What is Multi Level Marketing?



Multi level marketing is known as network marketing. This is a kind of business where franchising and direct selling are combined. This business makes a person associated to a company in an independent transaction approach. It is an approach where the company creates a contactor relationship to the person who wants to expand his business. The members make their earnings based on the sales they have reached in that particular product or service. It also includes the sales of the person that they have recruited to join the business. Most of the time the individual who has recruited more members and provided a good sales output on the product compensate higher because of the effort to transact in two different fields.There are pyramid shared safari packages Masai Mara schemes or Ponzi schemes, which are considered illegal. Most people associate multi level marketing to these kind of schemes because they also recognize themselves to be a legitimate networking business. Because of the bad image brought up by these schemes, many prefer to use their names for their businesses as home based business franchising or affiliate marketing. Commissions are earned in the process of selling a particular product or service in a legitimate network marketing. There can be no earnings in what they call as a sign up fee or for just recruiting yourself alone. This kind of marketing is always criticized because of the questionable recruitment process where they get their revenue and profit. They get their sales from members and new members, which are considered the end users of the product and as the distributors. These criticisms led to the major changes in the multi level marketing in the early 1980s when many companies have started to allow their members to concentrate only on marketing and not on distributing or stocking the product. Most multi level marketing firms nowadays perform as fulfillment firms by taking the tasks of shipping the product, paying the commissions and taking orders from their clients. Many people who are victims of the illegal schemes in multi level marketing are required to buy expensive products, but most of these schemes do not last long because most of the sales are not easily resold.