Dutse Business Review (DBR): Volume 1, Issue 1 (2026) *ISSN Print: 3156-4062* *eISSN:3156-4852*

Multi-level Marketing and Youth Employment in Nigeria: A case study of Kedi Health-Care Nigeria Limited (2006 – 2025)

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Abstract

The main objective of the study is to assess the effectiveness of Multi-level Marketing (MLM) on youth employment in Nigeria, by taking Kedi Health Care industries Nigeria limited as a case study. The study is premised on the assumption that, MLM is a veritable means of mass employment opportunity in the country. Qualitative means of secondary data are utilized and descriptive method is employed in the analysis. It's finally concluded that, MLM is not only a veritable means of youth employment but also a general means of livelihood to many people that can enhance the sustainable development initiatives in Nigeria. Some of the recommendations include: that domestic companies have to embrace MLM as a best method of distribution of goods and services and mass employment, governments have to incorporate MLM business in their youth employment initiatives and sustainable development programs, and youth organizations have to consider MLM business as a an alternative to unemployment problems in the country, among others.

Key words: Multi-Level Marketing, Youth, Employment, Sustainable Development, Kedi Health care,

Introduction

The intense pressure on the Nigerian economy, given the recent socio-economic hardship, has driven many unemployed and underemployed alike, particularly the youth, to start searching for any available opportunity to ease the tremor. Multi-Level Marketing (MLM) firms have taken

advantage of this to increase their activities across the federation, by offering an opportunity of sell of their products to a series of independent sale representatives otherwise known as distributors, agents, members, partners or networkers, among others. MLM is a specific form of direct selling, a strategy that sell products and services through a non-salaried workforce by retailing a specific company products and or services based on face to face communication between the distributors or agents and a potential buyer. It is also known as Network Marketing, Referral marketing, consumer direct marketing etc. (Mazie-Oscar, 2021 and CFI Team, 2025).

Companies that implement MLM encourage their distributors to recruit new distributors, known as the "down-lines" of the existing distributors. The distributors get commissions, discounts or other considerations for their direct sales, sells made by themselves, as well as for indirect sales made by their down-lines. (CFI Team, 2025 and Kedi Health, 2021). Multilevel marketing is often confused with a pyramid scheme, as they looks very similar. However, pyramid schemes are illegal scams, while multilevel marketing is legitimate (CFI Team, 2025). The major difference is that the primary goal of a multilevel marketing company is to sell actual products or services to its customers. Conversely, a pyramid scheme does not supply any real products or investments. It only expands the business by recruiting several layers of members, which form a pyramid system (CFI Team, 2025 and Federal Trade Commission, 2022).

The history of Multilevel Marketing is often linked to the United State of America where Multi-Level Marketing developed from a direct selling industry. Readily available sources attribute the origin of Multilevel Marketing as a form of direct selling in the United States. Direct selling in its various forms (e.g., peddlers, consignment agents, etc.) existed in the United States since colonial days. (William, 2013). Modern Multi-Level Marketing popularized in the same United States in the early 1940's. It was started by a company with a name California Vitamins that discovered that most of its new sales force coming aboard were mostly friends and family members of their existing sales force. This they discovered was because they were interested in buying at wholesale prices. They also discovered that it was easier to sell more with a large sales force, than a few superstars. They combined these two ideas together, developed a compensation structure and allowed their sales force to make confer representative status on their satisfied customers. The

sales force grew exponentially and the company rewarded all the sales reps for the sales produced. That was the birth of the modern Multi-Level Marketing (Dankol, 2017).

By 1959, a famous company in the U.S known as Amway was established and became the popular benchmark for modern Multi-level Marketing. By 2011 over ninety-five percent of member firms in the Direct Selling Association (DSA) in the U.S reported having a Multi-level Marketing structure. In short, direct selling in the United States essentially equates to Multi-Level Marketing (See William, 2013 and Dankol, 2017). At the present time, there have been increasing trends in the operation of Multi-Level Marketing in the United States, Canada, South America, Europe, Japan and pacific basin, etc, where they are in thousands. Other developing countries like Malaysia, India, Pakistan, Bangladesh etc have already developed Multi- Level Marketing in their countries. (Gbadeyan and Olarunkele, 2014).

In Nigeria, there is little knowledge about the operational system of Multi-Level Marketing, thereby making the concept rather new. However, the business model has gained popularity in Nigeria over years through some Asian and American company who operate in the country through Multi- Level Marketing. Their operations are specifically unnoticed by many as they are still young compared to some other Western and European countries where their operations have spanned over decades (Gbadeyan and Olarunkele, 2014). (Effiom & Effiong 2015).

