

**THE APPLICATION OF ENVIRONMENTAL ANALYTICAL TOOLS
TO FATHOM THE PERFORMANCE OF MULTI-LEVEL
MARKETING COMPANY
(THE CASE OF ORIFLAME INDONESIA)****Jean Richard Jokhu ¹, Lorenzo Ricsamana Sawatõ Telaumbanua²**¹ President University, jean.richard@president.ac.id² President University, renolorenzo@gmail.com**ABSTRACT**

Multi-Level Marketing business or also well-known as MLM is not a new thing and its already spread widely both in Indonesia and globally. The purpose of this research is to find out and analyze kind of company performance that have been implemented at Oriflame Indonesia as a successful Multi-Level Marketing Business. This is the first research that explore MLM business in qualitative research to deepen the understanding of MLM industry. In this research, the researcher will use qualitative methods. The data collection will use in-depth interviews as a primary data to collect the needs which will be useful for the Internal and External Environment Analysis. The participant in the interview will consist of the management of Oriflame Indonesia and the major stakeholders, such as the independent consultant and some of the loyal customers. The data analysis technique is a SWOT analysis which the factor got from the VRIO analysis and Porter's 5 forces analysis and later get the analysis results for the company performance of Oriflame Indonesia. The result of this study indicate that internal and external factors affect the result of Oriflame's performance as a company. Furthermore, the role of MLM work system also has an impact on the company's growth

Keywords: Multi-Level Marketing, VRIO analysis, Porter's 5 forces analysis, company performance

1. Introduction

Multi-level marketing or MLM also has another widely known name called network marketing. In a nutshell, MLM companies are a marketing method of selling a firm's product or service that is carried out individually or in groups that create a network in phases, after which the company will calculate incentives or commissions based on the outcomes of personal and group network sales per month (Lestari, 2021). The background of this research is about the anxiety of researcher about the condition of the MLM industry which, although it continues to grow globally, but when it still viewed from the external factors, there are still many perspectives that MLM is not as good as the reality. Moreover, from the researcher's point of view, the name of Oriflame is already quite large but cannot be said to dominate the MLM market, especially in Indonesia. Although its beginnings may be traced back to the early twentieth century in the United States as one of the developed countries and the superpower, it is still rarely recognized in other developing countries such as central Europe especially Poland (Roman, et al., 2021).

Positioned after CIS (Commonwealth of Independent States) in numbers 23%, surpassing Europe, Turkey & Africa, and Latin America. As far as Oriflame travel to spread its members and network, six countries represent Oriflame in Asia, they are Indonesia; China; India; Vietnam; Pakistan; and Sri Lanka. Even Oriflame already have 3 million independent brand partners that spread throughout the world but based on the competitors mentioned in the last previous second paragraph, which is also expanding in the international market, Oriflame should be aware

of the needs of managing their strengths, resource's ability, to the sustainability of the company. Hence, the author examines this research by using analysis factor tools for each internal and external side. VRIO analysis is used as the analysis part of internal factors, meanwhile, Porter's five forces are used as the analysis part of external factors.

A great company is a company that can manage its internal and external activities well, on the whole. Whatever the story, the form, and the structure of the company, it's driven by a working system that does well, whether it has an impact on the company itself or for those outside the company. Analysis towards a factor that impacts a company is a vital part that can indicate/result in a good performance. By definition, it is a process to know how complex the company/the leader analyze towards the internal and external factors in the company which consists of composing formulation, implementing, monitoring, and evaluating all the strategy that aims to achieve company goals. The concerned of this paper is the correlation between one and other variables that have never been revealed in the existing literature. Generally, VRIO analysis, Porter's 5 forces analysis, and SWOT analysis as the data analysis tool are separate variables under different discussion. Here, the idea is to answer the curiosity and also wants to provide evidence that those three factors are affecting the performance of a company.

There are several points of problems that become the author's concern, they are:

1. Implementation of VRIO analysis and Porter's 5 forces analysis through Oriflame Indonesia hasn't been fully discovered yet.
2. Break down the condition and potential of Oriflame Indonesia as a multi-level marketing company amid competitors.

2. Literature Review

2.1 Multi-Level Marketing

The way of multi-level marketing works is not a way of working, or a company, or an industry that just emerged 2 to 3 decades ago. This term has been around since the 1930s, where the goal is for the customers not only to get products benefits, but also get financial benefits in the form of bonuses and prizes. This is an interesting fact because at that time there were predecessors who thought about how to get someone to get more benefits from buying a product. The meaning of multi-level marketing that many people know is a way of working or a strategy of a seller to earn money by inviting other people so that person also sells, and the person who invites will get a little percentage of profit from the sale of the new person's sales (Reingewertz, 2021). This is in line with what members do, which is to sell company products and earn profits from sales. So far, there are still many people who underestimate the multi-level marketing company or industry, especially because the multi-level marketing company's work system is associated with money games. As a good multi-level marketing company, the right strategy to keep the company growing is to regenerate revenue (Chaudry and Kamal, 2013). For many multi-level marketing companies, especially Oriflame, the way to achieve this goal is first to ensure that the business coach carries out his duties properly in the form of providing training for members and maintaining relationships with one another. This has to be considered because from the independent consultant's point of view, withdrawing from something we haven't sacrificed much before is not a difficult matter. Members will have nothing to lose if they don't run this business, while the conditions that occur for companies are that they need members. Oriflame also often does not charge a registration fee to become a member. The second step, as a good multi-level marketing business, the company must provide a high-quality and innovative product. Without being fancy, the main goal of a business is to provide the best products and/or services.

2.2 VRIO Analysis

A successful organization always cares about the condition of the internal things within the company. Whether it is something tangible or not, and whether it is less important or the most important. Measuring and always paying attention to the internal details are forms of effort to maintain good company performance. In strategic management, there are some of the tools for the company to measure internal performance. One of the tools are VRIO analysis. VRIO is an analysis table which aims to divide the strengths and weaknesses of a firm and this analysis table will be a "benchmark" for the company to maintain its strengths and minimize weaknesses. A VRIO assessment can be used to compare the core competencies and weaknesses of a company (Tresna, et al., 2018). This internal tool is an acronym for Valuable, Rareness, Imitable, and Organization. Those four factors turned

into a collection of factors that can dissect the company's internal activities into even smaller parts. This can be marked by understanding each factor.

Value means all forms of resources owned by the company are used to increase the possibility to get the opportunities to develop and minimizing pressure from threats. Rareness means all forms of resources owned by the company whose amount or quantity is only owned by one or a few companies. Imitable means all forms or resources owned by a company that are very difficult to buy, or to duplicate, by competitors. Organization means the ability of a company to realize and manage existing resources. VRIO analysis has become one of an internal analysis tool that features four points to assist the company establish a long-term competitive advantage and lead to a result in huge development (Buzatu, et al., 2019).

