

Travails of Direct Sellers in Davao del Sur: A Phenomenological Inquiry

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ABSTRACT

This study was conducted to investigate the experiences of direct sellers in MABAMA, Davao del Sur. Using a qualitative-phenomenological approach, IDI and FGD to 12 selected direct sellers, the experiences of direct sellers were explored. Thematic analysis revealed that the reasons for the participants in engaging in direct selling are peer influence, self-will and curiosity, and financial motivation. Direct sellers have experienced working hard to run their business that is sweat for coins. Though direct selling business gradually uplifted their financial status; still they encountered challenges in the market such as unreliable customers or resellers, and difficulties in selling product. Nonetheless, significant strategies helped them sustain their business, such as network extension, establishing business agreements, use of brochures and demonstrations, and providing freebies and discounts. The participants viewed direct selling necessitates interpersonal skills, patience, risk-taking, thriftiness, and knowledge about customers. Direct sellers need to develop personal characteristics and learn strategies in the direct selling business.

KEYWORDS: *Business, lived experiences, qualitative, thematic analysis, phenomenology, direct sellers*

INTRODUCTION

Direct selling is a process of selling merchandise and provide services to market and directly to consumers, and it may be at their home or any other place that a seller can market the products. The selling often takes place face-to-face communication, and with the products demonstrated in groups or individually, and also leaving behind a brochure that contains a specific product that can be purchased later. Direct selling is usually based on personal contact with the customer. Direct selling is a business entity of significance both in budgetary and human terms (Brodie, Stanworth, & Wotruba, 2002).

In Egypt, direct selling has significantly increased in several middle-income purchasers in their country and selling their goods from countries such as Turkey, Germany, and France. Accordingly, the low prices offered by the sellers, with many going on to begin direct selling activity, were regularly attracted by a more significant number of women in their country (Euromonitor International, 2012). The direct selling in the Philippines in 2015 has increased as more Filipinos from the lower-income section, which holds a considerable share of the population, select to purchase products from this method due to availability of installment basis for one month and are known to consumers, which are often close friends or relatives (Kantar Worldpanel, 2014).

Furthermore, women in the Municipality of MABAMA are members of the direct selling business, and most of them are unemployed housewives who are eager to earn additional income to feed their family. There were also college-level students engaged in the direct selling business, which they can get profit to sustain daily allowances. There are more than ten retail stores and more than 100 members in each store located in the MABAMA area. Cosmetics are highly saleable to them. Some of the direct sellers encountered difficulties, especially when dealing with the products to the customers and for the payments to collect from customers. But from that

challenge they experienced, direct sellers are motivated.

With these scenarios, the researchers were prompted to conduct a study on the lived experiences of direct sellers in the local setting. The study sought to explore and understand the lived experiences of the direct sellers in MABAMA (Matanao, Bansalan and Magsaysay), Davao del Sur. Specifically, this study attempted to determine the difficulties and challenges met by the direct sellers and how did they overcome those by employing effective direct selling strategies. It also aimed to gather insights which they can share with the company and other direct sellers in general.

METHODS

The principal methodological design utilized in this research was qualitative-phenomenology. The primary objective of a phenomenological study is to explain the meaning, structure, and essence of the lived experiences of a person, or a group of people, around a specific phenomenon. The phenomenologist attempts to understand human behavior through the eyes of the participants in the study (Creswell, 2013). In particular, it aimed to understand the experiences of the direct sellers in MABAMA, Davao del Sur, and to determine the reasons and strategies used in selling the product and consequently obtain their insights about the innovation in selling the products.

Further, this study involved six (6) direct sellers in MABAMA, province of Davao del Sur for the in-depth interview (IDI) who were determined using a purposive sampling technique. The criteria for the identification of the key informants were the following: (1) must be a direct seller for at least three years and up, and (2) a resident of MABAMA area. Likewise, another set of participants was included in the study, which consisted of six (6) direct sellers for the Focus Group Discussion (FGD). The same inclusion criteria were used to determine these FGD participants. Upon identification of the research

participants for IDI and FGD, Informed Consent was secured from them.