The paper tends to assess the effectiveness of Multi-Level Marketing Company on youth employment in Nigeria by taking Kedi Health-Care Industries Nigeria Limited as a case study. There are currently over 20 good Multi- Level Marketing company operating in Nigeria in which Kedi Health-Care is the fastest growing with highly effective products and best compensation plan. It also offers incentives such as travel opportunities, cars, and leadership bonuses that it has been gaining a loyal following in the country (Okafor, 2020 and Eguabor, 2024, b).

Statement of the problem

Despite several government policies and programs youth employment has remained one of the major socio-economic challenge in Nigeria. The continued increase in the number of unemployed and underemployed youth has contributed to poverty, insecurity, social unrest, and migration in many parts of the country. As formal employment opportunities continues to decline due to

economic instability, inflation and limited industrial expansion, many young people have turned to alternative means of livelihood among which is Multilevel Marketing (MLM) business. (Okafor, 2011) (Dankol 2017) and (Federal Trade Commission (2022)

MLM companies have increasingly expanded in Nigeria presenting themselves as a platforms for entrepreneurship financial independence and self-employment for youth. Through recruitment of distributors and the sale of products or services. They claimed to provide income opportunities and flexible work arrangement, consequently, many Nigerian youth have joined the MLM business with the expectation of overcoming unemployment and improving their economic conditions. (Mazie-Oscar, 2021 and CFI Team, 2025).

However, despite the growing popularity of MLM in the country there is still considerable debate regarding its actual contribution to the youth employment and economic empowerment. Critique have argued that many MLM operates in ways that primarily benefits the top level members while lower level members struggle to recover their investment or generate sustainable income. Others contend that MLM business creates temporary or unstable employment that may not significantly reduce unemployment in the long term. In the same case, the collapse of certain MLM companies has resulted in financial loses and disillusionment among the youth. (Effiom, L. & Effiong F. A. 2015) and (Federal Trade Commission, 2022)

Although, several studies have examine unemployment and entrepreneurship in Nigeria, limited scholarly alternative has been given to the specific relationship between MLM and youth employment. Existing studies often focus on the profitability or ethical concerns of MLM without adequate assessing its effectiveness as a viable employment opportunity for Nigerian youth. This creates a gap in knowledge regarding the extent to which MLM contributes to job creation, income generation, skill acquisition and sustainable livelihoods among young people. (Ejumudo, K. B, 2015) and (Federal Trade Commission (2022).

Therefore, the paper tends to assess the effectiveness of Multi-Level Marketing business on the youth employment in Nigeria with particular reference to the Kedi Health-Care Industries Nigeria Limited as a case study.

Methodology

The main objective of the study is to assess the effectiveness of Multi-level Marketing on youth employment and sustainable development in Nigeria, by taking Kedi Health Care Industries Nigeria limited as a case study.

Scope of the study: Over 20 good Multi-level Marketing companies were identified in Nigeria but this study is restricted to the activities of the Kedi Health-Care industries Nigeria limited between the period 2006 and 2024.

Assumption of the study: The study is premised on the assumption that, MLM will certainly be a veritable means of mass employment opportunity among the Nigerian youth that could in turn enhance the government sustainable development initiatives in Nigeria.

Research design: The research adopts descriptive research design which is a scientific method that involves observations and describing the behavior of the subject without influencing it in any way. The main purpose of descriptive research is describing the state of affairs of a phenomenon as it exists at present (Kothari, 2004). A case study was also adopted that help to carry out details description and observation of a single unit, subject or event. This allows for the retention of holistic and meaningful features of real life event. A case study is based on the notion that a choice case is typical of many other cases and as such once its studies it can provide insight into the class of events from which the case has been drawn. The inclusion of survey design is based on its role in retrieving some valid answers on the questions of what is exactly happening at the period of research (Idaka and Germany cited in Effiom and Effiong).

Source of data and method of data collection**:** Secondary sources of data were used in the study, that the data is sourced mostly from e-books, journals, periodic and other internet sources.

Data analysis: Descriptive method of data analysis was employed that the relationship between the variable under study were analyzed by assessing the effectiveness of Multi-level Marketing on youth employment and sustainable development in the Nigeria.

Findings

Despite the fact that there are people who have joined MLM business but not succeeded, however, the business is undoubtedly among the best alternative employment and livelihood opportunity in Nigeria. For its 19 years operation in Nigeria, kedi MLM Company has over one million

distributors who earn substantial monthly commissions from the business across the over 1,000 business outlets known as the service centers (Kedi Heath, 2022 and Kedi Health 2024).

