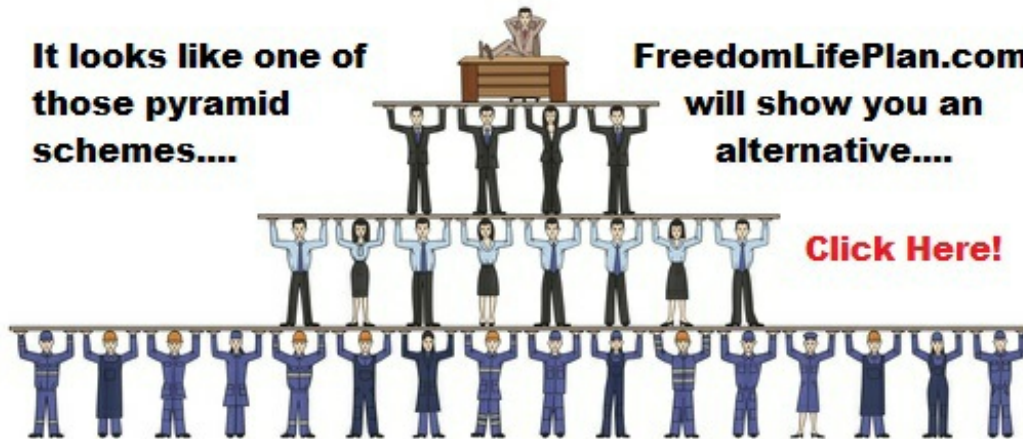


# Solving the Problems of Network Marketing

 joyhealey.com/solving-the-problems-of-network-marketing/

## Being Employed vs Self-Employed

Working to support myself rather than a boss and several layers of management has always been my aim – and for all but a few years of my life, that’s what I’ve been able to do.



But as I get a little older and want more time away from the keyboard, I’m exploring my options to find the best way forward.

My readers probably fall into one of four categories:

1. No idea what Network Marketing Is
2. Tried it once (or more) and will never try it again
3. Tried it once (or more) and like the concept, but hit too many of the problems of network marketing, so “off” it right now <<< ME, until a month ago!
4. Love it – and open to looking at an MLM business to run full-time or alongside other commitments

Readers in category 2 will probably prefer to leave now..... unless.... they could be closet category 3s, like I was until about a month ago.

## What Is Network Marketing?

Briefly, it’s a low cost way of running your own business as a “distributor” supplying products sourced by the parent company to a “network” of contacts that you build. Some of those contacts will be customers, and some will also be distributors with their own customers. Depending on the exact compensation plan, you should make a small profit on the sales of all products within your network.

The structure is very much like the conventional business structure shown above – EXCEPT that network marketing is a “meritocracy”. If the people on the “lower” levels work hard enough (sell enough product) they can surpass the earnings of those “above” them.

Everyone has access to the same products and business plan, what determines your success or failure is YOU.

## **So Why Isn't Everyone Doing It?**

The theory is great, but it has to be admitted that in many companies there are some pretty damning problems with network marketing.

Hence the reason for me being "off" it until very recently, even though it was the online business model that, about six years ago, earned me more than anything I've tried since then. £2000+ per month part-time, at the height of my success. Unfortunately, instead of the income continuing to rise, it started to fall, because I fell foul of....

## **The Problems of Network Marketing**

Having built a big team (2000+) – with the help of some very active distributors who joined me – the biggest problem of all was....

### **Losing the Team**

One reason was that there are certain types of compensation plan where distributors in your network fall outside your earning capacity. This happened to me, there was a huge part of the team I wasn't earning on. This can also happen with Binary plans, where the "legs" have to stay balanced – which I have found virtually impossible to do.

The other reason my income started falling was that my team (network) started to leave in droves, faster than I could replace them. Here's why....

### **Don't Want To Make A Monthly Purchase**

The reason for them leaving was that they weren't making enough profit to cover their monthly purchase. Having started a business to MAKE money, they were pretty quick to leave when after a couple of months they weren't in profit, yet were still having to shell out to buy a monthly product.

This is particularly galling if you are having to buy (and theoretically sell) a target volume of product to retain a promotion level earned in a previous period. There comes a point when even the most devoted distributor can no longer ignore (or use) that legendary pile of stock in the garage.

At this point some companies recommend you "give samples" to prospective customers – and I don't mean a couple of 20gm taster pouches. I have been cold-called by hopeful distributors who then turned up on my doorstep with huge multi-packs of free products as samples that they left for a week for me to try, the intention being that at best I would be delighted with the product and buy it, or at worst feel obligated to buy something out of pity.

