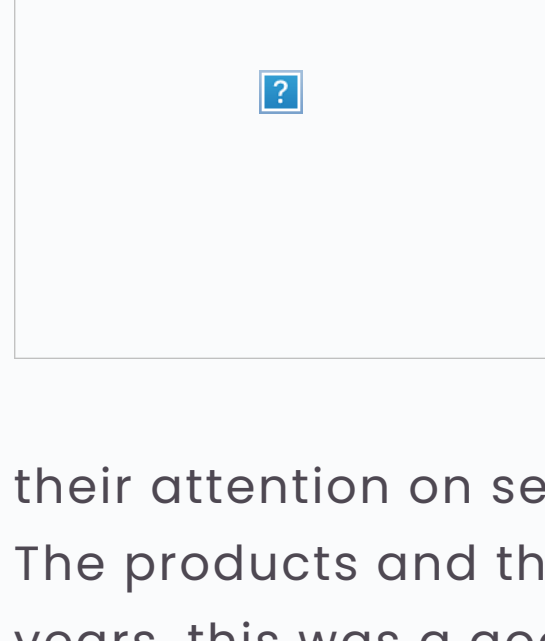


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## 5 WAYS TO GET MORE CUSTOMERS

JANUARY 1, 2023 BY ADMIN — LEAVE A COMMENT



There was a time when network marketing companies sold most of their products to their independent representatives for their personal use, and this was not a problem. Back then, companies didn't worry about having customers who were not representatives.

Network marketing companies focused 99% of their attention on selling products or services to their representatives. The products and the income opportunity were sold together. For many years, this was a good strategy because it accomplished what matters most to companies – more representatives and more sales!

The U.S. Direct Selling Association lobbied hard to include in their definition of "ultimate consumer purchases" the purchases by independent representatives for personal use in reasonable quantities. While a valiant effort, this strategy was ultimately unsuccessful in satisfying the Federal Trade Commission (FTC).

The FTC had a different viewpoint. It sued **Vemma** in 2015 in part due to a lack of sales to customers and imposed a settlement requiring that Herbalife restructure its business in 2016. If you don't understand why these FTC actions should matter to you today, you can read about the importance of **real customers** to learn why.

### 5 WAYS TO GET MORE CUSTOMERS

In our work with **compensation plan design** and **compensation plan improvement** projects, we discuss the options clients have to increase sales to customers. There are 5 strategies to get more customers.

1. Pretend like it's 2012 and don't worry about having enough sales to customers who are not representatives of your company. Assume the FTC won't come after your company. Hope they are busy going after *other* companies.
2. Pray for customers. Every. Day. Pray.
3. Talk about how good it is to make sales to customers, but do nothing in your compensation plan to reward customer sales well or to require sales to customers. This is talking without walking. Some companies like this approach because they say it is better than #1 and #2.
4. Specifically motivate and reward well the sales to customers who are not representatives.
5. Require customer volume in your compensation plan to get paid.

### WHAT DO MOST COMPANIES DO?

Would you be surprised to learn that most companies like #1, #2, and #3 more than #4 or #5?

Talking about selling to customers who are not representatives is a difficult subject, because the desire is very strong to do nothing to change the business model of selling mostly to representatives.

A common objection to my strategies #4 and #5 is "my competitors aren't doing this." This is true. There are many companies still who are following strategies #1, #2, and #3. It's easy to say approaches #4 and #5 are uncompetitive.

### LEGAL RISK VS. BUSINESS RISK

It is legally risky in the United States today to ignore the need for **real customers**. Yet, changing the primary focus of your business and the businesses of your representatives from recruiting representatives to selling to customers who are not representatives is risky from a business perspective.

Like all things in life, there are tradeoffs. What is more important to you today, being legally compliant or not changing your business model?

Take comfort in the fact that you are not alone in your struggle with this tradeoff. But please, don't put your head in the sand by pretending it's 2012. And don't use prayer as your answer for getting customers. Also, don't just talk about the importance of getting customers.