2.3 Porter's 5 Forces Analysis

When a company wants to analyze and measure their performance, but only see it from the internal side, the data is not enough to be declared as a valid one and becomes data that can be used as a guideline. Hence, tools were created to elaborate the external factors of a company. The fundamental concept of Porter's five forces is an external analysis tool for a company that aims to determine a company's weaknesses and strengths towards the attraction of the market. The competitiveness and viability of the organization are caused by the synergistic strength of the forces (Di Zjang and Swanson, 2013). Porter's 5 forces analysis is the suitable tool for this discussion since Oriflame is positioned as a large MLM company and must remain sustainable for competitive intensity and attractiveness of market (Boafo, 2018, Dobbs, 2014). With the discussions about buyers, suppliers, to the threat of new entrants, this analysis perfectly becomes a premise for a company, especially for those who sell the products and/or services to understand their present state of competition and see where their goals must be taken, so that the strength of the company is maintained or achieved. Furthermore, by directly looking at rivals as well as the concern for buyer-supplier relationship, the approach excels at evaluating, recognizing, and managing a competitive environment (Bruijl, 2018). By working on these 5 factors, companies could assess their external capabilities in a specific industry. The framework clarifies the processes that can impact specific enterprises' profitability in a single industry (Ngugi, 2020).

2.4 SWOT Analysis

The combination of internal and external observations towards a company which is implemented into a structure that contains statements based on data, real, and quite comprehensive within the industry is called SWOT analysis. Also, having this analysis helps the company to be aware of the solution from the internal and external problems. SWOT analysis involves decision-making options for dealing with such internal & external forces (Quezada, 2019; Jakson et al., 2003). A great company with a great performance always minimizes ignorance of its position in the market. There is no grey area for companies that truly understand the ins and outs of the company itself. Therefore, the development of supporting tools to analyze the factors exists. SWOT analysis is an abbreviation of strength, weakness, opportunity, and threat. Strengths mean all forms of internal capabilities that can provide progress and positive results to the company. Meanwhile, weaknesses are all forms of laxity and shortcomings from the internal which will have an impact in the form of a slowdown or failure to the company's goals. These two factors, classified into internal factors which can be controlled by the company, are included in all existing functions (operations, marketing, research & development, finance, supply chain, production). The remaining two factors are external factors that are closely related to things beyond the company's ability to control but can affect the company's performance, such as government policy, macro-economy, politics, etc. They are named opportunity and threat, where the opportunity means all forms of positive things that can help and improve the company whose origins are from outside and the company must be aware of its existence. Threat means all forms of things that can interfere with, slow down, or thwart the company's goals from outside. The basis of this analysis is to identify several factors and then formulate what strategy is best suited to the company's conditions, and it is a high-level method for achieving key business goals (Namugenyi, 2019). The strategies that will appear in conducting SWOT analysis are SO – use strengths to utilize opportunities, WO – minimize weaknesses to utilize opportunities, ST – use strengths to resolve threats, WT – minimize weaknesses and avoid threats.

3. Research Method

The population of this research comprises the management of Oriflame Indonesia, and the stakeholders of this multi-level marketing company, are independent consultants and loyal customer. According to Majid (2018), the method of selecting a statistically representative sample of individuals from a population of interest is pointed as the sampling. This research uses non-probability sampling with Purposive sampling as the technique of the sampling.

Purposive sampling is one of the fourth type sampling techniques in non-probability sampling, besides snowball sampling; quota sampling; and convenience sampling. In this sense, this technique runs when after the researcher sets some special criteria for the person who will be the informant, then after the determination of these criteria, the researcher immediately determines the subject according to the criteria that have been made previously (Hennink et al., 2020). The purposive sampling technique also become one of the most popular types in qualitative research. The researcher uses a purposive sampling technique because the researcher aims to get specific results from the existing informants and to avoid generalization towards the population. The concept of value creation should be seen not just from the position of the shareholder, but from the perspective of all stakeholders involved in assuring a company's current performance. The consumer has a crucial role in ensuring, sustaining, and improving performance (Buzatu, et al., 2019).

The sample size on this research will use respondent saturation theory to measure how many that author needs for the informants of the research. Since the researcher needs to get valid information as many as possible, from credible informants. In the way of literature explanation, the saturation theory refers to the time where the main ideas of informant’s elucidation towards the questions, already given over and over during the interview of certain informants (Weller, et al., 2018). So, the saturation drawing when there is no new information is discovered in data gathering and also this spillover warns the author that data collecting may come to an end.

Table 1 Operational Variables

Variable	Indicator		Question / statement
	Code	Indicators	
VRIO analysis (X1) VRIO analysis is a resource-based metric for determining competitiveness (Resource-based view) (Yudiono, 2019)	VRA	Valuable	Does Oriflame has resources to help them develop?
			Does Oiflame has a big enough name when compared to other MLM companies?
			Does Oriflame has qualified technology to help run the business?
			Does Oriflame has qualifies services to help run the business?
			Are the policies owned by Oriflame, good, and correct?
			Does Oriflame provide a worth-it reward?
		Rareness	Does Oriflame have something that other companies don't?
			Do many MLM companies out there have a work system like Oriflame?
			Are there many MLM companies out there that have products and services like Oriflame?
			Are there many MLM companies out there that provide great rewards like Oriflame?

		<p>Imitability</p>	<p>Does Oriflame have something that other companies hard to imitate? For other MLM companies, is it easy to own/compete a name as big as Oriflame? Are there any other MLM companies, which have been around for 35 years or more? For other MLM companies, is it easy to have a 20 innovative patents/capable technology/provide services like Oriflame? For other MLM companies, is it easy to have a work system like Oriflame?</p>
		<p>Organization</p>	<p>Does Oriflame give awards to its employees? Does Oriflame value innovative ideas? Is Oriflame open to input from independent consultants/loyal customers? Do the work system of Oriflame clear for you?</p>
<p>Porter's 5 forces analysis (X2)</p> <p>Porter's five forces analysis is a tool that aids organizational strategy by providing information in the form of threats and opportunities assessment (Ngugi, 2020).</p>	<p>POF</p>	<p>Existing industry rivalry</p>	<p>Does Oriflame have competitors in the same industry? (Cosmetic company) Is the company bigger or smaller than Oriflame? How are the products/services of these competitors?</p>
		<p>Bargaining power of suppliers</p>	<p>Is there often a mismatch between the availability of goods and demand? (empty stock) Is there often inadequate product quality? Whether the price given by the supplier is in accordance with the quality?</p>
		<p>Bargaining power of buyers</p>	<p>Does Oriflame have buyers who only focus on one product (dispersion of buyers)? Does Oriflame foster environmental awareness to buy products? Is it likely that buyers will switch to competitors? What is most important about a product? Price? Quality? Appearances?</p>
		<p>Threat of substitute products or services</p>	<p>Is there a product other than Oriflame that has a lower price but has good quality? Does Oriflame change product versions frequently? Is that good?</p>
		<p>Threat of new entrants</p>	<p>Is the MLM industry very profitable for the company? Is the Oriflame name well-established and easily recognizable? Does Oriflame already have a sufficiently differentiated product? Are there government policies that hinder doing business?</p>
<p>Company Performance (X4)</p> <p>Firm performance was equated to organizational efficiency, which is defined</p>	<p>COP</p>	<p>Objective achievement</p>	<p>Oriflame has a goal of "helping people around the world to fulfill their dreams". Has this goal been achieved?</p>
		<p>Customer satisfaction</p>	<p>What about customer satisfaction? Has it been achieved? Do you often hear about the complaints from the customer towards the product or service?</p>

as the proportion to which a social system with limited resources achieves its objectives without requiring extra effort from its members. (Taouab, et al., 2019)		Number of Profit	As far as you know, how about Oriflame’s profit? Is the business profitable?
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Source: Constructed by Researcher

