Variations on a Theme: Comparing Four Online Communities Run by Independent Sales Consultants for Thirty-One Gifts Veronica O'Neill, Leah Shull, Susan Marie Terra

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Introduction

Thirty-One Gifts was founded by Cindy Monroe in 2003 to bring products that combine fashion and function to customers everywhere. The product line focuses on purses and tote bags, but includes other merchandise as well, such as home organization products and even home decor. Monroe's goal in starting the company was to offer women opportunities to own their own business and experience financial freedom (Direct Selling Association, 2018). The business model focuses on direct sales using the party plan. Sales are not conducted by employees of the company, but rather through a network of independent sales consultants. The independent sales consultants present the product at in-person home parties or at virtual online parties. Each consultant maintains her own website and online community, which connects to an order portal on Thirty-One's website (see Appendix A). The consultant buys the product at a wholesale price and sells it, but never has to handle the merchandise. Hostesses invite friends to participate at their parties and purchase merchandise; in return, the hostess receives discounts or free merchandise. Thirty-One ships the product to the hostess or to the customers directly. The hostess serves as a "volunteer ambassador" for the company (Sheffield, 2016).

In 2014, Thirty-One Gifts was named the fastest growing woman-led/owned company by the Women Presidents' Organization, a peer advisory organization for top women-owned/led companies. The company was recognized because its revenues grew from \$38 million in 2009 to \$760 million in 2014 (Women Presidents' Organization, 2014). The company currently has 2,000 corporate employees, and 80,000 independent sales consultants (Direct Sales Association, 2018).

To learn about Thirty-One Gifts and their online community, four independent sales consultants were contacted. Two of these consultants have current, successful businesses by their

own definition. One consultant recently started her business, and is struggling. The last is a former consultant. Two of the consultants were available for synchronous interviews, which were conducted via Zoom, while the other two answered the interview questions via e-mail (see Appendix B).

Use of Online Communities

Thirty-One Gifts utilizes the direct-sales method and considers its saleswomen to be independent consultants. Independent consultants work within guidelines set by Thirty-One Gifts, but they have an amount of freedom that allows them to focus their business as they see fit. Because of the independent nature of the relationship of saleswoman to the parent company, the researchers noticed significant diversity among the women in their uses of online communities. To capture the diversity among this group of women, the researchers chose to interview established and new managers of online communities, as well as including a perspective from a former consultant who is no longer with the company.

While the main goal of all of these online communities is to create interest and drive sales in the business, one area of diversity was in the individual goals of the women interviewed. While Stephanie Thoma had very specific goals for her online community, Liz Calloway's goals were less about the community and more focused on her business itself. When asked about her five-year-goals, Thoma stated, "It would be double what it is now: 5000 followers, 200 reaches per day, 60 to 80 engagements" (personal communication, February 16, 2018). In contrast, when Calloway was asked about her five-year-goals, she replied that, "In five years, I would like to step up into a director title, which requires 4 active team members and personal monthly volume sales goals. I would like to consistently meet my sales goals" (personal communication, February 16, 2018). Calloway's goal is consistent with Kraut and Resnick (2011) when they note it is important to compete to fill a niche this way it can be can be maintained as future competition tries to move in (p. 244). Calloway's goal is to begin to monopolize by expanding her business filling a niche she sees currently available in Thirty-One. Jessica Davis, the newest consultant of those interviewed, stated that she hoped to be able to earn a full-time income from her Thirty-One sales, indicating that a target of \$75,000 in income was her long-term goal (personal communication, February 17, 2018).

