data were removed for the binomial test.

**TABLE 4**  
**WOMEN SELLERS' PROFILES**

	<b>Digital novices (n=758)</b>	<b>Digital integrators (n=123)</b>	<b>p-value</b>
Age range	19 ~ 83	23 ~ 84	-
Mean age	44.31	55.28	0.000 (t=-9.69)
Latino			
No	729 (96.2%)	99 (80.5%)	0.000
Yes	29 (3.8%)	24 (19.5%)	
Working Hours/Week*			
Low (<10 hrs)	484 (63.9%)	62 (50.4%)	0.000
High (≥10 hrs)	274 (36.1%)	61 (49.6%)	
Motivation			
Highly-Driven Sellers	106 (14%)	14 (11.4%)	0.245
Aspirants	652 (86%)	109 (88.6%)	
Income from digital parties & online sales*			
Lower (<15%)	203 (47.7%)	27 (65.9%)	0.015
Higher (≥ 15%)	223 (52.3%)	14 (34.1%)	
Missing	332	82	
Residence			
Urban	714 (94.2%)	121 (98.4%)	0.024
Rural	44 (5.8%)	2 (1.6%)	
Immigration			
1 <sup>st</sup> Gen (not born in the U.S.)	29 (4.1%)	22 (19.5%)	0.000
Other (2 <sup>nd</sup> and 3 <sup>rd</sup> onward)	674 (95.9%)	91 (80.5%)	
Missing	55	10	
Working term representing the company	4.23	5.69	0.000 (t=-9.45)
Satisfaction toward amount of money earned for amount of time spent	3.87	3.83	0.709 (t=0.37)

*Note.* \*Data split into two groups at the median. Missing data were removed for the binomial test.

## FINDINGS AND DISCUSSION

Economic growth and development in the U.S. are closely tied to entrepreneurship (Acs, 2006). Direct selling is a highly viable path to business ownership and a large part of the observed growth in U.S. small businesses (Peterson, Crittenden, & Albaum, 2019). The current study aimed to identify profiles of direct selling companies and their salesforce by their direct marketing efforts. Based on the results of our analysis, we provided the profiles for digital novice and digital integrator companies as well

as their salesforce. Intriguingly, although digital integrator companies incorporated all digital marketing efforts, a smaller proportion of the salesforces of these companies earned more than 15% of their direct selling income from digital channels. In contrast, digital novice companies, which supported their sellers by creating social media campaigns as their primary digital marketing strategy, had a larger proportion of salesforce who earn more than 15% of their direct selling income from digital channels. It is likely that social media campaigns serve as a major driver of sales from digital channels for direct selling companies. However, content marketing strategies and other aspects of digital marketing are used to raise the awareness of products and brands and build relationships with customers; these may or may not be useful tools for calling these patrons to action, such as attending digital parties or making online orders.

### **Intersectionality in Clustered Company Groups**

The majority of our sample was comprised of female direct sellers. When examining the intersectionality of the direct sellers, we found that digital integrator companies had a larger proportion of salesforce who identified as Latinx and a first-generation immigrant. Their salesforce was also older and worked more hours per week than that of digital novice companies. Results of post-hoc analyses showed that Latinx sellers who represented digital novice companies were predominantly second-generation immigrants and onward, whereas their counterparts representing digital integrator companies were first-generation immigrants. Previous research (Tan & Niehm, 2018) found that Latinx entrepreneurs need more support in a number of areas, including assistance on business and time management, knowledge of how to link with business networks and suppliers, accessing financial capital and other resources, identifying customers and growing beyond personal networks, and using technology to better connect with potential and current customers. Their most critical business needs were business management training and increasing technology knowledge and applications. Whereas the digital environment does not eliminate social structural barriers for those who have disadvantageous intersectional positionalities (Dy et al., 2017), our findings suggest that companies who employ a variety of digital marketing strategies and provide tools to assist in direct selling activities may attract such individuals as they seek to start and grow their own business.

The results of this study showed no Latinx sellers residing in rural areas. Although Latinx and immigrant populations have always been more prominent in urban areas, there has been significant growth of these groups in rural counties in recent years (Schaefer & Mattingly, 2016; Parker et al., 2018). Our findings may signal disadvantages or lack of direct selling-related resources in rural areas for this population and an untapped employee base for direct selling opportunities.

### **Implications**

Muruganatham and Natarajan (2015) found that entrepreneurial education plays a significant role in nurturing the entrepreneurial intentions of underrepresented groups. Our findings suggest that adopting a variety of digital marketing strategies, as opposed to focusing on just a few types of digital marketing tools, may provide direct sellers with intersectional identities more means to be involved in direct selling. Direct selling organizations could partner with university programs and local business assistance groups to develop customizable programming and fundamental digital marketing tools to assist aspiring entrepreneurs. This could include a special entrepreneurship programming focused on potential seller groups who are often disadvantaged, such as first-generation immigrants, Latinxs, women, and other underrepresented groups.