At this phase, the data collection used the data source triangulation approach. This technique is not only playing a role in collecting data but also plays a role in credibility and validating research findings. Data source triangulation refers to a method used by combining theories, methods, or observers in a research study, and this technique helps to break down complex human thinking behavior using various perspectives and data (Noble, et al., 2019). Data source triangulation is applied to get the most correct answer, from among the correct answer. The flow of data collection started with the author who conducted interviews with three different backgrounds, each of which amounted to one person. Then, the author will conduct interviews again with different people until saturation theory occurs or a situation where there is no new information from informants on the same topic of questions. While collecting interview data with informants, the author also looks for secondary sources from existing data in the form of company annual reports or company documents that are available on their official website. It is done to complete the data source triangulation and at the same time, data saturation is achieved. This flow of process also helps the data from each factor analysis tool become more solid and guaranteed.

Analyzing data in qualitative research is a process that is carried out continuously, where the author will continue to look for the most appropriate and close results, from each data to the existing variable indicators. The relationship between data collection and data analysis in qualitative research is very close. Because these two phases should be done together so that the validity of the data is tested. To clarify step-by-step in carrying out the process of analyzing data, the author divided the process into several parts actions.

First, the completion of data collection marked by all the reports from each interview has been gathered. Every data from the report has gone through data reduction where the author will identify and sort the raw data that has been obtained previously, by using the categorizing and coding approach. Coding in qualitative research means a term or brief phrase that imparts a prominent, essence-capturing, and/or a way of evoking some of the language-based data or visual data. The great thing about this technique is that “coding” is allowed to several forms of data, such as interview transcripts, drawings, internet sites, and academic and fictional resources (Saldana, 2016). This phase is carried out by labelling in the form of one or two words; or sentences towards the data. The main idea of this data reduction phase is where the author will sort out which data needs to be included in the research and which ones don't, towards data from each dimension on VRIO analysis and Porter’s five forces analysis. Because, in conducting in-depth interviews, informants often provide information that is not under our research. Second, the data that has been pre-selected and identified (data reduction phase) will be collected and put back together. In the third phase, the outcomes of the data reduction and data organization analyses have been used to interpret the data. Data interpretation used SWOT analysis as the tool and the table of SWOT is an illustration of the results of research data processing.

4. Results and Discussion

4.1 Results

As mentioned before in the first chapter of this research, based on the analysis of documents and the author confirmed that so far, Oriflame still become one of the biggest MLM both globally and in Indonesia. Something that is both an advantage and also something that Oriflame sells to the market is their differentiation towards the product and their effective working system. Diversification is a key component of long-term better corporate performance (Widjaja, et al., 2020).

Interview to the Beauty Manager of Oriflame at that time stated that Oriflame is not only had cosmetic products, but also products that complement these cosmetic products. Such as for skincare, fragrance, personal

care, accessories, hair care, and of course wellness. Words before, come from one of the values applied by Oriflame which is also inspired by *Beauty Sweden*, where beauty does not only come from outward appearance but also healthy skin and inner beauty. Beauty Manager of Oriflame added the concept that Oriflame uses in their beauty products is *Lagom*. A philosophy of life that originates from Sweden and when applied to cosmetic products means healthy skin, a healthy lifestyle, and an attractive appearance. The effectiveness of Oriflame’s working system is based on renewal following the times and technology. Being able to run an MLM business online and equipped with adequate facilities is very helpful. Starting from business applications, online coaching, order to payments online, and to the existence of a VR application that was specifically created how it would appear when someone uses an Oriflame product.

Comparing a name as big as Oriflame with other MLM companies will make a difference, where the Oriflame name is already big or enough to surpass other MLM. This can be proven by the fact that Oriflame has been navigating the market ocean as an MLM business since 1967, and has built a name in Indonesia since 1986. Has lasted more than 50 years in one area, which means that Oriflame already has its positioning.

Meanwhile, the greatness of Oriflame’s facilities such as technology in the form of websites and applications, then service from business coaches and independent consultants, are one of the selling points of Oriflame itself as a network business. One of the Senior Gold Director independent consultants stated that with a state of the art technology, it is very helpful in running a business. Starting from the preparation phase in running a business (learn modules, training online), running the business (recruiting, order, payment), to the phase after finishing one cycle business (earning points), it all can be done effectively and efficiently through the application services that have been prepared by Oriflame. The services provided by Oriflame are not only through intermediaries but also provided directly through the Oriflame management team who have been trained for that. The beauty manager said Oriflame business coaches have been previously trained using SSARPIO (Sales and Recruitment Processes in Oriflame) which is an advanced understanding for Oriflame business coaches globally.

Regardless of how big its name is, as a dominating beauty MLM company, Oriflame also has a policy in the form of a code of ethics that is useful for making its business run stably. As we know, Oriflame which uses a direct selling system always prohibits independent consultants from selling goods through the marketplace. It is useful to keep making a fair system between independent consultants, both in terms of price and production of goods. Oriflame is very firm about this policy, those who violate will be directly determined. Independent consultants and the management team of Oriflame, especially business coaches, who work hard to achieve the target and run it according to the rules, will get a decent reward for their efforts. Senior Diamond Director independent consultant stated the award given by Oriflame is well deserved and extraordinary.

Something Rareness From Oriflame

In Indonesia, there are many MLM companies, both those that have been around for a long time and companies that have just emerged recently. Of course, the discussion that comes to mind is what distinguishes Oriflame as a company whose name is quite large, from other MLM companies? The answer to this question can be answered if we look deeper into what keeps the company’s internal stakeholders afloat. Something that other MLM companies don’t have is the succession plan or the transparent working system. Based on information from the Beauty Manager of Oriflame, Oriflame’s working system is clear. If an independent consultant wants to achieve target X, then what he has to do is like this... as an independent consultant at Oriflame, all business movement can be measured. This can happen because they are always given clear directions to reach a point.

