Deception and Self Deception

An investigation of Multi-level marketing distributors and their deceptive practices on social media

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PREFACE

When debating what thesis subject to choose for the final challenge we face as students, we were encouraged to choose a subject which we had a genuine interest in. That encouragement led us to spend roughly five months of our lives writing something we actually enjoyed. It is our hope that whoever reads this enjoys it as well.

Writing this study was not purely a two-women job, there are a lot of wonderful people who have helped us during the course of this journey. First, we would like to thank our supervisor Lars Witell, for always contributing with concrete as well as philosophical advice. He taught us that anything is possible as long as you do it well. Secondly, we are grateful for our respondents who took time out of their busy lives in order to contribute with their experiences to this study. We also want to give thanks to the other students in our supervisor group who always provided us with helpful input. Additionally, we would like to thank Jon Engström, who gave us constructive criticism at our final seminar.

Last but not least, we would like to thank each other for always being supportive, tough when needed and mainly for the laughs along the way. In the famous words of Greg Anderson, “Focus on the journey, not the destination. Joy is found not in finishing an activity but in doing it”.

Linköping, May 24th 2019

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ABSTRACT

Background: Multi-level marketing (MLM) is a specific type of direct selling where distribution and sales are facilitated through various levels of independent distributors. The MLM industry has changed through social media and it has become a channel for the distributors to communicate with customers and potential distributors. The downside to this development is that Internet and social media has made lies and exaggerations, digital deception, more common.

Purpose and research questions: The purpose of this research is to investigate deceptive social media practices done by distributors of MLM firms operating in Sweden and discuss them from an ethical perspective. 1. What characteristics drive distributors in MLM firms to participate in practices that can be perceived as deceptive? 2. What deceptive practices on social media by distributors can be identified? 3. How do former distributors view the ethics of their own practices versus the practices of other distributors? Is self deception an aspect to consider?

Method: The study applies a qualitative method to an explorative, cross-sectional research design. The collection of empirical data was done by conducting 9 semi-structured interviews with former MLM distributors.

Result: Characteristics that drive deceptive practices are training, authority, transferal of norms and validating behaviour. Six deceptive practices were identified: pretending to be consumers on other distributors’ posts, manipulating before and after pictures, lying and exaggerating about the benefits of the products, pretending to be potential recruits, falsely describing the benefits of the business opportunity and charging extra for shipping. Former distributors were more willing to blame other distributors for unethical behaviour than themselves, which may be due to self deception.

Contribution of the study: This study contributes with a modern perspective of MLM distributors. It extends existing research of ethical issues within MLM and contributes with the addition of self deception to provide deeper understanding.

Key Words: Multi-level marketing, Digital Deception, Distributor Characteristics, Deceptive Practices, Self Deception
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1. Introduction

In the first chapter the background and problematization are presented to the reader in order to provide a complete understanding of multi-level marketing. Then, the purpose and research questions are introduced. The chapter is concluded with the expected contributions of the study, terminology, scope and delimitation of the study.

1.1 Background

“He then began to explain what Amway [multi-level marketing firm] was all about: Making a lot of money in the first place. In what it soon became clear was an attempt to recruit me, he drew the company’s marketing plan in order to illustrate how step by step I could quickly increase my sales volume, attract further salespeople and earn bonus payments” (Schiffauer, 2018, p. 291).

Multi-level marketing (MLM) is a type of distribution strategy where sales are facilitated through various levels of independent distributors. The distributors receive compensation for selling products or services as well as recruiting new distributors to the MLM firm. Distributors also receive commissions on sales made by their direct and indirect recruits, who are called downlines (Koehn, 2001). The sales efforts are often focused on the friends, family and coworkers of the distributors (Grayson, 2007).

MLM, also known as network marketing, is a specific type of direct selling that has grown internationally, especially during the 1990’s. The international growth of MLM was accelerated partly by the development of the Internet (Vander Nat & Keep, 2002). Direct selling started to grow in the United States (U.S.) during the 20th century (Keep & Vander Nat, 2014). The modern MLM business model was developed and adopted by Nutrilite (former California Vitamin Company) in 1945 (Federal Security Agency, 1951 through Keep & Vander Nat, 2014). Examples of some MLM firms are Tupperware, NuSkin, AmWay, Mary Kay and Avon. MLM firms can be legal, but they may also be illegal. MLM firms are illegal if they act as endless chains or pyramid schemes (Reese, 1996).
At the same time as when MLM grew in the 1990’s, there was an increase of pyramid schemes that were investigated and prosecuted, e.g. the case FTC v. JewelWay International Inc (1997) (Vander Nat & Keep, 2002). Peterson (2018) reported that in 2018, the MLM firm LuLaRoe received at least 90 Federal Trade Commission (FTC) complaints during a three-month period. Rather than being accused of acting as a pyramid scheme, a previously common accusation, the complaints concerned ethical issues. The main issue was MLM distributors not receiving their orders and were not provided with refunds. Instead, they were offered credits to use within the organization leading to a never-ending cycle of buying inventory (Peterson, 2018).

In Sweden there are several MLM, or direct selling firms. Out of around 120,000 active distributors in Sweden, 71 % of them are women. According to the World Federation of Direct Selling Associations (WFDSA, 2018), the most common products sold through direct selling and MLM firms in Sweden are wellness products (33 %) as well as cosmetics and personal care (27 %). In general, 90 % of distributors quit their distributorship within five years and around 95 % within ten years (Taylor, 2011).

Historically, the most common way of executing direct selling was through face-to-face communications between the distributor and the potential buyer, either during product parties, appointments, door-to-door solicitations, referrals and catalogues (Frenzen & Davis, 1990 and Greco, 1996 through Vander Nat & Keep, 2002). Today, direct selling is increasingly occurring online, especially through social media. MLM distributors depended on their own social networks in the past, but nowadays the possibilities of personal networks have increased with social media (Ferrell & Ferrell, 2012). “Distant friends and family are now in a close circle of communication through social networking tools” (Ferrell & Ferrell, 2012, p. 274). MLM firms do usually not use traditional marketing tools such as advertising, instead, the marketing depends on the sales skills of the distributors (Frenzen & Davis, 1990 and Greco, 1996 through Vander Nat & Keep, 2002). Therefore, most distributors do not function as employees, they operate as independent contractors (Direct Selling Association, 2001 through Vander Nat & Keep, 2002).
1.2 Problematization

Multi-level marketing is interesting to research due to that it functions different in comparison to other industries and companies. Instead of being debated for e.g. the environmental damage they cause, common in other industries, they are debated for their manner of marketing (DeVos, 1994 through Schiffauer, 2018). For example, MLM distributors often claim when trying to recruit new distributors that joining an MLM is a fast track to becoming rich in short time (Koehn, 2001). MLM firms have further been called “[...] quasi-religious corporations [...]” (Bromley, 1998 through Groß & Vriens, 2019, p. 339). A further issue is the “[...] use and misuse of trust in private social relations” (Groß & Vriens, 2019, p. 338) when selling to or recruiting friends and family (Groß & Vriens, 2019). As previously discussed, it is not as relevant in present time to research whether MLM firms are legal or not, as the relevance of discussing and research ethically ambiguous issues that arise through social media.

The MLM industry has changed through social media and it has become a new channel for the distributors to communicate with customers and potential distributors. Social media is used by distributors for various objectives. The primary objective for the distributors to use social media is promotion, then recruiting new distributors and finally to create reactions (Ferrell & Ferrell, 2012). However, Utz (2005) through Logsdon and Patterson (2009) proposed that Internet and social media have made lies and exaggerations online, digital deception, more common. Digital deception is defined as “‘intentional control of information in a technologically mediated message to create a false belief in the receiver of the message’” (Hancock, 2007 through Logsdon & Patterson, 2009, p. 537). Another process of deception is self deception, where ethical implications of decisions fade away. Self deception allows people to act according to their self interest and believe they follow their moral principles even when they are not (Tenbrunsel & Messick, 2004).

It is a fairly common practice for MLM firms to exaggerate or even lie about the benefits of their products (Koehn, 2001 through Groß & Vriens, 2019). The individual distributors own usage of the products replaces professional training (Groß, 2008 through Groß & Vriens, 2019) and distributors are heavily encouraged to share their “Confessional stories about being cured by a nutritional supplement [...]” (Biggart, 1989 and Groß, 2008...
through Groß & Vriens, 2019, p. 344). Online “Watchdog” Truth in advertising, found in 2016 that 97% of direct selling organizations had made false or illegal claims about the medical benefits of their products (Cardenas & Fuchs-Tarlofsky, 2018). Lies, misrepresentations and exaggerations are major issues for MLM firms, and are interesting to research.

Much of the MLM research during the 1980s-1990s were centered on issues connected to the direct selling process and the customers point of view (e.g., Peterson, Albaum & Ridgway, 1989). Newer research has focused a lot on direct selling from a practical perspective (e.g., Coughlan & Grayson 1998) and on public perceptions of MLM (e.g., Brodie, Albaum, Chen, Garcia, Kennedy, Msweli-Mbang, Oksanen-Ylikoski & Wotruba, 2004). Other academic articles that were found often covered a specific company (e.g., Bloch, 1996). A perspective yet to be thoroughly addressed by academics is the distributor perspective. Two of the main practices of MLM distributors is to sell products or services and to recruit new potential distributors (Koehn, 2001), therefore they have an important role in MLM firms.

The identified gap in research has led to this study taking the point of view of MLM distributors and their activities on social media. Ethical issues connected to MLM have led to events that have affected individuals’ lives tremendously. A person that was formerly involved with an MLM stated:

“I lost about $20K to them two years ago. I am still paying off the debt. I got out because I could not bring myself to do what they wanted me to do to make sales and recruit people. It just didn't feel right. Too many half-truths and blatant lies” (Moneylife Digital Team, 2012, para. 6).

In conclusion, it is relevant to execute a study concerning MLM on the Swedish market. Since social media is crucial for how distributors sell and recruit today, and the Internet and social media has made deception more common (Utz, 2005 through Logsdon & Patterson, 2009), it is interesting to study deceptive practices done by distributors on social media. Further, by the use of theories covering ethical behaviour and self deception discuss the practices to provide understanding to why they occur.
1.3 Purpose

The purpose of this research is to investigate deceptive social media practices done by distributors of MLM firms operating in Sweden and discuss them from an ethical perspective.

1.4 Research questions

1. What characteristics drive distributors in MLM firms to participate in practices that can be perceived as deceptive?
2. What deceptive practices on social media by distributors can be identified?
3. How do former distributors view the ethics of their own practices versus the practices of other distributors? Is self deception an aspect to consider?

1.5 Contribution of the study

The aspired contributions of this study are to provide the perspective of distributors to the existing research of MLM. Furthermore, the study aims to contribute to existing knowledge relating to the ethical challenges that MLM distributors face when working through social media. Further wishes are to spread knowledge of MLM firms in Sweden for potential consumers and distributors to make informed decisions before associating with such companies. The final hope is that the study encourages further research of MLM firms and their activities on social media.
1.6 Terminology

**Multi-level marketing:** “Multi-level marketing, also known as network marketing, refers to the practice of distributing, selling or supplying products or services through various levels of independent agents (contractors, distributors, etc.). These agents are paid commissions, bonuses, discounts, dividends or other forms of consideration in return for selling products or services and/or for recruiting other agents.” (Koehn, 2001, p. 153)

**Distributor:** “Under the MLM model, each “distributor” can potentially create his/her own business by recruiting new distributors, who also recruit new distributors, creating a “downline” of all direct and indirect recruits, purchasing products and potentially available for selling products and recruiting. Training can now be developed and sold by one distributor to another” (Keep & Vander Nat, 2014, p. 192).

**Direct selling:** “Direct selling is face-to-face selling away from a fixed retail location” (Peterson & Wotruba, 1996, p. 2).

**Upline:** “The party who recruits another participant is the “upline” of the recruit.” (Koehn, 2001, p. 153)

**Downline:** “The recruited party is the “downline” of the recruiter.” (Koehn, 2001. P. 153)

**Senior upline:** The person or persons who are above an upline in the MLM organization.

**Pyramid scheme:** “[...]a company is a pyramid scheme if the participants pay money to “the company in return for which they receive (1) the right to sell a product and (2) the right to receive in return for recruiting other participants into the program rewards which are unrelated to sale of the product to ultimate users” (FTC, 1975 through Walsh, 2016, p. 588).

**Ethics:** “[...] inquiry into the nature and grounds of morality where the term morality is taken to mean moral judgements, standards and rules of conduct” (Taylor, 1975 through Ferrell, Gresham & Fraedrich, 1989, p. 56).
PM: Personal message on Facebook.

Word of Mouth: “Personal communication about a product between target buyers and neighbours, family, family members and associates” (Kotler, Armstrong & Parment, 2011, p. 384).

Business opportunity: The possibility of joining an MLM as a distributor.

Self deception: “Self-deception is defined as being unaware of the processes that lead us to form our opinions and judgments” (Messick & Bazerman, 1996 through Tenbrunsel & Messick, 2004, p. 225)

Digital deception: “intentional control of information in a technologically mediated message to create a false belief in the receiver of the message” (Hancock, 2007 through Logsdon & Patterson, 2009, p. 537).

1.7 Scope and delimitation of the study

The study is limited to investigating ex distributors of multi-level marketing firms in Sweden. Other types of direct selling companies are excluded in the study, since MLM firms are especially known to be controversial. Even if MLM firms may use different approaches to marketing, this research is concentrated on practices on social media. The primary data consists of interviews with 9 previous distributors of Swedish MLM firms, meaning no active distributors views are included. Ex distributors were preferred over active due to reliability and bias concerns. The perspective of customers was not taken into consideration in this study, however it could be interesting for future studies. The ethical discussion is concentrated on an evaluation of the distributor’s own perception of ethics, rather than making an ethical judgement of the distributors’ actions.
2. Method

In the following chapter the methodological choices made in order to execute the research are presented. First, research strategies are discussed, following the selection of research design. An explanation of how data was collected follows, ending with a method criticism as well as a discussion of ethical aspects considered.

2.1 Research strategies

2.1.1 Research perspective

Two of the main research philosophies, according to Saunders and Lewis (2018), are positivism and interpretivism. Positivism is defined as: “a research philosophy similar to those used in physical and natural sciences. Highly structured methods are employed to facilitate replication, resulting in law-like generalisations” (Saunders & Lewis, 2018, p. 107). It is common to use theories to develop hypotheses while using this research philosophy (Bryman, 2012).

Interpretivism is developed from social sciences (Bryman, 2012) and is defined as: “a philosophy that advocates the necessity to understand the differences between humans in their role as social actors” (Saunders & Lewis, 2018, p. 109). Within interpretivism there are two branches, hermeneutics and phenomenology (Bryman, 2012). Hermeneutics focuses on understanding human action rather than external forces. Phenomenology is a philosophy where it is questioned how humans interpret their reality and compare it with the philosopher’s preconceptions of that human world (Bryman, 2012).

Hermeneutics is stated by Bryman (2012) to seek understanding of human actions while positivism seeks explanation of human actions. This study is focused on understanding distributors and their deceptive practices, rather than providing law-like explanations of why they act the way they do. Accordingly, this study was conducted from an interpretive philosophy, more specifically the research strategy was hermeneutics, since the purpose is to investigate the deceptive practices on social media done by distributors of MLM firms operating in Sweden and discuss them from an ethical perspective.
2.1.2 Qualitative research

Making a distinction and choice between conducting a quantitative or qualitative research is helpful when deciding whether to employ measurements or not. A quantitative research is concerned with “... quantification in the collection and analysis of data” (Bryman, 2012, p. 35). Deciding on a qualitative research strategy means the researcher is interested in words rather than numbers, to study the interpretations of individuals in their social world. When choosing a quantitative research strategy, the data collected will be “hard” and “reliable” versus data collected qualitatively which will be “deep” and “rich” (Bryman, 2012).

