

An Assessment of Network Marketing as a Catalyst for Entrepreneurial Growth in Kerala

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ABSTRACT

This research investigates the role of Network Marketing (NM) as a catalyst for entrepreneurial growth in Kerala, a state known for its high literacy rates, digital infrastructure, and women-led development initiatives. With India witnessing a rise in decentralized income-generating models, NM has emerged as a low-barrier, scalable alternative for aspiring entrepreneurs, especially women and youth. Despite its growing prominence, empirical assessments of NM's entrepreneurial impact at the regional level remain scarce. This study addresses this gap through a structured, quantitative survey involving 325 NM participants across Ernakulam, Thiruvananthapuram, and Kozhikode districts. The research design incorporated stratified random sampling, and data analysis was conducted using SPSS v26, including descriptive statistics and exploratory factor analysis (EFA). Key findings reveal that NM contributes significantly to skill development, digital literacy, community networking, and self-confidence, particularly among female participants. Furthermore, income trends correlated positively with years of experience, and digital platforms such as WhatsApp and Instagram played a crucial role in entrepreneurial outreach. The study positions NM as a digitally enabled, gender-inclusive, and socially embedded model of grassroots entrepreneurship. It calls for policy support to legitimize and scale NM initiatives through training, digital integration, and financial inclusion. Ultimately, the research contributes to broader conversations on informal entrepreneurship, gender empowerment, and sustainable livelihood strategies in developing economies like India.

Keywords: Network marketing, entrepreneurship, Kerala, women empowerment, digital inclusion, informal economy

1. INTRODUCTION

Entrepreneurship is widely acknowledged as a cornerstone of economic development, job creation, and social innovation in both developed and emerging economies. As nations grapple with youth unemployment, shrinking formal job sectors, and rapid technological disruption, alternative and decentralized models of business such as network marketing (NM)—also known as multi-level marketing (MLM)—have gained remarkable attention (Koroth, n.d.; Vashisth & Rojhe, 2017). These models offer low-barrier entry points for individuals with limited capital but a strong desire to initiate independent income-generating activities. Particularly in the Indian context, where informal sectors dominate economic landscapes and over 63 million micro, small, and medium enterprises (MSMEs) form the backbone of the economy (MSME Annual Report, 2022), network marketing provides a structure for scalable personal enterprise. Network marketing typically operates through the direct sale of goods and services to consumers by independent agents who earn through commissions and recruitment incentives. The industry's structure encourages peer-to-peer promotion, enabling business expansion without the need for traditional capital-intensive models. Globally, network marketing was valued at over USD 189 billion in 2021, with Asia-Pacific contributing a substantial share of this revenue (World Federation of Direct Selling Associations, 2022). India alone hosts over 7 million active distributors in this sector, indicating its growing relevance as an entrepreneurial platform (Selvam, Kumar, & Devi, 2022).

Kerala, one of India's most socially advanced states, presents a unique landscape for the study of network marketing. With a literacy rate of 96.2% (Census, 2011), high human development indicators, and an increasing female labor

participation rate, Kerala provides fertile ground for alternative entrepreneurial models like MLM to flourish (Sebastian & PK, 2020). However, empirical investigation into how network marketing truly functions as a catalyst for entrepreneurship in the state remains underdeveloped. Prior studies on Kerala's economic structure have focused on remittances, public employment, and cooperative sectors, often excluding informal entrepreneurship arising from NM activities (Venugopalan, Bastian, & Viswanathan, 2021). Recent research highlights the appeal of NM among women and marginalized communities who often face challenges accessing credit, training, or mainstream employment (Arumugam, 2022). For instance, women in Sivaganga District have leveraged NM to overcome sociocultural barriers to entrepreneurship (Selvam et al., 2022). In Kerala, this phenomenon is visible in micro-enterprises across districts like Malappuram, Kozhikode, and Ernakulam, where NM is increasingly linked with women's empowerment, especially among homemakers and underemployed graduates (Koroth, n.d.).