Table 2 Working System Oriflame and Other MLM

Oriflame	Other MLM’s
Closing points is Mandatory	Binary
Facilitated with clear directions from the business coach	Self-study community (no business coach)
Have to work to earn	Not working but still have a chance to earning

(Source: Constructed by Researcher)

Other MLM companies out there do not use the same working system as Oriflame. Most of them use a binary system that is applied to independent consultants or members. As everyone knows, working in an MLM company should have a target every month and this is usually referred to as TUPO (Bahasa: Tutup Poin) or closing point. This is done to calculate how much income the independent consultant will get in one month. The amount of income is given based on how much the member's personal points and group points have been adjusted to the level in the succession plan. Oriflame implements this working system. Meanwhile, the other MLM companies can say yes and no in the application of this system since they use a binary system where members don't have to close points every month but still can earn. This is what is often debated about the closing point system because it is considered fraud in business (money game) where those who do not work can earn income.

In terms of product, "There are also many MLM companies that have products like Oriflame, especially skincare and personal care", concluded Oriflame's business coach. This was later validated by Senior Diamond Director independent consultant, who stated there are many cosmetic products in the market ranging from those sold on the roadside to those that already have names. Behind it all, some differences make Oriflame products superior, namely in their quality. Using natural ingredients, non-destructive to nature, not tested on animals are some of the strengths of Oriflame products. For the service, as has been explained a little in the value sub-topic, the service that Oriflame provides both from behind and in front of the screen is not followed by many other MLM companies. Oriflame's management team is a strong point to the previous statement. Not all MLM companies have a management team that is very responsive, ready to help and always there for independent consultants and customers. As well as the rewards given by Oriflame are still one of the best for the MLM industry. This is because there are not many other MLM companies that can give awards like Oriflame. The picture below shows the success plan that Oriflame has been using so far.

Hard To Imitate from Oriflame

Having something of such real value that no other company has, is not enough. The advantages they have must be very complex for competitors. The most appropriate answer to the previous statement is inseparable from the discussion in the previous paragraph. From here, we can see how strong the transparency of Oriflame's work system is. Where the answer is about the succession plan. While the success plan here indirectly includes the work system and rewards facilitated by Oriflame. Senior Diamond Director independent consultant stated Oriflame's career path has been standard since 1967, even if there are changes it must be the rewards that always follow the times, not the system to achieve the target that's changed.

Oriflame may not be the first to be born, but Oriflame was the first to conquer the Indonesian market. These other MLM companies are not in the same industry as Oriflame, some of them are health products, to containers. For other MLM to modify some things from Oriflame it might be possible, such as application and web technology, but to keep up with a name as big as Oriflame, following services, getting patents, and especially regarding standard work systems, takes a very long time. It takes very deep business stability.

Oriflame Organizational Condition

To become one of the largest MLM companies in the world, it is not only dependent on the profit factor but also gets the effect of the transparency of the resources working for the company. Oriflame values its employee, and it can be validated from the way they as a large company gives them the rewards, they deserve. Employees at Oriflame also certainly have targets, especially for those who are in direct contact with independent consultants. This has also become a reason why a business coach can also enjoy rewards such as going abroad, so they're not only helping members to pursue their dreams but also accompanying them in enjoying the happiness of the rewards they get.

Besides that, Oriflame is very open and highly appreciates new inputs and innovations to make this MLM business grow much more. As evidence, the business coach stated that every month they have a staff meeting which is directly led by the Vice-President Asia Oriflame and previously HR will provide a link to the staff who want to give suggestions, and that will be discussed later during the meeting. The way that Oriflame manages its organization is very good because this will have a big impact on employee performance, employee performance will develop if they get according to what they have been doing, whether it is in the form of salary or freedom of

opinion (Liswandi, et al., 2021). Another evidence related to the topic being discussed is when TOP 15 regionals hold monthly meetings and on that occasion, the leaders are welcome to gather input from each group network they have. Oriflame's work system has also undergone significant changes due to input from independent consultants. Previously, Oriflame had never run their business online, such as for training, catalogs, and other purposes; everything is done face-to-face. Since an independent consultant named Dini Shanti, who is an expert in the field of internet marketing uses a more effective way of running his business, then everything slowly changes. The first group network to run Oriflame business online was named DBC Network. The group is still doing well and Oriflame is also slowly upgrading its work system to work online. The short story shows that Oriflame is very open to input and innovation from members whose goal is to enlarge this business. The more Oriflame improves for the better, the more transparent its working system will be. As previously explained, both the management team itself and the independent consultant have their step-by-step process, this is the reason why the Oriflame work system is clear and measurable.

Porter's Five Forces Analysis

Existing Industry Rivalry

It can be said that Indonesia is one of the countries in Asia that is a hotbed for developing MLM businesses. Not only those who are in their teens to tens of years but there are also newly formed ones. In its development, the emergence of MLM businesses operating in different industries and indirectly increased the number of Oriflame competitors as MLM businesses engaged in the beauty or cosmetic industry. In Indonesia, there are several beauties of MLM's whose names are often heard on the market, including Tiens, Amway, Jeunesse Global, and NU skin. Some of the biggest MLM names in Indonesia are not actually in the same industry as Oriflame; purely cosmetics. If there is a company that sells cosmetics, the company also sells other goods such as medicine or household appliances. And if it is viewed in general, regardless of the income factor per company, the number of communities, how they develop, and other aspects; Oriflame is still superior to its competitors. Basically, competition in the market is created in line with the synergistic strength of the forces that lead to competitiveness and viability, as stated by Lukoseviciute (2019). One of the loyal customers who have been using Oriflame products since late 2010 stated even in remote areas, people already know the Oriflame as MLM business and its products. Comparing Oriflame products and services with competitors, Oriflame still excels in quality and experience comparison. For products, Oriflame is truly competent in the manufacturing process to distribution, such as selecting the best materials, packaging. And for the service, Oriflame already has the best resources.

Bargaining Power of Suppliers

In this section, the author creates several questions that are intended to provoke informants to express feelings about Oriflame products as the conditions of the finished goods. One of the questions is whether the supply and demand of Oriflame often have problems. The average answer, both from the Oriflame management team itself, independent consultants, to loyal customers said that it is quite often there was a mismatch between the amount of inventory available and the amount needed. Mostly, items that are OOS (out of stock) occur on items whose prices are being discounted, said loyal customer. From the management side, the beauty manager said that the management team had educated the independent consultants do not only offer products that were on discount but products with normal prices as well. But in fact, it is unavoidable. Where the eyes of buyers will definitely be more attracted to goods that are priced lower than usual. An addition from the business coach of Oriflame regarding this matter is in pursuing discounted items the customer has to wait and move quickly, even though the stock is always released gradually every week but the stock is still limited. Apart from products that are on discount, the availability of goods is always available.

