

## CHAPTER I

### INTRODUCTION

#### 1.1. Background of the Study

In the development of trading since barter as the most traditional way until modern online shopping, we cannot separate from marketing. The marketing system that is commonly used in the business world is the conventional marketing system. A company such as Wings which sells daily needs uses this system too, their products are distributed from factories to large distributors and retails, then customers. The company uses advertisement to make their product recognized and become the people's choice. The company spent relatively high cost in advertising the product through printed and electronic media in order to make the product become the consumer first choice.

On the other hand, Multi Level Marketing (MLM) or also known as network marketing has a different system of distribution with the conventional marketing system as Wings used. The network marketing distribution tries to shorten the flow of distribution or make a shortcut of it, from the company directly to the consumer. Because of this reason, network marketing also known as direct selling system. According to APLI (Asosiasi Penjual Langsung Indonesia), the term of direct selling refers to the activity of selling things or product directly to the consumer in which the seller sells the product through explanation, presentation or demo. In network marketing system, if the networkers succeed to recruit someone else, he/she will get benefit in certain percentage,

therefore, the networkers of network marketing have big motivation to recruit their prospect as its member to get bonuses from the network marketing company, the more prospect join the company, the more turnover and bonuses the networker will get.

Multi Level Marketing (MLM) or Network Marketing is a system of marketing that the core of its system is building network, recruiting people to join the company, by becoming its active member (distributor), passive member or just customer (only buy the product). In order to build the network, the distributor of network marketing or networkers will persuade the prospect; they will use so many strategies to get a new member. One of the strategies is the verbal strategy which is done by the networker in persuading the prospect. According to Gremler and Gwinner (2000), verbal choice in communication plays a crucial role in establishing rapport. Campbell and Davis (2006) stated that verbal choice plays an important role in representative's ability to overcome a customer's objection of buying.

The networkers must establish good rapport in persuading their prospect, according to several researches on rapport. As stated by Gremler and Gwinner (2000), rapport had two sides, namely good interaction and personal connection. For networkers, creating good interactions and personal connections with their prospects is very important to his or her success. Dewitt and Brady (2003) argued that rapport indicates customer's feelings about the relationship they have with the networkers, especially their level of trust and their commitment to continuing the relationship. The networkers must build good relationship to his/her customers in

order to increase the levels of rapport between them. If it is maintained well, according to Dell (1991), the customers will begin to have deeper loyalty and inspires greater amount of information disclosure. The networkers will be so enthusiastic, diligent and careful in building good rapport to its customers or prospects in order to made their goal succeeded.

After establishing the rapport, the relationship between the customers and the networkers becomes more comfortable and both of them get several benefits. As stated by Zeithmal, Berry and Parasuraman (1996), the customer will be more loyal and give positive words of mouth to the company and the sales representative (networkers). These benefits are very important to the company and the networkers since they need to sell their product continually and increasing their market by the positive words of mouth of its customers. It's not only the networkers or the company who gets benefits of the relationship, but also the customer. Bitner (1990) stated that the customers get advantages by increased purchase confidence, social benefits and special treatment benefits. In additional, Brooks (1989) stated that the customer will avoid buying the product or service if the sales representatives (networkers) sell without establishing rapport at the beginning. This is the reason why the first thing a networker has to do is establishing the rapport to minimize rejection and to maximize the opportunity of acceptance, so the customer will buy and joining his or her company.

The networkers at first will establish rapport before they convey their aim that is offering the customer to join with their company. After establishing the rapport, they will maintain the rapport during the process of conversation. The

networkers will try to handle carefully every rejection or objection that occurred and also when performing face-threatening acts. Campbell and Davis (2006) stated that linguistic politeness is used to manage rapport during interaction when face-threatening acts are performed. So, the networkers will use politeness strategies in overcoming rejection or face-threatening acts that happened during the interaction. Politeness strategies are performed by the networkers in order to reach their goal that is making their prospect become the member of the company.

Multi Level Marketing (MLM) or Network marketing became a phenomenon in the world, according to **Brittany Glenn and Barbara Seale (2010)** in her report entitled *The 100\$ Million Clubs* ([www.directsellingnews.com](http://www.directsellingnews.com)) stated that despite the economic adversity, the number of direct selling companies gain continuous success, and many direct selling executives believe the industry will emerge from the recession bigger, faster and stronger. The writer chooses the network marketing as the population since this business successfully dealing with the recession while others collapse. And also the number of salespersons of these kinds of companies are millions, For examples: Avon (as the oldest direct selling company) has 5, 8 million distributors and 42,000 employees with \$10, 7 billion revenue in 2010, Amway (as the oldest pure Multi Level Marketing company) has 3 million distributors and 14,000 employees with \$8,2 billion revenue in 2010, etc ([www.directsellingnews.com](http://www.directsellingnews.com)), and the number of network marketing companies and its networkers is still increasing (Clothier, 1992)

Amway or formerly known as Alticor is one of the biggest network companies in the world. Amway ranked of 32 of the biggest company in America ([www.Forbes.com](http://www.Forbes.com)) and the second biggest network company in the world ([www.directsellingnews.com](http://www.directsellingnews.com)). Amway's network is spread worldwide, over 80 countries and territories. Bob Spiro who has been working for 18 years in Amway stated that Amway adopts its business model to suit different cultures, traditions and economic needs, and conforms to the market standard in the countries it operates ([www.articlesbase.com](http://www.articlesbase.com) ). Amway was founded in 1959 and sells over 450 products including well known products such as Artistry, Nutrilite, Body series, etc. Its headquarter is in Ada, Michigan and the branches spread all over the world in 80 countries including Indonesia, there is an Amway's branch office in Surabaya, located in Jemursari street. This is why the writer chooses Amway as the sample; it is for efficiency because Amway's branch is easy to find in Surabaya.

