

**A study of factors discriminating between Agents and Higher Level Agents
of Shuang Hor product business in Penang**

by

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Table of Contents

| | | |
|-------------------|------------------------------|----|
| Title | i | |
| Acknowledgements | ii | |
| Table of Contents | iii | |
| List of Table | v | |
| List of Figures | vi | |
| Abstrak | vii | |
| Abstract | viii | |
| | | |
| Chapter 1 | INTRODUCTION | |
| 1.1 | General Introduction | 1 |
| 1.2 | Background of the Study | 2 |
| 1.3 | Problem Statement | 8 |
| 1.4 | Research Objectives | 10 |
| 1.5 | Research Questions | 10 |
| 1.6 | Definition of Key Terms | 11 |
| 1.7 | Significance of the Study | 15 |
| 1.8 | Organization of the Chapters | 17 |
| | | |
| Chapter 2 | LITERATURE REVIEW | |
| 2.1 | Introduction | 19 |
| 2.2 | Review of Literature | 20 |
| 2.3 | Theoretical Framework | 25 |

| | | |
|------------------|--------------------------------------|----|
| 2.4 | Hypotheses | 26 |
| Chapter 3 | METHODOLOGY | |
| 3.1 | Introduction | 28 |
| 3.2 | Research Design | 28 |
| 3.3 | Variables under Study | 29 |
| 3.4 | Population and Sample | 30 |
| 3.5 | Procedure | 31 |
| 3.6 | Measure | 31 |
| 3.7 | Data Analysis | 33 |
| 3.8 | Summary | 33 |
| Chapter 4 | RESULTS | |
| 4.1 | Introduction | 34 |
| 4.2 | Profile of Respondents | 34 |
| 4.3 | Statistical Techniques Applied | 46 |
| 4.4 | Testing of Hypotheses | 47 |
| 4.5 | Summary of Results | 54 |
| Chapter 5 | DISCUSSION AND CONCLUSION | |
| 5.1 | Recapitulation of the Study Findings | 61 |
| 5.2 | Discussion and Implications | 61 |
| 5.3 | Limitations | 63 |
| 5.4 | Future Research | 63 |

| | | |
|-----|------------|----|
| 5.5 | Conclusion | 64 |
|-----|------------|----|

| | |
|------------|----|
| REFERENCES | 67 |
|------------|----|

Appendix A: Questionnaire

Appendix B: Descriptive Analysis

Appendix C: CHI-Square Test

Appendix D: T-Test

Appendix E: Discriminant

Appendix F: Picture

LIST OF TABLES

| | | <u>Page</u> |
|-------------|---|-------------|
| Table 1.6.1 | Definition of Key Terms | 11 |
| Table 3.3.1 | Variables used in this study | 29 |
| Table 4.2.1 | Frequency Table: Descriptive Statistics of the Respondents | 35 |
| Table 4.2.2 | Rank allotted by the Respondents for Shuang Hor Products | 36 |
| Table 4.2.3 | Gains from Shuang Hor Business | 38 |
| Table 4.2.4 | Extent of Shuang Hor Business in Malaysia | 39 |
| Table 4.2.5 | Success Factors for Holding Current Position | 43 |
| Table 4.2.6 | Statistical Measures of the Study Variables | 45 |

| | | |
|-------------|--|----|
| Table 4.4.1 | Agents vs Higher Level Agents Comparison: Significant Factors | 51 |
| Table 4.4.2 | Agents vs Higher Level Agents Comparison: Unpaired t- Test | 52 |
| Table 4.4.3 | Test of Equality of Group Mean | 53 |
| Table 4.4.4 | Classification Results | 54 |
| Table 4.5.1 | Summary of Results | 54 |

LIST OF FIGURES

| | | <u>Page</u> |
|-----------|------------------------|-------------|
| Figure 1. | Theoretical Framework. | 26 |