Moreover, this study made use of two types of research instruments, namely: In-depth Interview (IDI) and Focus Group Discussion (FGD) interview guide. The researchers prepared semi-structured interview questions as a tool to determine the reasons for engaging to direct selling business and experiences and strategies used in selling the products, as well as their insights about the innovation in selling the products. Second, to attain confirmation of data and triangulation, a Focus Group Discussion (FGD) Guide was used. All research instruments were subjected to the validation of experts.

In analyzing the data of the study gathered from the In-depth Interview (IDI) and FGD, the researchers used the thematic analysis using the Miles and Huberman framework. This type of data analysis was considered appropriate for the present study. Data reduction, data display, and drawing and verifying conclusions are the three main components of the said framework. These components involved coding (or categorizing data, and describing details and implications leading to themes), memoing (or writing and gathering written notes of thoughts and ideas and links about concepts and drawing a sketch or graphs), and developing propositions (Punch, 2005).

Likewise, in the conduct of this study, primarily before the data were gathered, ethical issues and considerations were dealt with. The researchers ensured the appropriateness of identified recruiting parties and conducted a review of the level of risks and measures to mitigate these risks (including physical, psychological, and social-economic). With the result of this study, the researchers were able to yield generalizable knowledge about the experiences of direct sellers.

In terms of the avoidance of plagiarism, the researchers had undergone the turn-it-in software to ensure that no trace/evidence of misrepresentation of someone else's work as her own. In the same manner, fabrication

was also considered by the researchers wherein no trace/evidence of intentional misrepresentation of what has been done. No making up of data or results, or purposefully putting forward conclusions that were not accurate. No inconsistency with the existing literature among the information included in the manuscript.

In the same manner, falsification was also taken into consideration in which no trace of purposefully misrepresenting the work to fit a model or theoretical expectation, no evidence of over claiming or exaggerations. Next was the conflict of interest (COI) wherein no trace of COI, wherein there was no set of conditions in which professional judgment tends to be influenced by a secondary interest such as financial or academic gains or recognitions. Moreover, deceit was also avoided in which evidence that the benefit of misleading the respondents outweighs any potential harm to them. Also, to address ethical issues, the researchers assigned pseudonym to each participant to ensure the anonymity and confidentiality.

RESULTS AND DISCUSSIONS

Reasons for Engaging in Direct Selling Business

The first objective of this study was to determine the reasons of the participants upon entering a direct selling business. Data revealed that there are three (3) significant themes, to wit: (a) *peer influence*, (b) *driven by self-will and curiosity*, and (c) *to keep bread on the table*.

Peer Influence. Peers play a considerable role to an individual in terms of coming up with a particular decision. In business terms, business-minded peers also influence a specific person inclined in the same field. As a form of evidence, a participant revealed that his wife was being encouraged by a friend, which caused them to start a direct selling business. This confirmed the statement of Babener (2013), which stated that the reason people join in direct selling is that they can relate to the organization's management and organization's vision as translated by

peers.

Driven by Self-will and Curiosity. The motivation of a particular person to do something is not just mainly because of peer influence. Will and curiosity of oneself are also considered as primary reasons for his actions and decisions. Similar to this thought, the participants of this research revealed that they got curious to start direct selling to find out how effective the said business would become. Further, direct sellers are eager to find an extra income through self-motivation, and initiatives in starting or joining in direct selling.

To Keep Bread on the Table. In the current state of economics nowadays, where the prices of products and services are getting doubled, people must keep the source of their finances intelligently for them to provide the needs of their families. In particular, they seek to have or to get another way to earn money to maintain and sustain daily needs and support educational expenses. They find direct selling as a beneficial and straightforward part-time job.

Experiences Encountered by the Participants in Direct Selling

The second objective of this study was to determine the experiences encountered by the participants as direct sellers. Data revealed that there are five (5) significant themes, to wit: (a) *sweat for coins*, (b) *financial breakthrough*, (c) *unreliable customers or resellers*, (d) *challenges in selling product*, and (e) *direct selling elevates living*.

