Happy New Year from the Babener Family!  
Updates! Plus, First Blog Post of the Year: Network Marketing Myths and MLM “Domination”

By Jeffrey Babener © 2015

Happy New Year from MLMLegal and the Babener & Associates family!

We hope you had a fantastic 2014! Here at our headquarters in Portland, Oregon, we have a lot to celebrate! From our long-standing clients to our new arrivals, thank you for being a part of our team. We wish you success and longevity in the New Year. We pride ourselves in having loyal relationships with our clients and plan on continuing to help forward your success in 2015!

In other news: We’ve added a member to the Babener family! Baby Luka was born in September and his mom (the person who writes all these blog posts) has finally returned to work!

2015 has arrived, so let’s not waste any time, shall we? Our first blog discussion of the New Year will cover common myths in network marketing. Enjoy and Happy New Year!

What Are Some Network Marketing Myths?

We have all heard the following claims in the zeal of promotion and recruitment.

1. Multi-level marketing (MLM) classes are taught at Harvard Business School.

2. Network marketing has produced more millionaires than any other type of business.

3. MLM will dominate the economy in the 21st century.
Unfortunately, these statements are “urban” MLM myths that are over the top and damage the credibility of distributors and companies, as they promote the truly positive opportunities of direct selling.

1. Historically, the Harvard statement preceded the actual teaching of MLM classes. A Harvard case study on a company such as Mary Kay, or a lecture by someone like Mary Kay, was twisted into the proposition that MLM was part of the curriculum. This assertion was not true, yet it was repeated over and over. Since that time, various universities such as University of Illinois at Chicago or Utah Valley State University and others have instituted courses. Many professors have joined the ranks of scholarly articles on direct selling. And so there is plenty to talk about without misrepresenting the facts.

2. Let us address the myth of networking marketing producing the most millionaires compared to any other type of business. Of course, MLM has had its share of millionaires, and a few billionaires from such companies as Amway. They can be found on America’s wealth lists. It is a vast overstatement in a country with 300 million people, and where there are about 16 million distributors with statistics indicating that only 1-2% make enough money to amount to a full-time living, to have millionaire-expectations. In fact, the exaggeration has prompted the FTC and state Attorneys General to demand, and leading companies have acceded, to post average earnings disclosures which accurately show the experience of typical distributors in their program. Again, there is room to be proud of the opportunity and success of many, but overreaching earnings claims taints the potential recruitment pool.

3. Will MLM dominate in the 21st century? The simple answer is: No. Keep in mind that U.S. MLM sales hover in the $30 billion range in an economy of that posts $17 trillion, i.e. about 1/5 of 1% of national revenue. MLM will play an important role, but, again, there is no useful purpose in being caught in an exaggeration.

Welcome to MLM Legal - a valuable resource to the Multi-Level Marketing and Direct Sales Industry. Use this site to review interesting articles about this high growth industry. Keep current with the law and how it is affecting large and small companies throughout the United States. MLM Legal is sponsored by Jeffrey Babener of Babener and Associates.
On any given day you can catch Jeffrey Babener lecturing on Network Marketing at the University of Texas or the University of Illinois, addressing thousands of distributors in Los Angeles, Bangkok, Tokyo and Russia, or writing a new book on Network Marketing, an article for Entrepreneur Magazine or a chapter for a University textbook. Over two decades he has served as marketing and legal advisor to some of the world's largest direct selling companies, the likes of Avon, Nikken, Melaleuca, Discovery Toys, NuSkin, and he has provided counsel to the most successful telecom network marketing companies...Excel, ACN, World Connect, ITI, AOL Select and Network 2000. An active spokesperson for the industry, he has assisted in new legislation and served on the Lawyer's Council, Government Relations Committee and Internet Task Force of the Direct Selling Association (DSA) as well as serving as General Counsel for the Multilevel Marketing International Association. He is an MLM attorney supplier member of the DSA and has served as legal counsel and MLM consultant on MLM law issues for many DSA companies.

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