Actions Toward Meeting Goals

The four Thirty-One consultants all indicated that they use their online Facebook communities to meet their goals of growing their businesses. To attract new members, Thoma stated that, in addition to making sure that she consistently engages her Facebook community each and every day:

[I do] A lot of networking. I am a member of several game groups, where winners can get prizes. I am also a member of a "Consultant of the Month" group, where consultants representing different product lines work together to build our businesses. I really enjoy doing charity events as well. (personal communication, February 16, 2018)

Calloway indicated that one step she took to engage her community was through the use of "challenges." Calloway said that:

I posted a challenge each day in January to encourage VIPs to spend 15-20 minutes organizing their homes. The VIPs shared before/after photos. Lots of comments, lots of shares. This month I am doing weekly challenges with mid-week check ins, final check in on Saturday. Engagement with customers is very important. (personal communication, February 16, 2018)

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Calloway also said that when members of the community would engage online by commenting, liking, or sharing, that she would enter those names into a drawing for a small prize. This strategy aligns with Kraut and Resnick's (2011) claim that rewards can be a positive motivator for encouraging members to engage in an online community. Calloway's use of small prizes is not likely to fall into the trap of causing people to "game the system" as Kraut and Resnick (2011) warn is a potential danger when using large prizes in contests.

Since Thirty-One Gifts has a large network of consultants, successful consultants must differentiate themselves. Calloway explained that she specifically branded her Facebook Group in order to stand out from competitors (personal communication, February 16, 2018). Thirty-One Gifts specifically prohibits their consultants from naming Facebook Groups with "Thirty-One" anywhere in the title, so Calloway brands her page as Trendy Lifestyle Coordinated (TLC), which is also the same initials as her husband and herself. The TLC logo appears in all her online branding, whether on Instagram or Facebook (personal communication, February 16, 2018). Calloway recently introduced another innovation that differentiates her business from other consultants. Each week, on "Tyler Thursday" her 8-year old son Tyler does a Facebook Live broadcast featuring his opinions of a product. The resulting video is also saved and posted to Facebook. Calloway mentioned that this new feature has been well-received by her customers and has resulted in activity from members who have not been active in a long time (personal communication, February 16, 2018). This is an excellent demonstration of a design principle Kraut and Resnick (2011) discuss, that a contribution which involves a social dimension encourages members to contribute more.

Use of Metrics

The four Thirty-One consultants all indicated that they use Facebook as one of their platforms to host their digital habitat, their Thirty-One business. Within each of their digital habitats, these consultants also use Facebook tools to support their growth keep the community involved (Wenger, White, & Smith, 2009). One tool used offered by Facebook which has built-in metrics called "Insights." Insights records metrics related to member participation because "the simple action of logging in to the platform is a mark of participation and membership" (Wenger, White, & Smith, 2009). For groups containing more than 50 members, administrators of Facebook groups can track growth, engagement, and members. However, the consultants we interviewed did not put much emphasis on the use of those metrics. Calloway stated, "Facebook provides page insights. I post 1-2 times a day, but I am not really focused on the metrics" (personal communication, February 16, 2017). Thoma was more aware of the metrics and shared that her page reaches 80-100 members per day and of those, 20-30 engage (personal communication, February 16, 2018). Davis, the new consultant, was not yet familiar enough with the Facebook metrics to be able to comment.

Ultimately, not utilizing or underutilizing the metrics available could limit the community's growth or even jeopardize its health. By not paying careful attention to what kinds of content the users engage with, the stewards of these communities risk alienating their members by providing the wrong content. The consultants would be well advised to consult the Insights offered by Facebook to see what community-building efforts are yielding the desired fruit.

Success of Thirty-One Online Communities

Based on the revenue generated by the company as a whole which grew by \$722 million in only five years, this organization is successful (Women Presidents' Organization, 2014). Calloway and Thomas, the experienced consultants, both felt that their online communities did drive their businesses to greater success. Calloway said that home-based parties never worked for her business, but that online parties through her Facebook community had been very successful (personal communication, February 16, 2018). These consultants are applying the features available to them in Facebook to enhance their digital habitat, such as posting, private groups, and sharing posts. Zheng, Cheung, Lee, and Liang (2015) studied user engagement on Facebook Fan Pages. Zheng et al. (2015) surveyed over 1000 members of Facebook Fan Pages and took steps to ensure that the users were active. They found that "Social networking tools such as Facebook Fan Page have enormous potential for enhancing brand loyalty. They can be deployed to help companies build brand communities commitment through encouraging engagement behaviors in these online social platforms" (Zheng et al., 2015, p. 99). Furthermore, Zheng et al. (2015) noted that user engagement was crucial to building "brand loyalty." The consultants interviewed are actively trying to promote user engagement in their communities to build loyalty in their customers.