Instead, be brave and choose from ways #4 and #5. Here is some good news:

**It doesn't matter whether you choose #4 or #5. What matters are the results.**

### WHAT RESULTS SHOULD YOU SEEK?

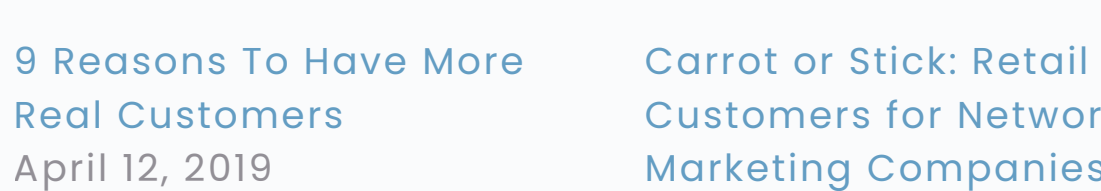
Your goal should be to get at least 66% of your sales from customers who are not representatives of your company. Why 66%? Because this was the benchmark the FTC used in the Herbalife case.

Don't make the mistake of counting customers instead of counting sales to customers. In many companies, representatives spend more on products than customers, especially when representatives make larger purchases at the time of enrollment. Counting customers may give you the false comfort that you're OK when you're not.

### HOW DO YOU GET 66%?

Get the help you need. Contact Sylvina Consulting to discuss how your company can motivate and reward customer acquisition and customer retention. We are here. **Contact us** so we may confidentially discuss your situation with you.

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## ABOUT JAY LEISNER



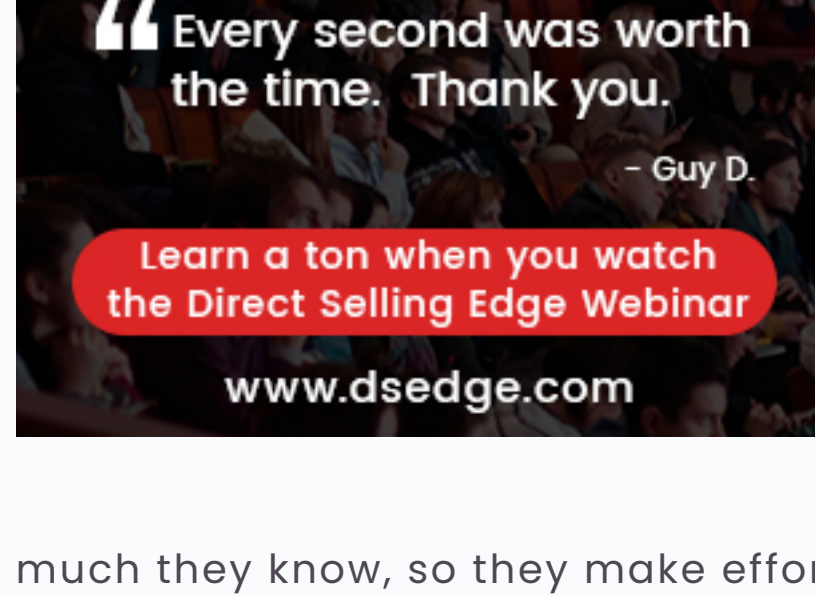
Jay Leisner, the President of Sylvina Consulting, is a top compensation plan and direct selling expert, a trusted adviser to new and established network marketing and party plan companies. For more than 30 years, Jay has enjoyed assessing and improving party plan and network marketing companies across the globe.

Jay Leisner and Victoria Dohr authored the top-rated book for new and young network marketing and party plan companies, **"Start Here: The Guide to Building and Growing Your Direct Selling Company"**.



Available in **English** and **Spanish**. This startup guide contains 250 pages of wisdom that will guide you through the right steps to start and continue on your journey to build a successful direct selling company.

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Sylvina Consulting and Thompson Burton sponsor the pure education **"Direct Selling Edge Conference Webinar"** for new and young direct selling companies. The wisest direct selling executives never stop being students. They seek out opportunities to learn more. They understand that the long-term success of their companies depends on how much they know, so they make efforts to keep learning.

Broadcast live and with recordings included for later viewing, this powerful webinar will give you buckets of wisdom and guidance to help you on your journey.

In 1986, Jay began his career in direct selling by working for a major direct selling software provider. First as a software developer and later as a project leader and a business analyst, Jay worked closely with new and established network marketing and party direct selling companies to provide them with software solutions to meet their unique requirements.

