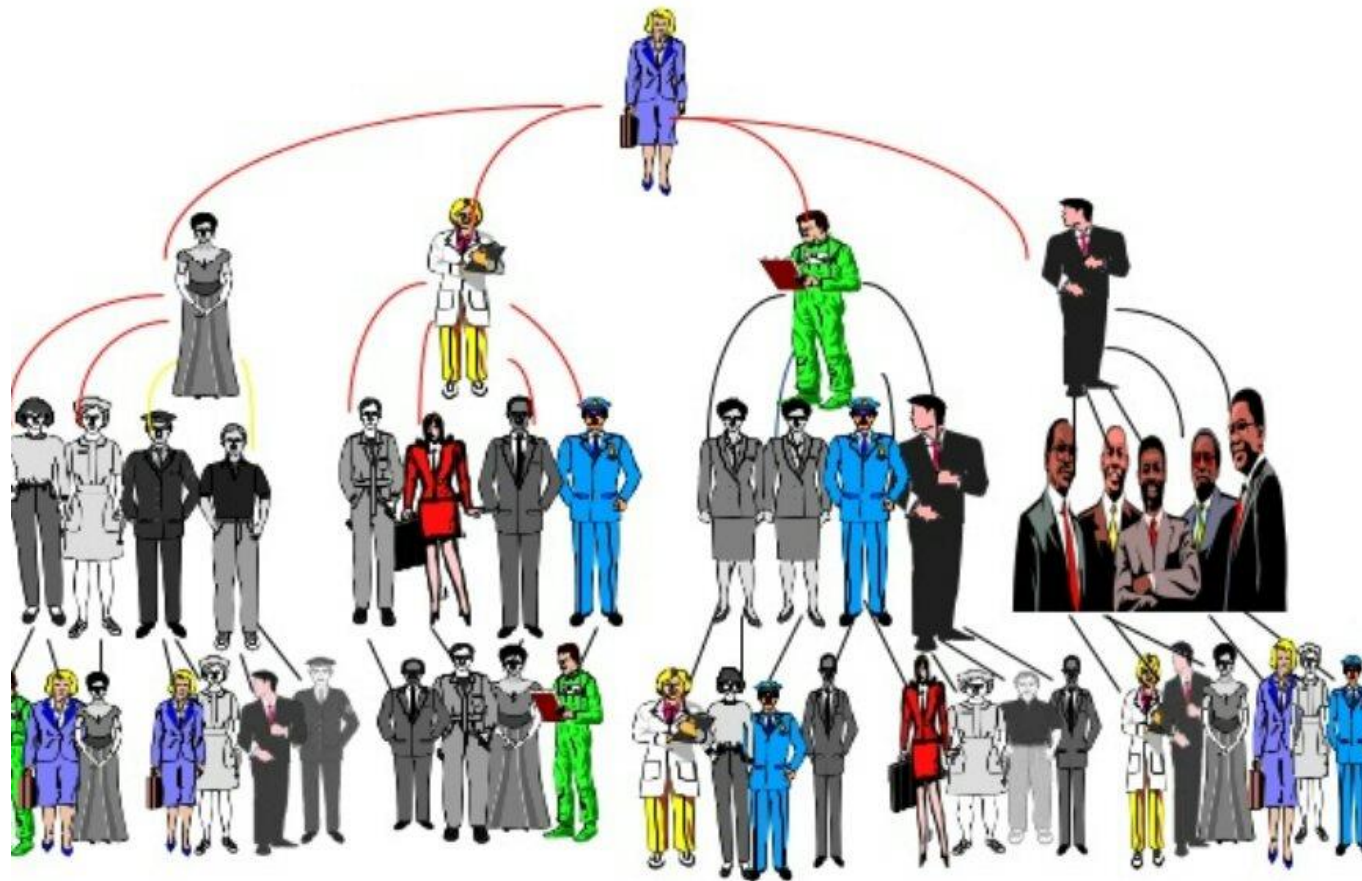


NETWORK MARKETING

CHAPTER (1)

NETWORK MARKETING

..network marketing-a system working under you



- In the last 30 years or so we have seen another new trend in sales known as Multi - level Marketing and this has spread across the globe stealthily but silently and engaged millions of people in selling products and earning decent income for themselves.

- Network marketing is a new phenomenon that has gained ground in the last three decades and hence there isn't much of research, study and literature that is available as in the other traditional theories and practice of Marketing.