Due to the fact that the purpose of this research is to understand the actions and behaviour of distributors, a qualitative approach was applied, since in qualitative research it is usual for the perspective of those being studied to be in the center (Bryman, 2012). Rather than collecting numerical data to answer a specific question, this research preferred deep information which contributed to a rich analysis.

2.1.3 Inductive or deductive approach

Theory development for a study can take different approaches, and two of them are an inductive and a deductive approach (Saunders & Lewis, 2018). An inductive approach is defined as “a research approach which involves the building of theory from analysing data already collected” (Saunders & Lewis, 2018, p. 113). It is described that with an inductive approach, the researchers are observing patterns and develop research questions that can be researched. Further, the focus is on understanding the research context in detail (Saunders & Lewis, 2018).

A deductive approach is defined as “a research approach which involves the testing of a theoretical proposition by using a research strategy specifically designed to collect data for the purpose of its testing” (Saunders & Lewis, 2018, p. 112). Saunders and Lewis (2018) stated that an element of deduction is to explain how variables are related to one another. However, there are five steps that are usually taken with a deductive approach. The first is to define research questions from existing theories. The second is to operationalize the questions or formulate hypotheses about how the variables or concepts are related. The third is to collect data that can answer to the hypotheses or operationalized.
questions. The fourth is to analyze the data and test whether it supports existing theory or not. The fifth step is to confirm or modify existing theory, depending on what was found in the data collected (Saunders & Lewis, 2018). The research questions of this study were formulated from existing theories that are discussed in the background and problematization. Then, the questions were operationalized through relating, for example, the concepts ethics and distributors in research question 3. Thereafter, suitable data for the research questions was collected and it was analyzed with the existing theories in the analysis. In the analysis it was discussed whether the existing theories supported the data collected or not. Hence, the five steps were executed in the study, but no hypotheses were formulated.

However, a deductive approach may contain inductive features (Bryman & Bell, 2017). The approach of this study was to test theory with primary data. However, some theories presented in the theoretical framework were revised after the data was collected, inductively. To conclude, the choice of research approach of the study was a deductive approach with inductive features.

2.2 Research design

This exploratory study was conducted cross-sectionally to be able to provide a deep understanding of MLM distributors in Sweden. An exploratory study seeks to find new insights and shed new light to topics (Saunders & Lewis, 2018). An exploratory study was in line with the purpose of this study, which shed light to the topics ethics, deception and social media practices in MLM, and therefore, that was the choice of study. Two of the most common ways of executing an exploratory research are by conducting semi- and unstructured interviews (Saunders & Lewis, 2018). Accordingly, two choices of data collection methods of the study were semi-structured and individual interviews online, as motivated below.

Cross-sectional research is a “study of a particular topic at a particular time, i.e. a ‘snapshot’” (Saunders & Lewis, 2018, p. 130) compared to a longitudinal design which is a “study of a particular topic over an extended period of time” (Saunders & Lewis, 2018, p. 130). Saunders and Lewis (2018) stated that the greatest difference between the two designs is that a longitudinal design can observe change over time. Since this was a
research of ex distributors, time would most likely not influence the results in a positive way, since no new experiences would appear over time. With this in mind, a cross-sectional design was decided to be the research design most suitable for the research.

Furthermore, a cross-sectional research usually collects data from different individuals or groups. The data collection is often done through a questionnaire to collect quantitative data (Saunders & Lewis, 2018). However, Saunders and Lewis (2018) stated that a cross-sectional study can use qualitative methods too, such as interviews conducted over a short period of time or a combination of methods. Hence, it is possible to conduct a qualitative study cross-sectionally.

2.3 Data collection

2.3.1 Secondary data collection
The reason for reading existing literature in a specific area is to research what has already been done and what knowledge exists about the topic. A review of literature also strengthens the credibility of the researchers. Secondary data is generally thought of as data used in a study which was initially collected for another purpose (Saunders & Lewis, 2018).

In the case of this of this research, secondary data was initially studied to get a literary understanding of MLM. During the course of the research, literature was also studied to explain phenomena observed when collecting primary data. In order to make the theoretical framework as concise as possible, only the most relevant aspects of theories were presented. For instance, in chapter 3.2, where the theory on the degree of empathy was presented, only the two factors that were the most relevant for this study were presented.

Literary databases used to search for scientific articles were mainly Scopus, Google Scholar and Linköping University’s online library. Key words used to find relevant articles were for instance: Multi-level marketing, Digital deception, Network marketing, Word of mouth marketing, Distributor networks, Ethics and Self deception.
When searching for secondary sources a critical approach was applied to limit the risk of faulty interpretations. Initially a large number of articles were read, and these were afterwards sorted by citations by some extent. Three of the main sources of the theoretical framework were Koehn (2001), Vander Nat and Keep (2002) and Logsdon and Patterson (2009) since they were three of the most cited articles concerning MLM and ethics and were relevant for this study.

2.3.2 Primary data collection
The main process of every research project is to collect data (Bryman & Bell, 2017). Primary data, contrary to secondary data is “data collected specifically for the research project being undertaken” (Saunders & Lewis, 2018, p. 85).

Saunders and Lewis (2018) described that it is worth considering whether the primary data helps answering the research questions. It is further pointed out that when primary data is collected, it is possible to evaluate if the secondary data meets the purpose and research questions. The data collection methods must be appropriate for the purpose (Saunders & Lewis, 2018). Taking this to account, the chapters 2.3.2 to 2.4 contains thorough descriptions of which and why the primary data collection methods were chosen, and the purpose and research questions were considered throughout. Also, as explained, this study has a deductive approach with inductive influences. In line with that, the theories (secondary data) presented were evaluated and then revised depending on the primary data that was found.

2.3.2.1 Semi-structured interviews
Due to the qualitative approach of the research, the method used for empirical data collection was semi-structured interviews. Interviews are appropriate when researchers aim to find data relevant for developing theories, gather data on a specific matter, understand individuals’ experiences and/or provide stories from the participants’ own perspectives (Cassell, 2015 through Saunders & Lewis, 2018). To understand individuals’ experiences through interviewing is in line with the research strategy used in the study, hermeneutics, since it focuses on understanding humans’ actions. Interviews were in the case of this study preferred over distributing a survey due to that the research was qualitative and not quantitative, as surveys are.
The decision of which kind of interviews to conduct was based on a comparison between semi-structured and unstructured interviews. Semi-structured interviews are “a method of data collection in which the interviewer asks a set of themes using some predetermined questions but varies in order in which the themes are covered and questions asked. The interviewer may choose to exclude some topics and questions and ask additional questions as appropriate” (Saunders & Lewis, 2018, p. 158). An advantage of semi-structured interviewing is that when there are a number of participants, all of them are asked essentially the same questions which enables an easier comparison of answers. A disadvantage is that the respondents may not talk as freely when they are “limited” by the predetermined questions.

In unstructured interviews on the other hand, the respondent can talk freely and may be more detailed since the questions asked are of a broader nature. Unstructured interviews are less controlled by the interviewer and there are no predetermined questions to be asked (Saunders & Lewis, 2018). A disadvantage is that the participant may not discuss what is within the purpose of the research, and the interview or the purpose must in that case be reworked.

Due to the risks connected to the use of unstructured interviews, semi-structured interviews were determined to be the best choice for the empirical collection of this research. Further, since the aim of this study was to interview a number of ex distributors to investigate deceptive social media practices and discuss them from an ethical perspective, a deep perspective was needed, which was provided by the choice of interview design. Semi-structured interviews gave the respondents room to focus on what they experienced as important to explain and simultaneously enabled comparison of the participants to one another.

2.3.2.2 Individual interviews online

When contacting ex distributors and asking them to participate in an interview, it soon became evident that some, due to personal reasons, were hesitant to take the time for an interview over the phone or in person. However, those who still were interested in sharing
their experiences often expressed that they were open to answering the questions online in a written text format.

Generally, the types of research questions asked when conducting qualitative interviews online are the same as a regular interview that take place face-to-face. However, when administering online interviews, the researcher needs to decide whether the interviews should happen asynchronous or synchronous. When an online interview is done asynchronous, the interview is not executed in real time, meaning that the respondent and researcher are not online at the same time. Research stated that interviews conducted asynchronous yield richer and more complete data than synchronous. A risk connected to conducting interviews asynchronously is however that there is a larger possibility of defectors. Advantages connected to individual interviews online are for example that respondents can answer at their own leisure, they are able to read through their answers, interviews do not need to be recorded, and there is no need to transcribe the interviews (Bryman & Bell, 2017).

After researching individual interviews online and the pros and cons connected to them, it was decided that by receiving answers in a written format, useful and qualitative answers could still be obtained. Especially the possibility of returning to the subject with additional questions (Bryman & Bell, 2017) was seen as a beneficial outcome of not being able to interview over the phone. Individual interviews online were therefore the second method of primary data collection.

2.3.2.3 Sample selection

A handful of Swedish ex distributors were open with their stories on Facebook communities and wanted to share their experiences. Therefore, it was probable that they could do that in a research context as well. Due to the risk of present distributors being loyal towards the MLM firm they work for and as a possible result providing biased information, the choice of interviewing ex distributors became even more obvious. However, the ex distributors interviewed were simply called “distributors” in the empirical evidence and the analysis due to the fact that the interviews concerned their time as distributors.
A *purposive sample selection* is a common sampling method in qualitative research explained Bryman and Bell (2017). Purposive sample selection consists of that the choice of interviewees depends on whether they are relevant for the research questions, thus, they are strategically chosen. A purposive sample selection is different from a convenience sample. A convenience sample means that the researchers choose research objects based on which ones they coincidentally find, while a purposive selection depends more on the research purpose and questions (Bryman & Bell, 2017). Through the process of searching for words and topics connected to MLM in communities and Facebook groups, several ex distributors of MLM firms were identified, hence, they were strategically chosen. The respondents had been working as distributors for two different firms, MLM X and Y (see 4.1), and they are both in the cosmetics industry. The ex distributors were asked through social media messages whether they wanted to participate in an interview and the purpose of the study was explained to them in message. The sampling of the online as well as the semi-structured interviews were done in the same way. If the distributor accepted to be a respondent, they were thanked and the preparation phase started (see 2.3.2.4).

Following is a short summary of the respondents. For a more detailed version, see 4.1.

<table>
<thead>
<tr>
<th>Distributor</th>
<th>Type of interview</th>
<th>Length of interview</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Online</td>
<td>-</td>
<td>2019-02-20</td>
</tr>
<tr>
<td>B</td>
<td>Online</td>
<td>-</td>
<td>2019-03-05</td>
</tr>
<tr>
<td>C</td>
<td>Online</td>
<td>-</td>
<td>2019-03-06</td>
</tr>
<tr>
<td>D</td>
<td>Semi-structured</td>
<td>35 minutes</td>
<td>2019-03-08</td>
</tr>
<tr>
<td>E</td>
<td>Semi-structured</td>
<td>27 minutes</td>
<td>2019-03-13</td>
</tr>
<tr>
<td>F</td>
<td>Semi-structured</td>
<td>1 hour</td>
<td>2019-03-16</td>
</tr>
<tr>
<td>G</td>
<td>Online</td>
<td>-</td>
<td>2019-03-19</td>
</tr>
<tr>
<td>H</td>
<td>Online</td>
<td>-</td>
<td>2019-03-19</td>
</tr>
<tr>
<td>J</td>
<td>Semi-structured</td>
<td>38 minutes</td>
<td>2019-03-20</td>
</tr>
</tbody>
</table>

*Table 1: Respondents*
2.3.2.4 Preparation of the interviews

An interview guide can be either a nonspecific list of the general topics to be covered during the interview, or in the case of a semi-structured interview a more structured list of questions to cover (Bryman & Bell, 2017). When creating the interview guide for the semi-structured interviews the different general topics that were interesting to cover were listed. Next, the questions connected to each general topic were formulated. When creating the interview guide, we kept in mind that it is important for the questions to be able to give information of how the interviewees experienced their world (Bryman & Bell, 2017). An example of how this was done was by avoiding questions that could be answered with yes or no, and instead asking questions which provoked some consideration. The interview guide was sent to some of the potential respondents, but only if they asked for what kind of questions would be asked. See 8.1 in the appendix for full details of interview guide with questions.

When preparing for an interview, Bryman and Bell (2017) explained that a researcher needs to ask themselves what is unclear or puzzling that they want to reveal, as well as think about the knowledge needed to be obtained to answer the research questions. On the other hand, the formulation of the questions should not be so specific that they stand in the way of alternative ideas surfacing during the interviews. Therefore, this was considered when the interview guide was written. All the questions had some kind of connection to the purpose and the research questions.

Kvale (1996) made a list of ten criteria for a successful interviewer. The interviewer should for example have detailed knowledge about the focus of the interview (Kvale, 1996 through Bryman & Bell, 2017), which was acquired after reading a large number of scientific articles on the topic, as well as doing research on online forums. Further, the interviewers need to be structured, considerate, sensitive, open yet also critical to what is being said (ibid.). All these criteria were considered when preparing for the interviews. For example, they were told how thankful we were that they participated in the interviews when they accepted to be interviewed.

For the individual interviews online, the preparation was almost the same as when preparing for the semi-structured interviews. The same interview guide was used as well
as the same strategies for preparation by Bryman and Bell (2017). The only difference was that the number of questions were reduced in some cases, since one of the reasons why some ex distributors did not want to be interviewed was that they did not have time for it. When that was the case, the most relevant questions to the purpose of the study were sent, as well as questions within all different topics of the study. By reducing the number of questions, the individual interviews online became less time consuming for the respondents. The respondents who had time to respond to all of the questions, who just did not prefer being interviewed face-to-face or by telephone, were sent the entire interview guide for them to answer in writing.

2.3.2.5 Execution of the interviews

The semi-structured interviews occurred over the telephone in order to not be confined to the city of Linköping and its surroundings, and when possible, in person. If body language or other cues such as sighs or other signs of emotion was particular to what the person said, those were registered and written down. The cues were written down in the empirical evidence if they were important for the story. The respondents were all asked whether they accepted to be recorded, which they all did. Therefore, all the semi-structured interviews were recorded and consequently, transcription was facilitated (see 2.3.2.6.).

At some of the semi-structured interviews, both of us were present at the interview and at other, only one was present. The reason why the interviews were executed separately sometimes depended on how comfortable the interview situations were. For example, if a respondent preferred a telephone interview, it was more comfortable to only be one who made the call. Then there was less risk to interrupt one another or confused the respondent with two different voices. When the interview took place in Linköping and in person, on the other hand, both of us were present.

All interviews started with an introduction as well as the information necessary for the respondents, for example that they were anonymous. Thereafter, all questions in the interview guide were asked, as well as follow-up questions. However, if a respondent already responded to a question from the interview guide during the interview on their own initiative, the question was not asked. Furthermore, if a respondent e.g. said they did not recruit, such questions were not asked. A specific situation that occurred in a number
of interviews was that the respondent had a difficult time in answering to the questions regarding ethics. They either did not understand the question or did not provide a clear answer. When such situations occurred, follow-up questions were asked to the respondents in order to understand the question better or clarify what they meant.