Examining screenshots of the Facebook pages of the four consultants interviewed reveals a progression in learning to use this tool effectively(see Appendix A). Davis, the newest consultant, is being actively mentored by another consultant, who posts content to Davis's page to model how to engage customers. Brunton was a consultant for about a year, and had progressed beyond this stage. She used the content provided by Thirty-One, and personalized it with comments. The two most experienced consultants display a clear strategy on their Facebook community. Thoma engages her customers with daily posts and raffle ticket rewards, while Calloway focuses on promoting her brand, TLC, and on recruiting. Even though consultants are technically competitors, they demonstrate a willingness to transfer knowledge from the master to the novice. The new consultant benefits from the support of her mentor, which Wenger and Lave (1991) describe as legitimate peripheral participation.

Despite the company's overall success, signing up as an independent consultant and creating a Facebook group is not enough to guarantee a successful online community. The consultant must put in a lot of effort to build and maintain a community, which is perhaps why some consultants ultimately leave the company. The researchers interviewed one such person, Michele Brunton, who was formerly a Thirty-One consultant and maintained a Facebook community. Brunton's online community had approximately 60 members at one time, but of those members only 10-15 were active (personal communication, February 17, 2018). In addition, when the researchers were reaching out to this community for member input, date of recent activity was a consideration. That is why as the consultants confirmed their success is built on recruiting new members from "friends" of "friends" of already existing members on Facebook which is shown to increase the number of new members (Kraut & Resnick, 2011, p. 186). One recommendation for success for this type of online community is to keep networking and continue to expand your existing circle of community members. Also, the community leaders should find ways to engage members regularly, even if it does not directly result in a sale. Furthermore, utilizing the available metrics will also help build the community by helping the leaders provide the content that the members want most.

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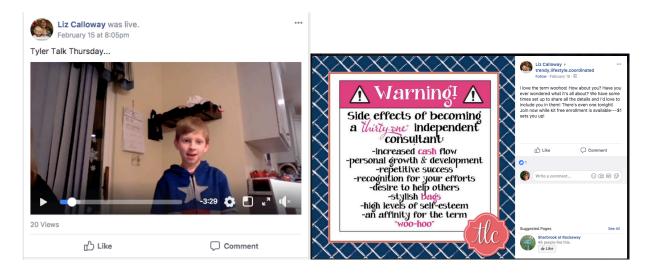
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Apppendix A: Screenshots of Four Thirty-One Communities

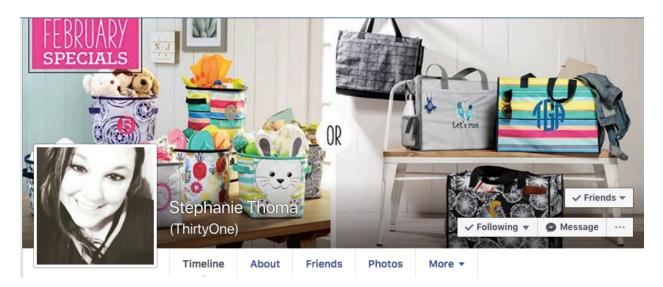
Liz Calloway







Stephanie Thoma







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Jessica Davis













Michele Brunton

Appendix B: Transcripts of Interviews

<u>Interview with Independent Thirty-One Consultant Liz Calloway (via Zoom)</u> Interviewers: Leah Shull, Ronnie O'Neill, Susan Terra Friday, February 16, 2018, 4:30pm

- 1. When did this online community start?
 - I became an Independent Thirty-One Consultant in November 2015, and started my Facebook community at that time.
- 2. What are you seeking to accomplish through your online community? What is the purpose?