Amway's networkers tend to meet their prospect by doing one-on-one presentation or in front of a small group, at first they will give CD about the company, after that the networker will try to influence and to persuade the prospect to join the company by signing contract, they offer the prospect the benefits which they will get if they join the company. If the prospect is still in doubt or reject the offer, the networker asks the prospect to come to their meeting or weekly seminar such as BBS, Infonet and NBT or a bigger 3 monthly seminars such as Leadership seminars in order to make the prospect change their mind and join the company. The networker have to recruit new distributors to make their

network strong, and if their network is strong, they can easily distribute and sell their company's product. The more distributors in the network, the more products will be sold, and the more turnover in his/her network, the more income and bonuses he/she will get.

During the process of persuasion of the networker toward its prospect, the networker will offer a business cooperation, as stated by Brown and Levinson (1987) that offers is one of the face threatening acts (FTA), so the networker will threaten the face of the prospect, because the offer from the networker will put some pressure to the prospect whether to accept or to reject it. Yule (1996) in his book entitled "*Pragmatics*" explained that face threatening act is the utterance or action which threatens a person's public self image. So, the networker offering their business cooperation will threaten either positive or negative face of the prospect. Moreover, Yule (1996) also argued that politeness can be defined as the means employed to show awareness of another person's face in the interaction. In the process of interaction between the networkers and the prospect, the networkers will apply politeness strategies in order to avoid or reduce threatening the face of its prospect.

During the process of offering the business cooperation, it is possible if the prospect refuses or even debates the networkers, the networkers will apply politeness strategies to overcome it, to maintain the relationship, to give suggestion, to build trust, to maintain the debate carefully and not to directly counter-debate its prospect to avoid threatening the face of the prospects as stated

by Brown and Levinson (1978) to avoid the tendency of refusal and also develop their positive face as Mey (1993) stated that in the cooperation activity, people try to develop their interlocutors "positive face" while trying to avoid threats to their "negative" ones. So the networkers will try to apply the politeness strategies the best he/she can to avoid "losing face" when they deal with the prospect in order to make them join the company.

Based on the description above, the writer would like to analyze the politeness strategies that the networker uses, and what types of politeness strategies which they use in their practices. The writer will focus the research on Amway's distributor, the second biggest network marketing company in the world today with total revenue on 2010 is \$8, 2 million worldwide ([www.directsellingnews.com](http://www.directsellingnews.com), 2010)

A similar research is conducted by Fachrul Ariesta Rahman (2011) in his thesis "Politeness Strategies Used by A Network marketing Distributor in Influencing Her Prospect". The research is conducted to discover what politeness strategies are applied by the distributor of Tianshi international and how she uses the politeness strategies in their meeting on one-on one presentation. In his research, the networker was not acquainted with the prospect (the researcher) and did not know each other before.

In the present research, the writer will focus on analysis of the politeness strategies which are used by a networker. The presentation is one-on-one presentation in natural setting between the networker and the prospect (the

researcher). The research will hopefully find different results, since the researcher already know each other with the networker because the networker is the researcher's acquaintance (former classmate), from the same faculty where the researcher studies.

### **1.2. Statement of the Problems**

Based on the background of the study, the problems can be formulated as follows:

1. What are the politeness strategies used by the networker of Amway to influence the prospect to join the business?
2. What factors influence the use of politeness strategies by the networker of Amway to persuade the prospect to join the business?

### **1.3. Objective of the Study**

Based on the statement of problem above, this study is intended:

1. To identify types of politeness strategies used by networker in his attempt to persuade his prospect.
2. To find and explain the factors influencing the use of politeness strategies by the networker of Amway.

### **1.4. Significance of the Study**

This study is aimed for students of Airlangga University to enrich their knowledge about Pragmatics generally and the application of politeness strategies

particularly. This study is also expected to give more information of how the relationship of language (politeness strategies) with the business communication especially in network marketing. Moreover, the writer hopes that this study can give some inputs for students to have more understanding in the application of politeness strategies in network marketing, especially the way networker persuade their prospect. The writer also hopes that people to have more awareness to the importance of politeness strategies in persuasive communication in order to pursuit their aim especially in the network marketing field.

### **1.5. Definition of Key Terms**

**Politeness strategies** : Brown and Levinson (1987) state that politeness strategies are strategies that are developed in order to save the hearer's face. Face refers to the self-image that everyone wants to claim themselves. Face is something that is emotionally invested, and that can be lost, maintained, or enhanced, and must be constantly attended to in an interaction (Brown and Levinson, 1987:61)

**Networker** : Networker is a distributor of network marketing companies. People who already joined a network marketing company as a member. Their job is to recruit other distributors and sell products among distributors and customers.

**Prospect**

: a customer who may be interested in buying something (Encarta dictionary, 2006). Prospects in this context are prospective members, prospective distributors. Targeted people who need to be influenced in order to join the business.