The interviews did not take place at the same time or week, the dates are specified in table 1 and 2. Therefore, it took a longer time for all the interviews to be finished and decide when the saturation point was met. When the answers of the respondents became more and more similar, it was decided that a saturation point was met. However, a positive development was that then it was possible to learn from previous interviews and alter the questions if needed.

The execution of individual interviews online was similar to the execution of the semi-structured interviews. However, they occurred through social media messages instead of e.g. via the telephone. The messages were sent from one of our private social media profiles. First, the purpose of the study was sent to the respondent. Bryman and Bell (2017) stressed the importance of explaining to an online respondent how important their answers are to the research. With this in mind, we made sure to express gratitude in each message sent to the respondent, especially when sending the questions and after receiving answers. Another question related to the execution of online interviews is whether to send the questions all at once or one at the time. Since the interviews were conducted asynchronous, it was decided that sending the questions all at once was the best option to not lose the respondents interest if the interviewing went on too long. Questions were after the initial response reinforced with follow-up questions if the answers were unclear or not very informative.

2.3.2.6 Transcription of the interviews

By transcribing the interviews, the natural limitations of the human mind are aided. It gives the interviewer a better ability to analyze the material collected, and simplifies going back to specific interviews to see responses. However, it is a heavily time-consuming approach and requires the interviews being recorded (Bryman & Bell, 2017). The method of this study was to record and transcribe the verbal interviews. Transcription was already executed in terms of the individual interviews online, since they were already
in writing. The transcriptions were not presented as a whole in the empirical evidence, instead, the most relevant statements and stories for the purpose are described, one respondent at a time.

As visible in Table 1: Respondents, all respondents are called different letters (A, B, C and so on) when their responses were presented, in order for them to be anonymous. The only deviant letter used was the letter “J” instead of “I”. If the respondent would be called “I” it could be confusing while reading the text, since it would look like the person tells the story themselves (e.g. when I graduated…) and therefore the choice was to use the next letter, J, instead.
2.4 Visual documents

The interest in visual documents are increasing within business research. Included in visual documents are graphic and artistic pictures, the visual content from websites and video data. Organizations are important producers of visual documents, which play a large role in creating the image and identity of an organization. With the huge amount of data produced daily by organizations, there is potential for researchers to collect this type of data. However, the criteria of authenticity and credibility still need to be considered when analyzing such data (Bryman & Bell, 2017).

In order to visualize and exemplify the descriptions made by the respondents as well as our own observations of active distributors on Facebook, two pictures were included in the end of the empirical evidence. The aim of the pictures is to provide readers with a deeper understanding into how efforts to sell and recruit can look like on social media, as well as the interactions between distributors on those posts. The two examples were chosen since they were the most common scenarios for posts, and included examples of several deceptive practices. Other practices are more common in personal message form, and therefore not easily observed or visualized. The pictures presented are in the form of fake Facebook posts. Note that the pictures are data collected specifically for the purpose of the study.

No posts or comments were made up, but names of the distributors are changed as well as the language, translated from Swedish into English. In order to make it easier to understand the posts and the comments, all names end with “distributor” to show that they are active distributors. However, in reality, distributors do not have the word distributor together with their names on their profile, they only have their real first and last name. Since the pictures of fake Facebook posts were derived from own observations of active distributors on Facebook, the visual documents are presented in the empirical evidence chapter. The posts presented were found by looking at the Facebook page of a known distributor to us, and from there we visited friends of that distributor to find other distributors on Facebook.
2.5 Method criticism

The method was based on Bryman and Bell (2017), Bryman (2012) and Saunders and Lewis (2018). Rules regarding citing and the disposition of the study was inspired from Rienecker and Stray Jörgensen (2014). These books were seen as reliable because they are published by three well-known publishers (Oxford University Press Inc, Liber and Pearson Education Limited). Also, all the books have probably gone through quality controls before they became recognized as course literature at Universities (e.g. Oxford University). Therefore, the books were assumed to be academically reliable. To make the study as credible as possible, the aim throughout the study was to be transparent and clear concerning the methods used.

Due to overrepresentation in the online communities of one MLM firm in particular (called MLM Y in the study), this was the MLM firm most of the respondents were ex distributors of. Only ex distributors of two different MLM firms in the same industry in Sweden were presented in the study, whose answers may not be representative of all distributors opinions of multi-level marketing firms in Sweden. However, they are the two MLM firms that were discussed the most in the communities where the respondents were found and because of that, it was decided to interview those respondents.

Another aspect to question was the choice of country that was researched. Most MLM firms were founded in the U.S. and therefore research usually is focused on MLM in the U.S. (Keep & Vander Nat, 2014). There is not much research about MLM in Sweden, and the choice of country may therefore be criticized. However, since MLM started in the U.S. and has grown internationally (Vander Nat & Keep, 2002), the learnings and conclusions of those articles may be meaningful when investigating MLM in Sweden as well. Also, a lot of MLM firms in Sweden have their headquarters in the U.S. and therefore the two markets are connected. An example of an American MLM firm that has expanded to Sweden is Mary Kay (Mary Kay, 2019).

Both types of interviews were conducted in Swedish, since the ex distributors were Swedish and the purpose of the study was to investigate MLM in Sweden. The interview responses were thereafter translated into English. The visual documents were also translated from Swedish to English. Therefore, a disadvantage could be that some of the
content that is presented in the empirical evidence may be “lost in translation”. Though, the risk was considered throughout the process of writing the empirical evidence. Therefore, all quotes and statements are as thoroughly described and interpreted as possible in the empirical evidence, to prevent stating something that was clear in Swedish but was less clear in English.

There are some aspects of the how the interviews were conducted that could be criticized as well. The respondents of the individual interviews online had more time to consider what to respond than the respondents of the semi-structured interviews, since they responded in writing. The fact that the semi-structured interviews resulted in spontaneous answers may be an advantage while that the individual interviews online were less spontaneous may be seen as a disadvantage. However, it may also be seen as an advantage, that the answers to the individual interviews online were more thought through (Bryman & Bell, 2017).

Further, because of the fact that the responses to the individual interviews online were in writing, it was not possible to pick up on body language and similar. Therefore, those cues could not be considered, which is another disadvantage of that type of interview and an advantage of semi-structured interviews. However, an advantage of individual interviews online was that there was no risk that the answers were misheard, as they are in writing (Bryman & Bell, 2017).

2.5.1 Reliability, validity and replicability
Reliability, replicability and validity are three of the most important criteria for assessing social research (Bryman, 2012). However, there is a discussion among qualitative researchers in regards to the relevance of using the three criteria when executing a qualitative research, as opposed to a quantitative study. It has been argued that the criteria are relevant for qualitative research as well as quantitative, but that the meanings of the concepts must be adjusted. For instance, the term validity includes an undertone of measurement, which is not of importance in qualitative research since they usually do not include measurable data. Researchers have different points of views in terms of how to adjust the criteria to qualitative research, and the one chosen for this study is the

In qualitative research, reliability and validity can be divided into: external and internal reliability as well as external and internal validity. External reliability refers to, as classical reliability, to which extent it is possible to replicate an investigation (Bryman & Bell, 2017). LeCompte and Goetz (1982) through Bryman and Bell (2017) stated that it is difficult to “freeze” an environment in qualitative research since it is affected by a social environment in contrast to quantitative researches. They further stated that external reliability requires that a researcher who intends to replicate the study puts oneself in a similar social role as the previous researchers, otherwise the answers cannot be compared to one another, especially when conducting an ethnography (LeCompte & Goetz, 1982 through Bryman, 2012). Our interpretation of making the study as externally reliable as possible was to describe our social role thoroughly in the method. For example, it was described that the respondents were found in social media communities and groups and that they were contacted via social media messages. Also, the interview guide is attached in the appendix, and if another researcher would use the same interview guide and contact respondents in the same way as described in the method, they might be able to replicate the investigation.

Internal reliability means that members of a research team should agree on their interpretations on what they see and hear (LeCompte & Goetz, 1982 through Bryman & Bell, 2017). Even if some of the interviews were conducted separately and the we had different interpretations of the interviews, the interpretations were discussed in the process of writing the distributor stories from the transcribed material. The discussions led to a mutual agreement about what the empirical findings said. Similarly, the analysis was written together and the impressions were mutually discussed. Therefore, there was an agreement in what had been found and what aspects were the most important for the analysis. Also, the visual documents were seen as internally reliable since they were real Facebook posts.

Internal validity is that there should be an agreement between the observations of the researcher and the theoretical ideas developed. When participating in a qualitative
investigation, the degree of validity is often high since the researchers interact socially with the respondents (LeCompte & Goetz, 1982 through Bryman & Bell, 2017). The fact that some of the semi-structured interviews were conducted over the telephone may have affected how the responses of a respondent were interpreted, where e.g. body language could not be observed. Due to difficulty of interpreting responses over the phone, as many interviews as possible were conducted in person, to ensure a high level of internal validity. However, when the respondent did not have time for an interview or they were geographically far away, some of the interviews occurred via telephone or Facebook messenger. A result of that not all interviews were done in person is that we were not able to interact socially with the respondents, which according to LeCompte and Goetz (1982) through Bryman and Bell (2017) means that the internal validity is not as high as it could be for those interviews.

External validity regards to what extent the result of a study can be generalized to other social environments and situations. It is described that it is often more difficult for qualitative researchers because they often use case studies and limited samples (LeCompte & Goetz, 1982 through Bryman & Bell, 2017). Since the study was conducted with a small sample of ex distributors, it is difficult to make it generalizable. However, since the interviews were conducted in depth and the saturation point was seen as met due to the answers becoming more and more similar, other distributors may have had similar experiences and/or feelings as the respondents. Consequently, the study is probably generalizable to other MLM distributors, especially since MLM is a very particular way of selling, but not to other social environments and situations. By conducting in-depth interviews, the level of external validity was as high as it could be with the sample size of this study.
2.6 Ethical considerations

To make the research as ethical as possible, the ethical rules presented by Bryman and Bell (2017) were considered throughout the study. The information requirement was fulfilled when contacting possible interviewees, since in the first message the purpose of the research was presented as well as the process of the interview. To fulfil the consent requirement, the respondents were informed in the beginning of the interview that their participation was voluntary and they could stop the interview whenever they wanted to. The respondents were also asked whether they were comfortable with being recorded and that only we would have access to the recordings. The confidentiality- and anonymity demand was followed in all phases of the study by avoiding the use of real names of the respondents. The respondents’ names were coded into letters in the transcription face, so that no unauthorized person could take part in the personal data. The company names were also coded into letters. After the transcriptions were finalized, the recordings were deleted. Respondents were guaranteed that the data would not be used for any other purpose than this study and when informing them about the study, the information was honest, fulfilling the usage requirement and not giving false reflections. Finally, “The participants should not be hurt by the research” (Bryman & Bell, 2017, p. 141), which is why the choice to make all respondents anonymous was made. This was done to avoid possible repercussions from their respective MLM firms or distributors.
3. Theoretical framework

In the following chapter the theoretical framework is presented. The chapter aims to heighten the understanding of the concepts for the reader. The theories were selected in order to respond to the research questions in the best possible way. The theories covered addressed three main parts: distributor characteristics, digital deception and ethics. The chapter is summed up with an analysis model portraying how the theories relate to each other.

3.1 Characteristics of direct selling and distributors

“Direct selling is face-to-face selling away from a fixed retail location” (Peterson & Wotruba, 1996, p. 2). Instead of using marketing advertisements to promote the products or services, a direct selling firm must rely on the power of their independent distributors to communicate the value of the products (Peterson & Wotruba, 1996).

![Diagram of Traditional Relationships in Direct Selling](image)

Figure 1: Own elaboration of the model “Traditional Relationships in Direct Selling” by Ferrell, Gonzalez-Padron and Ferrell, 2010

Ferrell, Gonzalez-Padron and Ferrell (2010) described a typical direct selling structure through a triangular model. The researchers illustrated that direct sales companies interact with distributors through e.g. training, order processing and motivating them to sell better. The distributors, in turn, share information regarding products they offer and then the customers may place orders. Distributors may have inventories themselves and deliver the products directly, or ask the company to process the order. On the other side of the
triangle is the relationship between the direct sales company and the consumer, where it was stated that marketing of the brand occurs (Ferrell et al., 2010). On the other hand, as stated, marketing of the brand often occurs through the distributors who communicate the value of their offering (Peterson & Wotruba, 1996).

Keep and Vander Nat (2014) described the distributor side of the triangle more in detail. At MLM firms, all distributors are able to recruit new distributors, and in turn, the recruited distributors can recruit new ones as well. This is called a downline (Keep & Vander Nat, 2014). Distributors who recruit are called the uplines of new recruits (Koehn, 2001). A demonstration of how distributors create their downline is presented in Figure 2. Distributors and their downline receive compensation from the MLM firm based on how much they sell and recruit. They can also get discounts on their purchases depending on how much they purchase at once. Furthermore, the level of compensation depends on specified targets for volume sold. If the targets are not reached, the distributor and its downline are little or not compensated (Keep & Vander Nat, 2014).

Figure 2: Own elaboration of the model by Biggart (1989) displaying an organizational genealogy of Anna’s up- and downlines.
3.1.1 Distributor characteristics

Recruiting in a regular corporate firm is characterized by devoting much time, money and effort to find the very best person for a certain position. Multi-level organizations in contrast have no recruitment criteria at all. In the corporate world, bad employees are considered non-valuable and expensive, yet many new distributors of MLM firms have none or minimal sales experience. Anyone can be considered a potential new distributor for a direct selling firm (Biggart, 1989).

“[...] many people know of MLMs through their highly zealous members, who frequently bring an almost crusade-like passion to their work” (Biggart 1989 through Sparks & Schenk 2006, p 162). Due to their position as independent contractors, each distributor is in control of the amount of time devoted to selling and recruiting respectively. They are also each responsible for the management of their downlines in terms of training and socializing as well as identifying buyer prospects and generating sales (Sparks & Schenk, 2001). Chonko, Wotruba and Loe (2002) pointed out that since the distributors have their “own business” they are independent which leads to companies not having the power to influence the ethics of the sales force.

“[...] many sponsors develop a near obsessive interest in their recruits’ success (and that of the rest of the downlines as well)” (Biggart, 1989 through Sparks & Schenk, 2006, p 164). Indeed, distributors have more than personal motivation for supporting new distributors and encouraging them to recruit as well, they also receive financial commission on the sales that their downline makes, as well as their downline’s own downline’s sales, and so on (Sparks & Schenk, 2006).

The authority that uplines have on their downlines comes partly from honorific titles they receive when accomplishing certain sales or recruitment goals (Biggart, 1989 through Sparks & Schenk, 2006). In addition, the cultural norms of the individual MLM firm and the values they represent are transferred from the upline to downlines (Sparks & Schenk, 2001). When the norms of the MLM firm are transferred to new distributors, they start to behave in a manner coherent to the norms of the organization and begin to see the MLM as part of their own identity. Sponsors or uplines who are more active with training, information giving and communication create downlines who are more cooperative to the
network (Sparks & Schenk, 2006). Lan (2002) explained that because distributors often are criticized by non-members, distributors depend on each other to validate their beliefs of success and moral meaning of the business model.

Some MLM firms are successful in cultivating a vigorous moral self-perception among their distributors (Groß & Vriens, 2019), which Bromley (1998, trough Groß & Vriens, 2019, p. 339) considered “[...] quasi-religious corporations [...]”, where distributors own ability to critically think about the business practices done are crippled. Strong socialized organizations limit individual’s moral awareness and makes them reflect less on ethical aspects of their and corporates behaviour (Groß & Vriens, 2019).