Discussing the quality and price given by Oriflame, all the informants who contributed to this research gave one vote. This can be ascertained from the fact that the products offered by Oriflame are of adequate quality at the right price. The business coach of Oriflame stated the price is directly proportional to the quality, where the Oriflame's products from the material, the method of manufacture, to the technology used to make the product, when compared to the price it is felicitous. Especially, customers can get European standard products at very affordable prices. In the manufacture of Oriflame products, there are at least 5 mandatory standards, such as Eco-ethical screening refers to all of the raw materials for Oriflame products have gone through an exclusive selection

to assess their source, quality, and safety; Natural extracts refer to Oriflame only uses natural extracts that come from nature; Natural exfoliants refers to all scrubs products contain exfoliating ingredients derived from almond seeds, apricot seeds, and olive oil; Strict European standards refer to Oriflame has already passed 1300 dangerous prohibitions, and the last one is about rigorous safety testing that refers to Oriflame conducts tests to prove that their products will not irritate when used since beauty products come in direct contact with human skin. The Oriflame finished product has 3 advantages that make it superior. It is natural, progressive, and ethical. Natural because it uses natural ingredients, progressive because it continues to make updates both for its raw materials, design, and product benefits, and the last one is ethical which means it doesn't cause damage or death to animals, for example using materials from animals that have a bad effect for them, Sometimes there are still many people who think that Oriflame products are overpriced. In fact, it is not 100% valid because the comparisons made are not appropriate or not comparable, especially when compared to local products. Plus, Oriflame's products are not only used for 1 to 2 months, but 3 to 4 months, and if the price is divided into usage per day, the fees will appear to be much lower. Basically like investing in beauty and healthy skin.

Bargaining Power of Buyers

Based on the experience of the members who handle buyers or from the buyers themselves, the culture attached to Oriflame products is that quite a lot of buyers know Oriflame only from one product, for example, because of Nutrishake or its Novage skincare; one of the most popular skincare. Especially for those who already understand and feel the benefits of these products. The recap of this culture of buyers is dependent on the needs of each buyer. For example, users will buy only the products they need or they will buy one product and then buy another product that complements the previous product, sellers will buy products in sufficient quantities because they will resell the products, while for those who run the business, it is more or less the same as the seller.

Another important point in this section is Oriflame has succeeded in raising environmental awareness to buy their products. Apart from the need for independent consultants who are running a business, this also can be seen from the customer culture in buying, and from the previous discussion regarding the availability of goods where the available stock often runs out because there is so much demand. The business coach said this could happen because the management team and independent consultants not only sell products for their business, but also educate. Educating refers to providing more information about the benefits of the products. For example, providing information that is relevant to a person's lifestyle and is associated with one of Oriflame's flagship wellness products, namely Nutrishake. Oriflame is not arbitrarily doing this, providing basic knowledge for independent consultants or buyers also has an impact on company performance through sales. This statement is in line with the fact that a person's ability to manage information has an impact on his intention to use a product or service (Armando, et al., 2018). In this case, it can be said that Oriflame runs a gradual process so that buyers want to buy a product, then continue to use it. Although it has been discussed previously that Oriflame has customers who contribute to the development of this business, but regarding the buyers who will switch to competitors, it is worth discussing. It could be said that almost all of the informants thought that buyers would not switch to competitors. However, there is a very small percentage of the probability that buyers will switch to competitors because of one condition, and that is the price factor. Especially if the product that the buyer is looking for is a necessity and the economy of the buyer is not too good, where the buyer has to spend some money to get the product they want. Another option is to look for similar products but at prices below those offered by Oriflame, because basically there are many products similar to Oriflame on the market, and even though buyers know the quality is different.

For most people, the most important thing about a product is its quality. Then followed by the price and appearance of the product. A loyal customer added that even if there is a price for an item that is cheap but the quality is not good, people will not buy it. If people already know the quality and even though the price is not a promo, people will definitely buy it.

The Threat of Substitute Products or Services

There are many beauty products on the market, ranging from low to high prices, from untested quality to European standard. The author asked several people who have different backgrounds to Oriflame, about whether there are products other than Oriflame that have a lower price but can match Oriflame's quality, then the answer depends on the side viewed. When viewed from the side of purely cosmetic products; neither accessories nor wellness,

then the answer is no. This can be proven by the statement of the informant who argues that as far as their experience using cosmetic products, there is no other product that has the same quality as Oriflame with the cheaper price. Even if there is a product that also has the same quality as Oriflame in terms of materials, manufacture, until it reaches the buyer's hands, the price is more expensive. In this section, the author confirms the statement only for comparison of cosmetic products. This is because a loyal customer believes that, in wellness products or health drinks, there are products whose names are already known earlier than Oriflame's Nutrishake and the price is several tens of thousands cheaper.

As time goes by, Oriflame continues to innovate. It is not only for their services but also for the products. Oriflame often changes a product and it turns out to be a good action. The business coach said that Oriflame's innovations for its products included packaging, innovation in technology, and ingredients. Always maintaining product quality is of primary importance to Oriflame because product quality has a very significant effect on the buyer's decision towards the product (Rahmiati, et al., 2017). An advanced company is a company that is ready to innovate. Independent consultants and loyal customers also agree that Oriflame often provides innovations in product packaging. In other cases, some buyers are already comfortable with one product, then Oriflame replaces the product and there is a possibility that the buyer will wonder why the old product is no longer available. Oriflame still releases these products but with a more updated look and quality. This will be an additional job for the independent consultant to convince the buyer that the product is the same and the quality has been improved.

The Threat of New Entrants

As in the statement in the abstract, where the MLM industry is not an unfamiliar area to be heard by the public, especially in Indonesia. Broadly speaking, the MLM industry not only benefits the company but also benefits a region or country. This is validated by the fact that the MLM industry is one of the drivers of the economy in Indonesia, especially when the restrictions on community activities are imposed due to the pandemic. Behind it all, why the MLM industry can continue to grow? Both for the company and members who work for the company. It happened because of several factors. The first, to join the MLM business usually does not require large capital. Second, to join the MLM business does not require the ability specification requirements. Third, the MLM industry offers a fantastic salary and reward.

Talking about Oriflame's position in Indonesia, it is already big enough for an MLM company engaged in cosmetics. Its name is already familiar in the community, as well as the product. In terms of product, Oriflame products are easy to identify because of good marketing from independent consultants and also the products are varied so it makes buyers interested. Product differentiation is an important factor or form for a company in understanding what gaps can be entered and exploited by new entrants (Nurazizah and Novita, 2021). So far, Oriflame products have broad diversification, with six types of product lines including personal care, hair care, wellness, skincare, fragrance, and accessories. Independent consultant and loyal customer strongly agree that the Oriflame product line includes everything needed to become a source of cosmetic product needs, from head to toe; complete.