Additionally, digital marketing tools, mobile penetration, and social commerce platforms have enhanced the reach of MLM agents, expanding their market beyond immediate geographies (Rath, 2024). The synergy between NM and digital platforms such as WhatsApp, Instagram, and Telegram is a key enabler of grassroots entrepreneurship in the 21st century, especially in the post-pandemic era. Despite these optimistic developments, network marketing remains controversial due to allegations of exploitative pyramid schemes, product quality concerns, and the lack of regulatory frameworks. Critics argue that only a small percentage of participants earn substantial incomes, while the majority engage at low profitability levels or drop out altogether (Venkatraman & Nayak, 2014). Such concerns call for rigorous academic inquiry to separate anecdotal success from verifiable impact on entrepreneurial growth.

This research attempts to bridge that gap by assessing the role of network marketing in catalyzing entrepreneurship in Kerala through a systematic analysis of its socioeconomic contributions, participation demographics, enabling and hindering factors, and policy relevance. Drawing upon empirical data and grounded in the state's unique development trajectory, this study contributes to broader debates around informal entrepreneurship and decentralized business ecosystems in India. The significance of this research lies in three dimensions. First, it adds a regional perspective to a domain largely dominated by pan-India or urban-centric narratives. Second, it aligns with the Sustainable Development Goals (SDGs) concerning decent work, gender equality, and poverty alleviation. Third, it provides evidence-based insights for policymakers, educational institutions, and development agencies seeking to promote grassroots entrepreneurship models in contexts similar to Kerala. In summary, the rise of network marketing as an entrepreneurial alternative deserves deeper scrutiny, particularly in socially dynamic states like Kerala. This study aims to assess the transformative potential of NM on entrepreneurial growth, with a focus on empirical insights, theoretical relevance, and practical implications.

2. LITERATURE REVIEW

The literature surrounding network marketing (NM) and its role in entrepreneurial development in India—and Kerala in particular—has grown significantly over the past two decades. Scholars have approached the subject from sociological, economic, digital, and gender perspectives. Each study presents unique methodological insights and empirical evidence which cumulatively shape the conceptual framework of this research.

In 2022, Arumugam conducted a focused study on women entrepreneurship in network marketing in Chennai. Using a descriptive survey design involving 100 women distributors from prominent MLM companies, the study uncovered that most participants entered NM due to financial need, time flexibility, and peer influence. Challenges such as lack of product knowledge and social stigma were significant deterrents. The study recommended improved training modules and community awareness drives (Arumugam, 2022).

Venkatraman and Nayak (2014) examined the HRM competencies of women entrepreneurs engaged in network marketing across southern India. The study employed a quantitative correlational design, surveying 200 participants across Tamil Nadu and Karnataka. Results indicated a positive relationship between interpersonal skills, self-confidence, and business success. Their model demonstrated how emotional intelligence and support networks served as strong predictors of entrepreneurial performance (Venkatraman & Nayak, 2014).

In a more macroeconomic context, Wang et al. (2023) analyzed the impact of entrepreneurial networks on business performance in developing economies with a case study from India. Using regression analysis and case-based modeling, they found that informal networks enhanced access to resources, mentorship, and market penetration—especially in semi-urban areas. The study stressed that network marketing structures, although informal, mirror key traits of entrepreneurial clusters.

Rath (2024) studied the perceived advantages and limitations of internet-based marketing among small entrepreneurs in Punjab. Though not specific to NM, the research elucidated how digital platforms—WhatsApp, Instagram, and Facebook—helped in market outreach and customer engagement. A key finding was that over 78% of entrepreneurs found social media to be more effective than traditional sales models for lead generation and brand visibility.

Social networking theory was central to Chattopadhyay's (2008) ethnographic study of entrepreneurial success in Indian cultural contexts. Based on in-depth interviews and content analysis, the research explored the dynamic role of kinship, caste, and regional affinity in enabling entrepreneurial diffusion. This work is especially relevant in Kerala's context, where social capital and community reputation influence participation in NM models.

Hukampal and Bhowmick (2016) conducted an exploratory factor analysis to identify innovation networks aiding rural entrepreneurship in Gujarat. Their findings showed that localized distribution models and community-led promotion (elements intrinsic to NM) significantly enhanced entrepreneurial participation in regions lacking formal infrastructure. This model closely parallels how NM functions in peri-urban Kerala.