Sweat for Coins. The objective of a person upon starting a business is to gain money. However, some companies have smaller profits compared to others, most especially if the market is still newly established. In general, they exert much hard work in exchange for mere coins. Moreover, the literature of Brodie, Stanword, and Wotruba (2002) stated that salesperson does not build their business via recruiting and training, but rather focus their efforts on selling and earning compensation based on their

sales.

Financial Breakthrough. Any kind of business, as long as it was appropriately managed, will give sound economic outputs to the business persons. In parallel, the participants of this research have also observed that direct selling business gradually uplifted their financial status. According to them, the earnings from their business are more than enough to support the needs of their family, from food to educational assistance for their children. Many engage in direct selling as a part-time activity, a supplement to other employment commitments, or as a source of income.

Unreliable Customers or Resellers. One of the reasons why customers purchase products from direct selling is because of the concept "buy now, pay later." Customers were able to commit debts to be paid on a due date. Nonetheless, in the perception of direct sellers, this concept is a disadvantage since there is a lot of customers who do not pay at all. Relative to this, Geiger, Dost, Schonhoff, and Kleinaltenkamp (2015) explained that direct sellers find it difficult when it comes to customers' obligations because some are not good at paying their responsibilities.

Challenges in Selling Products. One of the significant challenges faced by the direct sellers is the introduction of their new products to the consumers because the product is not accessible in the locality. Sometimes, it can also lose patience to introduce the products they had, especially when the product is expensive, that customers are not interested. As a result, direct sellers will have lesser sales.

Relatively, Richardson (2019) noted the difficulty of selling in 2019, given customers' fear of "potential economic slowdowns." These characteristics of the market today mean that fewer customers are willing to buy, and those who are prepared to make a purchase will only do so with the utmost attention to risk and measurable benefits.

Direct Selling elevates Living. Proper business operations guarantee the right outputs in financial terms,

which will result in an increase in profit and compensation to the business owners. In the case of direct sellers who participated in this research, they have attained various observable accomplishments through direct selling. They were able to provide the needs and wants of their families. As well, they were even able to construct their own houses and achieve financial prosperity. However, these advantages were attained through hardworking and perseverance of the direct sellers.

Strategies of the Participants in Direct Selling

The third objective of this study was to determine the strategies of the participants in direct selling. Data revealed that there are four (4) significant themes, to wit: (a) *network extension*, (b) *brochures and demonstrations*, (c) *giving freebies and discounts*, and (d) *establishing business agreement*.

Network Extension. A full field of the business community is necessary for businesses since it will result in having more customers, which, in return, increasing sales. Network extension also helps in terms of introducing the business entity to other areas and making it more widespread. According to the participants of this study, adopting the concept of network extension contributes a lot to their direct selling operations. In support, Liao, Chen, and Hsieh (2011) stated that within social media, direct sellers have also developed websites and other resources that can be used to continue the selling process after the initial face-to-face contact.

Brochures and Demonstrations. In direct selling, sellers present pamphlets to the customers for them to view the design of the products and able them to know the exact price of the products. Further, direct sellers demonstrate how to use these products to showcase the quality of their products. In support, Wilkinson, McAlister, and Widmier (2007) had pointed out that direct marketing gives benefits for the consumers since it helps them to spend less time by avoiding going to the malls or shops by giving them

brochures or catalog to select and choose products of their choice.

Giving Freebies and Discounts. In a direct selling business, it is beneficial to offer freebies and discounts to customers. According to the participants, a right business person must have long patience to gain more customers and that they should give discounts to loyal customers by encouraging them to order some items again. Also, on a more personal note, promotions such as sending promotional gifts, birthday cards, or staying in touch over the holidays with business Christmas cards are additional ways to express appreciation and potentially increase customer retention.