3.2 Digital deception

Digital deception is defined as “intentional control of information in a technologically mediated message to create a false belief in the receiver of the message” (Hancock, 2007 through Logsdon & Patterson, 2009, p. 537). Logsdon and Patterson (2009) specified that digital deception is assessed by how great the incentive of maltreating the receiver of the message is. The message or activity is assessed to be more unethical the greater the incentive of exploiting the receivers trust.

Logsdon and Patterson (2009) suggested that deception exist in general online networks as well as in business online networks. Sproull and Kiesler (1986, through Logsdon & Patterson, 2009) further called attention to the fact that people are less likely to form strong relationships online. Furthermore, Logsdon and Patterson (2009) pointed out that communicators of business networks are assumed to be legitimate, as opposed to anonymous persons who communicate online, because of their contact network, position and association with an organization.

Utz (2005) stated that deception has been facilitated and grown through the Internet. “The characteristics of the online world trigger a wide assortment of role plays, deceptions, half-truths, and exaggerations, partly because anonymity and the absence of visual and auditory cues allow them, and at the same time insulate us from the consequences. Even when we are not exactly anonymous on the net, the physical distance and low social presence make us feel less inhibited, less likely to be detected [...]” (Wallace, 1999 through Logsdon & Patterson, 2009, p. 540).
Logsdon and Patterson (2009) claimed that deception in online business networks depends on the degree of empathy between the parties that communicate, if the empathy is higher, deception is lower and vice versa. Empathy depends on the relationship and its reciprocity and intimacy between the communicating parties. The researchers stated that the lower degree of empathy depends on, for example:

- Impact of electronic communication on weak ties
- Proximity between the deceiver and target of deception

Logsdon and Patterson (2009) described the relationship between weak ties, which refers to the strength of the relationship, and electronic communication as one where unethical behaviour is more likely to happen. When there is a lack of personal relationships, opportunistic behaviour becomes increasingly probable. Furthermore, they argued that even with relationships that are active, deception is likely to escalate as the number of weak ties increases.

Proximity is the “[…] social, psychological, cultural, and physical nearness that the actor has to the victim” (Logsdon & Patterson, 2009, p. 544) and the probability of unethical behaviour/deception is higher if the actor does not feel proximity to the person, which is more likely online (Feldman, 1987 and Wellman et al., 1996 through Logsdon & Patterson, 2009). Online communication makes it easier for the person who does not feel empathy to take advantage of the other person’s trust because it is more difficult to notice deceit online (Brass et al., 1998 through Logsdon & Patterson, 2009). Research by Hancock et al. (2008) through Logsdon and Patterson (2009) showed that posts with sense-based words, uncertainty, higher word count and second and third-person pronouns are more deceitful in general.

3.2.1 Word of Mouth
The image of a firm is often built on social media through electronic word of mouth (eWom), stated Ferrell and Ferrell (2012). Customers’ preferences constantly change and social media facilitate the building of dynamic relationships between companies and their customers. The researchers recommend companies to “[…] develop an ethical culture to
create and maintain trust; this requires careful listening and responding to customers” (Ferrell & Ferrell, 2012, p. 280).

Electronic word of mouth is defined as “[...] a virtual communication between consumers in an online context” (Park & Lee, 2009 and Gruen et al., 2006 through Hajli, 2018, p. 801). A new version of eWom is social word of mouth (sWom) which has emerged because of the social media and technological growth (Zhang & Watts, 2008 through Hajli, 2018). sWom is defined as a new form of eWom where customers share their experiences, information and evaluations of consumer products through social media (Do-Hyung et al., 2007 and Hajli et al., 2014 through Hajli, 2018). An example of sWom is a customer review on social media with information about how the customer experienced the product (Do-Hyung et al., 2007 through Hajli, 2018). It is also stated that information provided through sWom establishes more trust for customers than facts by companies (Hajli et al., 2014 through Hajli, 2018).

The credibility of normal word of mouth (WOM), which is “personal communication about a product between target buyers and neighbors, family, family members and associates” (Kotler, Armstrong & Parment, 2011, p. 384), can increase when other users can refer to e.g. their posts on social media. Credibility also increases with sWom since social media often includes personal profiles, which makes the individuals’ opinions more reasonable since they are open with their identities (Hajli, 2018).

3.3 Ethics

Business ethics is described to demand that the individuals and the organization behave in line with specific rules of moral philosophy (Robin & Reidenbach, 1987 through Ferrell, Gresham & Fraedrich, 1989). “[...] codes of ethics are more concerned with activities that could damage the firm, such as bribery, than with product safety or other issues related to consumers and the general public” (Mathews, 1987 through Ferrell et al., 1989, p. 55). The need for development of marketing ethics has grown because scandals related to unethical activities has decreased the public trust in businesses (Ferrell et al., 1989).
According to Frederick and Weber (1987) through Ferrell et al. (1989), the employee and the organization share moral accountability for their conduct. They explained that dishonesty and irresponsible behaviour is possible even for sincere employees. It is also stated that corporate culture impacts the learning of moral philosophies.

Ferrell et al. (1989) described that with the help of moral philosophies, individuals are able to judge actions, intentions and consequences. The philosophies are teaching individuals, consciously or not, to consider ethics in their lives. The learning may occur through education, at a workplace or at home (Ferrell et al., 1989).

3.3.1. Ethical behaviour and self deception

Intention is the subjective probability of behaving in a certain manner (Ferrell et al., 1989). Hunt and Vitell (1986) differentiated between ethical judgements and intents, since individuals could choose the action that is not the most ethical, even though they are aware there are more ethical options to choose from, due to the favored consequences of the less ethical act.

Newstrom and Ruch (1975) through Hunt and Vitell (1986) discovered that the higher the frequency of a behaviour, the more it is viewed as ethical in a group. Ferrell and Gresham (1985) through Ferrell et al. (1989) observed the same tendency and added that learning from intimate groups or role sets, which they call differential association, makes persons more likely to behave unethically. They added that individuals are more likely to act unethically the less punishments for unethical behaviour and the greater the rewards.

Hunt and Vitell (1986) further explained that guilt is a consequence of when the ethical judgements are contradictory to the behaviour and intentions. They exemplified that if a person behaves in line with his or her ethical beliefs, they do not feel guilt, while a person who does not behave in line with his or her ethical beliefs does feel guilty.

Self deception is a concept of when moral connotations of decisions become faded. This means that individuals can behave in a manner that is hard to understand while not being aware that they are in fact doing so. Making ethical decisions can be described as a compromise between the moral principles held by an individual and its self-interest.
(Tenbrunsel & Messick, 2004). “We are creative narrators of stories that tend to allow us to do what we want and justify what we have done. We believe our stories and thus believe that we are objective about ourselves” (Tenbrunsel & Messick, 2004. P. 225). Through bypassing the moral connotations individuals are able to behave according to their self-interest and avoid feeling unethical. By self deception an individual does not evaluate their actions as unethical, and thus they do not realize they are behaving in an unethical manner (Tenbrunsel & Messick, 2004).
3.4 Analysis model

Since the study was conducted deductively with inductive features, it was relevant to base the analysis on the theoretical concepts presented above. To make sure that all main aspects of the theories were utilized in the analysis, it was decided to construct an analysis model. The analysis model consists of theoretical components that were applied in order to discuss and analyze the empirical evidence in the analysis. To the far left are the theories of distributor characteristics which are the basis of why deceptive practices can occur. In the center of the model is digital deception, which is a crucial part of the purpose of the study. The concepts of moral philosophy and ethical behaviour are also separately connected with arrows to digital deception, illustrating that they have an effect on digital deception. The model proposes that moral philosophy and ethical behavior may facilitate digital deception. Ethical behaviour and moral philosophy consist of theories that lead to an ethical discussion of the distributors’ behaviours and practices. Finally, digital deception is connected with a dotted line to self deception, which is put in a magnifying glass to illustrate that digital deception is analyzed through a lens of self deception.
4. Empirical evidence

In the following chapter the empirical evidence is presented. First, a table of the respondents is presented. Thereafter, the most crucial findings from the two main methods of empirical data collection are presented as well as the visual documents.

4.1 Respondents

<table>
<thead>
<tr>
<th>Distributor</th>
<th>Semi-structured/online interviews</th>
<th>Length of interview</th>
<th>Date</th>
<th>Duration of their distributorship</th>
<th>MLM firm they worked for</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Online</td>
<td>-</td>
<td>2019-02-20</td>
<td>2 months</td>
<td>MLM Y</td>
</tr>
<tr>
<td>B</td>
<td>Online</td>
<td>-</td>
<td>2019-03-05</td>
<td>3-4 months</td>
<td>MLM Y</td>
</tr>
<tr>
<td>C</td>
<td>Online</td>
<td>-</td>
<td>2019-03-06</td>
<td>3 months</td>
<td>MLM Y</td>
</tr>
<tr>
<td>D</td>
<td>Semi-structured via telephone</td>
<td>35 minutes</td>
<td>2019-03-08</td>
<td>2 months</td>
<td>MLM Y</td>
</tr>
<tr>
<td>E</td>
<td>Semi structured via telephone</td>
<td>27 minutes</td>
<td>2019-03-13</td>
<td>11 months</td>
<td>MLM Y &amp; X</td>
</tr>
<tr>
<td>F</td>
<td>Semi-structured in person</td>
<td>1 hour</td>
<td>2019-03-16</td>
<td>1,5 months</td>
<td>MLM Y</td>
</tr>
<tr>
<td>G</td>
<td>Online</td>
<td>-</td>
<td>2019-03-19</td>
<td>5 months</td>
<td>MLM Y</td>
</tr>
<tr>
<td>H</td>
<td>Online</td>
<td>-</td>
<td>2019-03-19</td>
<td>4-5 months</td>
<td>MLM Y</td>
</tr>
<tr>
<td>J</td>
<td>Semi-structured in person</td>
<td>38 minutes</td>
<td>2019-03-20</td>
<td>4 months</td>
<td>MLM X</td>
</tr>
</tbody>
</table>

Table 2: Respondents
4.2 Semi-structured interviews

4.2.1 Interview with distributor D

D was a young woman who prior to becoming involved with MLM Y had a full-time job where she made good money. When a distributor got in touch with her pitching a business opportunity at MLM Y through a PM on Facebook, she accepted the offer of becoming a distributor. She thought that it could be a “side business” on social media where she could make extra money. When the person who offered her the job as a distributor told her about MLM Y, he introduced her to the company and their products, not much more. When she went to MLM Y-events, successful distributors of MLM Y taught her more about the firm. For instance, not to mention the name MLM Y when promoting products.

In the beginning of her distributor path, she tried out MLM Y’s products. The testing of products occurred for new distributors to be able to take before and after pictures of when they used the products. Thereafter, D said that new distributors could choose and purchase different kinds of packages of products to sell, but that they were recommended by the uplines to purchase the most attractive products. D expressed with an annoyed tone that she initially did not believe that they as distributors were supposed to purchase the products themselves.

MLM Y encouraged her to sell products rather than recruit at first, in order to “get going”. However, she stated that “They probably wanted you to recruit too [...]”. D specified that MLM Y did not tell her which customers to target first. She chose friends and family, because they were the most convenient choice for her, and others secondary. She said that a possibility of making sales was to invite potential customers home. However, her tactic of finding potential buyers and recruits was to write direct messages on Instagram to persons who seemed like they would fit into that particular type of work. She then asked them whether they were interested in becoming distributors or not. She later specified that her opinion was that individuals who would fit into that type of work usually were active social media users. Other ways of recruiting were to write promotional posts on her social media profiles.

Most of the recruitment occurred in PMs and on Instastories [Pictures and videos live for 24 hours] on Instagram. When selling products, she promoted them in posts and if
someone expressed that they were interested, she sent them PMs for details. Her upline helped D in writing the posts through showing her English examples of texts that she could get inspired from. Other than when they provided examples, she wrote her posts herself. As a new distributor, she sent drafts of her posts to her upline to have them approved before she posted them. To market her posts, she commented “up” on posts she made on different social media communities. [The reason for that was for the posts to have more comments, and with more comments, posts are visible to more members of the community].

D further explained that you must “develop something” to become a successful distributor, especially since the business occurs on social media. Therefore, she put in a lot more time while working as a distributor than she had planned to. On a normal day as a distributor, D explained that “You were mostly supposed to post pictures on special points in time, because it is then that people mostly use their phone”. She specified that they had a type of schedule of when people use their phones the most, and prepared content beforehand, only to post them according to the schedule. She posted before and after pictures of herself to promote the products as well as showing the products in person to her close ones.

D strongly stated that she did not at all feel like a “business owner”, she felt like a distributor of products. The money she made were from sales, but all in all she did not make much money as a distributor. In order to help other distributors with sales, D was encouraged to comment on and like other distributors posts on social media. However, her upline never specified what to comment. Although, she experienced that other distributors pretended to be potential customers on each other's posts, when they concerned sales. She pointed out that she only promoted and sold products she felt was working for her, in order to give customers an honest opinion. When being asked whether she felt like other distributors lied in their posts, she said no. Regarding the posts she made concerning recruitment she stated that:

“[…] one that I recruited, she still works with it today […]. So, I can stand for it, but it is, as stated, this industry is for some, not for everyone”.
She then specified that even if she stands for what she told the recruits, they make their own choices in regards to what they sell and promote. D explained that she thought that distributors of MLM Y acted very differently in terms of how ethical they were, some were and some were not. D judged her own usage of social media as ethical, even if she tried to make the products seem as good as possible when she promoted them. She explained that she felt ethical since she only wrote about her own experiences of the products.

After two months working as a distributor, D ended up quitting, due to not having enough time for it. She even told her uplines at the beginning that if they wanted her to put a lot of time on being a distributor, she would not have time for her job or to study, as she planned to. Another reason why she quit was, according to her, that it takes time to build a network of customers in order to make the money you need. She stated that “[…] you notice that, well, I do not recommend that as many should work with this type of thing. Because well, there are just a few who succeed”. D stated that distributors still try and recruit her back to MLM Y.

4.2.2 Interview with distributor E

When E got involved with MLM Y she already had prior experience as a distributor with MLM X during high school. In 2016 she saw a post by a distributor on a Facebook community for girls searching for beauty ambassadors she was initially skeptical. Her skepticism came from her previous experience with MLM X where she had to pay a large fee, circa 5000 SEK for an introduction package. She recalled that she commented on the post trying to receive more information. The distributor would not give her the information over Facebook and therefore E took a meeting with the distributor and the upline who recruited her. After that meeting E ended up joining the MLM as a distributor.

E was persuaded to join MLM Y since it was free in the sense that there were no startup costs related to joining. However, she soon realized that she would actually be expected to buy products from the MLM since “[...] they said I couldn’t recommend something I hadn’t tried myself”. At one point, E recalled that her senior upline was heavily pushing her into purchasing a product package. However, after she had obliged and done so, her senior uplines changed their minds and told her to focus on recruiting and not selling. E
says she thinks they did this just because they receive points on purchases made by their downlines.

E never worked full time as a distributor and explained that she ended up burnt out from the pressure and expectations from her upline and senior uplines. When E was active, a normal day involved writing posts on social media, sending mass PMs to people, adding a lot of people as friends on Facebook, taking part in phone meetings and trying to recruit. When making the posts she would have tactics for the algorithms on Facebook so that they would be spread out to as many of her Facebook friends as possible. To achieve that, she needed a certain number of likes and comments on her posts. As other distributors have explained, E also talked about a boost group used to make other distributors comment on each other’s posts.