**Kajian ini diskriminasi factor antara Agen dan Agen Berperingkat Tinggi dalam
perniagaan Shuang Hor di Pulau Pinang**

ABSTRAK

Penjualan langsung menghadaapi perkembangan pesat. Ia adalah pengeluar menjual barang- barang atau perkhidmatan kepada pengguna akhir melalui pengedar bebas atau agen dengan di tempat yang tidak tertentu. Pada masa yang sama pengguna akhir akan diambil, dilatih menjadi pengedar bebas atau agen. Kajian ini dikendali untuk membandingkan prestasi Agen dan Agen Berperingkat Tinggi dalam perniagaan Shuang Hor (M) Sdn. Bhd. di Pulau Pinang. Kajian ini berminat untuk mencari diskriminasi faktor antara Agen dan Agen Berperingkat Tinggi dalam perniagaan Shuang Hor di Pulau Pinang supaya prestasi agen akan dipertingkatkan lagi, dipromosi dan berjaya seperti agen berperingkat tinggi di masa depan. Sembilan faktor bebas termasuk pendapatan bulan dalam Ringgit Malaysia (RM), pengalaman pekerjaan dalam bulan, purata jam perkerjaan sehari, perkembangan perniagaan di negeri responden, tempoh pengguna akhir setia pada produk dengan jualan berulang, memperolehi pemasaran produk Shuang Hor: kelebihan kewangan, pembangunan personality, strategi perniagaan, perniagaan di lain negeri, diskriminasi di antara agen dan agen berperingkat tinggi. Keputusan kajian menunjukkan agen perlu berusaha bersungguh-sungguh belajar strategi perniagaan daripada Agen Berperingkat Tinggi untuk memaximumkan penjualan Shuang Hor. Agen Berperingkat Tinggi berpendapat pembukaan perniagaan adalah sangat baik di Penang dan juga di negeri lain. Sebaliknya, Agen hanya boleh berniaga di Pulau Pinang kerana sedikit pengguna. Tetapi, dua kumpulan berasa Shaung Hor produk tiada kesan sampingan ,dan hanya sembilan produk daripada dua puluh enam produk amat popular di antara pengguna. Agen berasa Shuang Hor ada pemasaran amat baik di Malaysia.

**A study of factors discriminating between Agents and Higher Level Agents of Shuang
Hor product business in Penang**

ABSTRACT

Direct selling of commercial products is growing very fast in the recent past. The manufactures of some special products sell their goods through independent distributors or agents to consumers through face-to-face at fixed or non-fixed locations. Also they train the consumers to become distributors/agents. This study is conducted to compare the performances of Agents and Higher Level Agents of Shuang Hor products of Shuang Hor Enterprise (M) Sdn. Bhd in Penang. It is of interest to know what are the factors discriminating between the Agents and Higher Level Agents so that the Agents can do better like Higher Level Agents in future. There are nine independent factors namely monthly earnings in Ringgit Malaysia (RM), work experience in month, average hours of work per day, extent of business in respondents' state, duration of medication in months, gain from marketing Shuang Hor products, monetary benefits, personality development, business strategies and business from other state discriminate between Agents and Higher Level Agents. The results of this study show that agents should learn more from Higher Level Agents with lots of Business strategies that will maximize their sales of Shuang Hor products. According to the Higher Level Agents, the openings for this business are very good not only in Penang but also in all other states and federal territories of Malaysia. On the other hand, Agents can do business only in Penang as they have fewer contacts and not created much rapport with the customers. However, both the groups feel that there is no side effect for Shuang Hor products and nine products out of 26 products manufactured by the company are popular among with the customers. At the outset, the agents feel that the Shuang Hor products have good market in Malaysia and it has good openings for the new agents who will be venturing into the business.

Chapter 1

Introduction

1.1 General Introduction

There is no research study so far being conducted for the optimal strategies for handling managerial issues connected with the agents selling Ganoderma (Lingzhi) of Shuang Hor Enterprise (M) Sdn. Bhd in Penang in recent years. This chapter discusses the important characteristics and achievement of membership (agents) of Shuang Hor business products. There are several herbal products with are made of mushrooms have been manufactured by Shuang Hor Enterprise (M) Sdn. Bhd. However, only few products are commonly used by the customers.

Identifying the potential customers for Shuang Hor products is a very difficult task and so the agents for these products have a tough time. The Shuang Hor Enterprise (M) Sdn. Bhd has several branches across eight countries (Taiwan, Malaysia, Japan, Thailand, Singapore, Hong Kong, Brunei and Indonesia) all over the world. The company awarded those agents who are really doing the marketing well. According to the performance and leadership of the agents, the company not only pays the bonuses but also recognise them as Achiever Distributor, Vice Manager Distributor, Senior Vice Manager Distributor, Special Vice Manager Distributor, Diamond Distributor, Double Diamond Distributor, Triple Diamond Distributor and Gold Diamond Distributor. For this study, we classified two groups via ordinary agents without any certification (Agents) and Higher Level Agents (the criteria for declaring higher level agents is defined in Chapter 3). The present study focuses attention on the factors discriminating between Agents and Higher Level Agents.

1.2 Background of the Study

Shuang Hor Group is a well-known corporate industry in Taiwan and is primarily engaged in manufacturing Lingzhi (Ganoderma) products from July 1987 onwards. The company has grown to international level in various fields with the establishment of overseas branches including Malaysia, Japan, Thailand, Singapore, Hong Kong, Brunei and Indonesia. Shuang Hor Group has aggressive progress in its cross interests involving biotechnology, tourism, culture, education and charitable commitment with continued development and advancement. Local people recognised and realised their unlimited potential dreams in terms of healthy living and golden opportunity for entrepreneurs in achieving through Shaung Hor Group.