Gujrati et al. (2024) evaluated entrepreneurial marketing in the digital age, focusing on youth engagement and behavioral preferences. The authors applied a mixed-method design—surveys and focus groups—revealing that modern entrepreneurs increasingly prefer platforms that allow two-way engagement and flexible content strategies. This aligns with NM structures that rely on social media influence and customized messaging.

Finally, Richard and Jothi (2012) explored strategies adopted by Indian e-entrepreneurs in online markets. Using content analysis and behavioral surveys, they concluded that adaptive marketing, customer personalization, and affiliate networks drive higher retention and growth rates. Their findings extend logically to MLM agents who use similar techniques to build customer bases.

These diverse studies collectively demonstrate that network marketing intersects with critical dimensions of entrepreneurship such as digital adaptability, informal networks, gender empowerment, and social capital. However, few studies have holistically analyzed these aspects within a single regional setting like Kerala, particularly with empirical specificity. While substantial research exists on the general benefits and challenges of network marketing in India, there is a notable gap in region-specific empirical assessments—particularly concerning how NM facilitates entrepreneurial growth in Kerala's unique socioeconomic context. Most existing literature treats India as a homogenous entity, often overlooking state-specific attributes such as Kerala's high literacy, female participation, digital literacy, and cooperative legacy. Moreover, studies rarely integrate digital behavior, socio-cultural networks, and economic empowerment within one analytical framework. This research addresses this gap by offering an integrated, Kerala-specific assessment of NM's impact on entrepreneurship using primary data and grounded analysis.

3. RESEARCH METHODOLOGY

This research employed a quantitative survey-based design to assess the impact of network marketing (NM) on entrepreneurial growth within Kerala. A structured questionnaire was used to gather primary data directly from individuals actively involved in NM businesses across the districts of Ernakulam, Thiruvananthapuram, and Kozhikode. These locations were selected for their economic diversity, urban-rural mix, and high digital literacy, which make them reflective of Kerala's evolving entrepreneurial ecosystem. The study focused on collecting measurable indicators of entrepreneurial activity such as income generation, business expansion, recruitment of downlines, use of digital platforms, and perceived empowerment.

The unit of analysis was individual network marketers with a minimum of one year of experience in NM business models. To ensure representativeness, respondents were selected through stratified random sampling based on geography and gender. A total of 325 valid responses were obtained over a period of two months from December 2024 to January 2025. The survey included both closed-ended Likert scale questions and a few demographic variables to understand the profile of participants. Ethical clearance was obtained prior to data collection, and informed consent was secured from each respondent.

The collected data was analyzed using SPSS v26, applying descriptive statistics and exploratory factor analysis (EFA) to derive patterns, correlations, and latent dimensions of entrepreneurial growth attributed to NM. Factor analysis was particularly used to cluster entrepreneurial outcomes such as skill development, financial inclusion, and social

mobility. The data analysis also tested for demographic associations such as gender-based differences in NM outcomes.

The methodological scope of this study was delimited to three urban districts in Kerala and focused solely on network marketers enrolled in legal, registered NM firms (e.g., Amway, Modicare, Herbalife, etc.), thus excluding informal pyramid schemes and illegal Ponzi structures. This decision was taken to maintain the integrity and legality of the research findings.

The table below presents the details of the data source and collection method:

Component	Specification
Research Design	Quantitative, survey-based, cross-sectional study
Data Source	Primary data collected from individual NM entrepreneurs in Kerala
Sampling Technique	Stratified random sampling (based on district and gender)
Sample Size	325 valid responses
Geographic Scope	Kerala (Districts: Ernakulam, Thiruvananthapuram, Kozhikode)
Data Collection Tool	Structured questionnaire (Likert-scale and demographic items)
Eligibility Criteria	Active NM participants with minimum 1 year experience in registered NM companies
Data Collection Period	December 2024 – January 2025
Analysis Tool	SPSS v26
Analytical Method	Descriptive statistics and Exploratory Factor Analysis (EFA)
Delimitations	Focused on legal NM companies; excluded Ponzi/pyramid schemes

This methodology enabled a region-specific, evidence-backed evaluation of network marketing’s entrepreneurial implications in Kerala, addressing the literature gap identified in Section 2.2. The combination of structured primary data and robust analytical tools allows for valid, generalizable insights into the evolving role of NM in regional entrepreneurial development.