“The more people you get involved, the more money you make and the better it gets. But in reality, it doesn’t. It feels like you are tricking people, and my conscience caught up with me.”

E described that her own before and after photos was her material for marketing, and some distributors would use them without asking, which she had a big problem with. Other distributors would use photoshop to manipulate their pictures, E claims.

“I heard from another distributor that my senior upline had told her that she took fillers and then claimed that it was the plumping lip gloss that made her lips that way. I think it is disgusting behaviour.”

When asked about the products, E explained that she would not have any problem with buying the products today, since for her the products themselves are not the problem, rather the way that distributors act. However, she recalled that one product she sold her friend ended up giving her burn marks and that they were supposed to keep that quiet.

“[...] it is us distributors who are responsible for training and teaching our team members. There is no education the MLM gives you”. 
Instead of selling beauty products or focusing on recruiting new distributors to her team, there was also a possibility to work with a charity product. E truly believed it was a charity since she was told so, but she would now call it more of a social entrepreneurship. This is because they received extra points and commission by selling the product for the charity. If not, she thinks not many would have sold the product for the charity, at least she would not have.

Now looking back at her time as a distributor, E feels ashamed for the things she did. She became manic about collecting points and rising in rank within the MLM. One month she worked especially hard, but still only made around 300 SEK in commission with the whole team she had under her. When she started to question some of the practices performed by distributors, she was accused by a senior upline of being in a blaming phase. Being in a blaming phase meant that she was unable to see the true possibility and was not being positive. However, there was a time before this when E truly believed that she was an entrepreneur.

“I had invented the wheel, or rather: why should I invent it when someone else already did? I bought everything they said. [...] So manipulated.”

E felt that she cannot stand for the things she said about the products and the business opportunity as a distributor. She did not initially want to say if distributors act unethically today, since she does not really know. However, when she was active there was a lot of unethical behaviour concerning some of the practices she still sees distributors take part in today on social media.

4.2.3 Interview with distributor F
F had a full-time job with a salary she was not pleased with. One of her friends was an MLM Y distributor and asked F if she wanted to attend an MLM Y workshop. F was attracted by the idea her upline presented of being a distributor and the possibility of making extra money on the side.

She soon after went to the workshop with her friend, her future upline. During the workshop, distributors on different “levels” held inspiring lectures. The potential
distributors could not try out the products during the workshop, they had to purchase them to test them. F was skeptical towards MLM Y at first, but then she gave it a go and became a distributor. The uplines later told her to create distributor Facebook- and Instagram-pages to promote products. She felt it was a difficult task since she usually was not active on social media. Also, the uplines gave her different suggestions on how to reach the different levels of MLM Y, and what she would earn if she would reach them, such as trips and commission.

“When I got started […] it felt like it would take me forever to get there”

F explained that MLM Y had a point system for the different levels. Every product was worth different points depending on the price. At first, she earned money on products sold, and if she reached higher point levels, she would earn money directly from MLM Y as well, but she never did. To reach the first level required 2000 points per month, and the next level 2000 points more per month etc. And with every level reached, distributors would be given a new title. She clarified the number of products that had to be sold every month by that the most popular products of MLM Y were worth 35 points. The uplines further encouraged her to purchase a package of products and sell them off separately. She expressed that it was too expensive and only purchased separate products to sell when a customer said they wanted to purchase a specific product.

When she started to sell products, she sold the less expensive products. MLM Y offered to sell expensive electric beauty products, but she did not sell those because she had only seen them in pictures. Her friends and family were interested in purchasing products from her because they followed her social media pages and supported her. She did not contact anyone who did not have any personal connection to her. F stated it was difficult to sell to others than close ones unless you are an influencer with numerous followers. F exemplified that a close one of hers purchased an expensive product at purchase price from her, because she did not try it herself. She did not want to make money on someone she was close to. F further specified that she barely made money as a distributor, but what she made was through sales.
As a distributor, F went to some events, and she said that all of them cost her money. One was about offering customers charity-packages. Customers can become monthly givers, and provide the distributors with monthly points as well as helping ones in need, and therefore the uplines recommended them to sell those. F felt like it would be strange to combine promotion of charity and of cosmetics since they are such different matters, and did therefore not do it. F continued in pointing out that she did not feel like she had her “own business”. She neither felt like a part of the MLM Y community, even if they e.g. had Facebook groups where they welcomed new distributors and encouraged to send them friend requests, but she did not want to do that. The manners of promotion F used was to post on Instagram and Facebook and she developed the texts of her posts from her upline’s posts. F further said that she was skeptical towards the products.

To promote other MLM Y distributors, F’s upline told her to comment positively on their sales posts on social media. However, F said it felt wrong to do so as persons who read the comments could see that she was a distributor too, since she had written in her Facebook profile that she was employed by MLM Y. F clarified that she only commented on her upline’s posts, and only if they were concerning products she tried. F stated that she had no doubt that some distributors pretend to be potential customers on each other’s posts, she saw it on her upline’s Facebook for instance. She also experienced various times that distributors exaggerated or lied in their posts regarding products, even though they never tried them.

The uplines told her and other distributors that they must edit out the MLM Y-name on the pictures of the products. This was to prevent customers from purchasing products from the webpage, and only purchase them from distributors, for them to earn money. She further said that it felt wrong. Her upline also instructed her to post 3-5 pictures per day, which she did, but was embarrassed to. The upline also told her to post when people are the most active on social media “[...] in the morning, in the afternoon and by lunch”. An advice by her upline was to charge each customer the shipping costs of one package, 70 SEK per person, even though all the products came in one package, to earn more money. But F was not comfortable with that since her customers were her close ones, and only charged them for the actual shipping costs. Other than that, F’s upline sent her before
and after-pictures that she used to promote products. One of the pictures was of a person who had natural lips and then her lips filled with fillers, to promote a lip gloss.

“And you can see on certain pictures that one of them is more yellow than the other [regarding promotion of toothpaste, where the before-picture is more yellow to get the impression of yellow teeth, and the after-picture brighter to give the impression of white teeth], so such things makes you not trust all pictures”

F’s focus was on selling products, but as time went on, she was asked by her upline to become an upline herself. But she never did. Her uplines told her to send around fifty PMs a day to strangers to try and recruit new distributors. F did not feel comfortable doing that, and did therefore not send PMs.

“So, my points, I got them, my upline got them, my senior upline got them, and another girl above her. So that girl […], who was high up on the levels, got money and points quickly”

As a distributor, F felt like her uplines constantly asked her what she posted all the time and told her that to be a distributor is a job just like her full-time job. She could not work as a distributor while working at her full-time job. F’s uplines constantly reminded her of the different levels that she had to reach. When she later had other work and studying plans, that she felt would take more time, she decided to quit being a distributor after 1,5 months. “And their constant nagging, well I had three people that were on me, my upline was on me, her upline, and that person’s upline. […] I could not take it anymore. That made me quit”

Remembering her time as a distributor, F described that she stands for her posts on social media, since she only made posts on products she tried and liked. F felt honest when promoting products, because if she did not try them, she did not write positively about them. F believes she objectively wrote e.g.: “we have got a number of make-up products for you”. Finally, F did not perceive other distributor’s use of social media as ethical, since she did not believe that everybody tested everything or avoided making posts if
products did not work. She described her own usage of social media as ethical, but less ethical on Instagram since she posted others’ before and after pictures there.

4.2.4 Interview with distributor J

When J graduated high school, she had big dreams about working with cosmetics and skincare. Her friend invited her to come to a skincare class with her where they were encouraged to try all the products the consultant brought with her. J approached the skincare consultant [distributor] afterwards and was invited to a meeting with the consultant [distributor] and her team leader [senior upline].

At the meeting, J recalls that they painted a picture of “[...] how you can be anything you want to, and the only one standing in the way of that is you. All you needed to do was to decide to go for it basically”. After the pitch she was presented three different entry packages and J choose the one that costed around 13 000 SEK. She was promised that this would be money she could easily earn back in no time, which did not happen.

J still had emails she received from her upline and read one aloud:

“My goal is of course to help you forward so that you can achieve what you dream of. Maybe it is meeting new people, extra income, travelling, diamond rings, personal growth or unlimited business career opportunity. Yes, it is you who decide. [...] And as an 18-year-old girl newly thrown in to life it was incredibly appealing.”

It was not however more than 4 months later that J realized that it was not for her. When things were not going too well for her with sales and recruiting she was always told that she needed to try harder. She felt like they always put the blame on her and not the concept. She was not contacting as many, following up on as many leads or promoting as much as she should have, according to her upline.

For J, selling consisted of sending a carefully crafted message called “the perfect pitch” where she tried to get people to sign up to skincare classes held by her. The responses she usually received were “no thank you, I have already been asked” or “I already know someone who sells MLM X products”. She felt that there was never a fair chance to succeed since so many had been there before her, and she felt like she was just an imitator.
Today J makes it clear that she wants nothing to do with MLM X. She does not stand for the things she said about the business opportunity and wishes that she had done research before joining and not just followed blindly. However, J did not feel like she ever lied regarding the products, although admitted to exaggerating about the quality of the products.

The same goes for the ethics of selling on social media. “It was my friends and all of a sudden I was trying to push my products on to them for no other reason than for me to make money. [...]I felt like a human TV-shop. If the products were so great you would be able to buy them in stores.”
4.3 Online interviews

4.3.1 Interview with distributor A

A had recently found out that she was expecting a baby and needed a job which gave her a lot of free time and at the same time was a good source of income. Someone she had known of for a while contacted her with the prospect of becoming a distributor for MLM Y, and to her it sounded like a dream.

What drew her in with the job was that she was promised lots of freedom and the ability to choose her own place of work. However, her upline seemed to have been honest to her about how much money she would make, since A explains “[...] she said the money doesn’t come automatically, to make money you have to work your way up”. She thought it sounded reasonable and like any other job where you make money if you put in the time and effort.

As a distributor, A was primarily encouraged to recruit and market the products. But A noticed that for her upline she and other distributors were just a way for her to make money, “[...] if we buy, she makes a profit. Obviously, I didn’t quite understand this before I was involved with it”. As a mentor her upline was not a good example since A felt that for her it was mainly about making money and not advising.

When asked about the products she sold and whether she tried them all she explained she only sold four products from the product catalogue, and never sold products she had not tried for herself. She claimed she would never have tried to sell something that had not worked for her or that she was not pleased with. However, for her selling was never the focus, rather it was recruiting new distributors to her team. While recruiting, A said she was always honest, although exaggerated, which is why she believed it did not work out for her in the end as a distributor. The things about network marketing that sounded so great to her in the beginning changed as she started to question practices to her upline or try to acquire deeper knowledge, and her upline stopped answering her.

Social media had a big impact on A’s time as a distributor. “[...] you were mainly allowed to work through social media”, at events they pushed her to go through her friends list and write down potential buyers. She did not feel like she was pushed to like or comment
on other distributors posts. There were however around six groups on Facebook to help the distributors. One of these was a boost group, if your post was linked in this group they would comment and like the post to boost it so it would be more visible. This is when A noticed that other distributors pretended to be interested in buying or pretended they already bought the products and were “[...] SO pleased, but then you could see that they had commented in the boost group that they had liked and commented on the post”.

Similar to how A noticed distributors would pretend to be interested in buying products in posts on Facebook regarding products, there would also be distributors pretending to be interested in being recruited on posts regarding joining the business. This was not something she noticed before becoming a distributor, but as she explained, “once I joined all the groups for distributors I could tell that the ones who commented on the posts were also a part of those groups, meaning that they already were distributors.”

A did not recall that she was ever given tips or tricks on how to make sales and recruit that she felt was ethically wrong. “A lot was kept in the dark and my upline was very cautious of her reputation”. However, her upline gave hints instead of saying things directly, and when A would question certain things she would not get any answers. She further explained that it is difficult as an outsider to understand what distributors really are doing. Some tricks that distributors used to sell and recruit are distasteful. A claimed that for some distributors, everything was about money in their pocket and they did not care how far they had to go to make money.

A certain practice A reacted to as unethical was connected to the shipping costs of sending the products to customers. “If we had to send the products by mail we could add a cost of shipping. If you sent three products it would usually costs us 30 SEK, however we were always supposed to charge 75 SEK for shipping in case we ever had to pay more than 30 SEK. When I asked if I could charge different prices for shipping depending on what I was selling the response was: Why?! You earn more if you charge 75 SEK each time!”

4.3.2 Interview with distributor B
B became a distributor for MLM Y when she was on maternity leave. She wanted to do something more than just be at home, and saw the opportunity on Facebook and decided
to try it out. From her contact person [her upline], she was promised to earn a lot of money while working whenever and wherever. To B it was presented as something really simple and not at all demanding, “[...] but it really wasn't like that”.

“The basis of it was to contact a lot of individuals and ask if they were interested, like a real salesperson. No, I couldn't handle it eventually...”

For B, being a distributor was mainly about selling products, since she thought it would bring in the most money. Yet, she never tried the products she sold and promoted until she stopped the distributorship. She found it strange to promote products she never tried herself. When she questioned this, her contact person said “use my before and after pictures, and then the customers can see that the product works”. B finds it crazy now but at the time she agreed to it. When she finally tried the products herself, she felt like they were not as good promised and felt somewhat deceived herself but continued to promote it in a positive manner.

As a distributor, B mainly used Facebook for promotion and recruiting. She pitched the idea of creating a separate account just for operating her business, but this was not approved by her upline since they regarded her personal Facebook account as the main platform for selling and recruiting. B feels she was heavily controlled on what to post and how it should be formulated on her social media accounts.

“I was never allowed to write a post and publish it without having checked it with my upline, and if I happened to do this I was forced to remove it immediately”

The same applied for the pictures she wanted to post, as she were not allowed to post whichever pictures she liked. When packing the products, she was encouraged to post pictures of it as a “reminder” for those who had not ordered. It was supposed to persuade more into buying. B believed she was pushed to a high degree to like and comment on other distributors’ posts. Similar to A’s boost group, B had group chats on Facebook where she and others would send direct links to their posts and ask for people to like and comment.
“And so, everyone would comment at the same time how amazing the product is etc. The comments were supposed to be extremely positive and therefore became very exaggerated. Even more exaggerated when the comments where all made the exact same minute. We had to get at least 10-15 comments within 10 minutes, we HAD to”.

B felt that some distributors pretended to be possible customers on other distributors posts. She described it as a fake zone of comments and exaggerations so that people would be more interested in the product, which “tragically worked”. She was not allowed to share downsides of the products as this was not meant to appear. Active distributors would also comment on other distributors recruiting posts and pretended to be interested in the “business opportunity”. When asked about her assessment of how ethical the practices of other distributors were on social media, she viewed their practices as a fake way of getting comments and likes on posts.

4.3.3 Interview with distributor C

When C got involved with MLM firm Y she had recently become unemployed and was desperate to find a job. She followed a blog where the blogger posted that she was looking for colleagues. To C it sounded really interesting since she wanted to work with social media.

C mainly worked with recruiting but also some selling. She used social media as her platform to reach customers. She received templates on what to post and how often they needed to post on social media. When selling, C had tried the products herself, but she used other distributors before and after photos so they would appear more professional. Some distributors would comment how the products were so great when they actually did not work for them, C explained.