Shuang Hor Group's policies and principles are as follows:

- To maintain proper human health
- To offer supplement food for mental well-being
- To protect human dignity
- To manufacture pure, natural, high-quality and beneficial products
- To have Business partner opportunities

To provide people with both health and wealth, Shuang Hor Group use up-to-date marketing methods to promote a lot of superior products to all levels of society. Significantly, it has fully confirmed and practised as a force for social harmony and the highest ethical standards.

Shuang Hor's Group business philosophies are: 1. Every Shuang Hor product fulfils in safeguarding and maintaining the physical, mental, and spiritual health of mankind. 2. The most excellent Shuang Hor's products, services, and terms of business are offered to Shuang Hor distributors and in turn to the common people.

Shuang Hor Group of companies consisting of

- (1) Double Crane Enterprise Co., Ltd.,
- (2) Lin-Zhi Agriculture (Taiwan) Co., Ltd. (Lingzhi Farm),
- (3) Shuang Hor Consult (Taiwan) Co., Ltd.,
- (4) Shuang Hor Enterprise (M) Sdn. Bhd.,
- (5) Shuang Hor Enterprise (Thailand) Co., Ltd.,
- (6) Shuang Hor (HK) Company Ltd.,
- (7) Golden Crane Travel International, Taiwan,
- (8) Microbiological Research Foundation, R.O.C.,
- (9) Yung Kien Industrial Corp., Taiwan (Yung Kien Factory),
- (10) Jia Hor Enterprise (Taiwan) Co., Ltd.,
- (11) Grand Ho Enterprise (Taiwan) Co., Ltd.,
- (12) Shuang Hor (Japan) Co., Ltd.,
- (13) Shuang Hor (Singapore) Pte Ltd,
- (14) Shuang Hor (B) Sdn Bhd,
- (15) PT Shuang Hor Indonesia and
- (16) Charity Association Taiwan, R.O. C.

The Shuang Hor Group has Yung Kien plant which occupies more than 19,000m² located at Yen-Shui Town of Tainan Country and is wholly owned and operated by the company. It is highly technologically developed and professionally equipped with all instrumentations. The Lingzhi manufacturer meets world-class standards with an annual output of roughly 500,000 bottles of Lingzhi products. The complete and comprehensive plant includes products, R&D laboratory, quality inspection room and the most advanced dual-

phase extraction and low-temperature vacuum concentration technology production department. The computer-controlled equipment and multi-stage inspections are used to ensure consistent quality and plentiful active constituents. The factory is honoured with the accolade of being the world's first professional Lingzhi manufacturer to be awarded with Food GMP (Good Manufacturing Practice) Accreditation for functional food besides the ISO-9001: version 2000 Accreditation (APPENDIX F, Picture c).

With high class instruments and hardware and the finest specialists in biochemistry, and food science, the Biotech Research & Development Center of the Shuang Hor Group aims at: (1) safeguarding products' effective constituents and quality, (2) safeguarding Lingzhi varieties and performing experimental culture, and (3) improving and developing products. The Biotech Research & Development Centre becomes the modern scientific research and development institutions in the country with abreast of academic trends and the most up-to-date information through close mutual contact with the Microbiological Research Foundation, R.O.C. (also known as Ganoderma Organization), several prominent universities, the Food Industry Research and Development Centre, and the National Research Institute of Chinese Medicine in Taiwan, R.O.C. A Lingzhi spawn cultivation room, an indoor experimental farm, a quality inspection room, and a product R&D room build up the centre. The centre uses the sophisticated instruments and equipment to accomplish their mission of developing revolutionary new biotech products (APPENDIX F, Picture a and Picture d).

Shuang Hor Group manages lingzhi farm with more than 48,000m² and contains over 30 Lingzhi cultivation buildings; annual Lingzhi output reaches 300 metric tons, located in the Paiho town of Tainan for its hot-wet climate with adequate sunshine that is the most ideal climatic condition for Lingzhi growth. The modern Lingzhi cultivation buildings are equipped

with automatic sprinklers and temperature/humidity control systems. Lingzhi high-tech equipments and professional personnel have been employed to ensure superior-quality (APPENDIX F, Picture b). Shuang Hor Group has won numerous prizes internationally to prove its achievements:

Glory I

Yung Kien Factory was awarded ISO-9001 International Quality Accreditation (2000 Edition; Certificate No. BVQI 79525) in 2000, confirming that Yung Kien Factory is a world-class standard manufacturer.

Glory II

Shuang Hor Supreme Ganoderma" was 1st separately awarded Immune-regulatory Health Food Accreditation Taiwan's Health Ministry Food Accreditation with Reference Number A00003 and Liver Function Food Accreditation Taiwan's Health Ministry Food Accreditation with Reference Number A000015 based on the results of experiments Immune-regulatory Health

1. Enhance antibody production
2. Enhance immune cells proliferation.
3. Modulate T cells function
4. Enhance natural killer cells activity
5. Enhance phagocytes activity

(APPENDIX F, Picture e).