4. RESULT AND ANALYSIS

This section presents the results derived from the primary data collected through structured questionnaires administered to 325 active participants in network marketing across three districts in Kerala. The findings are categorized into demographic characteristics, entrepreneurial outcomes, motivational drivers, income trends, and digital engagement. Each aspect is illustrated through descriptive and inferential data tables, followed by detailed interpretations. The analysis provides crucial insights into how network marketing functions as a socio-economic mechanism that supports entrepreneurial growth, particularly when contextualized within Kerala’s distinctive digital, gendered, and cooperative landscape.

Table 1: Demographic Profile of Respondents (N = 325)

Demographic Variable	Category	Frequency
Gender	Male	143
	Female	177
	Other	5
Age Group	18–25	68
	26–35	104
	36–45	82
	46–60	57

Demographic Variable	Category	Frequency
Education Level	60+	14
	High School	46
	Diploma	59
	Graduate	132
	Postgraduate	76
	Doctorate	12
Years of Experience in NM	1–2	88
	3–4	109
	5–6	63
	7–10	45
	10+	20

Interpretation of Table 1:

This consolidated demographic profile provides critical context to the entrepreneurial landscape in Kerala’s network marketing sector. The gender distribution indicates a higher participation of females (54.5%), suggesting that network marketing may be providing an accessible entrepreneurial pathway for women, often aligning with flexible work hours and home-based operations. Males constituted 44%, while 1.5% identified as other, reflecting increasing inclusivity in entrepreneurial opportunities.

In terms of age distribution, the largest group falls within the 26–35 age bracket (32%), followed by 36–45 (25.2%), illustrating a predominantly young and mid-career participant base. The relatively lower participation of those above 60 indicates that NM tends to attract working-age adults, possibly due to the technological engagement required.

Educational background further supports this insight—nearly 40.6% are graduates, and 23.3% postgraduates, which confirms that network marketing is drawing an educated entrepreneurial class. This could be due to digital platforms being integral to NM operations and the appeal of knowledge-based product categories like wellness, cosmetics, and nutrition.

Regarding experience, the highest frequency lies within the 3–4 years (33.5%) and 1–2 years (27%) categories, suggesting that many individuals are relatively new entrants to the field, pointing toward a recent spike in NM adoption—possibly accelerated post-COVID when remote income avenues gained popularity.

Together, these demographics underscore that network marketing in Kerala is becoming a structured, gender-inclusive, and youth-driven entrepreneurial platform that holds promise for economic empowerment—especially for educated women and early-career individuals. These findings lay a foundational context for interpreting subsequent outcome-based analyses.

Table 2: Mean Scores on Key Entrepreneurial Outcomes

Outcome Dimension	Mean Score (1–5)
Skill Development	4.2
Financial Inclusion	3.9
Digital Literacy	4.3
Self-Confidence	4.0

Outcome Dimension	Mean Score (1–5)
Community Networking	4.1

Interpretation of Table 2:

The above table presents the mean Likert scores (1 = Strongly Disagree to 5 = Strongly Agree) for key entrepreneurial outcomes as reported by respondents. Digital literacy ranked the highest with a mean score of 4.3, highlighting the transformative role of NM in enhancing tech-savviness among Kerala's entrepreneurs. This aligns with Kerala's broader digital infrastructure and public initiatives promoting digital inclusion.

Skill development received a robust 4.2, suggesting that NM serves as an informal vocational platform where individuals gain interpersonal, communication, and sales skills. These skills are vital for entrepreneurial sustainability and scalability.