“What shocked me the most was seeing that some edited the after photos and claimed a mask or a toothpaste had been the reason to the change. I was also told to edit my pictures which just felt so wrong and I had so much anxiety for lying about the products.”
4.3.4 Interview with distributor G

Before G became a distributor, she had no job and collected unemployment. She spent all her time on the Internet searching for jobs but was seldom invited to come for interviews. What was attractive to her about the job as a distributor was that no one ever talked about how you could fail, only about if you believed in yourself it would all work out. But she now does not think it was that easy.

Compared to other distributors, G did not send out mass PMs, nor did she add people she did not know on Facebook or try to recruit. Her focus was always on the products, which she claimed to still love today. However, she felt it was due to her product focus it did not go very well for her.

In the team she was in she recalled there was a lot of pushing from the senior uplines, and her own upline quit the month after G did. The posts G made were written by herself, and she felt that she went her own way, trying to stay away from the clichés used by most distributors. However, she found that it was not effective since she did not make many sales.

G did not feel as she was pushed into liking or commenting on other distributors posts. Rather, she explained it as being naive and hoping that by doing so others would do it back. “When the same person had commented on 8 of your posts saying how good the product is and how they can’t live without it, it becomes quite hypocritical”

Regarding the act of pretending to be a potential buyer on other distributors posts, she said that some did and some did not. But those who did probably gained most from an egoistic perspective G stated, since “customers attract customers, distributors writing on other distributors’ posts attracts nothing”.

Many distributors claimed that becoming a distributor was the best thing ever happening to them, when in reality she knew they were losing money. She also reported that some would give false promises of the ability of the products to solve problems. They would also sell products they had not tried themselves. She said that management did not have much insight to what was happening but if you got called out you could get warnings or
be kicked out. When asked if G herself felt that she was being honest as a distributor she said that she was something in between. She explained it as a brainwashing method, where everything just had to be as good as they said, and that you often convinced yourself that it actually is that way to sell more.

“It reminds me of a cult, you have to basically live and breathe for the company, the culture and the products to even have a shot at making it!”

4.3.5 Interview with distributor H

H first came in contact with her upline through a job searching group on Facebook where she posted that she needed an extra job. Her upline promised her that she would make a lot of money as well as have more time for her family. Initially she started small scale, but after losing her main job she started devoting more time and energy to it.

During a normal day as a distributor H’s phone was glued to her hands. She posted on Facebook, sent and answered PMs and kept up with product information. Her upline pushed her to try and recruit everyone she knew, especially those who had many followers and friends on Facebook. Her relationship with her upline and other distributors was explained as a good and helpful one, although she likened the number of meetings she had to take part in, over phone or in real life as similar to a cult.

Contrary to the other distributor’s interviews, H reported that she actually made a fair amount of money by being a distributor, but recalled that most of it came from “[...] bonuses and things you made from climbing the ladder”. H felt that she owned her own business but she was still controlled by rules of how to post etc. An example was that she received finished texts she could post, and if she wrote her own they would have to be approved by her senior upline before posting.

H felt that pretending to be a non-distributor on posts was more common on posts concerning selling products rather than recruiting new distributors. She said that for products a common comment would be “it is soooo good, my skin has never been brighter” but for recruiting they would comment more in terms of being glad they took the chance and how amazing the opportunity was. Often H would see brand new
distributors post about a product she knew they had not tried yet. H herself was encouraged to write posts saying she received great results from products she never actually tried. When recruiting she was supposed to push on the fact that you would get much more time with your family and how much freedom selling meant. However, to H this was far from the truth. She did not find it ethically correct to make statements about products that you had not tested, which was why she always tried the product before posting.

Today H can say she was genuine when selling because she mainly sold one product that she felt she could stand behind. When it comes to recruiting however she feels like she cannot stand for the promises she made about the business opportunity, as she admits she was not completely honest.

“It’s not possible unless you have thousands of followers and 48 hours in a day”
4.4 Visual documents

Note that the two visual documents are illustrating two Facebook posts that have been posted online in reality, but in Swedish. The illustrations contain made-up names and the word distributor, just to clarify that they are distributors. In reality, they use their real first- and last names when they posted and commented the following.

4.4.1 Picture 1

![Facebook post](image)

Stop paying for advertisement products! ❤️❤️❤️ Message me if you want a toothpaste which MAKES your teeth whiter and PROTECTS your teeth for real 🎉🎉🎉

Like · Comment · Share

| Moa distributor | The BEST toothpaste ❤️ From having problems with dental plaque to now having nearly none at my yearly check up 😊
| Likes | Reply | 5 mins |
| Moa distributor | I love this product! 😊 It worked so well for me 😊
| Likes | Reply | 4 mins |
| Sarah distributor | I use it daily! 😊
| Likes | Reply | 4 mins |
| Emma distributor | This product 😊⭐️⭐️
| Likes | Reply | 3 mins |

The distributor who made this post on Facebook was promoting a toothpaste of an MLM firm. “Lily” was encouraging potential customers to send her a private message if they would be interested in the product. Four people liked the post and four people commented on the post. The comments were highlighting how good the product was.

Picture 1: A real post made by an active distributor
4.4.2 Picture 2

Hello dear Facebook friends ♥️ We have finally decided to help more people with starting their business 😃

as usual:
☒ No economic risk for you
☒ We become your mentors and help you
☒ We work with people with a high sense of ethics and morals
☒ Network marketing is a huge upside for you if you are willing to work for it.
☒ Start it as a side business to your work and family
work flexibly hours on your terms

We are looking for you who seeks change and a balance between money and time. Are you open to change? You have control of your life... Send a message

Like · Comment · Share

11 people like this.

1 share

Nathalie distributor This changed my life completely! 😊❤️
Like · Reply · 5 mins

Froya distributor You need to take this opportunity! It has given me personal growth and happiness. It is much more than a job 😊❤️
Like · Reply · 5 mins

Amanda distributor Take this chance now!!! 😊❤️ my personality has changed completely, positively of course! 😊❤️ i dared to take the leap and my confidence is better than ever! 😊❤️
Like · Reply · 4 mins

Picture 2: A real post made by an active distributor

The distributor who made this post on Facebook promoted a business opportunity. A list of benefits of taking part in the business were presented. The distributor asked the readers of the post whether they were open to change and that if they would be interested, they should send him a private message. Eleven people liked the post, one shared the post and three people commented on the post. The three comments described positive experiences they have had since they became distributors.
5. Analysis

In the following chapter the empirical results are analyzed from a theoretical point of view. The analysis is divided into three main parts: distributor characteristics, digital deception and ethics. For a more detailed explanation of how the analysis is constructed see 3.4, Analysis model.

5.1 Distributor characteristics

Anyone can be considered a potential new distributor for a direct selling firm according to Biggart (1989). This was evident since the respondents had different backgrounds and were at different places in life when they decided to become distributors. C, for example, was unemployed and needed a job, while D had a full-time job but wanted an extra job. Distributor A was expecting a child and B was on maternity leave. How they were recruited differed among them. Some of them were recruited by distributors on social media and some by people they already knew. When they agreed to become a distributor, they became a downline of the one who recruited them. They also had the possibility of recruiting others themselves and by doing so, build their own downline. Therefore, the descriptions of Keep and Vander Nat (2014) on the concept of a downline, is applicable to how the respondents experienced their role as distributors. The concept of an upline, which was described by Koehn (2001) was also applicable to the experiences described by the distributors.

Furthermore, the point of view of Ferrell et al. (2010) was that marketing of the brand occurs between the direct sales company and the consumer (Ferrell et al., 2010), see Figure 1. The position of Ferrell et al. (2010) was different to the finding that distributors have the power to communicate the value of products (Peterson & Wotruba, 1996). Since respondents mentioned that the uplines, not the MLM firm they worked for, advised them how to market products, the suggestion by Peterson and Wotruba (1996) seems more applicable to what the respondents shared during the interviews.

Uplines have been described as secretive by some of the respondents. For instance, when E commented on a post concerning recruitment of new distributors, the upline did not want to provide her with information over Facebook. However, when she had a personal meeting with the upline, she got all the information necessary and eventually became a
distributor. The fact that the uplines did not provide potential recruits with information online can be seen as a paradox of what was suggested by Biggart (1989) regarding that anyone can be considered a distributor, since the uplines do not reveal all aspects of being a distributor to potential recruits. However, an interpretation is that the uplines want to make the potential downlines become more attracted to the business opportunity through keeping some of its aspects secret and thus appearing more exclusive. Some distributors, such as D, were even encouraged not to mention the name of the MLM firm they worked for.

5.1.1 Training new distributors
The triangular model by Ferrell et al. (2010), see Figure 1, illustrates a typical direct selling structure and explain the interactions between the actors in such a firm. One of the ways they mentioned that distributors interact with the direct sales company is training. However, the respondents only expressed training in the sense that they were trained by their uplines, and not by the MLM firms. Although, new distributors or their uplines may be provided with some material from the MLM firms. Therefore, an interpretation is that the activities that are described to occur between the firm and the distributors could just as well be activities between the distributor and the consumer in the model (Ferrell et al., 2010), see Figure 1. This interpretation is also more similar to the point of view on training by Sparks and Shenk (2001 and 2006).

Due to the fact that distributors are considered independent contractors and each upline is responsible for training new recruits (Sparks & Schenk, 2001), new distributors are introduced to their new role as a distributor in different ways. Distributor A, for example, was encouraged early on to focus on recruiting while others were initially introduced to the products and taught how to promote and sell them, such as in D’s case. The different approaches of training used by uplines can be explained by that the distributors themselves are in control of deciding what to focus on, whether it is to sell or to recruit (Sparks & Schenk, 2001). Distributors D and F were instructed to post pictures of products according to a schedule, based on when their followers were most active on social media. B only sold products, and began doing so before she herself had the chance to try them. Because she had no evidence of using the product herself, she used pictures from her upline, despite feeling uneasy about it. Sparks and Schenk (2006) described how
uplines who are more active with training, information sharing and communication will create downlines more cooperative towards the network, meaning they will follow the guidelines set by their respective upline or senior uplines. This is partly explaining why some distributors agreed to certain practices despite not fully agreeing with them.

5.1.2 Authority of the uplines
The distributors interviewed were to varying degrees controlled and guided in not only how and when to post, also what to post. H received finished texts to upload on her social media, and if she wrote her own texts, they would have to be approved by her senior upline. B had a similar experience as H and added that she was sometimes forced to remove posts if they were not approved beforehand. D however, was given texts to be inspired from, but other than that she wrote her own posts. The control that uplines have on their respective downlines as well as why downlines embrace it can be explained by the honorific titles received when a distributor climbs higher in the organization (Biggart, 1989 through Sparks & Schenk, 2006), which adds authority to their role as mentors. For instance, F explained that with every level she would reach, they would be given a new title. This manner of reaching higher levels is illustrated in Figure 2 by Biggart (1989).

More than honorific titles and personal motivation, distributors can earn financial commission on their downline, and their downline’s downline and so forth (Sparks & Schenk, 2006). D mentioned that to make money as a distributor, it is necessary to build a network, presumably for the possibility of receiving financial commissions on downlines. As a consequence, A experienced that her upline was more motivated by making commission on her than to mentor or guide her. F also said that the points she made became her own and her uplines’ points. She specified that her most senior upline earned money and points quickly because of the collective points made by her downline. Similarly, E was pushed into purchasing a product package by her senior upline, and believes they only did so to earn points on her purchase, consequently to make financial commissions on her. An interpretation of why E was pushed into making purchases is based on that compensation depends on specified targets for sales (Keep & Vander Nat, 2014). Due to this, E’s senior uplines used their authority over her to try and sell her a package that would help them reach their own sales goals. Ferrell et al. (2010) also described that distributors may hold inventories themselves, which some of the
respondents, such as E, were encouraged to do. For instance, J purchased an expensive entry package and was promised by her upline to earn the money back in no time. Her upline presumably had authority over her when she made J believe that it would be worth it to purchase such expensive inventory.

Accordingly, as expressed by Biggart (1989) through Sparks and Schenk (2006), uplines have an obsessive interest in their downline’s success. As an upline, E was manic about collecting points to earn commission from her downline. Though, she claimed to not make much money even when she worked extraordinarily hard. Eventually, she was burnt out from the pressure from her own uplines and quit working as a distributor. F also experienced an excessive interest in her success by her uplines. Her uplines and senior uplines were nagging on her regarding what levels she had to reach, and lead to that she quit being a distributor.

5.1.3 Transferring norms

“I had invented the wheel, or rather: why should I invent it when someone else already did? [...]” is a quote explaining how E reasoned while being an active distributor. Norms of how selling or recruiting is handled by the MLM distributors are transferred through training and socializing new distributors. When this occurs, distributors can begin to see the MLM as part of their own identity, and therefore behave in manners consistent to the norms of the organization (Sparks & Schenk, 2006). E said that she bought everything they [her upline and senior upline] said, implies that her upline had been successful in transferring the norms of the MLM firm to E. Now looking back, she feels like she was manipulated by them. G explained the behaviour within the MLM firm as a way to brainwash the members. Products had to be just as good as promised, and G said that often she would convince herself that it was true to sell more. She also said that MLM Y reminded her of a cult in terms of that it was a must to live and breathe the company to reach success. A similar comparison was made by Bromley (1998, trough Groß & Vriens, 2019) who claimed that some MLM firms behave as quasi-religious corporations, where distributors critical thinking is limited.

Strong socialized organizations such as MLM firms lead to a limited moral awareness by their members and as a result they will reflect less on ethical aspects of their own and
other’s behaviour (Bromley, 1998 through Groß & Vriens, 2019). Distributor A described a situation where she was encouraged by her upline to overcharge her customers shipping costs, with the motivation to earn more money. It could perhaps be that A was less socialized in the organization since she reacted to the situation, while her upline saw nothing wrong with it and did not reflect on how the behaviour would affect customers. Some of the respondents felt like they had their “own business” and some not. As Chonko et al. (2002) proposed, distributors have their “own businesses” and consequently MLM firms have a hard time influencing the ethics of their distributors. The troubles with influencing the ethics of the distributors could be an explanation of why A’s upline encouraged her to charge exaggerated shipping costs for her own benefit. E recalled one occurrence when a product she sold to a friend ended up giving her burn marks, which was encouraged to be swept under the rug for no one to find out. Another possible reasoning to why distributors went along with covering up the burn mark incident, is that since distributors feel like the MLM firm is a part of their identity (Sparks & Schenk, 2006), and if they acknowledge it, it would reflect badly on themselves.

5.1.4 Validating distributor behaviour
G experienced that various distributors claimed in posts or in the comment section of posts that becoming a distributor was the best decision they had ever made, when they in reality were losing money. Similar to G’s observations, Lan (2002) explained that distributors depend on one another to validate their morals and successes, since non-distributors often criticize the behaviour of distributors. An example of when distributors depend on one another to validate how good a product is to potential buyers is through “Picture 1”. In “Picture 1” Lily distributor wrote a post about a product and four other distributors commented very positively their own opinions of the product. Presumably, this kind of commenting occurs to validate their success as well as reducing critique against them.
E and A both explained that they eventually started to question the practices of the distributor to their upline or senior upline. In A’s case, her upline stopped responding to her questions, whereas in E’s case she was accused of being in a “blaming phase” when she did not believe enough in the process. Distributors of MLM firms are used to being criticized for their choice of career (Lan, 2002) therefore, when an own member questions the MLM a response could be to transfer the blame onto that distributor rather than to admit that the concept of MLM is faulty. J experienced this when she was not selling as much as she should or had not recruited anyone, then she was told it was only her own fault. When a distributor no longer sees the MLM as part of their identity, they may no longer contribute to the validation of other distributors and can therefore be excluded from the distributor network.
5.2. Digital deception

Digital deception is to intentionally produce false messages in order to give false beliefs to the receiver of the messages (Hancock, 2007 through Logsdon & Patterson, 2009). Six main situations of when digital deception occur to some extents on social media by distributors were found through the semi-structured- and online interviews. The first situation is when distributors pretend to be consumers when they comment on other distributors posts. The second is when distributors manipulate their before and after pictures. The third is when distributors lie or exaggerate the function of the products. The fourth is when distributors pretend that they are interested in becoming distributors, even if they already are distributors. The fifth is when distributors describe the benefits of the business opportunity they offer falsely. The sixth and last situation is when distributors charge extra for shipping costs. A table of these practices is presented in 5.2.6.