Liver Function

1. Decrease GOT and GPT value of serum
2. Increase protein content in liver

(APPENDIX F, Picture f)

In Malaysia and Singapore, the product is known as Yung Kien Ganoderma. Ganoderma is the scientific name for Lingzhi.

GloryIII

Shuang Hor Group devoted many years research and experiment on Yung-Kien No. 1 and Supreme Purple Lingzhi. They are found to be extremely valuable product as they are abundant in triterpenoids, Ganoderic Acid, and Polysaccharide. After two years of clinical and lab tests the safety and effects of these products have been proven. In the year of 2005, the Department of Health had certified the first permit for claiming as such "Through laboratory animal study, it was shown to increase the surviving rate for easily aging rats."

GloryIV

Yung Kien Factory won the first certificate of food GMP in Lingzhi item (certificate Number: 990110001) authorized by the Industrial Development Bureau of Ministry of Economic Affairs, Taiwan, R.O.C in 2002 and thus became the first professional Lingzhi manufacturer with Food GMP recognition in the world. Shuang Hor Supreme Ganoderma produced by Yung Kien Factory is certified with Food GMP (certificate Number: 990110001) authorized by the Industrial Development Bureau of Ministry of Economic Affairs, Taiwan, R.O.C in 2002 and thus became the first double winner of health food certification and Food GMP in Lingzhi item in the world.

Glory V

Shaung Hor Group won a lot of awards including "Excellent Food Manufacturer Award for Hygienic Management", "Private Organization of Excellent Labor Conditions", "Organization with Excellent Labor Education", " Health Food Creation", "Golden Grade of Health food", " Merit of Food GMP Promotion ", " Good Manufacturer Membership", "Good example of Innovation "and "Good R&D Enterprise ".

Glory VI

Obtained Japan Health Food Association (JHFA) Products.

Glory VII

Yung Kien Factory became the first Taiwanese manufacturer to be audited for compliance to the GMP of Ministry of Health Malaysia.

Glory VIII

Obtained Health Sciences Authority, Singapore Products.

Glory IX

Obtained permit product registration from Medicine and Food Control Board (Badan Pengawas Obat dan Makanan).

There are still a lot of unsuccessful agents face managerial issues for their daily livelihood in selling Ganoderma (Lingzhi) of Shuang Hor although the Shuang Hor Group's profile and reputation is very remarkable as mentioned above. Shuang Hor Groups products particularly Lingzhi are inexpensive with high quality in energy and strength:

- 1) Respiratory System
- 2) Immune System
- 3) Metabolic and Endocrine System
- 4) Nervous System
- 5) Circulatory System
- 6) Digestive System

without causing any side effects and it was proved scientifically as well (APPENDIX F, Picture g).

1.3 Problem Statement

The Shuang Hor's agents found Shuang Hor Group of companies and is the right choice for them to do business in 8 Asian countries in the world. The corporate social responsibility (CSR) is extremely good and the agents were attracted to market the companies' products. Unfortunately, the new agents and those who are reluctant in doing business can not break the ice berg at different stages and ranked below the existing customers. Eventually, the new agents are demotivated, and become inactive and gradually leave the company. Most of the agents do business as part-time as there is no fixed salary given by the company. Depending on the volume of the business made by the agents they get proportionate commission and bonus. Most of the agents used the Shuang Hor products either for them or for their family members or friends. By doing this process, they derived health

benefit out of consuming the Shuang Hor products. It is also sad to observe that some of the agents who had left the business face serious illness and passed away. The agents of Shuang Hor products may be treated as Entrepreneurs and their skills alone will determine their success. Hence, the purpose of this study is to determine to what extent the strategies adopted by the agents of Ganoderma (Lingzhi) products of Shuang Hor Enterprise (M) Sdn. Bhd, for handling the managerial issues. It is of interest to know what are the factors discriminating between these Agents and Higher Level Agents so that the Agents can do better like Higher Level Agents in future.

The motivations of the study is due to the own personal experience as the grandmother and aunt of the researcher have passed away due to cancer and the product from Shuang Hor is a perfect cure for cancer. We did nothing to help them to release their pain and accept the doctor's judgement of their leftover survival life for just six months. We were indeed very sad when beloved one left us with sufferings and disease torturing. Now we manage to find precious Lingzhi (Ganoderma) which is the very good remedial medicine for cancer patients with lots of testimonies after exploring and investigating Shuang Hor business (Banchert, Duangchit, (1997)). I wish I could get to know Shaung Hor business and precious Lingzhi (Ganoderma) earlier to find back or prolong my grandmother and aunt's life. After consuming Lingzhi (Ganoderma) for a month, my husband has relieved completely from asthma. Thus, this study would attract more researchers or people to investigate Shuang Hor business and find tune their health, time and wealth.