Giving out free samples at that rate is a serious cash outlay and not a great sales tactic in my opinion, but I guess it has the virtue of shifting product!

As a slight aside, if you were to pay several thousands for a conventional business, you wouldn't expect to be in profit in a couple of months – but it's a sad fact that people are talked into MLM with grandiose ideas that you can be rich in weeks. The average distributor won't be. Fact. Most will quit, more broke than when they started.

Why?

### **Can't Sell**

Related to the above is the fact that most of us can't sell, and don't want to sell, or "Share" or whatever euphemism is used to dress it up. If we COULD sell, we'd probably be high-fliers in well-paid sales jobs instead of hassling friends and family to relieve us of pills and potions they could probably buy for less

down the High Street – which leads us onto...

## **Over-priced Products**

However the company dresses up the “quality” and special ingredients, the fact is that a large proportion of the sale price is distributed as profit to distributors. So when you or your customer see a similar looking product at half the price on the High Street, and with no P&P to pay, it’s easy to pop it into your shopping trolley and forget “buying as your own customer”.

High mark-ups aren’t just a feature of network marketing companies. I have done freelance work for two High Street chains of retailers where the selling price was SEVEN times the cost price. They had nothing to do with MLM, they were conventional retailers.

## **Don’t Want To Bother Family And Friends**

The traditional (pre-Internet) model of network marketing was to approach your family and friends. This does not sit well with me.

Since the day that my poor sister bought an MLM burglar alarm (don’t ask!) from me, I have steered well clear of family and friends as customers. The wretched alarm packed up a month after she bought it, by which time the company had gone bust anyway. She kept it blinking at me balefully on the sideboard for many months to remind me “Never again”.

Of course with the advent of the Internet your network can stretch way beyond family and friends and so it should. Because you can easily ruin important relationships by continually badgering family and friends to support your ailing business.

If you had a conventional High Street shop you would tell you family what you’re doing and HOPE they might buy from you occasionally. You wouldn’t (I hope) keep badgering them to “Buy my products”.

## **Not Enough Time To Run Your Business**

Although we blithely talk about a part-time business it’s completely unrealistic to expect that you can sign up for an MLM, do nothing, and money will flood in.

To make fast money you need to make fast sales and build a team to do the same. You may start off with the best of intentions, and plenty of time to build a customer base and team of distributors.... but unless you, AND your team, can sustain this, many compensation plans will penalize you by demoting you from the qualification so hard-won.

My offline business has peaks and troughs – sometimes it’s really quiet, and I have time for my online business, other times I’m so busy I’m working round the clock and can’t handle having to try and sell products or replace flagging distributors.

For me, part-time must really mean part-time... and occasional too!

## **Poor Support and Marketing Resources**

Another problem you might have that drains your time is lack of support when you have questions. I joined one business, brought in several people and had a decent down-line but I couldn’t get my upline to answer my questions. Perhaps he didn’t know the answers either. It wasn’t obvious who HIS upline was, and it was only a very low cost business so I lost interest (blush).

Are there good marketing materials? One of my reasons for joining a network marketing business is to tap into professionally created marketing material ready done for you, such as videos and professionally hosted webinars. Maybe even local meetings. Otherwise you may as well follow a

conventional wholesaler / retailer model and produce your own material.

## There's A High Failure Rate In MLM

All the above add up to the fact that there's a high failure rate in network marketing. Maybe as high as 97%. Ouch!

Personally I think this is a bit of a non-problem for THIS article, because it's not specific to MLM.

There's a high failure rate in ANY business venture. Everyone is different and some people just aren't cut out to be in business for themselves. They'd rather sit at home and watch TV. Nothing wrong with that – just as long as they don't criticize any business model for their results. At least with an MLM business you shouldn't have spent much money getting started, unlike franchising where you could have paid many thousands.

## My Solution To The Problems Of Networking

I hit one or more of the above problems in every MLM business I tried, and had really dismissed it as a workable model for the future .... until someone persuaded me to go to a meeting in London. Alternatively there are regular webinars – because it's available world-wide – and other venues available – ask me on [Facebook](#).

What I heard there, and the people I met, totally amazed me. There were regular business-people (painters, plumbers, antique dealers etc) running their day-time businesses, yet making a very handsome extra income from the business I have now joined – even when they only promote occasionally.

## What Makes This Different?

The concept of this business is a Shopping Club where members earn loyalty points and VERY generous cashback – just like you do in the case of certain supermarkets or coffee chains.