CHAPTER (2)

MULTI-LEVEL MARKETING

- ◉ Multi-level Marketing is an activity that anyone can take up at any point of time in life and generate income.

BRIEF HISTORY OF MLM

- The concept of Multi level or Network selling seems to have emerged accidentally when the distributors discovered that they were generating more sales for the company by referring their friends and known people to the business opportunity available with Nutralite.

WHY IS MLM AN OPPORTUNITY FOR ANYONE AND EVERYONE?

- ◉ Whether in an office environment, corporate setup, at home, amidst friends ,clubs or where you go, it is quite like that you will discover the existence of a network that is engaged in multi level marketing.
- ◉ You are likely to receive calls from friends forgotten long ago who will re awaken the relationship and try to bring you into their network.

MLM IS FOR ANYONE AND EVERYONE

- Anybody can join and benefit from the scheme irrespective of your age, qualification or experience.

NO INVESTMENT BUSINESS

- ◉ When an MLM distributor tells you that can get into this business without any investment and start earning almost immediately .
- ◉ You do not need to invest in holding any inventories, no retain space.
- ◉ You do not need to leave your job or sacrifice your career.

NO RISK BUSINESS

- ◉ MLM networks offer opportunities that are virtually risk free and do not call for any financial investment or risk.
- ◉ MLM attracts people from all over the world and from all walks of life.

HOW MULTI LEVEL MARKETING WORKS?

- ◉ Every individual who gets to hear the explanation provided about Network marketing and income generation is going to be perplexed and wonders if it is all true.
- ◉ Multi level marketing or Network marketing keeps spreading in all countries like a wave.
- ◉ It is quite likely that you will be approached by a friend or an acquaintance or your college who will talk to you about any investments.

SIGNING UP

- ⦿ First and foremost you will be approached by an existing distributor who is trying to recruit you.
- ⦿ On signing up you will be entering into a contract with the principle company for whom you will be selling their products.
- ⦿ The distributor who introduces you will now be called your sponsor.

- You will undergo extensive training by the sponsor or the company on the product lines as well as on selling methods and other processes associated with selling as well as recruiting and developing your distributor network.
- You will need to invest a small amount (appx around \$100) to buy a starter kit for your use in selling.

RETAIL SELLING

- ◉ In MLM business, you will essentially have two main agendas that you will focus on.
- ◉ First: would be to buy the products for you and your family's consumption .
- ◉ At this stage you will notice that if you buy for example goods worth \$100 per month, you will be entitled to a rebate of \$15 from the maximum retail price.

- Therefore you stand to save \$15 .00..besides buying products for yourself, you might buy for your extended family and friends too and build up your sales volumes.
- As you increase the sales volume, your discounts keep increasing too as per the slabs and you can end up claiming up to \$45 discounts on case to case basis.

RECRUITING& BUILDING DISTRIBUTOR NETWORK

- The next activity that you focus on will be to recruit other distributors under you. As you start talking to known and unknown people and get them to sign up as distributors, you will become their sponsor.
- As you start developing your network, you stand to earn income from the sales generated by your distributors down the line in the form of incentives, discounts, bonuses and royalties.

- Lets say you have developed five distributors who place \$500 worth of orders with you. You will be buying the products from your sponsor at a discount of 30% and each of your distributors will buy from you at 20%. Thus you will stand to retain 10% on account of each distributor.

- ◉ As your network grows and the business volumes of your distributors and their networks under them grows, you start gaining by higher slab discounts.
- ◉ However there may come a time when your first level distributors and their network grows to a volume where they start claiming the maximum discount that you have been buying from your sponsor and deal directly with the company), it is time for that group to detach from you and your next level distributor starts buying directly from the company.

- At this stage you will start earning royalty or bonus at a certain percentage as determined by the company on the business volumes that each of your distributor groups that have delinked from you.

- ⦿ Though it looks very easy on paper, you will need to remember that to achieve bigger sales volumes and develop distributor networks you will need to invest that much of time and be dedicated to this job.
- ⦿ At this stage ,it is quite likely that you will need to choose your priorities and decide if you wish to pursue MLM on dedicated and full time basis. Those who have gone ahead and invested their time in MLM on full time basis become millionaires.

CHECK OUT FACTS BEFORE YOU OPT FOR JOINING MLM NETWORK

- Apart from having to think of yourself, your goals, priorities and capabilities with regard to your ability to taking up this as a primary or secondary career, you will need to find out a lot many more details about the concept, the company, the product and so on to be able to take an informed decision.