Through business promotions, products worth hundreds of millions of Naira were worn by many distributors. Many distributors' children were sponsored abroad via Kedi scholarship program to enhance their future capabilities, Over 1,000 cars were distributed to the distributors via company car promo and over 2,000 distributors have enjoyed free international trip via the company international travelling promos. Similarly, hundreds of distributors have enjoyed free medical care via the company's health insurance scheme and more than 50 distributors have so far received villa via the company Villa award (Kedi Health, 2022, Kedi Heath, 2023 and Kedi Heath, 2024).

Discussions

Rising insecurity and restiveness in recent years have placed the challenge of youth unemployment at the fore front of policy discussions. High youth-unemployment rates are associated with political instability, violence, insecurity, and other social vices (Okafor, 2011). Unemployment refers to a situation where a person actively searches for employment but is unable to find work. Unemployment is considered to be a key measure of the health of the economy (Hayes, 2024). The United Nations for statistical purposes, defines youth as young people between the ages of 15- 24 while the Nigeria Youth Population policy through the National Bureau of Statistics identifies the Youth population in Nigeria from 15- 35 years. Nigeria has one of the highest youth populations in the world, with 1.6 billion young people, accounting for 70 per cent of the country's population. This ever-growing youth population presents a unique opportunity for economic growth and development if properly harnessed (NGyouth SDGs, 2024).

Youth employment has been of great concern to the Government of the Federal Republic of Nigeria. It was for this reason that the Nigerian Youth Employment Action Plan was initiated with a view to enable Nigeria responds more effectively to the challenge of youth employment in the country. Thus, the central and state governments of Nigeria have initiated and implemented several youth-employment programs over the years. In which huge human, material, and financial resources were expended into the programs. Yet the youth-unemployment rate has continued to increase rapidly (NIYEAP, 2024). National Bureau of Statistics has put the rate of the youth-unemployment in Nigeria as 34.9% in 2000, an increase to 29.7% in 2018 and overall

unemployment also high and increased from 2.3% in 2000 to 7.5% in 2015, 20.4% in 2017, 27.1% in 2020, and further to 33.3% in 2022 (Oluwasola et all 2023).

Unemployment problem for youth is also reflected in underemployment in the informal sector, a major sector of the economy. Young people who are unable to get jobs in the formal sector simply enter the informal sector, though the informal sector is characterized by lower wages, absence of structure, lower regulation, and poor working conditions. Underemployment also occurs in the formal sector, particularly if there is skill mismatch (Olorunfemi, 2021). Poor economic outcomes also translates into slow job growth or mass layoffs of workers, and youth are affected most due to their limited work experience (Oluwasola et all 2023).

In view of the forgoing therefore, many people, particularly the youth, have devised many legitimate means to get out of these menace that some consider Multi-level Marketing as the panacea. Multi-level Marketing appears to be one of the best alternative now as it is capable of employing as many individuals as possible at a time. By possibilities it offers for youth to participate in an easy-to-start business that provide significant income. A apart from job creation, Multi-Level Marketing also, has the capacity to be a veritable source revenue generation, poverty reduction and sustainable development in Nigeria (Dankol 2017, Effiom, L. & Effiong 2015 and Mazie-Oscar and Dada 2021).

There are currently many Multi-Level Marketing companies operating in Nigeria, however only 20 of them are found to be firmly entrenched in the country business. Cosmier Okafor has shortlisted, what he termed as “20 good MLM companies in Nigeria”. In the order he arrange them, they are: GNLD or Neolife, Trevo, Forever Living, Alliance in motion global, organo global, Edmark, Longrich, Tiens, Kedi, Gaurapad, Oriflame, 4life, Green Life, Green world, Global Wealth Trade, Total life change, Federico Moraha (FM), Jeunesse global holding, Syntex and QNet (Okafor, 2020). As it’s the fastest growing Multilevel Marketing Company in Nigeria with highly effective products and best compensation plan, ever, (Eguabor, 2024, b and Eguabor, 2024, a) “Kedi Health-Care Industries Nigeria Limited” is selected among the best 20 MLM companies as the case study.

Mr. William Zhao a native of Chinese origin has established Kedi Health-Care industries in Nigeria as a subsidiary of Kedi Health-Care Hong Kong Limited in the year 2005 and started operation as Multilevel Marketing Company in 2006. KEDI Healthcare is a world-class and leading global provider of healthcare products. It is a conglomerate with business interests in pharmaceutical sectors in China that promotes Traditional Chinese Medical Culture worldwide basking in over 5000 years of Chinese herbal knowledge which has contributed immensely to the health and longevity of the Chinese people. Their products line include a number of life essentials and herbal remedy that can help to address a wide variety of ailments. (See Kedi home, 2016, Okafor, 2020 and Eguabor, 2024, a)

KEDI Healthcare's business strength is based on a capability and expertise built up over many years with its main objectives, war against illness and poverty. (Okafor, 2020). KEDI Healthcare in the early years in Nigeria commenced distribution of its products with less than ten distribution outlets known as service centers. In 2007, the company was building a strong business relationships its growth and product acceptability led to a rapid growth and expansion that the service centers increased to 100. By 2010 KEDI Healthcare distribution network, service center, increased to 200 and 100,000 active distributors. In 2014, the company relocated to a new head office and the company's third branch office was opened against stiff competition (Kedi home, 2016).

