

Executive Summary

Many successful firms rely on Direct Selling (DS) as their primary and sometimes only source of revenue. While this distribution channel comes with many benefits, there are also some key risks DS firms need to monitor and manage. One of these is the historically high turnover rate of DS distributors. DS firms are constantly at risk of losing high-performing direct sellers or a large portion of their direct seller pool in a short period of time. Distributors terminating their contractual relationship with the DS firms cause high costs, lower revenues and potentially lasting damage to the DS firm's brand, such as end-user frustration due to changing contact persons. Moreover, previous research has shown that the success of distributors largely increases with their tenure. Hence, it is beneficial for DS firms to refine their HR strategies with the goal of sustainably reducing their turnover rates. As DS firms operate on an international basis, economic conditions, legislation, and culture may vary substantially across the countries and lead to differences in the drivers' impact on direct sellers' motivations whether to leave a DS firm or not. Following this line of argument, managers should additionally consider adapting their HR strategies across countries. Drawing on prior research on turnover in the organizational commitment, sales management, and direct selling literature, this study identifies several drivers of direct sellers' intention to leave their DS firm. We focus on typical factors of leaving intentions from other fields as well as DS-specific factors. We introduce several new drivers to the literature and discuss all drivers' impact on DS distributors' intention to leave. Additionally, we investigate differences in the drivers' effects across 11 European countries by means of several methodological approaches. Our parsimonious model consisting of 12 significant factors identifies a potential leaver with an accuracy of more than 73.50%. Surprisingly, all our investigations on country effects indicate little or no differences across countries, encouraging managers to adopt similar HR strategies for each country. Overall, this research helps managers operating internationally to identify potential leavers, find adequate countermeasures that prevents distributors from leaving, and optimize DS firms' HR strategy.