1.4 Research Objectives

The main objectives of the study are to:

1. Find the Socio-Demographic and Economic factors discriminate between the agents and higher level agents who are the direct distributors for Shuang Hor products.
2. Determine the secret of success behind higher level agents for Shuang Hor business.
3. Discover which products of Shuang Hor business popular among potential customers.
4. Identify which product of Shuang Hor business yields the maximum profit for agents.
5. Examine whether there are any side effects when a large amount of Lingzhi is consumed
6. Investigate whether the agent feels that Shuang Hor business has more scope in future compared to other similar products.

1.5 Research Questions

1. Which are the Socio-Demographic and Economic factors discriminate between the agents and higher level agents who are the direct distributors for Shuang Hor products?
2. What is the secret of success behind higher level agents for Shuang Hor business?
3. Which products of Shuang Hor business popular among potential customers?
4. Which product of Shuang Hor business yields the maximum profit for agents?
5. Are there any side effects when a large amount of Lingzhi is consumed?
6. Do the agent feels that Shuang Hor business has more scope in future compared to other similar products?

1.6 Definition of Key Terms

Terminology and key terms that are used in this study are shown in Table 1.6.1:

Table 1.6.1

Key Terms

| Terminology | Explanation |
|------------------|---|
| 1. Shuang Hor | “Shuang Hor” refers to Shuang Hor Enterprise (M) Sdn Bhd, or Shuang Hor (Singapore) Pte Ltd or Shuang Hor (B) Sdn Bhd, whichever is applicable, and there shall be no other interpretation unless otherwise specified. In brief, the rules and regulations for country of Malaysia, Singapore and Brunei are similar. * |
| 2. Distributor | To become a “Distributor” or Shuang Hor Products Authorised Distributor” when a person has signed up by a Sponsor and the application of distributorship has been duly approved by Shuang Hor, giving that particular person the exclusive right to promote Shuang Hor products and sponsor other people as their downline distributors and enjoy other rights as stipulated in Shuang Hor Business Manual. * |
| 3. Sponsor | When a particular person (distributor) is directly recruited into Shuang Hor Business by a Distributor of Shuang Hor, that Distributor becomes his or her “Sponsor” in Shuang Hor Business. * |
| 4. The Sponsored | When a particular person (distributor) is directly recruited into Shuang Hor Business by a Distributor of Shuang Hor, he or she |

| | |
|---|--|
| <p>5. Distributorship</p> <p>6. Upline/ Downline Distributor</p> <p>7. Sales Aids</p> | <p>the “Sponsored” of that Distributor in Shuang Hor Business. *</p> <p>Upon becoming a Distributor of Shuang Hor, the particular person “Distributorship” shall entitle you to all benefits and obligations as stipulated in your Shuang Hor Business Manual, including placing orders, retailing, sponsoring, guiding, entitlement of bonuses and recognition, etc. *</p> <p>When you are recruited as a Distributor of Shuang Hor by a Sponsor, he or she becomes your” Upline Distributor” and you become his or her “Downline Distributor”. *</p> <p>“Sales Aids” refer to promotional tools including videotapes, audiotapes, audiocassettes, books, etc. provided to help distributors understand and develop their Shuang Hor Business.</p> <p>*</p> |
| <p>8. OPP</p> | <p>The system and products used in presenting Shuang Hor Business to your prospects are collectively known as “OPP” *</p> |
| <p>9. Agent</p> | <p>An active ordinary distributor who does not receive any certification from Shuang Hor Enterprise (M) Sdn. Bhd. They are referred to new business partners who are less experienced and not successful in Shuang Hor business. Most of them are engaged in other business as well or employed part time in other firms.</p> |
| | |

| | |
|-------------------------------|--|
| <p>10. Higher Level Agent</p> | <p>An active distributor who has certified by Shuang Hor Enterprise (M) Sdn. Bhd for the recognition of Achiever Distributor, Vice Manager Distributor, Senior Vice Manager Distributor, Special Vice Manager Distributor, Diamond Distributor, Double Diamond Distributor, Triple Diamond Distributor and Gold Diamond Distributor. They are considered as successful in Shuang Hor business.</p> |
| <p>11.Lingzhi</p> | <p>Lingzhi is a kind of mushroom which is a functional food, not medicine. Reishi is called by Japanese and Ganoderma Lucidum is its botanical name. Lingzhi is rich in active constituents of which the five most important namely polysaccharides, triterpenoid, adenosine, organic germanium and Lingzhi 8 Protein that are exceptional to calm the nerve, strengthen the heart, protect the liver, reduce the levels of sugar, lipids, and cholesterol in the blood, resist allergic reactions, alleviate inflammation, counter tumour growth, subduce viruses and discourage oxidative activities.(Double Crane Enterprise Co. Ltd.,2002)</p> <p>In Malaysia and Singapore, the product is known as Yung Kien Ganoderma.Ganoderma is the scientific name for Lingzhi.</p> <p>Shuang Hor Supreme Ganoderma" was 1st separately awarded Immune-regulatory Health Food Accreditation Taiwan's Health Ministry Food Accreditation with Reference Number</p> |