Community networking scored 4.1, reflecting the relational nature of NM and the creation of support ecosystems through direct selling. The self-confidence score of 4.0 indicates that engaging in NM has a psychosocial benefit, instilling a sense of achievement and autonomy. Lastly, financial inclusion scored a slightly lower 3.9, suggesting while NM contributes economically, its potential is still limited by inconsistent income and lack of formal credit linkages.

These results confirm that NM does more than just generate income—it also builds entrepreneurial capacities, encourages confidence, and enhances social capital, especially in a socioeconomically aware state like Kerala.

Table 3: Gender-wise Mean Scores on Entrepreneurial Outcomes

Gender	Skill Dev.	Fin. Inclusion	Digital Literacy	Self-Confidence	Comm. Networking
Male	4.1	3.7	4.2	3.9	3.8
Female	4.3	4.1	4.4	4.1	4.3

Interpretation of Table 3:

This table reveals a gendered analysis of key entrepreneurial dimensions, demonstrating that female respondents outperformed male counterparts across all outcome areas. The most significant differences were observed in community networking (Female: 4.3; Male: 3.8) and financial inclusion (Female: 4.1; Male: 3.7), indicating that NM is functioning as a stronger empowerment vehicle for women in Kerala.

These differences may be attributed to Kerala's progressive gender policies and the existing grassroots presence of women self-help groups (SHGs), which provide a favorable environment for collaborative economic ventures. Higher digital literacy scores among women (4.4 vs. 4.2) also reflect the increasing adaptation of social media and online platforms by women-led NM entrepreneurs.

Such disparities underscore the gender-responsive nature of NM in Kerala and point toward its potential for inclusive development, especially when supported by training and digital tools.

Table 4: Monthly Income Earned through Network Marketing

Income Range (INR)	Frequency
< 5000	47
5001–10000	96
10001–20000	91
20001–40000	61
40001+	30

Interpretation of Table 4:

This income distribution indicates that a majority of NM participants are earning within a moderate bracket. Approximately 29.5% earn ₹5,001–₹10,000 and 28% earn ₹10,001–₹20,000, highlighting the supplementary nature of NM income for most respondents. Only 9.2% earn more than ₹40,000 per month, suggesting that high-income success in NM is achievable but limited to a minority.

The income brackets reflect a classic NM pattern—where top-tier earners are few, and the majority operate at a small-business scale. However, the 61 respondents earning between ₹20,001–₹40,000 (18.7%) indicate a growing middle layer of entrepreneurs, especially those likely scaling through digital channels and team building.

This table reinforces the view that NM serves as a micro-entrepreneurial platform, enabling a gradual income transition for many who start small and scale incrementally, depending on skill, consistency, and networking prowess.

Table 5: Years of Experience vs. Monthly Income in Network Marketing (N = 325)

Experience (Years)	<₹5000	₹5001–₹10,000	₹10,001–₹20,000	₹20,001–₹40,000	₹40,001+
1–2	18	28	26	12	4
3–4	14	33	36	20	6
5–6	9	21	17	10	6
7–10	4	10	8	12	11
10+	2	4	4	7	3

Interpretation of Table 5:

This cross-tabulation explores the relationship between the respondents' years of experience in network marketing and their monthly income. A clear upward trend is visible, where increased experience correlates with higher income brackets. Respondents in the 1–2 years experience group were primarily clustered in the ₹5,001–₹10,000 (28) and ₹10,001–₹20,000 (26) brackets. In contrast, respondents with 7–10 years of experience showed a stronger presence in the ₹20,001–₹40,000 (12) and ₹40,001+ (11) brackets.

This gradual upward mobility signifies that network marketing income improves over time as individuals build networks, improve communication and leadership skills, and gain customer retention. The presence of earners above ₹40,000/month across all experience groups (especially among 7–10 years) demonstrates scalability for consistent participants. This trend supports the idea that network marketing can evolve from part-time to full-fledged entrepreneurial activity, with increased success linked to experience, commitment, and digital adaptation.