I currently work full time outside the home. We would like for my husband to be able to leave full-time work, and thought this opportunity would help fill the gap. I want the community to grow my home-based business. Home parties didn't work for my life, but internet-based partying has been much more successful. I see my village as international, building a friend base, sharing ideas. I connect with my customers, who I call VIPs, who are interested in knowing what's going on in Thirty-One that is new. I hopes to increase sales, share ideas.

3. How many members do you have?

On my public page, about 26. A little over 100 VIPs in my private Facebook group.

4. Of those members, how many are considered "active"?

30 or so, but it goes in waves. Last month my upline and I did a play on the number 31 since January had 31 days, and we called it "31 days of organization". I posted a challenge each day in January to encourage VIPs to spend 15-20 minutes organizing their homes. The VIPs shared before/after photos. Lots of comments, lots of shares. This month I am doing weekly challenges with midweek check ins, final check in on Saturday. Engagement with customers is very important. Puts names in the hat and the winner gets a prize in the mail, such as coupons, nail files, notebooks, cards.

5. How do members join? Are there any restrictions?

Closed group on Facebook, meaning it shows on search, so technically anyone can find it. Thirty-One has strict requirements for consultant sites, such as the name of the group cannot have any variation of Thirty-One in the name. I brand my business around "TLC" because of our initials (Tom, Liz, Calloway). I post a lot on instagram and brand the same everywhere. Potential VIPs have to request to join. Every customer, whether in home or online, gets a personal email thanking them, checking in, asking how they like the product, and inviting with a link to the VIP group.

6. Are there any rules that must be followed by your members?

I have occasionally had to delete posts if it's about another direct sales group. Only she and two other admins monitor all activity, and all member posts have to be reviewed and approved.

7. What tools do you use with your online community? Email? Forums? Blogs? Wikis? Social media? Discussions? Polls? Videos?

As I mentioned earlier, I use instagram often. I post pictures, which I sometimes cross-post to Facebook. I email customers a monthly newsletter, which reaches

more customers than on Facebook. I am considering blogging, but not actively blogging now. Some other consultants use YouTube, but I don't like being on screen. On Thursdays, I use Facebook Live where my 8 year old son Tyler talks about products in 5-6 minute videos. People really respond to that, and brought out a lot of new comments from people who hadn't been active in a long time.

- 8. What metrics are you using to understand your online community's progress to meeting these goals? Participation numbers? Activity on discussion boards? Facebook provides page insights. I post 1-2 times a day, but I am not really focused on the metrics.
- 9. Have you come across any limitations which your online community is facing, and if so do you have any plans or ideas how to remedy these limitations?

Not really. People are really used to the direct sales model. LuLaRoe has huge groups because each consultant has different inventory, and customers have to engage with several consultants to get a particular item. Thirty-One has one product line, so I have to distinguish myself with customer service.

- Are you involved with any of the planning of activities (if there are activities)? Thirty-One permits us to offer limited specials to our own customers for a short time.
- 11. Do you have any future plans to maintain reaching this goal or are you planning on setting new goals?

I am looking to set new goals. I am focusing on the process of branding. I am nervous about "Facebook Jail", where Facebook will block you or your content because they think that you are a spam robot. One of the best ways to avoid this is always posting original content. I make sure to brand all of my pictures so that it always looks original.

12. Looking ahead 5 years--what does your business look like?

Consistency is key. Direct Sales organizations work in layers, as you have more active members of your team that you recruited. My title is consultant, which is the base level. I was one level up and had 3 under me, but several of the people underneath me needed to step down. In five years, I would like to step up into a director title, which requires 4 active team members and personal monthly volume sales goals. I would like to consistently meet my sales goals.

