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# What is Network Marketing?

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### **What is network marketing, exactly?**

It depends on who you talk to.

I'm serious!

Talk to someone who joined a network marketing opportunity, learned the ropes, took action and went on to build a wildly successful business that pays them a solid six-figure, even multiple six-figure annual business and they will tell you:

*"Network marketing is the greatest opportunity in the history of mankind for the average person without a lot of money to invest to become financially free."*

Talk to someone who has joined a few different opportunities over the years but who never really got in and "did the work" required to build a business and they might say something like this:

*"Network marketing doesn't work. The only people who make big money are the people who get in early."*

So who is right? And if you think about it, neither really answers the question: "What is network marketing?"

## **What is Network Marketing?**

According to [Wikipedia](#), network marketing is way of doing business in which a sales force earns a commission not only for sales of products and services they personally generate, but also for the sales of others they recruit and bring into the business, which creates a downline of distributors and a hierarchy of multiple leveraged levels of compensation.

Whew. What a mouthful. Let's break that down into something that makes more sense, shall we?

You realize you will never get rich working for someone else. You also know there are huge lifestyle benefits associated with building a success business:

- You can pick the people you work with.
- You can work from home part-time in your spare time.
- You can pick the hours you work and how much you work.
- You can give yourself an IMMEDIATE raise through tax savings.
- You have the chance to literally set yourself financially free.

So you decide to investigate joining a network marketing company because of the low cost of entry and all the training and support you get. But what are you really getting yourself into? What is network marketing, exactly? Here's the deal...

When you join a network marketing company you are "signing up" to represent that company's product and services and business opportunity.

You "sign up" by making a small investment (usually \$500 to \$1,500) and by completing an Independent Distributor agreement. You are not being hired by the company as an employee but, rather, you are volunteering to represent the company as an independent contractor, business owner, dealer, representative or consultant. You are awarded a commission based upon the volume of product sold through your own sales efforts as well as that of their downline organization.

In other words, to make money you need to personally sell stuff AND teach your team to sell stuff because you earn commissions on the AMOUNT of product that moves through your new business.

## **What is Network Marketing? Think Franchise!**

Consider a franchise operation like McDonald's.

McDonald's is one of the largest fastfood organizations in the world. They have more than 33,000 restaurants that serves more than 64 million people in 118 countries each day.

More than 80% of MacD's restaurants are owned and operated by independent business owners or contractors.

Now if YOU owned the mother-ship corporation, you not only earn money by selling burgers, fries and shakes from the 20% of the restaurants YOU personally own and operate... you also earn a tiny percentage on all the sales made by the entire organization including the other 80% you do not own or operation. Meaning you are now earning a LEVERAGED income generated by the time, talent and energy expended by the other business owners on your team.

Here's another way to look at it...

Let's say you earn a \$100 commission for selling a particular product and it takes you two hours of "work" to make a sale. Break that down and your time is worth \$50 per hour. Put in a full 40 hour work week and you pocket a nice \$2,000.

Let's also say you have spent some time "recruiting" a few people to join your team who also want the chance to earn \$100 per sale and you earn a nice \$10 check for every sale THEY make.

Over time you have built a team of 100 people. They each make 20 sales per week - independent of your time and effort.

- YOU = 40 hours, 20 sales, \$2,000
- TEAM = 4000 hours, 2,000 sales @ \$10 each = you get \$20,000

See the magic? You get paid on the time and effort of other people. This is leveraged income versus linear income.

So perhaps a good way to answer the question: "What is network marketing?" would be quote J. Paul Getty, one of the richest men in his time:

*I'd rather have one percent of the efforts of 100 people than 100 percent of my own efforts.*

## **What is Network Marketing? The Reality...**

Here's the unfortunately reality, however.

No matter how you slice it, the only way you will ever build a highly profitable network marketing business is to be willing to MASTER the art and science of sales, marketing and leadership. Because MLM is form of "direct sales" and no one makes a dime until products and services are sold. It's that way in every business, not just network marketing.

So the KEY is to join a company, track down who is currently enjoying a level of success you aspire for, find out what they are doing... and simply be willing to DO the same things. Which, of course, may require you learn new skills and actually a few things (sales and marketing) you are not comfortable doing in the beginning. So what is network marketing?

- Network marketing is a career choice and a profession.
- Network marketing is a path to fame, fortune and time freedom.
- Network marketing is a leadership development platform.
- Network marketing is fun, fast and exciting.
- Network marketing is a proven "million dollar" business model.

Bless and be blessed,

PS - Over the years we have built THREE profitable network marketing businesses using a [Simple 3 Step System for Success](#). If you are serious enough, take a look and let's talk more about potentially partnering together. The ball is in your court...