A part from the Kedi Headquarters situated at the Dolphin extension estate, Lagos, the structure of the company has pleasingly grown extremely higher by having a total of 18 branches, 10 regional offices and 1,064 service centers across the country. The branches are established and managed by the company and are dispersed across the country. Branches are responsible for the recruitment of new distributors, training of both new and existing distributors and most importantly servicing and directing the service centers within their domain. The Regional officers resemble branches in the services they are providing but are owned and managed by the individual distributors. If a distributor is qualify to open a regional office, he/she will apply to the Kedi Headquarters for approval. Regional officers are approved and established only at the areas where branch office did not exist (Kedi Health-Care 2020).

The service centers are the extensions of the branches and regional officers and are owned and managed by individual distributors. Service centers are the fulcrum of the business as they are located at the grassroots across the country. The main function of the service centers are to serve as sub-ordinate to the branches and regional officers in the recruitment and training of new and existing distributors, consultation of patience as well as the sale of the company products to the distributors, patience and other potential buyers (Kedi Health-Care, 2020).

For their 19 years operation in Nigeria, the Kedi Company has succeeded in the recruitment or registration of over one million distributors across the 1,062 service centers in the country. Most of the distributors are benefiting from the 20% instant retail profits and receiving both direct and indirect monthly bonus for the sales they made by themselves, through referrals and by their down-lines. The percentage of the direct bonuses ranges from 20 to 45% of the distributors' monthly sales, for all the distributors at the consultant levels. While the indirect bonuses ranges from 5 to 40% of monthly sales made by the down-lines of the distributors at the consultant levels. Plus 5% service center commissions for those owned the service centers. At the managerial, directorate and honorary manager levels, the distributors also received quarterly global commissions in addition to the bonuses and service center commissions received monthly. On this development, therefore, over one million distributors earn substantial monthly income from the business (Kedi Heath, 2022 and Kedi Health 2024).

A part from these developments, the company offers other variety of livelihood opportunities. It came-up with a free training system that offers a continues training program across all its 18 branch offices, 10 regional offices and over 1,000 service centers across the county, at no any cost to the distributors. The training system tend to equip all the company distributors, irrespective of their levels or status, with a product training, business training, leadership training and other special trainings that increase the capacity of the individual distributor not only in the business but also in other endeavors of life (Kedi Heath, 2024.

There are intermittent business promotions that products worth hundreds of millions of Naira were given to the individual distributors since the establishment of the company in the country that increase their capital and ability to own more personal property. Many distributors' children were

sponsored abroad via Kedi scholarship program to enhance their future capabilities, Over 1,000 cars were distributed to distributors via company car promo and awards program, over 2,000 distributors have enjoyed free international trip via the company international travelling promos, hundreds of distributors have enjoyed free medical care via health insurance scheme and more than 50 distributors have received villa via the company Villa award in the county (Kedi Health, 2022, Kedi Heath, 2023 and Kedi Heath, 2024).

These laudable achievements have culminated in having over one million company product users across the country who have used the produces for the treatments of various ailments and benefited from its efficacy that served their lives. For its effort to serve people better, the company has also succeeded in the donation of over 60 million Naira to the community development and welfare services across the country (See Kedi Heath, 2023 and Kedi Heath, 2024). These laudable achievements are undoubtedly augment the youth employment programs in the county.

Conclusion

The paper has extensively examine MLM business in Nigeria by taking Kedi Health-Care industries Nigeria Limited as a case study with the view of assessing its effectiveness on youth employment in the country. Therefore, the study has finally concluded that MLM business is not only a veritable means of youth employment but also a general means of livelihood to many people in Nigeria.

Recommendations:

- Governments have to increase their involvements in the affairs of Multi-level Marketing (MLM) in the country,
- A government agency has to be established for the regulation of the activities of MLM business in the country,
- Domestic companies have to embrace MLM as a best method for modern distribution of goods and services and mode of mass employment opportunity among the youth,
- Governments have to incorporate MLM business in their youth employment initiatives,
- Youth and Women organizations have to consider MLM business as a an alternative to unemployment problems so to embrace it,

- MLM companies themselves have to engage in a massive public media campaign on the importance and benefits of multilevel marketing business so as to encourage youth employment in the country.

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