5.2.1. Pretending to be consumers on other distributors’ posts

When asked about whether she experienced that distributors pretended to be potential customers on other distributors posts, G responded “customers attract customers, distributors writing on other distributors’ posts attracts nothing”. With this quote G implied that if distributors would be open with the fact that they too are MLM distributors, customers would not find their recommendations as convincing as if they were from a fellow customer.

The image of a firm is often built on eWom (Ferrell & Ferrell, 2012). eWom is virtual communication between consumers online (Park & Lee, 2009 and Gruen et al., 2006 through Hajli, 2018) and the new version of eWom, sWom, is communication through social media (Do-Hyung et al., 2007 and Hajli et al., 2014 through Hajli, 2018). To simulate customer to customer communication through social media, distributors wrote comments about their own experiences of products to promote them. Logsdon and Patterson (2009) expressed that an activity is considered more ethical the greater the incentive of exploiting the receivers trust. The incentive for a distributor to pretend to be a customer on other distributor’s posts can appear unclear at first, since they themselves would not experience higher sales as a result, for example. But as G explained, distributors engaged in this behaviour hoping for distributors to do the same for them on their posts. An example of how comments on a distributor post may look like is presented.
in “Picture 1”. It is difficult to judge how deceptive making such comments are, since the comments are ambiguous and they only imply that they are customers, it is not stated outright in the comment. They only allude to being actual customers who have purchased and tried the product is that the comments are extremely positive. The single way of detecting whether the commentators are distributors is to enter their personal Facebook or Instagram pages and see whether they promote products on their pages as well.

The positive effects of sWom appears to be well known by MLM distributors since most of the respondents reported that they felt heavily encouraged by their upline or senior uplines to comment positively on other distributors posts. However, the comments about the products were not always portraying the whole truth. To take advantage of the algorithms on Facebook where posts with many comments are more visible than others, distributors had to receive at least 10 comments on each post they made, as explained by B. In order to achieve this number, distributor boost groups exists where distributors can ask for likes and comments on their posts. An interpretation of this practice is that distributors manipulate customer to customer communication and sWom since the comments were not always genuine. Distributor A reported for example that distributors would claim that they were so pleased with the products “[...] but then you could see that they had commented in the boost group that they had liked and commented on the post”. Instead of commenting because they sincerely loved the products, they commented for their own winning, for example to sell more.

5.2.2 Manipulating before and after pictures
There were several examples of distributors manipulating their before and after pictures in the interviews, which is the second situation addressed. F’s upline sent her before and after pictures that clearly were photoshopped and she was supposed to promote the products by posting the pictures. For instance, she was supposed to promote a toothpaste where the before picture had a more yellow tone than the after picture, which had a whiter, brighter filter. C saw similar pictures promoting toothpaste, and was encouraged to edit her own pictures as well, which she felt was wrong. E’s senior upline told her downlines to promote plumping lip gloss through pictures of her lips that she had put fillers in. The online world triggers exaggerations and deceptions because of e.g. the anonymity it provides. It is the kind of anonymity where the physical distance makes people feel less
likely to be detected and less inhibited (Wallace, 1999 through Logsdon & Patterson, 2009). A possible result of the anonymity online is that distributors behave in their own best interest and post deceptive pictures. Proximity is explained by how close the one doing something deceitful is, e.g. physically and psychologically, to the person they are doing something deceitful towards (Logsdon & Patterson, 2009). Online, the probability of behaving unethically and deceitful is higher if the proximity is low between the actors (Feldman, 1987 and Wellman et al., 1996 through Logsdon & Patterson, 2009). The deceit in posting such pictures may therefore be connected to distributors and their uplines not feeling proximity to the ones they deceive through posting the pictures, due to the fact that they are posted online.

5.2.3 Lying and exaggerating about the benefits of the products

The third situation where deception was detected is distributors lying or exaggerating about the benefits of the products they sold. It appeared in the interviews that it was common for some distributors to make statements about products that they in fact not yet had tried for themselves. In B’s case, for example, she did not sample the product until she decided to end her distributorship. H was similarly encouraged to promote products in a positive manner even if she had not tried them. Some distributors, H claimed, gave false promises about the ability of the product to solve various problems. As Logsdon and Patterson (2009) proposed, deception online depends on the degree of empathy between the communicating parties. The lower degree of empathy, the higher the deception. Unethical behaviour is more likely to occur when there are weak ties between people in online communication (Logsdon & Patterson, 2009), which could be the reason why some distributors made statements online that were not completely truthful.

Further, as Peterson and Wotruba (1996) suggested, direct selling firms rely on the power of their independent distributors to communicate the value of their products. Since distributors were encouraged by their upline to promote products they had not tried, it is also likely that the uplines did the same, and it can be seen as deceitful to encourage such behaviour as well. The distributors abused the trust they had received from the MLM firm and chose to promote products they did not try. On the other hand, the MLM firm may have turned a blind eye on that kind of behaviour.
In “Picture 1”, one comment can be identified where a distributor claims that the product has solved her problems with plaque. The statement is reinforced by the use of capital letters, strong wording such as “best” and emojis conveying emotion. The second comment was also reinforced by emojis and expressed how functional the product was. Posts with higher word count, sense-based words and second-and-third person pronouns are more deceitful in general, suggested Hancock et al. (2008) through Logsdon and Patterson (2009). In addition, this too can be seen in the actual post in “Picture 1”. Once again there are capital letters, sensed based words such as “protects” and “stop”, as well as using second person pronouns.

5.2.4 Pretending to be potential recruits

The fourth situation, where distributors pretend to be potential recruits on other distributors posts, appeared in the interviews to not be as common as pretending to be a potential customer. A and B however, described that they witnessed other distributors pretending to be interested in becoming distributors. H described that the way of promoting products was to comment how good the product was, while for recruiting, distributors usually commented how happy they were to have taken the chance of becoming a distributor. Typical comments on a recruitment post are seen in “Picture 2” where all the comments refer to how the opportunity has changed the distributors’ lives. What can be learnt from the contrasting experiences reported by distributors concerning this specific practice is that just because something is experienced by one distributor, does it not mean that other distributors cannot have contrasting experiences. This is a result of uplines deciding how to train and manage their downlines as well as how to manage their own distributorship (Sparks & Schenk, 2001).
5.2.5 Falsely describing the benefits of the business opportunity

The fifth situation is when distributors describe the benefits of the business opportunity they offer falsely. As previously stated, G explained that many distributors claim that being a distributor is the best decision they ever made, even if they were losing money. H was encouraged by her upline to claim that being a distributor has given her much more time with her family and more freedom to do what she wants, when her reality was the opposite. A visual example of how the business opportunity is presented can be seen in “Picture 2”. In the post, several benefits of the business opportunity are lined up to make those who see the post become interested in the business opportunity. As Wallace (1999) through Logsdon & Patterson (2009) described, the online world prompts half-truths and isolates the distributors from the consequences of their actions. Meaning that they are not affected by their deception, it only affects the ones who join an MLM under false
pretenses. The very definition of digital deception is as mentioned to intentionally give false believes to receivers of messages online, which makes the situations described by respondents about the business opportunity at best exaggerations and at worst deceptions.

To encourage more people to join the MLM, active distributors would also share how “amazing the opportunity is” and “how it has changed their life for the better” in the comments of recruiting posts. In “Picture 2” an example of what this looks like in reality is presented. The comments almost exclusively call upon action to join, with use of emojis to strengthen the message (Logsdon and Patterson, 2009).

Logsdon and Patterson (2009) described that communicators of business networks are assumed to be legitimate. Distributors are communicators of business networks to some extent, but as some of the respondents described (e.g. E), distributors are usually not open with information about the MLM firm they are distributors for. Therefore, this could raise a red flag for potential customers or recruits. Hajli (2018) however, suggested that by using personal profiles, the credibility experienced by potential customers on social media increases. Distributors’ opinions about the business opportunity are regarded as more reliable simply due to the fact that it is over posts on social media, where they are open with their identities.

5.2.6 Charging extra for shipping
The sixth and final situation is when distributors charge extra for shipping costs. As previously explained, some distributors were encouraged to charge their customers for more shipping costs than they paid for themselves. However, F did not feel comfortable when confronted with the situation. Since her customers mainly consisted of friends and family, she charged them the actual shipping costs. It is suggested that digital deception depends on the degree of empathy between communicating parties and that empathy depends on the relationship and its intimacy between parties. The degree of empathy depends on e.g. proximity (Logsdon & Patterson, 2009). Proximity consist of the different kinds of nearness parties have to one another (Logsdon & Patterson, 2009) and the probability of acting deceitfully is higher if the proximity between parties are low, which is more common online (Feldman, 1987 and Wellman et al., 1996 through Logsdon & Patterson, 2009). As the customers of F were her friends and family, and she made the
choice of not charging them with exaggerated shipping costs. It is likely that a reason for her choice was the proximity, namely her close relationships to her customers. Even though communication between F and her customers often occurred online, which heightens the probability of deception, the proximity and empathy they felt to one another may have led to that F did not deceive.

Proximity (Logsdon & Patterson, 2009) can both explain why F did not deceive her customers, as well as explain why some distributors actually did deceive their customers. For example, if proximity is reduced when communicating online, it is easier for distributors to deceive customers and, for instance, charge them extra for the shipping costs. When communicating online it is easier to use another one’s trust due to the difficulties of detecting deceit online (Brass et al., 1998 through Logsdon & Patterson, 2009). It is possible that customers can be exposed to deceit without them even recognizing it, simply because they are not in a close relationship with the distributor, and distributors take advantage of that.
<table>
<thead>
<tr>
<th>Practice number</th>
<th>Type of practice</th>
<th>Respondents who expressed that they, in some way, experienced this practice</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>When distributors pretend to be consumers when they comment on other distributors’ posts</td>
<td>D, E, F, A, B, G, H</td>
</tr>
<tr>
<td>2</td>
<td>When distributors manipulate their before and after pictures</td>
<td>E, F, B, C</td>
</tr>
<tr>
<td>3</td>
<td>When distributors lie or exaggerate the function of the products</td>
<td>D, E, F, J, A, B, C, G, H</td>
</tr>
<tr>
<td>4</td>
<td>When distributors pretend that they are interested in becoming distributors, even if they already are distributors</td>
<td>A, B, H</td>
</tr>
<tr>
<td>5</td>
<td>When distributors describe the benefits of the business opportunity they offer falsely</td>
<td>D, E, F, J, A, B, C, G, H</td>
</tr>
<tr>
<td>6</td>
<td>When distributors charge extra for shipping costs</td>
<td>F, A</td>
</tr>
</tbody>
</table>

*Table 3: Summary of deceptive practices*

As evident in the table above, three of the deceptive practices were more expressed than the rest. This could be due to various reasons, such as they actually occur more frequently than others, or they are simply easier to notice than the other. Practice number six for example, probably mainly occur in PMs which makes it less visible to the public than e.g. exaggerating or lying about the business opportunity which probably occurs on posts which are open to the public. On the other hand, practice number two can also occur in open posts. However, an interesting note to make is that two out of the deceitful practices, number three and five, were reported by all of the respondents. The two practices are similar to each other as they both involve lying and/or exaggeration about the benefits of
being involved with an MLM, both as a customer and a distributor. It is interesting to reflect about whether these practices would be reported with such high frequency if the interactions would occur face-to-face rather than on social media. Probably not, as Wallace (1999) through Logsdon and Patterson (2009) claims that being online, although not 100% anonymous, allows us to feel less inhibited and less likely to be exposed.

These six deceptive practices were concrete practices described by the respondents. However, there may be more deceptive practices that none of the distributors either chose to share or had experienced. As distributor A mentioned, some tricks distributors do to sell and recruit are distasteful, it is likely that there are other digitally deceptive practices that MLM distributors in Sweden are doing than these six, especially since it is more difficult to notice deceit online (Brass et al., 1998 through Logsdon & Patterson, 2009).

5.3 Ethics

Employees and organizations share moral accountability for their conduct (Frederick & Weber, 1987 through Ferrell et al., 1989). MLM distributors act as independent business owners, as Chonko et al. (2002) stated, and because of their independence, companies do not have power to influence the ethics of the distributors. H pointed out that she felt like an independent business owner, but that she still was controlled by her upline. G explained that the management of MLM Y did not have insight into the distributors’ actions, but that if they would find out that they did something bad, the management would warn them or kick them out. It can be seen as important for MLM firm to control their distributors to some degree, to have more control of their ethical behaviour and reputation. Ferrell et al. (1989) explained that there is need for developing marketing ethics since scandals related to ethics has decreased the public trust in businesses.

Business ethics demands that individuals and organizations behave in line with moral philosophy rules (Robin & Reidenbach, 1987 through Ferrell et al., 1989). It is also described that codes of ethics mostly contain rules of activities that can damage the reputation of firms, rather than e.g. product safety (Mathews, 1987 through Ferrell et al., 1989). E expressed that one of the products she sold caused her friend to get burn marks and she was asked to keep that fact in the dark. Since E was asked to keep quiet about the incident, it may be an argument for that MLM firms, or at least the ones researched in this
study, do not have proper codes of ethics or moral philosophy rules. However, what E was told was more related to managing the reputation of the company than providing a safe product, in line with what Mathews (1987 through Ferrell et al., 1989) proposed.

A surprising outcome from the interviews was that even though the two firms investigated are in the cosmetics industry, two of the respondents mentioned that MLM Y owned a charity. F and E were both offered to sell food packages for the charity when they were distributors. Both of them described the financial benefits of promoting the charity packages. Distributor E continued by stating that she truly believed in the legitimacy of the charity, because it was what she was told by her upline. Her experience can be strengthened by Frederick and Weber (1987) through Ferrell et al. (1989) who expressed that learning of moral philosophies is impacted by corporate culture. By being trained by her upline, she was taught the culture of MLM Y, which might have affected her sense of moral.

E did not state that the charity was negative or untruthful, but she said that she would not have promoted the packages if she would not have received extra points and commission for it. An interpretation is that she did not believe in the charity, since she only did it for the points and commission. Frederick and Weber (1987) through Ferrell et al. (1989) explained that to act dishonestly and irresponsibly is possible even for sincere employees. Perhaps, E did not act dishonestly or irresponsibly towards customers when promoting and selling charity packages. However, she may have acted dishonestly from her own point of view, since she expressed that she would not promote the charity unless she was compensated in some way for it.