CHOICE OF PRODUCTS TO DEAL WITH

- Product Details:

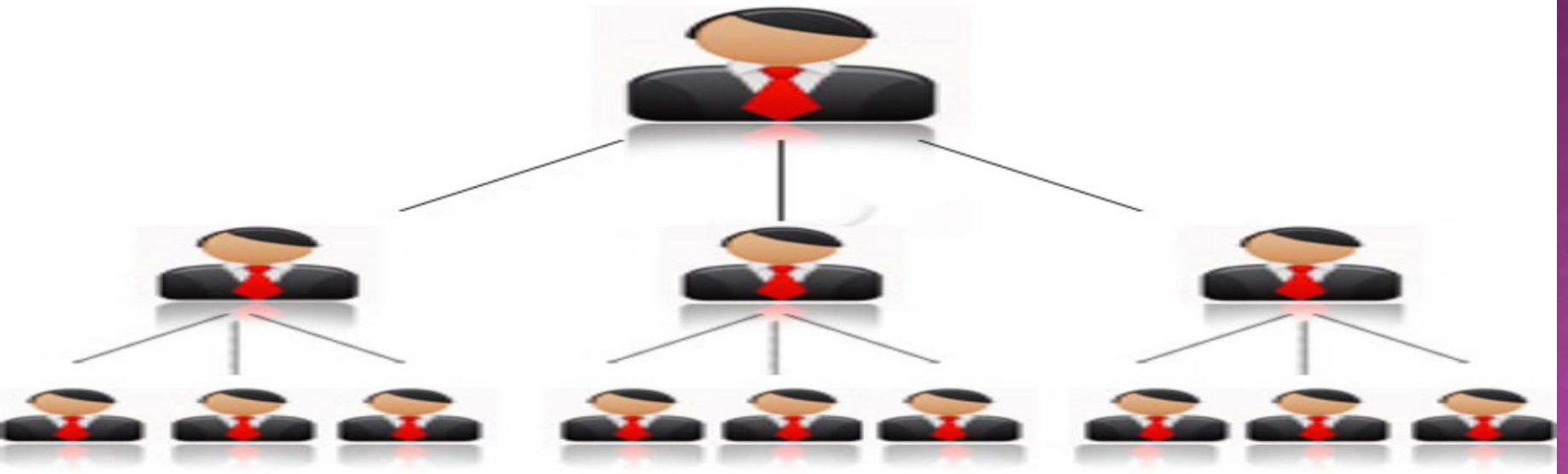
You will need to check the product information brochures to see the quality standards that the product meets with.

◉ Company Details:

You will need to get a complete and written understanding of the terms proposal as to how, when and how much the company is going to pay and how they are going to effect the payments.



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CHAPTER(3)

MULTI LEVEL MARKETING VS. PYRAMID SELLING

MULTI LEVEL MARKETING VS. PYRAMID SELLING

- Many people confuse MLM selling with pyramid selling . It is quite true and likely that the general opinion of the people regarding Network marketing can be poor and you might be confronted with such attitudes when you approach people.

WHAT IS PYRAMID SELLING?

- Pyramid schemes are derived to make money by the promoters through recruitment of people into the network promising those future benefits that will accrue when they recruit more people into the network.
- Often you will find the pyramid selling schemes talking about some kind of illusory products or treatments, subscriptions to magazines, catalogues and training.

- None of these amounts to any substantial sale of concrete products.
- They push the distributors to buy and sell on paper without concrete physical transaction of products and goods.

DIFFERENCE BETWEEN MLM & PYRAMID SELLING

- ◉ MLM Schemes have legitimate process governed by rules and contractual obligations for distributorship as well as regarding inventory holding, training and sales.
- ◉ Pyramid selling on the contrary is based on very loosely constructed, vague rules, promises without any legal or contractual obligations and more importantly without any substantial range.

- ⦿ Pyramid selling aims at making quick money out of the network whereas MLM businesses focus on building and extending distribution networks primarily aimed at selling their products and thus generating income out of sale of products.

- ◉ MLM Schemes do not require you to make any investment except a meager cost involved in buying a start up kit or some macro materials or a small distributor fee for membership and such amounts are quite miniscule.

- Pyramid selling networks are focused on making money from charging all kinds of entry fee as well as pushing the distributor to buy, hold inventory on paper without actual physical goods or based on schemes like catalogue or magazine subscription or some sort of discounts

- Pyramid selling always comes with ambiguous plans that promote hoarding of inventory as well as lack of clarity regarding income generation.