The development of the MLM industry in Indonesia cannot be separated from government supervision and policies. The government clearly issued a policy regarding the illegal status of money game companies under the guise of MLM and this topic sometimes becomes quite interesting among the public. Because basically, a lot of people cannot distinguish which MLM companies are good and which are illegal. Oriflame has been affected several times. But in Indonesia, especially for Oriflame, there are no government regulations or policies that prevent companies from doing business.

Intensity of Rivalry

Talking about how complicated Oriflame's competition as an MLM cosmetics company is included at the core of porter's analysis. It can be said that this discussion is the main force of the competitive structure of an industry. Indirectly, the competition between companies in the same industry will raise the bar for a company's performance. There are several factors that shape competition (Watanabe, et al., 2018). Such as delayed industry growth, large or well-balanced rivals, high fixed or storage costs, a large increase in capacity, lack of distinctiveness or change costs, brand identity, competitors, major strategic interests, and high output constraints. To make it simple, Oriflame in the MLM industry is in a position of low intensity of rivalry which also indicates that this industry is more attractive. This can be indicated by several factors that strongly represent Oriflame's

position in the market, inter alia most of the competitors in MLM cosmetics are not similar in size especially in the number of communities; some competitors have a different market share than others; Oriflame is in a fast-growing industry; various products; and very rare excess of product quality.

Company Performance

In this section, the author will discuss the company's performance from 3 sides. The first is Oriflame's ability to achieve its mission, then customer satisfaction with its products and services, and the third is Oriflame's advantages as an MLM company in general. Since starting its career, Oriflame has had a mission to help people around the world to fulfill their dreams. A noble goal in a noble way to achieve. Because at Oriflame, whether they work as a management team or as an independent consultant, they don't only work for themselves but also help others to open the door to their sustenance. Symbiotic mutualism deserves an analogy for the goals and ways of working at Oriflame. This company have management system that is also works very well, because they always control formal and informal matters of their employees so that they behave in accordance with the company's strategy (Purwanto, 2016). Oriflame's business coach says that dreams are expensive, and dreams can take any shape. It doesn't have to be in the form of a high position in a country or be the richest person. People's desires ranging from simple material to getting passive income with large numbers can be realized. An example of Oriflame helping many people to realize their dreams is when someone wants to earn a monthly income, get passive income, or get a luxury car and house. But all of that can only be realized for those who work hard.

Then it continues with a discussion about customer satisfaction where there are pros and cons which are divided into three parts, namely product-service, product distribution, and product availability. The answers obtained by the author are completely valid because the answers do not differ at all from one informant to another. So far, regarding product and service quality there have been no significant complaints, all customers are satisfied. The things that often happen in reducing customer satisfaction are the problem of the availability of goods and the distribution of goods that are quite long. Senior Diamond Director independent consultant stated when a customer wants a certain product and the product is not available, this will be a form of complaint that often occurs from customers and product vacancies have been previously explained in the supply and demand section. One of the loyal customers doubles down the same thing. At the same time, distribution or delivery of goods to customers is often a topic of conversation for buyers of Oriflame products. The beauty manager explained that the actual distribution is not the responsibility of Oriflame because they use third parties to provide delivery services. For example, is in Sumatra, Oriflame has warehouses in Medan and Palembang, while the area that Oriflame must cover is from Aceh to Lampung. Apart from the distance between regions, Oriflame can only hope for the best from a delivery partner who can bridge it well. In fact, in the process of ordering products, the customer can choose the best shipping service according to the customer.

With sales decreased by 8%, EBITDA decreased 1%, Oriflame net profit decreased more than a half which is 53%, cash flow from operating activities increased 43%, and cash flow before financing activities increased 75%. In 2020 the decline in sales made by Oriflame was affected by the COVID-19 pandemic which caused the global economy to decline. Even though during that period Oriflame experienced a decline in sales figures, Oriflame was different from most other companies out there. When other companies out there cut salaries, lay off their employees, Oriflame offers even more prizes, even more rewards. And another example, Oriflame is known for its reward for going abroad, when a pandemic and international flights are prohibited, Oriflame provides 100% cash according to the nominal that should be enjoyed by independent consultants, and this is done as a fair replacement.

4.2 Discussion

Oriflame is an MLM company engaged in the cosmetic industry and runs its business with a direct sales system. In this section, each variable that exists will be discussed and the author will conclude as follow.

Table 1 Variables Summary

Variable		Statement	Conclusion
VRIO Analysis	Value	“The value of Oriflame are product differentiation and working system”	Accepted
	Rareness	“Not many MLM companies have a work system and success plan as clear as Oriflame”	Accepted
	Imitability	“The Oriflame’s success plan is hard to imitate”	Accepted
	Organization	“Oriflame appreciate the employee and suggestion from independent consultant”	Accepted
Porters Five Forces Analysis	Existing Industry Rivalry	“Oriflame have several competitors, but it can be said smaller than Oriflame”	Accepted
	Bargaining Power of Suppliers	“Oriflame product quality and price is adequate”	Accepted
	Bargaining Power of Buyers	“Oriflame has succeeded in getting people to buy its products and it is less likely that buyers will switch to competitors”	Accepted
	Threat of Substitute Product or Services	“There is no cosmetic product that exceeds quality and cheaper than Oriflame, also Oriflame always innovate well”	Accepted
	Threat of New Entrants	“MLM business is profitable, Oriflame has brand power, good product differentiation, and supported by the government”	Accepted
Company Performance	Performance	“Oriflame has achieved its goal, and customer satisfaction, also working in a good financial condition”	Accepted

(Source: Constructed by Researcher)

P1: There are significant analysis results that show that VRIO analysis influence the company performance of Oriflame Indonesia.

Team management of Oriflame, Independent consultant, and loyal customers have the same vote on the statement. The Beauty Manager said, after being established for more than 3 decades in Indonesia, with all the benefits, Oriflame has its own positioning in the market which affect the performance of Oriflame especially for its financial. The Senior Diamond Director said, Oriflame has values that other competitors don’t. For example, in the mindset concept that MLM companies are just selling, they don’t think about how to balance their healthy lifestyle, beauty, and protecting nature which affect the customer satisfactor or customer retention. To doubledown, the loyal customer said that regarding products to communication between customers and members to the management team is very cooperative, it really maintains customer satisfaction with the Oriflame’s services.

P2: There are significant analysis results that show that Porter’s Five Forces analysis influence the company performance of Oriflame Indonesia.

Team management of Oriflame, Independent consultant, and loyal customers have the same vote on the statement. The business coach said that so far, Oriflame have been very suitable for the price, considering the standards used by Oriflame are in accordance with European standards that also used globally. The Senior Gold Director said that Oriflame product’s prices are not expensive, in fact it can be said the product to be cheaper than the quality provided. Especially if we divide the price of the product by the usage per day. Loyal customer also agree by saying that the price is compatible, moreover when compared to the quality and with other competing products.