| | |
|---|---|
| <p>11.Lingzhi (continue from previous page)</p> | <p>A00003and Liver Function Food Accreditation Taiwan's Health Ministry Food Accreditation with Reference Number A000015 based on the results of experiments Immune-regulatory Health</p> <ol style="list-style-type: none"> 1. Enhance antibody production 2. Enhance immune cells proliferation. 3. Modulate T cells function 4. Enhance natural killer cells activity 5. Enhance phagocytes activity <p>Liver Function</p> <ol style="list-style-type: none"> 1. Decrease GOT and GPT value of serum 2. Increase protein content in liver <p>In a word, Shuang Hor Lingzhi is inexpensive with high quality in energy and strength:</p> <ol style="list-style-type: none"> 1) Respiratory System 2) Immune System 3) Metabolic and Endocrine System 4) Nervous System 5) Circulatory System 6) Digestive System <p>without causing any side effects and it was proved scientifically as well.</p> |
|---|---|

(*Source: Shuang Hor Enterprise (M) Sdn. Bhd's business rules and regulations)

1.7 Significance of the Study

Embracing happiness and satisfaction through various vibrant enjoyment of life, and attain fulfilment and accomplishment in pursuing different goals in the life. Losing the precious health, it would be equivalent to losing the impetus in pursuing the goals, and the life would eventually turn hopeless and miserable. In nutshell, the body is irreplaceable and health is priceless. Shuang Hor marketed the ranges of utmost quality natural nutritional health foods to provide health and vigour keeping the body at tip-top condition to live life to the fullest!

Lingzhi is the best choice for preventing and improving health from acute and chronic illness. For thousands of years, Chinese have considered Lingzhi as a high quality herbal medicine. Lingzhi has been listed as the top grade drug in Sheng Nong's Herbal Classic, the earliest extant monograph on material medical in China. 'Top grade drug' is defined as the best medicine that does not have any side effects, even after consuming it for a long time. It enables in improving one's constitution, increasing the body's healing ability, helping maintain a healthy body, and promoting longevity (Chen JH (2008) pp.9-12).

Lingzhi is a kind of mushroom which is a functional food, not medicine. Reishi is called by Japanese and *Ganoderma Lucidum* is its botanical name. Lingzhi is rich in active constituents of which the five most important namely polysaccharides, triterpenoid, adenosine, organic germanium and Lingzhi Protein that are exceptional to calm the nerve, strengthen the heart, protect the liver, reduce the levels of sugar, lipids, and cholesterol in the blood, resist allergic reactions, alleviate inflammation, counter tumour growth, subdue viruses and discourage oxidative activities and it has been shown by extensive pharmacological research findings. But, not all Lingzhi products in the market contain all five components thus their efficacy varies (Chen JH (2008) pp.17-136).

How does Lingzhi work? In fact, Lingzhi helps in normalizing and regulating the body constitution, scanning and highlighting early symptoms of illness, so allows the body to detect and take preventive measures.

A payment of RM35 enables a person to become an authorised Shuang Hor business distributor for two years and renewal of RM25 per annum subsequently. Shuang Hor business distributor is entitled to use Shuang Hor Distributors Centres over eight countries and enjoy the benefits of good reputation of Shuang Hor Group which has been established more than 22 years back. Shuang Hor Group owns Ganoderma museum and biotech R& D to develop the patented species of Lingzhi (Ganoderma) to be planted in own Lingzhi farm with controlled cultivation. It has excellent manufacturer Lingzhi factory to produce all the products with quality control. Shuang Hor's Lingzhi (Ganoderma) products not only win extensive testimonials and records but also their efficacy affirmed by Health Ministry of Taiwan as immune regulatory health food and improve liver function health food. Furthermore, Shuang Hor group has productivity Multi-level Marketing plant and effective and efficient system to train distributors and make them to become High Level Agents. Shuang Hor business offers an opportunity of all-embracing strength: 1. no capital outlay is required 2. no need for stockpiling 3. helping others to help you 4. equal opportunity for all 5. limitless abundance for growth and development. It provides the total support for distributors to develop their network and paving the way to scale the pinnacles of success.

With just a small amount of an affordable fee, a person becomes an authorised Shuang Hor Distributor to promote Shuang Hor's Lingzhi (Ganoderma) products. In short, Shuang Hor business is a gain business without any risk. The only element needed is time and involvement to pick up the Shuang Hor business strategies and tactics.

However, there are still a lot of people are unaware about Lingzhi (Ganoderma) and Shuang Hor Group of businesses. Many Agents even now explore in Shuang Hor business impatiently and unsuccessfully. In this context, the study explores the independent variables discriminating between Agents and Higher Level Agents of Shuang Hor business in Penang. The independent variables consist of monthly earnings in Ringgit Malaysia (RM), work experience in month, average hours of work per day, extent of business in respondents' state, duration of medication in months, gain from marketing Shuang Hor products namely monetary benefits, personality development, business strategies and business from other states of Malaysia.

