



ORIGINAL RESEARCH PAPER

Commerce

Pros and Cons of Network marketing

KEY WORDS:

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Network Marketing is a business model in which a distributor network is needed to build the business. Usually such businesses are also multilevel marketing in nature in that payouts occur at more than one level. Network marketing is a type of business opportunity that is very popular with people looking for part-time, flexible businesses.

Components of NETWORK MARKETING:

- 1) Creation/Implementation: A successful network marketing system will should supply you with a platform that will allow you create and implement content for your business, content that you can share distributors/ representatives on your team.
- 2) Marketing Products: A successful network marketing system will have a variety of marketing products that you can use to build your business.
- 3) Successful Sales Funnel: The system should have successful sales funnel. This sales funnel should be designed to get you results.
- 4) Training/Support: Typically that training will come in the form of videos, audios, pdfs, seminars and personal discussions etc.
- 5) Success Stories/Duplication: When you see the success of others, it lets you know that it is possible for you as well, but what takes it to the next level is when it is easily duplicated.

Advantages of Network Marketing:

- With network marketing you can work according to your comfort level and convenience.
- Through network marketing you can reach innumerable peoples irrespective of the region, nationality and geography.
- In network marketing it has a very low start-up cost.
- Once you attain a good number of downlinks and members in your network and you are on a much higher position of the hierarchy you can even earn good remuneration by doing some efficient work.

Disadvantages of Network Marketing:

- The biggest problem with network marketing is negativity once a member is negative about his job ultimately he left with no option than to wind up all things.
- The most important thing in network marketing is interact with new people and communicate with them and not everyone is blessed with these skills.
- "Sky is the Limit", some believes some don't but this actually happens in network marketing. There comes a saturation point beyond which your business growth gets steady.
- You need a good social network to build your down-chain where most people starts with a high positive energy and soon gets vanished.
- There are several products which are promoted through network marketing, some attracts the customers and some fail to do so.

The second type is FRANCHISING

FRANCHISE SYSTEM = FRANCHISE + FRANCHISOR + FRANCHISEE

Franchising is a business model in which many different owners share a single brand name. A parent company allows entrepreneurs to use the company's strategies and trademarks; marketing and training support and in exchange, the franchisee pays an initial fee and royalties based on revenues. Franchising is a faster, cheaper form of expansion than adding company-owned

stores, because it costs the parent company much less when new stores are owned and operated by a third party.

Advantages of Outsourcing:

- Cost reductions- Cost reduction is done through process improvements, reengineering and use of technologies.
- Concentration on core business- The management is free to concentrate more on the core business of the company.
- Outside expertise- BPOs ensure that experts from another company provide the needed guidance and skills.
- Cater to changing customer demands- Many BPOs provide the management with flexible and scalable services to meet the customers' changing requirements.
- Revenue increase- By outsourcing non-core processes, companies can concentrate on increasing their sales and market share, develop new products; spread out into new markets and increase customer service and satisfaction

Disadvantages of Outsourcing:

- Risk of exposing confidential data: When an organization outsources services, it involves a risk if exposing confidential company information to a third-party
- Synchronizing the deliverables: In case you do not choose a right partner for outsourcing, some of the common problem areas include stretched delivery time frames, sub-standard quality output and inappropriate categorization of responsibilities.
- Hidden costs: The hidden costs involved in signing a contract while signing a contract across international boundaries may pose a serious threat
- Lack of customer focus: An outsourced vendor may be catering to the expertise-needs of multiple organizations at a time. In such situations vendors may lack complete focus on your organization's tasks.

The fourth one is KNOWLEDGE PROCESS OUTSOURCING

Knowledge process can be defined as high added value processes chain where the achievement of objectives is highly dependent on the skills, domain knowledge and experience of the people carrying out the activity. And when this activity gets outsourced a new business activity emerges, which is generally known as Knowledge Process Outsourcing. The KPO typically involves a component of Business Processing Outsourcing (BPO), Research Process Outsourcing (RPO) and Analysis Process Outsourcing (APO). KPO business entities provide typical domain-based processes, advanced analytical skills and business expertise, rather than just process expertise. KPO Industry is handling more amount of high skilled work other than the BPO Industry. While KPO derives its strength from the depth of knowledge, experience and judgment factor; BPO in contrast is more about size, volume and efficiency.

TYPES OF KPO SERVICES:

- 1)Investment research services
- 2)Business Research service
- 3)Data Analytics
- 4)Market research services
- 5)Legal process outsourcing
- 6)Patent Research Services
- 7)Business Operation Support
- 8)Editorial process outsourcing.

Benefits of outsourcing knowledge process outsourcing:

- Get proficient KPO Services at a cost-effective price .
- For quality KPO services, you require highly qualified professionals who are very knowledgeable and skilled. You

can get access to such professionals at KPO companies

- You can be assured of the security of your confidential information as most KPO service providers take the security of data very seriously
- By outsourcing KPO services, you can concentrate more on your core business functions.
- KPO providers use the latest in software, technology and infrastructure. You can be assured of error-free work and speedy deliveries

Risk:

- Security- Classified information about the company can be lost
- Key talent retention
- The character of the employee and the quality of the work cannot be assured
- KPO is time consuming and cannot provide a quick fix to the company seeking immediate results.
- Lack of communication between partners due to legal, language and cultural barriers can lead to complications

The fifth is E-COMMERCE:

E-commerce short for **electronic commerce** is trading in products or services using computer networks, such as the Internet. Electronic commerce draws on technologies such as mobile commerce, electronic funds transfer, supply chain management, Internet-marketing, online-transaction, processing electronic-data-interchange (EDI), inventory-management system, automated data collection systems. Modern electronic commerce typically uses the World Wide Web for at least one part of the transaction's life cycle, although it may also use other technologies such as e-mail.

There are 6 basic types of e-commerce:

1. Business-to-Business (B2B)

The (B2B) e-commerce encompasses all electronic transactions of goods or services conducted between companies.

2. Business-to-Consumer (B2C)

The B2C type of e-commerce is distinguished by the establishment of electronic business relationships between businesses and final consumers.

3. Consumer-to-Consumer (C2C)

The C2C e-commerce encompasses all electronic transactions of goods or services conducted between consumers. Generally, these transactions are conducted through a third party, which provides the online platform

4. Consumer-to-Business (C2B)

A large number of individuals make their services or products available for purchase for companies seeking precisely these types of services or products.

Business-to-Administration (B2A)

It encompasses all transactions conducted online between companies and public administration. This is an area that involves a large amount and a variety of services, particularly in areas such as fiscal, social security, employment, legal documents etc.

6. Consumer-to-Administration (C2A)

This model encompasses all electronic transactions conducted between individuals and public administration.

The sixth is M-COMMERCE:

M-commerce (mobile commerce) is the buying and selling of goods and services through wireless handheld devices such as cellular telephone and personal digital assistants (PDAs).

M-COMMERCE APPLICATIONS:

The general m-commerce applications are:

- 1) Mobile ticketing
- 2) Mobile vouchers, coupons and loyalty cards
- 3) Content purchase and deliver
- 4) Location-based services
- 5) Information services
- 6) Mobile Banking
- 7) Mobile brokerage
- 8) Mobile purchase