P3: *There are influences of a multi-level marketing working system towards this research.*

The role of MLM industry can be seen clearly from the answers given by the informants. From the company’s perspective, they don’t need to spend money on advertising. Meanwhile from the business and user perspective, the work done is not only to collect as much money as possible, but also how the quality of work life goes hand in hand. Exactly the same as Oriflame’s concept of “Lagom” which is taken literally, which means balanced, commensurate, and enough.

VRIO Analysis

Table 4.VRIO Analysis Summary

Question	Answer
Story of Oriflame’s strength, facilities, policies, and reward	Oriflame’s value lies in its variety of products and working systems. This is further supported by facilities such as technology and service from the management team. Existing policies also appear to help company stay sustainable, plus there are rewards given to its independent consultant.
Reason that makes Oriflame different from others	Oriflame’s work system and success plan are a value proposition that other companies do not have.
Things that difficult to imitate from Oriflame	It is quite difficult to compete with a name as big as Oriflame, and this is also directly proportional to following Oriflame’s success plan.
The appreciation from Oriflame towards innovation from employee and independent consultant	Both materially and innovatively, Oriflame always pampers its employees and members, by always being open and transparent.

(Source: Constructed by Researcher)

Several vital reasons to state Oriflame is one of the greatest MLM companies in Indonesia, according to this internal analysis tool.

- 1) To put itself in a high position and be recognized by many people, especially in Indonesia, Oriflame not only presents products with European standards, but also applies to technology and services, especially those addressed to independent consultants through the business coach, and it was gone through several stages, named SSARPIO which is the benchmark for all global Oriflame services.
- 2) Oriflame’s success plan is not owned by other MLM companies and it is difficult for competitors to imitate. This is because, the success plan that has been running with Oriflame since its establishment in 1967 has gone through various conditions and in fact, Oriflame has never changed the success plan that already existed. In contrast to the work system, which is always evolving with the times, for example, for the use of technology to be more effective and efficient.
- 3) Besides having a clear way of working that is considered clear by the management team, independent consultants, and loyal customers, Oriflame is always transparent about the inputs given. Oriflame’s work system is slowly changing due to constructive input from the independent consultant who has the idea that running a business in Oriflame can be done not only to build networks (group) but also using networks (internet/technology). It persists and runs smoothly until now. The previous statement indicates that the organization owned by Oriflame is well arranged.

Oriflame’s internal culture keeps its business stable and running well. It can be imagined how far Oriflame puts effort to keep this strength well managed.

Porter’s Five Forces Analysis

In addition to the stability and internal strengths of Oriflame, several other factors also have the potential to have an impact on the performance of Oriflame; including competitors and buyers.

Since this research was conducted on MLM companies, it is natural that the research being compared is also based on MLM companies that engaged in the cosmetic industry, not only companies that sell cosmetics. When compared to companies that only sell a product, it is not apple-to-apple where on the one hand there are companies that only focus on selling, while on the other hand there are companies that besides selling products, also focus on helping people to achieve their dreams. Besides that, competitors exist. Just named it Amway, NU skin, and Jeunesse global. Based on the information obtained by the author, Oriflame still become the choice of many people because of the quality of its product. Starting from the ingredients, the manufacturing process, to the most striking part is the packaging. At the same time, this indicates that the efforts of Oriflame, which are not only selling products but also providing education, and training; have succeeded in selling their products.

Based on the elucidation from independent consultants and loyal customers that have been interviewed by the author stated that so far, Oriflame cosmetic products are still superior because the price paid is in accordance with the quality obtained. Senior Gold Director independent consultant explained why the product was said to be cheap but still in high quality, she explained using the calculation of how much must be paid if it is paid per day, compared to the effect to be received. Until came to an opinion that cross her mind, which thought that the product was even too cheap. On the other hand, the high sales of Oriflame products indicate that it is unlikely that buyers will switch their products to competitors, but also because of this phenomenon, there is often unavailability of goods.

Table 2 Porter’s Five Forces Analysis Summary

Question	Answer
Oriflame’s existing rivalry in the same industry	Oriflame has several competitors in the same industry, but when it compared in terms of brand power, products, and services, it can be said Oriflame is superior.
Story of bargaining power of supplier	There is often an unavailability of goods for some Oriflame products. Meanwhile, in terms of quality and price, it is appropriate.
Story of bargaining power of buyers	With Oriflame’s ability to create conditions for people to buy its products, it is very unlikely that buyers will switch to competitors.
Oriflame’s threat towards their products and service to substitute	So far there is no cosmetic product that has high quality and in the same time, cheaper than Oriflame. This also happens because Oriflame is always upgrading its products.
Oriflame’s threat towards new entrants	Competitors in the MLM industry may continue to grow, considering that the MLM business is profitable for the company. But with a name as big as Oriflame, the growth of new MLMs shouldn’t be a big problem.

(Source: Constructed by Researcher)

Company Performance

More than 35 years of Oriflame’s journey in Indonesia, making it one of the contributing factors in realizing the dreams of many people; a statement that the author can conclude when discussing with several informants. By implementing a good management system, supporting facilities, and having its own value from the products to be sold, are some of Oriflame’s ladder in helping members realize their dreams. Because basically, many people who join this business don’t understand how to run a business, they don’t understand technology, and the most fatal

thing is that they don't know how to sell products. To double down the statement before, the Beauty Manager of Oriflame stated she once mentored a person who had no business background, only a cleaning service at a hotel. But with the services from the management team, facilities, and most importantly the confidence of the independent consultant, at this time she is at one of the Diamond levels, which has a cash bonus of over IDR40 Million per month, plus trips abroad twice a year.

Table 3 Company Performance Summary

Question	Answer
Oriflame's journey in achieving the mission	Oriflame has made many people's dreams come true in the course of their career since 1967, which means Oriflame has achieved its mission.
The story behind Oriflame's customer satisfaction	In general, customers are satisfied with the products and services provided by Oriflame.
Oriflame in a number	The profit figure obtained by Oriflame is quite large as one of the MLM companies in the cosmetic industry.

(Source: Constructed by Researcher)

After three and a half-decade exploring the Indonesian market, Oriflame always maintains its customer satisfaction. As validation, one of the loyal customers said the management office is always quick to respond to the reports, especially if there are complaints. For example, if there is an item that has not been sent even though it has been included in the order invoice, Oriflame will immediately respond and send it back as soon as possible, although this condition is very rare to find. To add, the business coach said that Oriflame has prepared the Ori Care team that is always ready to hear complaints about goods and services experienced by independent consultants or customers. Regardless, there are obstacles that Oriflame often encounters, it is about the problem of delivering goods or distribution which takes a long time. Independent consultants and customers agree that the delivery of products is quite long, although the longest is still under one week of five working days. After a long discussion with the beauty manager of Oriflame, there are some of the statements that can be given as the reasons why sometimes the delivery takes a long time.