- No-one quits – because a one-off purchase activates your membership for life
- The company has never missed a pay day since it started in 2008
- If you want a “repeat business” product – to sell or buy – we have one, but it's optional
- You are a customer, but – after the first purchase – only when/if you want to be
- Active AND passive members can earn cashback – but of course active members earn faster
- We work as one big team (currently about 6000) and all members' purchases benefit the global team – even if you never purchase that type of product yourself
- I am in a very active and supportive sub-team giving me and MY team amazing support, even cross-line
- There are NO monthly commitments and you never lose the position you attain

Because of the last point you can genuinely take a break from the business when you're busy (or on holiday!) without penalty.

## Earnings For Passive Members

Of course passive club members can take 100% break, but they should NOT expect to “**make money fast**”. And no, I can't predict when they will get their cashback because I can't see into the future and I can't tell what sales other people in the team will make, to push passive members along.

If, as a passive member, you can't afford to make a one-off purchase (minimum £50 plus P&P) and

“wait and see”, this is not for you.

## The Products?

I haven't spoken much about the products.... and that's because, as in the normal supermarket and coffee chain, there are different types of product to buy from the club.

The original class of product (a collectable asset) has sustained the business model and returned cashback to club members since 2008.

As you only need to make a one-off purchase, and there's a wide range of products and prices to choose from, it's not the end of the world if the collectable asset product doesn't excite you. I personally love mine, but if you don't – give it away as a family gift. Heck over the years my family have had so many cosmetics, pills and potions from “the garage” that this would be an attractive change.

An additional group of products is being added in August 2015. This will generate a huge surge of members and activity because it's a range of health products, which will open up the **option** to sell a repeat product for those who want to, and just to consume for those who don't like selling.

These products have been on sale outside the club for several years and the manufacturer has many happy customers already, but now wants to tap into the buying power of the club. There are a few pre-release products on sale already and along with many other club members I've already bought a pack.



To learn more about the health products download this [Salustra product information sheet here](#). It contains some very interesting comparisons to other well-known products that many people are already buying, without the benefit of cashback!

L-citrulline DL malate	4.0 g
L-Arginine Alpha-ketoglutarate	1.0 g
L-Glutamine	1.0 g
Taurine	1.0 g
L-Carnitine	250.0 mg
Alpha Lipoic Acid	50.0 mg
Coenzyme Q10	30.0 mg
Pine Bark Extract	30.0 mg
Octacosanol	5.0 mg
Vitamin D	5.0 µg
Vitamin E	18.0 mg
Vitamin K	37.5 µg
Vitamin C	280.0 mg
Thiamin (Vitamin B1)	3.3 µg
Riboflavin (Vitamin B2)	4.2 µg
Niacin (Vitamin B3)	48.0 mg
Vitamin B6	4.2 µg
Folic Acid (Vitamin B9)	400.0 µg

Still not excited by these products? No worries. Watch out for the increasing range of products to come after the successful integration of the Salustra products.

Passive members happy with their one-off purchase product will be totally delighted as more products are added because the points generated ALL products purchased by members world-wide will feed the global points pool and contribute to the cashback rewards.

You can be ready to benefit from all members' purchases with as little as a one-off purchase of £50 plus P&P worth of health products, which will return you cashback as global sales increase.

## How To Find Out More

If you are at least open minded to learning more about this concept, there are several options:

- Ask me for an invitation to a closed Facebook group where you can watch some videos and ask questions – Click here to [message me on Facebook](#)
- If you're in the UK I can arrange for you to be “met” at a local meeting (or I can meet you in London)
- Watch a forthcoming or previous webinar – [Click here](#)

Because most of this article has been about the problems of MLM, and because the club concept is better presented by the professionals in the group, I haven't attempted to explain the plan.

It took me a few times watching before I understood exactly how the cashback was generated from

actual sales in the business. That's the key element that makes the model completely sustainable.

After watching the webinar / videos I hope you agree with me that this club solves the problems of network marketing and that you will at least wish to dip your toe into the water with a single purchase.

**Update July 15th 2015:** Part of the plan is that members can get their initial purchase price back, due to sales by other members of our team. Known as an "Interim Cashback" I got my "interim cashback" on 11th July 2015 – about 6 weeks after my purchase – despite having been tied up with my off-line business. Your results may be faster or slower, depending on your activity and team activity.

## Joy

### Owner

I'm in the business of transforming the experience entrepreneurs have online. Follow my recommendations to benefit from my hard-won experience. You will save time and stress - building your profits faster - by using trusted resources and partners I wish I had found earlier. Please contact me on Facebook if you have specific questions.