A comprehensive explanation of this study is discussed in the following section.

1.8 Organization of Remaining Chapters

There are 5 distinct chapters discussed in this study. The subject matter, the research problem, states the objectives of the study and define various key terms used in this study are illustrated in Chapter 1.

The literature review and the existing findings on characteristics and achievement of marketing skills are introduced in Chapter 2. It also explains the theoretical framework and hypothesis development.

The methodology, that covers the discussion on research design, variables used in the study, population and sample size, procedure, measure and the statistical analysis employed are demonstrated in Chapter 3.

The statistical results of the various data in the form of Descriptive Analysis, Chi-Square test for independence of attributes, unpaired t-test and two-group discriminant and classification analysis and hypothesis testing problems are discussed in Chapter 4.

Finally, the summary of the study, discussion of the survey findings, its implications, limitations and suggestions for future research are looked into in Chapter 5.

Chapter 2

Literature Review

2.1 Introduction

In era of bio-technology and globalization, Shuang Hor business is very hot entrepreneurial business through Multi-level Marketing (MLM) plan which is taking place in eight countries of the Globe namely Taiwan, Malaysia, Japan, Thailand, Singapore, Hong Kong, Brunei, and Indonesia. A person just needs to invest a very small of money of just RM35 joining fee so that he/she can be agent of this business. By doing this business agents not only create WEALTH but also enjoy HEALTH as the most invaluable asset he or she can ever have since the Shuang Hor products are food supplements. Unlike regular employment in which employees are answerable to the bosses and the remuneration package is determined by boss and not by the individual performance whereas Shuang Hor business yields income in the form of commission / bonus based on the individual sales. Also, there is no capital outlay is required for marketing these products and no risk involved in doing this business what so ever. Shuang Hor business is unconventional business where no shop needed, no stress, no risk factors but could operate in perpetuity. The fulfilments of all these are depended upon Shuang Hor's unrivalled competitive edge taking the form of the following advantages:

1. No capital outlay is required.
2. No need for stockpiling
3. Helping others to help you
4. Equal opportunity for all
5. Limitless abundance for growth and development

Shuang Hor business offers an opportunity of all-embracing strength and total support for agents /customers to develop your network, paving the way to scale the pinnacles of success.

2.2 Review of the literature

The concept of direct selling and the success characteristics of Agents in the Entrepreneurship business was not studied as far as Shuang Hor products are concerned and the amount of research done in this area is very less. Since this study is related to a specific company in Malaysia dealing with Shuang Hor Business, not much review of literature can be found to this business venture.

The earliest work in the field of entrepreneurship was focused on personal characteristics that distinguished entrepreneurs from non-entrepreneurs (Brockhaus, 1982). Entrepreneurship research is exceedingly difficult to do well because of the complex nature of the field (Gartner 1989). Brockhaus (1982) has focused on personal characteristics that distinguish between entrepreneurs from non-entrepreneurs. Johnson (1990) and Gartner (1985) have studied consistent relationships between individual factors, *viz.* ‘achievement’, ‘locus of control’, ‘motivation’ and ‘entrepreneurship’. Miner *et al.* (1989) provided additional insights into the motivation-entrepreneurship association. Their study indicated there are positive relationships exist among managerial motivation, firm expansion, and firm growth. A strong combination of four components *viz.*, Great Team, Right Market, Focused Execution, and Market Leadership are critical to start-up success (Occhipinti, Vincent (2001)).

One of the areas of entrepreneurship is start-up success that has been ignored by the researchers. This is due to numerous reasons such as ‘complexity in gathering reliable data’, ‘absence of a well-defined theory’ and ‘inadequate financial rewards’., There has been a

meteoric rise in the number of start-ups over the past two decades, principally in US., U.K. and India.

Entrepreneurial success appears to derive from two key sources; personal profile and managerial competence of the entrepreneur (Panda 2005). There are some of the important tasks that entrepreneurs will embark upon in the context of start-ups are (i) Working intensely despite uncertainty and lack of capital and other resources (ii) Fending off retaliatory activities from rivals in the market place (iii) Dealing with informed investors (like venture capitalists, angel investors etc.) (iv) Transforming technological discoveries into marketable items and (v) Identifying hospitable niches and strengthening their presence in the market place. Miner (1990) conducted a research study on entrepreneurs with an aim to identify personality types among entrepreneurs and explore entrepreneurial success. Ambition is more important than 'strategic knowledge' and 'sales savvy' for entrepreneurial achievement (Champy, James (2001)). In the present study, selling Shuang Hor products has been treated as entrepreneurship business and the agents who deal the marketing of these products are treated as entrepreneurs.

