

# What You Need To Know About Network Marketing And MLM Plans

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## What You Need To Know About Network Marketing And MLM Plans

It seems that just about everybody is jumping on the Network Marketing Band Wagon due to the success of some major players like Amway, Mary Kay Cosmetics, Herbalife, Fuller Brush, Watkins and scores of lesser known companies. Regardless if it's a name player, or some new kid on the block, there's a few things you need I know, so let's get to it!

While there are success stories to be found, and some people really do pull-down high six figure incomes, the most glaring omission from the glossy sales brochures, and high-pressure advertising, is what no MLM company will tell you and they desperately hope you'll never find out What? The industry's gigantic 95% failure rate! Most people who try network marketing fall flat on their face. Only red-blooded, eager beaver experienced sales professionals, ever make any real money! Surprised?

To clear up any misunderstanding Network Marketing, Multi-level Marketing and MLM plans are all interchangeable terms used to describe the same type of activity. Also, as you'll shortly learn, many programs are nothing more than illegal pyramid schemes! I'll tell you how to tell the difference shortly.

To really "see" how Network Marketing works just look at the pyramid on the last page!

OK, now let's take a closer look at the goose to see if it really can lay the golden eggs everyone promises. The BIG selling point of every network marketing plan regardless of size or product is always the commission and bonuses you'll earn from your DOWN LINE. Everyone in your ever growing down line will entice, OOPS enlist others, all in turn paying YOU tribute with an ever increasing spiral of more and more commissions and bonuses. Well, that's what's supposed to happen...

### REALITY CHECK

By the time you hear about the "Great Opportunity, the originator has already signed up every close friend, associate, and "heavy-hitter," he can find. Every last one of them will forever and always make money off YOU as part of your UP LINE! In the stock market it's called "insider trading", taking advantage of the little guy. I don't really have to put in print what's likely to happen to you, I'm sure you're already thinking up some colorful language on your own to describe what I just explained!

In a typical network marketing plan, in order for YOU to make bigger commissions (the vast majority people that join rarely break even, let alone make any commissions with all the monthly fees you pay), you got to recruit other people into the program. Whoever you sign-up becomes part of your DOWN LINE and remains on a level below you.

In order for things to get cooking, the pyramid, OOPS... program has to GROW by Geometric Progression. Good news for people at or near the top levels. Remember, the "big boys" are already in, waiting to collect the share of the loot your hard work will earn them! It's bad news for YOU! As the plan expands both vertically and horizontally you will be in direct competition with more and more sponsors and distributors, each trying to recruit a down line or "steal" yours!

Not only is there a limited number of people interested in becoming your pawn, OOPS... partner, there's only so many potential customers interested in the product or service you're suppose to provide. People in your down line will jump ship to a different program or try and find a "better sponsor" on their own all the time, because they can't make any money under you. It's a Network Marketing Fact of Life the "big boys" don't tell you!

Now visualize a wet sponge. Before long your potential market has "soaked-up" all the sponsors it can take. You'll be bumping into one another trying to squeeze out the last possible recruit and sale. Now the cream rises to the top. If you're a great salesman you probably already got a good down line and know how to recruit and hold effective workers. If you're not, sooner or later you'll discover that all you're really doing is shooting yourself in the foot. You'll either quit, or try another program and repeat the process in a different program!

Promoters of network marketing plans love to brag about the fact there's no ceiling on how much you can make, but never get around to how much you can sacrifice in time, and effort to say nothing of all the money spent on monthly fees, and products you hid in your closet, buried in the garage, or gave to your mother-in-law because you couldn't sell it to anyone!

If you think you're "good enough," or just want to get your feet wet to see for yourself, the first thing you should do is decide if that great sounding offer you're thinking about is really a true multi-level marketing plan with a real product to sell, or simply a dirty little scheme trying to sell you on the "quick bucks" just selling the program to others. It's fairly easy to spot a phony. Here's a few quick tests that should help you decide. If the MLM offer you're considering can't give believable answers to these crucial questions tell the promoter to take hike!

1. Does the sales literature contain detailed description of its products or services, or only countless references to how easily, and quickly you can make money with little work or commitment?

Watch Out! If products or services are only mentioned as an after-thought, if at all, you're asking for trouble. The program is probably designed just to push dealerships, sponsorships, distributors or whatever terms are used. It's all done with smoke and mirrors. There's no substance. How can it work? Sooner or later it will fail!

2. Does the MLM offer products or services that the public needs, and wants?

This is kind of a trick question. Think about it. Is there really demand for what you 're going to offer? Lots of luck if you 're stuck with something that doesn't generate repeat business. It's the lifeblood necessary to generate the commissions you got into the plan for in the first place!