Table 6: Exploratory Factor Analysis – Rotated Component Matrix

Indicators	Component 1 (Skill Empowerment)	Component 2 (Digital Inclusion)	Component 3 (Social Capital)
Communication Skills	0.79	0.33	0.22
Income Stability	0.41	0.25	0.64
Recruitment Ability	0.32	0.71	0.77
Online Platform Usage	0.67	0.82	0.30
Motivational Growth	0.74	0.48	0.56

Interpretation of Table 6:

The Exploratory Factor Analysis (EFA) conducted through SPSS revealed three major latent constructs that cluster key behavioral indicators associated with network marketing. Component 1 (Skill Empowerment) loaded strongly with communication skills (0.79) and motivational growth (0.74), confirming that NM fosters confidence, interpersonal growth, and public speaking—traits essential for entrepreneurial success.

Component 2 (Digital Inclusion), with highest loadings on online platform usage (0.82) and recruitment ability (0.71), reflects the increasingly digital landscape of NM. The reliance on WhatsApp, Facebook, and Zoom for outreach and retention makes digital proficiency a central skill for NM-based entrepreneurs.

Component 3 (Social Capital), as shown by recruitment ability (0.77) and income stability (0.64), affirms that building robust social networks translates into economic resilience. Together, these findings suggest that entrepreneurial growth through NM is multi-dimensional, blending personal, social, and digital capacities unique to Kerala's socio-cultural ecosystem.

Table 7: Self-Reported Motivational Drivers for Joining Network Marketing

Motivational Driver	Percentage of Respondents (%)
Desire for Financial Independence	22.8
Flexibility of Work Schedule	19.4
Low Initial Investment	14.5
Opportunity to Work from Home	13.2
Personal Development & Learning	11.7
Peer Influence/Referral	10.1
Job Dissatisfaction in Prior Role	8.3

Interpretation of Table 7:

The above table identifies what motivates individuals in Kerala to participate in network marketing. Desire for financial independence (22.8%) emerged as the dominant motivator, followed closely by work flexibility (19.4%), making NM especially appealing to women, homemakers, and part-time earners. The motivation to work from home (13.2%) reflects how NM fits well into post-pandemic digital lifestyles and Kerala's domestic culture.

Surprisingly, personal development (11.7%) and peer influence (10.1%) were strong motivational factors, suggesting that NM is not purely transactional—it appeals to emotional, aspirational, and social dynamics. Job dissatisfaction (8.3%) also played a minor yet notable role, indicating that many view NM as an escape from rigid or unrewarding formal employment.

These motivations reveal that NM is not just a low-barrier entrepreneurial entry point—it represents lifestyle, autonomy, and community aspirations, especially in a socially conscious state like Kerala.

Table 8: Tools/Platforms Used in NM Business Activities

Platform/Tool	Usage Percentage (%)
WhatsApp	88.9
Facebook	74.5
Instagram	63.4
Zoom	51.7
Google Forms	39.5
Email Campaign Tools	28.3

Interpretation of Table 8:

The tool usage data highlights the digital backbone of modern NM operations. WhatsApp (88.9%) is the most widely used tool, aligning with its penetration in Kerala and its utility for product sharing, group coordination, and real-time communication. Facebook (74.5%) and Instagram (63.4%) follow, used extensively for marketing, recruitment, and branding.

The use of Zoom (51.7%) shows how NM participants are leveraging video conferencing for training and group meetings—an innovative response to geography and scheduling barriers. Google Forms (39.5%) are employed for lead tracking, surveys, and recruitment funnels, while email tools (28.3%) show limited but growing adoption among more formalized NM professionals.

This reveals that digital literacy is a core enabler in Kerala's NM ecosystem, with entrepreneurs actively building hybrid online-offline customer experiences to sustain engagement and scale outreach.

5. DISCUSSION

5.1. Gender Inclusion and Empowerment through Network Marketing

The findings from Table 1 and Table 3 clearly demonstrated that women constitute the majority of network marketing (NM) participants in Kerala, with 54.5% identifying as female. This directly reflects a transformative shift in

entrepreneurial inclusivity in the state, particularly for women. Compared with studies such as Arumugam (2022) and Venkatraman and Nayak (2014), who observed that NM can be a strong platform for women's entrepreneurship, our study further affirms that Kerala's context—characterized by high female literacy and social mobility—amplifies this potential. The higher scores achieved by women across key entrepreneurial outcomes such as skill development (4.3 vs. 4.1), financial inclusion (4.1 vs. 3.7), and community networking (4.3 vs. 3.8) substantiate NM as a gender-empowering model.

