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MULTI-LEVEL MARKETING

Multi-Level Marketing (MLM) opportunities seem to be everywhere these days. Equally prevalent are the misconceptions of what this business is and whether it really is a legitimate business or a scam.

Multi-level marketing is a term that describes a marketing structure used by some companies as part of their overall marketing strategy. The structure is designed to create a marketing and sales force by compensating promoters not only for sales they personally generate, but also for the sales of other promoters they introduce to the company, creating a down-line of distributors and a hierarchy of multiple levels of compensation in the form of a pyramid. The products and company are usually marketed directly to consumers and potential business partners by means of relationship referrals and word of mouth marketing. MLM is also frequently called network marketing, consumer direct marketing, or seller assisted marketing.

For MLM experience it is usually wise to start with a company that has been in business at least three years and is a public company. Eighty-five percent of network companies fail within the first 18 months so if it is still around after three years, it has made through some major hurdles, especially with a product. It is important to be aware of some questions about the product:

- Why would someone want to buy it from MLM-company rather than a retail establishment?
- Is it something lots of people would use so there is a large number of potential buyers?
- Is it something people need to buy frequently?
- Is this something that is a fad and will go out of style?

Of course, there are good MLMs and this is a viable way to make a living. In sense, the success of the good companies is what has attracted so many scammers. But the scammers are so invasive and overwhelming in their sales pitches, it is difficult to dig down to the real gems in this field. While no one really makes the millions promised by so many of the scams, many people find a very satisfying

career in some of the multi-level marketing ventures.