The present study indicated that providing a greater variety of digital marketing strategies to direct sellers does not necessarily help them increase sales from digital channels. As consumers migrate to omni-channel retailing, they would use multiple devices and channels to complete their shopping (Verhoef, Kanna, & Inman, 2015). For example, they may learn about a product on social media, watch an online demonstration on a website, and order in a face-to-face direct selling party. Therefore, the use of digital marketing strategies may aim to help direct sellers expand their personal networks and engage consumers via multiple channels. In particular, the greater influence of technology use on customer

relationship management was observed especially among less experienced direct sellers (Harrison & Hair, 2017). This indicates that implementing digital marketing strategies would be particularly important for individuals of ethnic minority and with immigrant identities, who are bi-cultural entrepreneurs (BCE's) and might have less experience in direct selling in the U.S. (Lounsbury & Glynn, 2001). In addition, Tan (2017) found that Latinx BCEs needed technology training concerning how to cultivate and maintain customer relationships through both traditional and digital channels. These studies suggest that direct selling and entrepreneurship education may benefit direct sellers with intersectional identities by focusing on digital resource integration and applications. This recommendation follows Aageson (2008), who noted that BCEs draw on their personal background and networks to create and offer products and services to consumers from their own culture and also attempt to extend their business to new consumer segments.

Rural Latinx and immigrant direct sellers were not well represented in data for this study. Small businesses owned by immigrant entrepreneurs boost the growth of entrepreneurial activities in both rural and urban areas (Raijman & Tienda, 2000), bringing new business options to local and regional markets and enhancing the cultural diversity of community business leadership (Vasilogambros, 2014). Although digital marketing tools can be used as resources without geographic boundaries, the absence of Latinx and immigrant direct sellers in rural areas may signal a gap in direct sellers' access to high speed internet as well as digital literacy. Digital literacy refers to the multiplicity of literacies associated with the use of digital technologies (Ng, 2012). Previous studies (e.g., Islami, 2019) have suggested that digital literacy is an important factor for individuals to engage in entrepreneurial activities in this digital era. The gap in digital literacy between rural and urban areas is not uncommon, as these skills are often learned through informal educational resources (Aziz & Razak, 2012). For individuals with intersectional identities in rural areas, resources to strengthen the foundational skills for using the latest communication technology may not be currently available.

Although the majority of our sample was comprised of female direct sellers, our findings show that they displayed varying perceptions and outcomes when it comes to the influence of companies' digital marketing efforts, reflecting a wide variety of challenges they may encounter due to their intersectional identities. As such, some previous studies have examined female entrepreneurs' digital technology usage and invested its impact. For instance, Crittenden, Crittenden, and Ajjan (2019) noted that female entrepreneurs' use of digital technologies facilitates building their social capital, and in turn, results in empowerment. Other researchers have examined female entrepreneurs' innovative use of digital technologies to adapt to their unique situations, such as crowdfunding and live video streaming to showcase products (e.g., Groza, Groza, & Barral, 2020; Sultan & Sharmin, 2020). It is recommended that direct selling companies explore and provide support for these innovative individual social media use.

The current study has several limitations. This study used secondary data collected by an industry trade organization. The datasets provided a national sample, which included individuals who may be very difficult to reach. However, the salesforce profiles of the two company types (i.e., digital novices and digital integrators) should be interpreted with caution. This study only used demographic information and responses from individuals who completed the NSFS survey. The data also required the transformation of variables in order to conduct analyses suitable for the present study. Future studies may consider partnering with industry organizations or companies to construct surveys based on established measures to further provide empirical and theoretical evidence for direct selling.

We hope our research study provides a basis that can spark further research that will extend and enrich the current literature regarding underrepresented direct sellers and digital marketing implications. One avenue for future study is to take into account consumers expectation of omni-channel retailing into direct selling when they move between devices and between social media interactions and in-person contacts for making purchasing decisions (Verhoef et al., 2015). In this current study, we examined direct sellers' income from digital channels as the financial outcome of digital marketing usage. However, it is likely that some consumers may enjoy and rely on digital marketing content to learn about a brand, but prefer in-person contacts when making purchases; whereas some may prefer touching and feeling the products in person, and make the orders online. Future researchers may seek to incorporate diverse

dimensions of the effect of direct selling companies' digital marketing efforts which may all lead to future sales, such as how direct sellers evaluate digital marketing tools for helping them raise customer awareness, manage customer relationship, and building their own direct seller team, to further investigate the role of digital marketing tools in benefitting direct sellers with intersectional identities. Furthermore, this study presented the direct sellers' perspective of the influence of the company's usage of digital marketing tools for direct selling. What is left unexplored was the influence of direct sellers' digital marketing efforts on their own perceived financial and non-financial outcomes from the direct sellers' perspective. Lastly, as this study presented the differences in direct selling companies' digital marketing efforts and their association to the underrepresented direct sellers, it would be worthwhile to examine the effectiveness and best strategies for recruiting and empowering underrepresented direct sellers (e.g., building rapport through culture or lifestyle-specific strategies) using digital marketing from the direct selling companies' perspective.

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## ENDNOTE

1. In this present study, the term Latinx is used as a gender-neutral noun and adjective to refer to people of Latin America cultural or racial identities.