- 13. Some additional comments:
 - You never know who's looking. My public Facebook page can be found in searches, but groups are harder.
 - I was a business major, probably makes a difference in the way I run my business. My upline is also a business major from the same business fraternity, so our approach is different than most consultants.
 - Thirty-One focuses on "Pink glove service", which is important since we all have exactly the same products.
 - I love participating in this business fraternity
 - My son Tyler has food allergies, so I am also active in a food allergy support group. Thirty-One fits into my life, and I enjoy it

<u>Interview with Stephanie Thoma, Thirty-One Consultant (via Zoom)</u> Interviewer: Ronnie O'Neill

Friday, February 16, 2018. 10 am

Thank you for speaking with me today! I know you are an independent Thirty-One consultant, and that you have an online presence on Facebook:

- 1. When did this online community start? I started with Thirty-One in April 2014 and started my Facebook page almost immediately. I have a personal page and a business page on Facebook
- 2. What are you seeking to accomplish through your online community? What is the purpose? It seems like everyone is online now, so having an online presence reaches the most people. I want to share our great Thirty-One products with everyone.
- 3. What actions have you taken to achieve this goal? I post on Facebook every single day. If I am away from home, I post from wherever I am, and if I have no Internet connection, my sister helps by posting for me. I hold raffles every month which allow my customers/followers to win prizes like our large utility tote, our best-selling product.
- 4. **How many members do you have?** On my personal page, somewhere between 500 and 700 people. My business page has over 2,600 likes.
- 5. Of those members, how many are considered "active customers"? I get 100 or so engagements per week, about 20 to 30 of them are active customers.
- 6. **How do members join? Are there any restrictions?** If someone searches Facebook for "Thirty-One" they get directed to a consultant page which has a substantial number of likes. Of course, I have invited all of my personal friends to be a part of my page. I also belong to several "Like for Like" groups, where members agree to like other members' pages
- 7. Are there any rules that must be followed by your members? I have never needed rules. Some members post on my personal page, very few on my business page. Sometimes they have a particular question, other times they comment on a product they bought or ask if I have something in inventory.
- 8. What do you do to attract new members? A lot of networking. I am a member of several game groups, where winners can get prizes. I am also a member of a "Consultant of the Month" group, where consultants representing different product lines work together to build our businesses. I really enjoy doing charity events as well.
- 9. What tools do you use with your online community? Email? Forums? Blogs? Wikis? Social media? Discussions? Polls? Videos? My primary tool is Facebook. Thirty-One sends e-mails on my behalf to former customers and everyone I add to a list on their site.
- 10. What metrics are you using to understand your online community's progress to meeting these goals? Participation numbers? Activity on discussion boards? On my business page, I reach 80 to 100 Facebook members per day, and engage 20 to 30 of them. On my personal page, I play games, post polls, and a lot of fun activities. Customers who participate have a chance to win great prizes.
- 11. Have you come across any limitations which your online community is facing, and if so do you have any plans or ideas how to remedy these limitations? None
- 12. Who manages all the content? I do all the posting and content creation for my Facebook page.
- 13. Who manages responses? I handle all of the responses personally.

- 14. Are you involved with any of the planning of activities (if there are activities)? I love to plan activities, both in person like vendor fairs, direct sales marketing events and charity events, and online, such as games and online parties.
- 15. Can you share an example of how you use metrics? 75% of my business comes from online parties, with the balance from events.
- 16. Do you have any future plans to maintain reaching this goal or are you planning on setting new goals? Right now, I view this business as a hobby. It allows me to connect with other women and gives me a break from my responsibilities as a wife, mom and working woman. I work one hour a day, every day, and that is enough for me right now. If I put in more time, I could definitely make much more money, but that is not what I am looking for now. I break even, with enough left over to support local charities with donations. I am content with the level of the business now, and know I can increase it easily when my children are older or my circumstances change.
- 17. Last question: If you were looking ahead 5 years, and your business was a success, what would your online community look like? It would be double what it is now: 5000 followers, 200 reaches per day, 60 to 80 engagements. In the past, I have used Facebook's Promote feature to reach specific targeted audiences, such as women from 30 to 40 who live in a certain area. That was very successful for me, and I would do that again if I wanted to expand the business.

Thank you so much for your time and for sharing your story! We really appreciate your help on this project!

<u>Communication with Jessica Davis, Thirty-One Consultant (via e-mail)</u> Interviewer: Susan Marie Terra Saturday, February 17, 2018.