- 1) Within one region or island, Oriflame's large warehouses are only spread over a few points or a few cities. For example on the Sumatra island, Oriflame has warehouses in two cities, namely Medan and Palembang.
- 2) Oriflame does not have its own delivery service. So far, Oriflame has only relied on third parties as a delivery service. Therefore, the lack of monitoring of delivery, considering this is beyond Oriflame's responsibility.
- 3) Although not all the expeditions, but still there are some shipping expeditions that don't deliver goods on a public holiday or other big days.

There are suggestions that are also in the form of response to distribution problems that have been faced by Oriflame, where there will be a possibility that Oriflame will expand its business by creating a special division or team tasked with delivering products or managing distribution so that they can reach the customer quickly and accurately. One of the important advantages if Oriflame directly takes over the delivery of goods is that Oriflame can directly monitor the distribution journey of a product. And it will directly make buyers feel more comfortable and customer satisfaction will increase, due to reduced distribution problems.

Another form of how good Oriflame's economic condition is when other companies did one-sided layoffs during the 2020 pandemic, Oriflame actually really took care of its employees, especially those who worked, by continuing to provide salaries, even adding rewards for independent consultants who achieved certain targets. Until the time the author made this research, in November 2021, Oriflame contributed to helping Indonesia by donating IDR1,316,570.00 to the Ministry of Health Indonesia. The donation consisted of 6000 units of Oximeter, 3 units of High Flow Nasal Cannula (HFNC), and 1 unit of a truck. So far, Oriflame's profit as an MLM company is very controlled.

Table 4 SWOT Analysis

<p>TOWS Matrix</p>	<p>Internal Strength</p> <ol style="list-style-type: none"> 1. Brand power 2. Differentiation product 3. Strong company culture 4. Dedication to long-term sustainability 5. Natural ingredients-based product 	<p>Internal Weakness</p> <ol style="list-style-type: none"> 1. Distribution (long delivery) 2. Lack of availability product
<p>External Opportunities</p> <ol style="list-style-type: none"> 1. Expanding sub-facilities such as creating own delivery service 2. Focus & strengthen the business opportunity for independent consultant 3. Generation Z's lifestyle 	<p>SO Strategies</p> <p>Oriflame continues to maximize its business development, especially for the independent consultants, so it will trigger more people to join this business, and this is also increasingly supported by the well-known name Oriflame.</p>	<p>WO Strategies</p> <p>To close complaints from independent consultants and buyers, regarding the long delivery of Oriflame goods, there is a good opportunity for Oriflame to provide goods delivery or distribution facilities that are directly facilitated by Oriflame, not through a third party.</p>
<p>External Threats</p> <ol style="list-style-type: none"> 1. Possibility threats from competitor 2. Independent consultant does not comply the code of ethics 	<p>ST Strategies</p> <p>In minimizing the threat of competing products, especially in terms of price, Oriflame can counter this while maintaining the prestige of its name, and maintaining the quality of its various types of products.</p>	<p>WT Strategies</p> <p>By managing deficiencies in the distribution and availability of goods, the possibility that buyers will switch to the product's competitor will be smaller.</p>

(Constructed by Researcher)

5. Conclusion and Implications

5.1 Conclusions

Some of the conclusion obtained from the research are:

VRIO analysis as an internal analysis tool measure company performance.

This research assumed that the internal factors that can be controlled by Oriflame are the most vital in their influence on company performance. Because the foundation is how Oriflame created the initial goal and what are the supporting factors to achieve the goal. Oriflame provides a very proportional value or culture for the internal stakeholder. Proportional here means that a person does not only get money, but also long trips, beauty, and even health. This study validates the statement.

Porter's 5 forces analysis as an external analysis tool measure company performance.

Basically, there are many companies engaged in the MLM industry, as well as those working in the cosmetic and beauty sector. Oriflame's positioning in the midst of the growing MLM market is excellent. Where Oriflame can adjust between big names, product quality, and product prices to go hand in hand. With its quality, this company has managed to keep customers from buying their products. So far, several sectors have supported Oriflame to continue to grow, starting from government policies to strategies in product differentiation.

The influence of a multi-level marketing system on this research.

Several factor of the company's performance can be achieved, both for Oriflame's objectives and Oriflame's profit in finance. By maintaining its success plan, Oriflame can easily direct how things should work to independent consultants through a business coach. Indirectly, the more confident the members are in achieving

their goals, the higher the evidence that Oriflame has achieved their goal, which is to help many people realize their dreams.

Based on the research that has been done, we can conclude that internal factors and external factors are equally important and have a significant role in the company's performance. The company's value is proven to have a big impact on business development. This is because the value has an impact on each component that contributes to Oriflame, such as for the management team itself, independent consultants who work as business people, users, or just buyers, to the buyers from outside Oriflame. Besides being able to provide encouragement for the company, value also plays a role as the reason why Oriflame can continue to survive and even develop as a beauty MLM company. It is the same with the concept behind the creation of a succession plan and the Oriflame working system, which is to make money, look great, and have fun. If the value is not managed properly, Oriflame most likely will not make it this far and will be the same as most other MLM companies.

5.2 Implications and Future Research

Oriflame's ability to make policies regarding how to assist independent consultants in achieving targets but still complying with Oriflame regulations is also an example of the right policy. For example, Oriflame has a code of ethics where independent consultants are prohibited from selling via the marketplace. On one hand, it seems to close the door to sustenance from independent consultants who want to sell independently, but on the one hand, this is done so that Oriflame remains in accordance with the concept of basically direct selling, plus also to maintain the price circulating in the marketplace. More than that, the results of this research are expected to be able to help workers or people who have direct authority in developing companies, especially those engaged in the growing MLM industry, where in addition to providing rewards in the form of money, it would be better if accompanied by a value or culture that is also profitable for employees and members.

Future researchers can use the patterns and results of this study, which describes one of the largest MLM companies in the world and dominates in Indonesia. Hopefully, the data obtained by the author can be used more effectively because the MLM industry will continue to survive and even grow. The success of a large MLM company is not only determined by its success in one country in a region. Therefore, it would be better for future researchers to review this study, but not in terms of what are the benefits or how normally MLM companies work, but rather focus on how the MLM business runs internationally. This concept of course will differ from one region to another, ranging from the economic strength of a country to the interest of the local community to the MLM industry, considering that in Indonesia the MLM business is a fairly strong industry and continues to survive.

For companies, this has been happening for some time, the problem of unavailability of rewards products is not a new thing, it has happened very often. It's good for the future, when the period of independent consultant collecting target is up, Oriflame can immediately make a prize claim system within 3-4 days. Wait until all claim data is registered. After all the data is entered, Oriflame will immediately prepare the gift products that will be given. Although the opinion before also has drawbacks since the independent consultant will take longer to get the prize product. But in the author's view, it is wiser than the products not received by the independent consultant.

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