5.3.1 Ethical behaviour

Distributors are trained by their uplines, as E explained, and with that follows group dynamics within the networks of distributors. The more times a behaviour occurs within a group, the more ethical it is viewed, according to Newstrom and Ruch (1975, through Hunt & Vitell, 1986). Several of the respondents mentioned boost groups and/or that distributors comment on other distributors’ posts, in order to help other distributors promote the products as well as receive comments in return from those distributors. For instance, A reported that she saw that other distributors linked their posts in a boost group.
asking them to like and comment their posts for them to be more visible. Accordingly, it is likely that when many distributors comment on each other’s posts, other distributors will do the same and feel like it is ethical to do so (Newstrom & Ruch, 1975 through Hunt & Vitell, 1986). Ferrell and Gresham (1985) through Ferrell et al. (1989) suggested that differential association makes unethical behaviour more likely, especially when there are less punishments and greater rewards for acting unethically. A possible outcome of posting in boost groups is that distributors make more product sales and/or get a better image through the comments and likes, and therefore receive more rewards than punishments.

Sometimes, individuals are aware that their behaviour is not in line with the most ethical option available. The explanation is that the consequences of acting in an unethical way are favorable to the consequences of acting ethically (Hunt & Vitell, 1986). It can be assumed that distributors who manipulate pictures, as reported by E, in fact know that it is unethical to do so. However, by manipulating pictures, customers might be more inclined to buy the products from that distributor since they believe the products will have certain beneficial qualities.

Some of the respondents expressed they felt guilt from some practices they did as an active distributor. Distributors J, C and B all expressed feelings of guilt in similar ways. C for example said “[…J I was also told to edit my pictures which just felt so wrong and I had so much anxiety for lying about the products.”.

Hunt and Vitell (1986) explained the feeling of guilt as a consequence of behaving in a way that contradicts the ethical judgements of that individual. In other words, the distributors who felt guilt realized they had acted unethically. Accordingly, the distributors who did not express guilt and felt like they had been honest throughout their time as distributors presumably felt that they behaved in accordance to their ethical judgement.
5.3.2. Self deception

The majority of the respondents felt as like they were acting ethically as distributors. In fact, only two out of all the respondents wholly owned up to that they had not been fully ethical as distributors, and two more partially admitted to have participated in unethical practices. However, eight out of nine former distributors interviewed expressed that other distributors behaved unethically. Did the majority of the distributors interviewed actually act ethically, or could there be something else that can explain this phenomenon? Why is it easier to blame others and defend one's own actions? To analyze this, the following table of the ethical considerations of the respondents was created:
Table 4: Interpretation of the interview responses of the questions regarding ethical behaviour

*Respondents admitted to have acted partially unethically or the respondents believed other distributors acted partially unethically

<table>
<thead>
<tr>
<th>Distributor</th>
<th>Other distributors acted unethically</th>
<th>I acted unethically</th>
<th>In what way did I act unethically</th>
<th>In what way did I act ethically</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Yes</td>
<td>No</td>
<td></td>
<td>Only sold products she had tried for herself, honest but exaggerated about business opportunity</td>
</tr>
<tr>
<td>B</td>
<td>Yes</td>
<td>No</td>
<td></td>
<td>Provides no explanation</td>
</tr>
<tr>
<td>C</td>
<td>No answer</td>
<td>No answer</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>D</td>
<td>50/50*</td>
<td>No</td>
<td></td>
<td>Only wrote about own experiences</td>
</tr>
<tr>
<td>E</td>
<td>Yes</td>
<td>Yes</td>
<td>Dishonest about both products and business opportunity</td>
<td></td>
</tr>
<tr>
<td>F</td>
<td>Yes</td>
<td>No overall, but with exception → Exception: felt she acted less ethical on Instagram</td>
<td>Wrote objectively about products</td>
<td></td>
</tr>
<tr>
<td>G</td>
<td>Yes</td>
<td>50/50*</td>
<td>Does not point out any specific practices</td>
<td>Only focused on selling products that she liked</td>
</tr>
<tr>
<td>H</td>
<td>Yes</td>
<td>50/50*</td>
<td>Dishonest about the business opportunity</td>
<td>Was honest about the products</td>
</tr>
<tr>
<td>J</td>
<td>Yes</td>
<td>Yes</td>
<td>Dishonest about the business opportunity</td>
<td>Was honest about the products</td>
</tr>
</tbody>
</table>
When the concept of moral implications of decisions become faded and individuals engage in unethical practices but do not realize it themselves, they are self deceptive (Tenbrunsel & Messick, 2004). D, among others, believed she acted ethically when promoting products since she only wrote posts and PMs about the products she had tested, but D admitted that she still tried to make the products seem as good as possible for potential customers. The fact that she felt like she acted ethically, even though she tried to make the products seem as good as possible, may be due to self deception. While assessing her own behaviour, the ethics of her actions fade away, despite being unaware of it herself (Tenbrunsel & Messick, 2004). Moreover, she stated that some of the other distributors acted ethically and some did not.

If D was self deceptive and assessed her own behaviour as ethical, she may have acted unethically even though she did not realize it herself. Tenbrunsel and Messick (2004) suggested that individuals tend to justify their behaviour and believe they are objective in relation to their own behaviour. Distributor A claimed to be honest but exaggerated as a distributor and F said she wrote objectively about products but acted less ethically on Instagram. Interestingly enough, three of the respondents mentioned that they acted in an exaggerated way although they claimed to be ethical, as visible in Table 4. An interpretation of what can be seen in the table is that they try to justify their behaviour to still be able to do what they want.

Another noticeable pattern, in the table above, was that the majority of the respondents claimed they did not act unethically since they were honest about the products they sold. From the point of view of Tenbrunsel and Messick (2004) those respondents probably believed they told their stories objectively and highlighted reasons of why they acted ethically, in this case being honest about the products. However, there may have been more reasons to why they judged their actions as ethical, even though they did not mention them specifically.

Furthermore, the respondents who did not try to justify their behaviour and simply said they acted ethically, may believe they are objective about their own behaviour, even if they are not. As Tenbrunsel and Messick (2004) proposed, when bypassing the moral implications of actions, individuals behave according to their self-interest and avoid
feeling unethical. It is likely that the majority of the respondents bypassed the moral implications of unethical behaviours as distributors through self deception. J and E however, clearly stated how unethically they felt like they had acted. J, for instance, does not stand for what she told potential recruits about the business opportunity of MLM X and that she felt like she pushed products on her friends only to make money. Remarkably, E was the only distributor who claimed she was completely dishonest, as visible in Table 4.

Another interesting pattern visible in Table 4 was the fact that the respondents who owned up to acting partially unethically said they did so about the business opportunity, not the products, such as H and J. An interpretation is that it was easier to own up to acting unethically regarding the business opportunity rather than the products. Presuming that the respondents were honest in the interviews, it may have been easier to act unethically when recruiting. This may be due to that the respondents mostly recruited privately, using PMs, and that it was more difficult to act unethically when promoting products, as they usually did openly in posts. Various respondents also claimed to be controlled by their uplines in terms of what they posted regarding the products, such as B, which may be another reason why they were more honest about the products than the business opportunity. Even if all of the respondents are no longer active distributors, they may still act according to their own self-interest in order to avoid feeling unethical (Tenbrunsel & Messick, 2004). Nonetheless, it was surprising that some respondents owned up to acting unethically, and thus, might not have been self deceptive.

Tenbrunsel and Messick (2004) continued in stating that to make ethical decisions, can mean a compromise between moral principles and the self-interest of the individual. Distributor A claimed that some tricks that distributors use to recruit and sell were distasteful. Her perception was that everything was about making money and that distributors did not care how far they must go in order to do so. However, it must be kept in mind that everyone views ethics differently. Consequently, even if some respondents reviewed their own behaviour as ethical, others might not view it as ethical.

F, on the other hand, said that she sold a product at purchase price because she had not tried it herself and did not want to make money on someone she was close to when she
was not certain if the product worked. Seen from the perspective of Tenbrunsel and Messick (2004) the distributor behaviour described by A is more focused on self-interest rather than moral principles, since they used distasteful tricks to make money. Whereas F seemed to value her moral principles more than self-interest, since her decision caused her to earn less money. Therefore, F made a choice as result of her own moral standard of not misleading her close ones into purchasing products she had not tested.
6. Conclusions

The conclusions highlight the most relevant parts of the analysis to answer the research questions in the best way possible, and by doing so, fulfilling the purpose of the study. In the conclusion, suggestions of future studies within the research area are presented as well.

What characteristics drive distributors in MLM firms to participate in practices that can be perceived as deceptive?

Various characteristics that drive distributors in MLM firms to participate in practices that can be perceived as deceptive were found. Uplines have various approaches regarding how to train their downlines, as evident in the interviews. The distributors were regularly controlled by their uplines and were instructed to do certain practices, even if they did not fully agree with them. Another characteristic that made it clear how controlled the distributors were by their uplines was the authority they possessed over them. Some respondents were provided with finished texts to post and her own texts had to be approved before they were posted.

Some respondents felt manipulated and brainwashed into living and breathing the MLM firm by their uplines and senior uplines. The characteristics of MLM means there is a transfer of norms of the uplines to the downlines that encouraged such behaviour. This behaviour is then validated by other distributors. Respondents reported that the traits of the MLM made them convince themselves that the products were as good as promised, possibly due to seeing the MLM as part of their identities, some respondents even saw their distributorship as their “own business”. When distributors started to question some practices, they are no longer contributing to the validation of those behaviours, and were consequently ignored or shunned by other distributors.

What deceptive practices on social media by distributors can be identified?

There were six deceptive practices on social media done by distributors that could be identified in the interviews. The first situation is when distributors pretend to be consumers when they comment on other distributors posts. The second is when distributors manipulate their before and after pictures. The third is when distributors lie or exaggerate the function of the products. The fourth is when distributors pretend that
they are interested in becoming distributors, even if they already are distributors. The fifth is when distributors describe the benefits of the business opportunity they offer falsely. The sixth and last situation is when distributors charge extra for shipping costs. It is likely that there are several other deceptive practices done by distributors on social media, but these were the concrete practices found among the respondents.

Three of these deceptive practices (1, 3 and 5) had been experienced by the majority of the respondents while the other three were experienced by only a few of them. The three most experienced deceptive practices can be visible in posts, making them easier to spot than practices that mostly occur in PMs. Furthermore, a conclusion can be made that these deceptive practices are more likely to occur online than face-to-face, due to the lower risk of being exposed.

How does former distributors view the ethics of their own practices versus the practices of other distributors? Is self deception an aspect to consider?

A conclusion can be made that the respondents feel like it is easier to blame other distributors for engaging in unethical practices than themselves. Only two respondents perceived that they themselves acted unethically while the rest claimed that they acted partially unethically or not at all. The ones who assessed their own behaviour as ethical, may as well have acted unethically even if they did not realize it.

This study establishes that self deception definitely is an aspect to consider when discussing the differences in how former distributors view the ethics of their own practices versus the practices of other distributor. The fact that most respondents view their own practices as more ethical can be due to due to self deception. It they are self deceptive, it would mean that they could not see the moral implications of their own actions. Most distributors considered their own practices as ethical, however, it does not mean that others would perceive their behaviour as ethical.

The two deceptive practices all respondents reported to have experienced that other distributors did (3 and 5) were the same practices which were admitted to when evaluating their own ethical or unethical behaviours. Interestingly, a clear pattern can be seen which is that one of these practices were more frequently admitted to. All respondents claimed
to have seen other distributors lie about the products in one way or another, but almost all of them, even those who admitted to have acted unethically, claimed to have not lied about the products themselves. Contrastingly, most respondents who said they acted unethically admitted to lying or exaggerating about the “business opportunity”. What can be drawn from this is the conclusion that for distributors of MLM firms, it is easier to admit to or be aware of that they acted unethically when recruiting rather than selling.

Through describing the characteristics that drive deceptive practices among distributors, identifying deceptive practices and discussing them from an ethical perspective, the purpose of this study is considered fulfilled.
6.1 Closing discussion and suggestions for future studies

This study contributes to the field of marketing with the perspective of distributors in MLM firms through collecting stories of ex distributors. The study extends the existing research of ethical issues within MLM, such as the research by Koehn (2001) and Groß and Vriens (2019). It provides a developed perspective of ethics within MLM in Sweden by identifying six specific deceptive distributor practices. Additionally, the study contributes with the addition of self deception to further understand deceptive behaviours of distributors. Finally, the study is providing a modern perspective of MLM practices by studying the practices on social media instead of, for instance, home parties which was a common way of selling MLM products formerly.

During the course of conducting the study, new aspects and thought-provoking ideas emerged which could be interesting to research in future studies. It was discovered in the analysis that it was easier for distributors to own up to unethical practices regarding “selling the business opportunity” than selling products. This phenomenon would be interesting to test in further studies, to see if there is any explanation to it, and perhaps research why in general some practices are easier to own up to than others. Another idea of what to study in the future is the point of view of the customer and how they are affected by deceptical practices of distributors. In addition, the point of view of the MLM firm could also be researched and how they can affect the behaviours of distributors and prevent deceptive behaviour.
7. References


Taylor, J.M. (2011). *The Case (for and) against Multi-level Marketing Chapter 7: MLM’s ABYSMAL NUMBERS* 


8. Appendix

8.1 Interview guide

Our names are Lina and Evelina and we are writing an essay about MLM distributors and their use of social media and ethics connected to that use. You will be completely anonymous and the company you worked for as well. Your participation is completely voluntary and if you at any time want to end the interview you are free to do so. The things you tell us will only be used for this essay. It is only us two that will take part of the recording of the interview and we will only record if it is OK for you.

Introduction

● How did you end up as a distributor for your MLM? Where were you career wise when you started?
● What was attractive to you about the job? Were you promised things such as making a lot of money?
● How did you get in touch with your upline?
● Please share what you did on a regular day as a distributor. Which daily assignments did you have?
● Were you pushed to buy a stock of products in the beginning? If that was the case, how much and was it your upline that encouraged you to do so?
● After how long time did you end your distributorship, and why?

Selling and recruiting

● What were you most encouraged to do, sell or recruit? In what way?
● Did you try all the products you sold? Were they as good as promised by the MLM?
● Were you encouraged to recruit friends and family first? In what way?
● Were you encouraged to sell to friends and family first? In what way?
● What other people did you try and sell to and recruit, other than friends and family?
● How did you experience your relationship with your upline, senior upline and other distributors?
● Did you feel like an independent business owner? In what way? Did you make money as a distributor and was it mainly through selling or recruiting?
● How did customers react if they were not pleased with the products?
Social media

- How did you use social media as a distributor? Did you make posts or send PMs? Which did you do for selling? Which did you do for recruiting?
- Were you pushed to use your social media for selling and recruiting? If so, in which way? Did you receive finished texts or did you write your own?
- Were you pushed to comment on other distributors posts on social media? If so, in what way?
- If the answer was yes to the previous question, were the posts mainly about selling or recruiting?
- Did you experience distributors pretending to be customers on each other’s posts on social media? If so, in what way?
- Did active distributors comment on other distributors recruitment posts as if they themselves were interested in the opportunity?
- Did you experience other distributors exaggerating or lying on posts on social media? How did you notice that?

Ethics

- Do you feel like you can stand for the posts you made about the products today? Why, or why not?
- Do you feel like you can stand for the posts you made about the “business opportunity” today? Why, or why not?
- Do you feel that you as a distributor were honest about your opinions that you posted about the products on social media? Why, or why not?
- Do you feel that you as a distributor were honest about your opinions that you posted about the “business opportunity” on social media? Why, or why not?
- From your interpretation of what is ethically right, do you evaluate other distributors use of social media as ethical?
- From your interpretation of what is ethically right, do you evaluate your own use of social media as a distributor as ethical?

We thank you so much for your participation, it was very helpful to us!