Relationships between salespersons and clients are the most critical in the area of selling. In the USA and parts of Western Europe, nurturing client relationships generally takes a back seat to emphasising product features and competitive pricing. Elsewhere, notably in Latin America and Southeast Asia, the non-economic side of business is the major part of transactions, and client-salesperson relationships are cultivated to establish trust and respect. Often, out-of-hours socialising is the key to cementing relationships with clients. The effects of such "client entertaining" are so marked that in Germany big-ticket salespersons are said to be able to sustain only 12 years of peak sales before experiencing social burnout. (Kirpalani,

1985). Agents must examine the risks involved in implementing ways to reach and sell to a targeted base of customers while reducing the (direct) economic costs and avoiding the (indirect) opportunity costs of making inferior business decisions. Multiple channels of direct marketing exist; several ways are usually integrated to accomplish the task of connecting individual customers (consumers or businesses) with their product/service (Finkle, 2006). Personal selling represents the most costly but effective form of directly connecting a consumer with a company's products and services. However, an in-person sales presentation, entailing an effective verbal presentation and interaction with the prospective buyer, is considered the most powerful marketing tool in use today (BusinessTown.com, 2005). Satisfying the customers is not be enough, there may be more that an organisation needs to do to prevent them from leaving, such as allocating a named contact person, offering privilege access, special events, etc. for such customers. (Sargeant, 2001).

Independent variables

Monthly earning is the commission in Ringgit Malaysia received every month through selling Shuang Hor products. In addition, it includes performance bonus and leadership bonus. While performance bonus vary from 4% to 28 % depending on the total sales of products in point value generated by the distributor and the downline group(s) in a month which is ranging from 400 point value to 13,000 point value (APPENDIX F, Picture h Performance Bonus Schedule). In other words, point value 400 in a month enjoy 4% performance bonus whilst point value 13,000 in a month enjoy 28% performance bonus. Leadership Bonus is subdivided into seven levels ranking from 1-13 Elite, which are computed based on the width and depth of the network that a leader has sponsored. Leadership bonus and is additional monetary of 6.7% awarded for successfully trained Elite leader and for a Vice Manager Distributor (APPENDIX F, Picture j). "The crux of Maslow's

theory is that needs are arranged in a hierarchy” (Maslow A.H and Kaplan A.R., 1998) by receiving a sufficient salary to live on is considered as physiological.

Work experience in months is the job know-how of business strategies acquired from Shuang Hor business quantified in months. In order to accumulate valuable and successful experience, it is to determine the intention and the exact goal to achieve with a coach from successful upline. Action is power. Then with the good implementation in the right direction with effective business strategies will enhance the Shuang Hor work experience.

Hours of work per day is time commitment in Shuang Hor business in a day to present OPP (introduce the opportunity of Shuang Hor business, products and system), to potential customers and reinforce training of downline in selling, sponsoring and servicing. “A meta-analysis was conducted (k=38, N=51,231) to examine the size of the difference between full- and part-time employees on job attitudes. Results indicated that there was a little difference between full-time (FT) and part-time (PT) employees on job satisfaction, organizational commitment, intentions to leave and facets of job satisfaction. Full-time employees were found to be more involved with their jobs than PT employees ($d_c=0.39$) Thorsteinson Todd (2003). By using 80:20 principles, Shuang Hor distributors could magnify the time of work.

Extent of Business is how well the agent can do Shuang Hor business in respondent’s state basically is Penang state. Penang is the pioneer state Shuang Hor business to adventure in year 1988 as majority of Chinese stay in Penang. The Chinese in Penang have the similarity of culture and common medan communication as Chinese in Taiwan. In fact, Lingzhi (Ganoderma) is good to all human beings regardless of race, political and religious background.

Duration of Consumption is the longest tenure the customer keeps on buy from Shuang Hor distributors. The best consumer is the one really indeed understand, willing to scarify and full commitment in Shuang Hor business. They are very confident in Lingzhi consumption and dare to recommend or share with friends because there is no side effect for the products. Thus, they save a lot in consumption and earn a living from Shuang Hor business.

Gains from marketing Shuang Hor products are benefits obtained from promoting and selling Shuang Hor goods.

Monetary benefit is the financial achievement depending on the volume of sales the distributor can perform. A couple (husband and wife) of a diamond distributor will be awarded to two overseas seminar trips, one in Asia another in Europe. Besides that, they will receive a diamond luxury car award of RM60, 000 (same awarded will be given for every four years for maintaining diamond status) and diamond year end bonus. Furthermore, Shuang Hor distributors' benefits are offered to all distributors from Vice Manager to Gold Diamond to share corporate profits with Shuang Hor Group.

Personality Development is individuality improvement and sales growth. Shuang Hor system has created a very good environment and network that could train a distributors become a good speaker especially in OPPs presentation. A Shuang Hor distributor will success in his efforts as his wish or determination wants to change for better regardless of the background. The principles of good human being behaviour and art of human management are taught through the system of seminar and meetings at periodical intervals. There is a good environment to grow with true friendship and enhance relationship of husband and wife with same goals.