We appreciate you taking the time to answer the following questions to the best of your ability regarding your new Thirty-One company:

1. When did this online community start?

The beginning of February

2. What are you seeking to accomplish through your online community? What is the purpose?

The purpose is to gain experience in sales,

Networking with people. Also, to make extra

Money.

3. What actions have you taken to achieve this

Since I am still new at this and this is my first

Have not achieved any actions at the moment

4. How many members do you have?

20+

5. Of those members, how many are considered "active"?

6

6. How do members join? Are there any restrictions?

No restrictions, members may search Thirty-One products and search myself as consultants!

7. Are there any rules that must be followed by your members?

No

8. Do you do to attract new members? If so, how?

Networking- social media, word of mouth and

Vendor shows

9. What tools do you use with your online community? Email? Forums? Blogs? Wikis? Social media? Discussions? Polls? Videos?

Email, social networks, advertising items, forums,

10. What metrics are you using to understand your online community's progress to meeting these goals? Participation numbers? Activity on discussion boards?

Unsure still learning

11. Have you come across any limitations which your online community is facing, and if so do you have any plans or ideas how to remedy these limitations?

Not yet,

12. Who manages all the content?

Since it's the beginning the consultant that got me involve, but its temporary. After 30 days, it will be myself

13. Who manages responses?

Myself

14. Are you involved with any of the planning of activities (if there are activities)?

Yes-online

15. Can you share an example of how you use metrics?

Unsure

16. Do you have any future plans to maintain reaching this goal or are you planning on setting new goals?

My goals for this to bloom and network with people around the world not just local- and to work part time from home and bring home extra money.

17. Where do you see yourself in five years regarding your online community and how do you plan on achieving this?

Selling Thirty-One as a full-time job and making money like fellow consultants! Some consultants can make more the 70,000 and be home with family and take family trips! Some make money like that to send their children to college! Along with being involve with this kind of business, I plan on making a lot of friends and a lot of networking all over the world since this business can sell products online or local!

E-mail Interview of Michele Brunton, February 17, 2018

- 1. When did this online Thirty-One community start? When was it closed?
- 2. What were you seeking to accomplish through your online community? What is the purpose?
- 3. What actions did you take to achieve this goal?
- 4. How many members did you have?
- 5. Of those members, how many did you consider "active customers"?
- 6. How did members join? Are there any restrictions?
- 7. Were there any rules that must be followed by your members?
- 8. How did you attract new members?
- 9. What tools did you use with your online community? Email? Forums? Blogs? Wikis? Social media? Discussions? Polls? Videos?
- 10. What metrics did you use to understand your online community's progress to meeting these goals? Participation numbers? Activity on discussion boards?
- 11. Did you come across any limitations which your online community faced, and if so what were your plans to remedy these limitations?
- 12. Who manages all the content?
- 13. Who manages responses?
- 14. Are you involved with any of the planning of activities (if there are activities)?
- 15. Can you share an example of how you use metrics?

Responses:

I opened my group in Fall of 2015 and was active for a little over a year.

At the time, I was looking for some extra money. I didn't really have the time to devote to doing in-home parties so I was hoping to build a group of returning online customers.

I started by creative a Facebook Group for my business. I invited any of my "friends" that I thought would be interested and hosted an online kick-off party.

My group had a little over 60 members. Which was small, but over the months it had grown, people invited their friends and family to join and I believe it would've been much larger today if I kept it open.

I had approx 10-15 active members. By active, I mean they liked posts, commented regularly and made purchases often.

I did not have any membership restrictions or rules. You could become a member just by "liking or following" the page.

I would advertise on my personal Facebook and Instagram. If people were interested, I explained how to joint the group.

I mostly posted on social media but my consultant membership came with automatic weekly emails from the company to my customers. As well as an email program for me to use as well.

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These however would only reach people who had already made purchases since that is how I obtained their email address.

I managed all content and responded to all inquiries through my social media and email outlets. I played games within the group that people enjoyed and all purchases were made through the online website.

My biggest resource was other consultants Facebook groups. They shared pictures for other consultants to use... game ideas... and how to group certain items together to create a"deal" for the customer.

My "mentor" was also a huge resource!