

Money Making Schemes: Multi-Level Marketing

By Richard Lowe

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Disclaimer: This is one of a series of articles which contain my personal opinions, based upon my own experiences, about various money-making programs. You may have had difference experiences which give you different opinions.

I've thought long and hard about this, and spent a great deal of time researching. This was a tough thing to admit and to confront, but here it is. (I will add the comment that these are just my personal opinions and should be taken as such. Other people will have formed their own opinions.)

ALL multi-level marketing is a scam. Every single one of them is a pyramid scheme based upon the people at the top feeding on the people at the bottom. If you are lucky enough to be one of the few at the top of the pyramid, you might make a few dollars before (a) the police bust you or (b) the whole thing collapses.

Oh, I know these groups will all protest that they are somehow different. They have the answers. They know how to make money and they just want to share it all with you, for a small fee, of course.

The truth is that these groups require immense amounts of work on your part to even break even. You have to put your heart and soul into them, and even then you are taking a chance.

I knew someone (named Jeff) a few years ago who was involved in Herbalife. It was very strange watching Jeff try and sell the program to others (including myself). He believed! It was practically a second religion for him, and he preached about how great it was all of the time. He tried to sell me some vitamins by proclaiming how much better than normal they were ... they were special vitamins,

with a secret mix of herbs to make them more potent and absorb better into the body. He had to justify a huge price markup ... and he preached so well that he even convinced me to buy one bottle. Silly me, they were just vitamins.

But wait, one thing you have to understand about multi-level marketing is you are NOT REALLY SELLING A PRODUCT. That's the key to all of these systems. YOU ARE SELLING THE PROGRAM. Your job is to sign up people under you who will sell for you and sign up more people under them.

That is the key thing to remember. You do make money from selling products, like any other salesman, but the real cash is from getting other people to make money for you. The more you get the more you make ... in theory.

What really happens to the MLM companies is sad. They usually start fast and furious, because their funding is often weak. They have to make a bang immediately, so the initial members (the only one's who make any real money most of the time) work hard to sign up people as quickly as they can. Every tactic, however unethical, is okay at this point as long as thousands or tens of thousands of members are signed up almost immediately.

Once the pyramid, uh excuse me, referral matrix has enough people signed up the program usually gains popularity fast. Some of the people near the top actually make some real cash, but the rest just work their butts off for little gain. Sadly, in most cases the program collapses suddenly and without warning - they are either shut down by the authorities for various crimes or, more often, they just collapse because they cannot sign up new people faster than the old ones are leaving.

That's the secret to successful MLM - you have to sign up new suckers, oh excuse me, members faster than the old ones leave or become inactive. If you can get enough new members working for you, then you have a chance of making some money. Of course, you have to sacrifice your ethics and morals and toss out the window any chance of going to heaven (or whatever you believe in), and needless to say you'd make more money for less work at a real job, but you could make some money.

Herbalife is the one MLM program that I can think of that has actually survived. I'm not sure why this program is still around where virtually every other one has failed. Perhaps it has gained almost cult status in our society, or perhaps it's because the people involved have become fanatics or perhaps for some reason it has just been able to continue to grow ...

Personally, I would much prefer to sell something that people can actually use - in other words, a product or service of some kind. Something that gives people some value besides being in a program. Generally something tangible. Also, I like charging a fair and reasonable price without a hundred different markups going to lord knows where.

So in good conscience, I can no longer recommend any of the MLM programs on the internet.

Now, I must include a word of caution with these warnings. This article does not refer to affiliate programs which allow you to get a referral fee or commission for signing up other people. These kinds of programs are fine - as long as the primary focus is selling products or services and not the program itself. That's the fact that makes MLM so easy-to-spot and so vulnerable to self-destruction - the primary focus of the program is selling the program. And when you get right down to it, a program is worthless if the only thing of value is the program itself.

The only thing MLM programs are good for is a good laugh. Once you understand how silly and insanely stupid they all are, you just have to throw your head back and laugh.

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