Establishing a Business Agreement. Direct sellers usually allow their customers to commit debts since this can increase sales even in a delayed manner. However, there are some cases where customers are not honest enough to pay their debts at an agreed time. To avoid this instance, direct sellers who participated in this research always secure an agreement with the customers to have an assurance in collecting payables from them (Grayson, 2007).

Insights on Direct Selling

The last objective of this study was to determine the insights shared by the participants to the company and other direct sellers. Data revealed that there are five (5) significant themes extracted, to wit: (a) *direct selling requires interpersonal skill*, (b) *direct selling requires patience*, (c) *a direct seller must be a risk-taker* (d) *a direct seller must be thrifty*, and (e) *direct selling requires knowing your customers*.

Direct Selling requires Interpersonal Skill. Communication is imperative in most aspects of the business, including establishing a connection to the customers. The participants explained that in direct selling, sellers should have an effective interaction with the customers for the customers to understand the features of

the products they offer and to the obligations as well.

Direct Selling requires Patience. Patience was being defined as the capacity, habit, or act of being able to remain calm and not become annoyed when waiting for a long time or when dealing with problems or difficult people. As emphasized by the participants, to be successful in business, businesspersons need patience when it comes to employees' relations, business negotiations, and communications, as well as achieving strategic goals.

A Direct Seller must be a Risk-taker. Upon starting a business, risks come inevitably along with the venture. Risks cannot be detached from the company since if the business grows, the more challenges it would face. In connection to direct selling, the participants were able to accept and succeed in those challenges due to their optimism and being risk-takers. Risk-taking is the act or fact of doing something that involves danger or risk to achieve a goal.

A Direct Seller must be Thrifty. The ability of a confident businessman to spend money wisely is an imperative factor in business, which leads to its visible improvement. As perceived by the participants, in the case where the company is being managed by just a single person or two, saving money can really help to increase the wealth of the business owners, because the profit is sometimes lesser than usual.

Direct Selling requires knowing your Customers. Direct sellers sell their products to the person they know already because it is easy to approach them, rather than to those who are not known to them. It is essential that a seller must know the background status of the customer if he/she can pay its obligations to avoid pending payments. Further, direct contact with customers also gives a chance for the marketer to provide information and create awareness about the services or products (Brassington & Pettitt, 2013).

Conclusion

Direct selling is a method of business where a salesperson sells a product face-to-face with the products shown through a brochure or the actual product if there is any. Data specifically revealed that the reasons for the participants upon entering a direct selling business were peer influence, driven by self-will and curiosity, and to keep bread on the table. Although direct sellers gain from selling the products, they got also failed. Data also specifically showed that the experiences encountered by the participants as direct sellers are exposed into the following themes, tow wit: sweat for coins, financial breakthrough, unreliable customers or resellers, challenges in selling a product, and direct selling elevates living. From the failures, difficulties, and challenges encountered by the sellers, they come up with strategies to get a better result, like giving freebies and discounts. Furthermore, the insights gathered from conducting the study are to require interpersonal skills, patience, must be a risk-taker, thrifty, and seller must know his/her customer.

Implications for Practice and Future Research

The results of this qualitative research will be disseminated to the new direct sellers and to those who are willing to join the direct selling business. Business seminars must be implemented, primarily to the new direct sellers. Specifically, the findings of this study will serve as the basis for aspiring business people to learn how to begin a smooth business and enhance their capability in dealing with the product with the customers.

Further, the training and seminars will focus on the following enhancement of interpersonal skills, innovative strategies in selling, and the use of technology. Also, the school may conduct seminars/activities that would relate to the business, especially on how to make a sale and deal with other people. The school may encourage the business administration students to be part of the direct

selling business to enhance their interpersonal skills and also to make them prepared to face the world of business.

Additionally, to expand the result of our study, future researchers could research the customers' satisfaction on the products they purchased from direct selling business and so to support the results of our study. Also, they will be able to know the experiences of the customers towards direct sellers during the marketing process and to figure out if the customers find it easy to purchase products from direct sellers.

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