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**APPENDIX A**  
**QUESTIONS AND SCALES USED FOR ANALYSES**

Variable	Question	Scale
<i>Company level</i>		
Digital marketing efforts	How important is each of the following digital marketing efforts in your company's overall marketing strategy?	1: Not at all important 2: Not very important 3: Somewhat important 4: Important 5: Very important
Primary products/services	What is your company's primary product or service?	1: Clothing and accessories (lingerie/sleepwear, shoes, jewelry, etc.) 2: Home & family care (cleaning, pet care, auto care, gourmet foods and beverages) 3: Wellness products (weight management, supplements, health foods and beverages, exercise equipment, etc.) 4: Personal care (cosmetics, skin care, fragrances, hair/nail care, toiletries, etc.) 5: Home durables/home decor (cookware, cutlery, house/kitchen wares, vacuums, linens, home decor products, candles, potpourri, seasonal decorations, artwork, etc.) 6: Leisure/educational products (books, computer software, crafts, toys/games, scrap booking, etc.) 7: Services/miscellaneous (financial, utilities, telecom, legal, Internet, etc.) 8: Other (please specify)
<i>Individual level</i>		
Working hours/weeks	Thinking about weeks when you spent time on your direct selling business, on average, how many hours per week do/did you spend on your direct selling business? This should include all aspects of your direct selling business including selling, preparing for parties/demonstrations, training, mentoring, administrative tasks, etc.	_____ hours
Motivation	How important are each of the following to you personally? 1: Being an entrepreneur 2: Making a difference in society 3: Achieving the short-term income goals I set for myself 4: Job security 5: Health insurance	1: Very important 2: Somewhat important 3: Not very important 4: Not at all important 5: Not sure / Don't know

	6: Saving for retirement 7: Having a mentor 8: Meeting long term financial	
Income from digital parties & online sales	What percentage of your sales comes from <b>digital parties</b> (there is no actual party with host and guests in the same physical location; instead a person hosts a digital party via Facebook, etc.) and <b>online sales</b> (purely online with the order placed and paid by the customer online)	_____ %
Residence	What is your zip code?	_____
Latino	Are you of Hispanic or Latino origin?	1: Yes 2: No 9: Prefer not to answer
Immigration	How do you describe yourself in terms of where you and your parents were born?	1: First-generation – I was born outside of the U.S. and emigrated to live in the U.S. 2: Second-generation – I was born in the U.S. and at least one of my parents was born outside of the U.S. 3: Third-generation or higher – I was born in the U.S. and both my parents were also born in the U.S. 4: Not sure / Don't know 5: Prefer not to answer
Gender	Please indicate your gender	1: Male 2: Female
Age	In which year were you born?	_____
Working term	How long have you represented your company?	1: Less than 6 months 2: 6 months to less than one year 3: 1 year to less than 2 years 4: 2 years to less than 3 years 5: 3 to less than 5 years 6: 6 to less than 10 years 7: Over 10 years 8: Prefer not to answer
Satisfaction	How satisfied are you with the amount of money earned for amount of time you spend on your direct selling business?	1: Not at all satisfied 2: Somewhat unsatisfied 3: Neither satisfied nor unsatisfied 4: Somewhat satisfied 5: Very satisfied

*Note.* Data with the options of "prefer not to answer" or "not sure/don't know" were removed for the data analysis. Motivation scales were reverse coded for the data analysis (i.e., 1= Not at all important; 2= Not very important; 3= Somewhat important; 4= Very important).

**APPENDIX B**  
**RESULTS OF CLUSTER ANALYSIS BASED ON THE SELLER'S MOTIVATION**

How important are each of the following to you personally?	Clusters (N=1043)		<i>df</i>	<i>t</i>
	Highly-driven sellers (n=135)	Aspirants (n=908)		
Being an entrepreneur	<b>2.45 (.84)</b>	<b>1.49 (.74)</b>	1041	12.64***
Making a difference in society	2.07 (.87)	1.29 (.54)	1041	10.09***
Achieving the short-term income goals I set for myself	2.04 (.69)	1.22 (.44)	1041	13.44***
Job security	<b>2.44 (.96)</b>	1.33 (.64)	1041	12.94***
Health insurance	<b>3.31 (.93)</b>	<b>1.67 (1.00)</b>	183.16	18.09***
Saving for retirement	2.33 (1.03)	1.24 (.52)	1041	12.15***
Having a mentor	2.42 (.97)	<b>1.45 (.68)</b>	1041	11.34***
Meeting long term financial goals	2.11 (.84)	1.15 (.38)	1041	13.09***
Being able to use my creativity at work	2.38 (.92)	1.40 (.59)	1041	11.96***
Being my boss	2.03 (.80)	1.33 (.59)	156.62	12.13***

*Note.* \*\*\*  $p < .001$ . Values in parentheses denote standard deviation. Data with the option of "not sure/don't know" were removed for the data analysis. Motivation scales were reverse coded for the data analysis (i.e., 1= Not at all important; 2= Not very important; 3= Somewhat important; 4= Very important).