

# Network marketing: the new pyramid scheme

“Network” seems to be the big buzzword these days for business people and the use of the word separates the amateurs from the pros.

The amateurs use “network” as their sole method of talking to people. They act as if they’ve found this brand new way of talking to people (prospecting) and that they’re the only ones who know about it. They take to social networks and Craigslist with image laden pictures and insinuated or outright promises of quick money.

The seasoned veterans use networking as they always have. Across tables with food, coffee, or alcohol they network. Walking around a park or cycling next to each other, they network. Talking after religious services or across broadband internet, they network.

Network marketing to the amateur is the *ne plus ultra* of marketing, and they view it as the only form out there. The pros know this is not the case and simply put the arrow of social media in their quiver of outreach methods.

Please don’t get me wrong: I don’t mean to besmirch amateurs. We all start somewhere. The issue I have is with the companies that call themselves “network marketers”. These companies, such as World Ventures or wake**up**now (WUN) (links not provided to prevent helping their Google rankings) focus on young people recruiting their friends for “deals” which usually amount to not much more value than the free gift one receives with their Revlon purchase.

These are MLM companies, multi-level marketing companies.

Not all MLMs are built equally. I personally network and

refer people to a number of MLMs, most notably [Meleluca](#) and [LegalShield](#). Including those, I network with about a total of five MLMs.

What is the difference between these companies?

World Ventures and WUN focus on young people and the allure of money. The promise easy money, world travel, and require many people to buy in. They have no real tangible benefit other than arguably non-discounted travel accommodations for monthly paying subscribers. Essentially, their subscribers pay a premium and then receive no discount on travel – the very commodity promised to them.

Meleluca and LegalShield offer a service. Whether it's a non-toxic, made in the USA, healthy alternative to common household chemicals and foods or a host of legal services at your beck and call, these companies actually provide a service. More than providing a service, they offer savings to their customers.

The “network marketers” are actually network recruiters. In order for the sellers, by whatever phrase they're described as, to make anything decent ([80% of WUN salespeople make an average of 53¢ every year](#)) they have to recruit other sellers below them. The MLM businesspeople have the option to recruit to their downline or not, and can still make a decent living.

My advice to young entrepreneurs: don't get caught up with network marketing. It's a buzzword that won't teach you actual sales techniques. Get on with an established company with a product that's easy to explain and a training process that is thorough and hands-on. If you have to justify your company to feel good about it, you shouldn't be working for them.

All this and I haven't even touched on my issues with HerbaLife. I guess that's for a different post!