This is significant because earlier national-level studies often underplayed regional gender dynamics. Our Kerala-specific data show that NM enables women to balance traditional domestic roles with income-generating activities, thereby addressing the intersectionality of gender and entrepreneurship that was underexplored in prior literature. It bridges the identified literature gap by contextualizing gendered entrepreneurial empowerment in a regional framework, offering a grounded understanding of how NM can be a catalyst for inclusive development.

5.2. Digital Literacy as a Core Entrepreneurial Asset

The literature review noted how network entrepreneurship increasingly relies on digital infrastructure (Rath, 2024; Wang et al., 2023). This was mirrored in the findings from Table 2 and Table 6, where digital literacy had the highest mean score (4.3), and "online platform usage" loaded heavily on both Component 1 and 2 in the EFA. These results illustrate that Kerala's NM participants are actively leveraging tools like WhatsApp, Instagram, and Zoom (Table 8), with usage rates above 50% for most platforms.

In comparison to Rath's (2024) findings on internet marketing in Punjab and Richard & Jothi's (2012) analysis of e-entrepreneurs, this study adds depth by showing that digital literacy in NM is not just about tool usage but has strong correlations with entrepreneurial outcomes such as recruitment ability and motivational growth. By integrating digital behavior within the assessment, this study goes beyond previous frameworks and offers a novel empirical insight into how the digital landscape enhances entrepreneurial performance in NM.

5.3. NM as a Vehicle for Economic Mobility and Income Transition

The income distribution and experience-based earnings (Tables 4 and 5) indicate that NM functions as a ladderized entrepreneurial model where income potential increases with experience. Individuals with 7–10 years in the field showed higher representation in the ₹40,000+ income category, supporting the scalability and long-term value of NM engagement.

Compared to previous works like Gujrati et al. (2023) and Chattopadhyay (2008), which discussed generalized entrepreneurial growth without region-specific earnings insights, our study offers empirical evidence that NM allows for gradual upward income mobility. While a large percentage (29.5%) still earn below ₹10,000, the transition visible in higher experience groups confirms NM's potential as a micro-entrepreneurial path.

This fills the literature gap by providing a stage-wise understanding of income progression—highlighting how entrepreneurial maturity and time investment play crucial roles. For policymakers, this signals the need for structured support systems to help NM entrepreneurs transition beyond supplemental income into stable self-employment.

5.4. Network Marketing as a Social Entrepreneurship Model

The high scores for community networking (4.1) and motivational growth (as highlighted in Table 6) underscore NM's social embeddedness. Peer influence and personal development were notable motivational drivers (Table 7), confirming that NM is not just an economic model but a relational and aspirational system that aligns with Kerala's social culture.

Venugopalan et al. (2021) and Hukampal & Bhowmick (2016) emphasized that entrepreneurship in India often grows through social networks and cooperative structures. Our study deepens this understanding by showing that in Kerala, NM provides a culturally compatible format of entrepreneurship rooted in trust, relationships, and community influence. This aligns with Kerala's legacy of cooperative movements and suggests NM's social structure is vital for its success.

5.5. Addressing the Literature Gap: Regional and Integrated Assessment

As identified in Section 2.2, most existing studies have examined NM's benefits at a national or generic level, often overlooking state-specific dynamics. This study addresses that gap by providing a regionally grounded and thematically integrated assessment of NM's entrepreneurial impact in Kerala.

By combining gender insights, digital usage patterns, motivational profiles, and income progression in one framework, this research offers a holistic understanding that contrasts with the fragmented perspectives seen in earlier literature. It supports the call by Wang et al. (2023) for more context-sensitive entrepreneurial studies and responds to Rath's (2024) observation on the digital divide by showing how Kerala's infrastructure is enabling entrepreneurial equity.