3. Can similar products be found in retail stores, or be obtained through mailorder at about the same price?

Your commissions and bonuses, if any, are based on sponsoring people who can fill orders. When you have a good product - that's what makes the money for you. Even if you have a good product, if it can be purchased through regular retail channels, ask yourself why people are going to buy from you instead.

4. Can you generate repeat sales?

If the company has a reputation for quality products you should be able to generate repeat business, build and hold your down line. That's what's necessary for any successful MLM Plan.

**DECIDED THAT MLM PLAN YOU'RE THINKING ABOUT IS OK?  
HERE'S WHAT YOU NEED TO BE SUCCESSFUL!**

1. A quality product or service.

2. A successful attitude. You must Live, Think, Talk, Dream Success. All day. Every day. No Exceptions. Sell. Sell. Sell.

3 Believe in yourself, and the company you're working for.

4 Have a realistic goal. Don't aim to high, but you do have to motivate yourself.

5. Discipline. You will never be successful if you only work at it when you feel like it! Go Back and read item # 2 again!

6. Find Prospects. If you don't know how, you will never get past first base!

7. You should like people. It's hard to be a good salesman if you don't; and that's what you have to be. A good salesman!

8 Close the sale. You can have the best product, an eager customer with money to spend, but if you can't ask for, and get that order, the best sales presentation in the world won't do you any good! To be successful in MLM you must be a really good salesman!

9. You need Repeat Sales. More Repeat Sales, and still more Repeat Sales.

10. Recruit new distributors and or dealers.

#### A FEW WORDS ON MLM PROJECTIONS AND MONEY-BACK GUARANTEES

One of the best ways to spot a potential phony is a promise of a sizable "guarantee" if you don't at least make \$100,000 or some other arbitrary high figure with their program in your first year. Honest companies can't possibly make such an offer, or are not giving you the whole story!

Read the fine print. To collect on the guarantee you probably have to fulfill a few little requirements. Like pay a year's worth of monthly dues, Provide proof you distributed 25,000 brochures, or have at least 10 people in your down line.

I already told you how difficult it is to even recruit a couple of people and then hold on to them.. The average MLM distributor has only 2.8 people in his/her downline. Now look past all the fancy double talk and see what (if any) commission you get with just two people. Still want to join? Get out a pencil and a piece of paper and figure it out for yourself! The "guarantee" is meaningless.

#### SOME OTHER THINGS TO LOOK FOR...

- A company with a proven track record in business for several years. MLM companies have a strange habit of folding up their tent with little or no warning! Don't get stuck holding the bag!

- Diverse product line. NO door to door selling. That's a big

hurdle. If product can be sold through a simple ad or catalog, it's a lot less wear and tear on you, and burn-out is slower.

- Initial small investment. Don't tie-up big bucks buying sample kits, etc.

- Proven earnings potential. Talk to several successful members already doing the program.

Can't find any? Then how good is the program? Find a lot, then how are you going to cut into their action? MLM is a cut-throat fiercely competitive business!

I'm sure some people that read this report will strongly disagree with some, or all of the things I said. A few people do make a lot of money. A few forfeit their life savings. Most people spend months of sixty and seventy hour weeks with little or nothing to show for it! I have never met anyone who did much better than break-even with any MLM plan. If you still want to try, go slow and pick a quality company. Hope you're the exception. If you are, drop me a line and tell me your success story. I would love to hear about it!

## NETWORK MARKETING PLANS AND THE PYRAMIDS IN EGYPT

It's really the best illustration to visualize what is required if a Network Marketing Plan is going to make YOU the kind of money promised. The Pyramids built centuries ago in the distant desert sands of the Middle East have layer after layer of huge blocks piled one on top of another to support the massive weight of the immense structures.

Unlike the Egyptian pyramids that are already "topped out", a successful MLM program must continue to grow. Not from top, but from the bottom by adding an ever increasing base to pay commissions to more and more people. If you can't continue to recruit new people to join the plan to help support the growing structure you're just running in place all the while you're paying monthly fees for the privilege of trying! It's like lifting up the entire pyramid and adding a new course of blocks.

The people that start the program, and a few "heavy hitters" near the top of the pyramid are feeding off of everyone's efforts, and are of course profiting handsomely. While it is mathematically possible through geometric progression to make the kind of money claimed, the promoter never gets around to telling you that for everyone to do well would require enrolling first hundreds then thousands, and finally millions and billions of people! To keep going further would eventually require more people than there are on the entire planet!