Jay contributed in many ways to the success of large implementation projects for many companies. Jay also worked with dozens of smaller companies to assist each of them in various capacities to provide them with the systems they needed to help their businesses to grow faster.

Along the way while working with them, he learned the secrets of successful direct selling companies and the challenges faced by them. In true entrepreneurial spirit, Jay's decision in 1999 to start Sylvina Consulting as a direct selling consulting company was driven by what he saw was a need for answers, advice, and solutions.

In 2004, 2006, 2009, 2014, and 2018, Jay gave presentations on compensation plans, recognition, and field leadership development at conferences held by the US Direct Selling Association.

He traveled to South Africa in 2015, 2016, and 2017 to conduct workshops on compensation plan design and recognition programs for member companies of the South African Direct Selling Association.

In 2017, Jay spoke at the Canadian Direct Sellers Association Meeting on the importance of recognition.

More than just a compensation plan expert, Jay is exceptionally skilled at advising new and established companies on business strategies. Before offering advice or solutions, he asks important questions to understand each client's specific concerns and goals.

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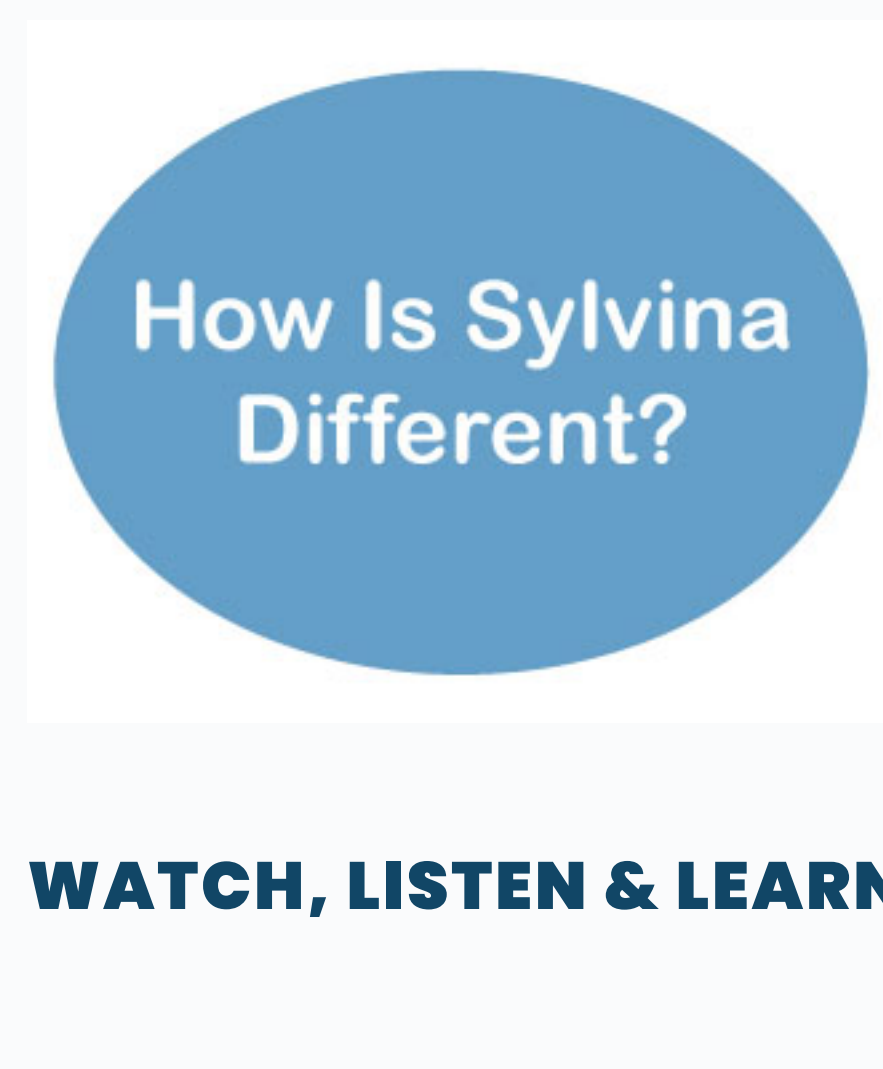
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