5.6. Practical and Policy Implications

These findings have multiple practical implications. First, the evidence of higher female participation and empowerment through NM calls for targeted policy support—such as subsidized digital marketing training, credit access, and formal recognition for NM entrepreneurs, especially women. Government bodies and NGOs could collaborate with NM firms to create certified entrepreneurship development programs.

Second, the digital competency demonstrated by participants suggests an opportunity to integrate NM entrepreneurs into larger state-wide digital missions like *Kerala Startup Mission* or *Digital Kerala*. This can strengthen the bridge between informal and formal entrepreneurship, fostering scalability and sustainability.

Third, the relational dimension of NM—as seen in community networking scores—implies that NM can be leveraged for social entrepreneurship initiatives, especially in areas like health awareness, local product marketing, or rural employment. Given Kerala's success with community-based models like Kudumbashree, NM could be integrated into state-led self-help and cooperative frameworks.

5.7. Limitations and Future Research Directions

While this study fills the gap of Kerala-specific NM research, it is delimited by its cross-sectional design and urban district focus. Longitudinal studies are needed to capture income evolution and entrepreneurial transitions more dynamically. Also, while SPSS-based EFA gave robust latent structures, future studies could explore structural equation modeling (SEM) or social network analysis to map influence pathways more intricately.

Furthermore, while motivational drivers were self-reported, qualitative interviews could reveal deeper psycho-social and cultural factors influencing NM participation. Future studies may also contrast Kerala's model with other states like Gujarat or Tamil Nadu to assess regional variation in NM adoption and impact.

6. CONCLUSION

This study explored the role of network marketing as a catalyst for entrepreneurial growth in Kerala, offering a region-specific analysis supported by primary data and rigorous quantitative methods. The findings indicate that network marketing provides a viable and scalable avenue for entrepreneurship, particularly for women and early-career professionals. It emerges not merely as a supplementary income source but as a structured path toward skill development, digital integration, and community-based enterprise. By assessing entrepreneurial outcomes such as financial inclusion, digital literacy, self-confidence, and networking, the research presents a multi-dimensional understanding of how network marketing contributes to the entrepreneurial ecosystem of Kerala.

One of the most significant implications of this research is the affirmation of gender-responsive entrepreneurship through network marketing. The disproportionate participation and higher outcome scores of female respondents highlight that network marketing is enabling women to overcome traditional socio-economic barriers. This aligns with Kerala's social development ethos and suggests that policymakers and development agencies should recognize and support network marketing as a legitimate form of women-led entrepreneurship. The state's digital infrastructure and history of grassroots participation further strengthen the case for integrating NM into broader entrepreneurship and empowerment schemes.

The study also emphasizes the importance of digital platforms as enablers of entrepreneurial activity. The extensive use of WhatsApp, Facebook, and Zoom among participants suggests that NM professionals are becoming increasingly comfortable with digital tools, reducing the barriers to entry and enhancing operational efficiency. These digital

habits, when nurtured through policy and training, can be extended to other entrepreneurial domains. Moreover, the factor analysis revealed that NM outcomes are driven by a blend of skill empowerment, digital inclusion, and social capital—offering a robust framework for understanding entrepreneurial success in contemporary informal sectors.

While the study offers meaningful insights, it also highlights areas that require further exploration. First, the evolving income patterns in NM over time suggest the need for longitudinal studies to assess sustainability and attrition. Second, the impact of network structures, digital ecosystems, and motivational factors on long-term entrepreneurial success can be better understood through qualitative and mixed-methods approaches. Additionally, comparative studies across Indian states or between rural and urban NM entrepreneurs can enrich the discourse by showcasing context-specific nuances.

The broader takeaway from this research is that network marketing in Kerala is not just a business model but a socio-economic phenomenon that blends aspirations, relationships, and technology. It represents a shift in how entrepreneurship is perceived and practiced—more inclusive, decentralized, and digitally enabled. As the future of work continues to evolve, especially in post-pandemic economies, models like network marketing deserve critical attention for their role in fostering grassroots entrepreneurship, digital participation, and economic resilience. Hence, this study contributes to the growing body of knowledge that repositions NM from the margins of informal trade to the center of development and empowerment narratives in India.

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