

How Multi-Level Marketing Businesses Poison Relationships and Objectify Society

By: Zach Good

On a beautiful evening last summer I sat down at a local café after a long day at work and devoured a sandwich while sluggishly trying to keep its sauce from dripping onto my tie.

“Just get off work?” a man seated at a nearby table asked me while casually thumbing through his phone.

“Yeah,” I replied, still focusing on my sandwich.

“What do you do for a living?” he questioned.

“I’m a technical consultant,” I replied, with a little more emotional commitment.

“Oh yeah? Do you enjoy it?” he wondered curiously.

“It’s tough work, but it’s not bad,” I confided in my new friend.

“That’s cool,” he said, turning toward me to make eye contact. “How would you like to have the ability to make money while you’re sitting at home doing nothing?”

And just like that I realized what I thought was simply a pleasant conversation between two fellow human beings was actually a Multi-Level Marketing sales pitch—and I was nothing more than a perceived mark; a potential pawn in his money-making scheme.

Multi-Level Marketing, or MLM, is a business format wherein a company employs sales associates to sell a product or service to the general population and the associates receive a portion of sales they generate—and also a portion of the profits earned by every sales associate they recruit into the business. New sales associates typically front a one-time start-up fee and recurring monthly dues and the sales associate that recruited them gets a cut of those payments as well as a portion of whatever profit they earn each month selling the product or service. The more sales associates an individual “employs”, the more money they make each month, which means if an associate’s force is large enough they can potentially make great sums of money without lifting a finger—a dream scenario MLM often uses as a recruiting tool.

Setting aside the ethics of such a pyramid-shaped business structure, Multi-Level Marketing businesses are socially destructive because they poison relationships and objectify society by inserting the possibility of financial gain into friendships and everyday interactions.

The main objective of Multi-Level Marketing is not to sell a product, but to build a sales force. In companies such as Amway—the poster child of the MLM business model—associates sell items such as power bars and energy drinks to anyone who is interested in buying them. While an associate might be able to sell enough of those products each month to earn a profit, the chances of becoming significantly wealthy through selling the products alone is extremely slim. As a result, sales associates in an MLM business must constantly look for new prospects through which to earn a cut of additional profits. And where do most MLM businesses tell you to start? With those you know well: family and friends. That means once you buy into the business model your personal relationships are immediately transformed into potential business relationships, monetizing overnight loyal interpersonal connections that began and endured on the basis of everything but financial pretenses. Outside family and friends, the only other option available is to recruit strangers you meet at clubs, social events, and in public while going about your everyday life. That is how you come to try to sell your business to someone you see at a café, as described in the beginning of this post.

MLM sales associates who attempt to recruit strangers in public places turn pleasant, unassuming daily interactions into sales pitches. Once you are involved in the MLM business model and are growing your sales force, the guy in front of you in the checkout line is no longer just another human that is worth getting to know on the basis that he is someone who might enrich your life; he is now worth getting to know because he is a potential vessel for financial gain. The unfortunate part is he will only learn of this motive well into the conversation, long after he relaxed the social guard that each of us possess. From the perspective of the MLM sales associate, that is by design.

MLM businesses often train their sales associates to use unethical guidelines and cunning scripts to recruit new associates. These instructions explain how to identify, approach, and engage potential recruits, and provide catchphrases and talking points to use that exploit known human psychological mores. Before the man in the opening situation approached me, he was trained to go to a café or crowded public space on a weekday evening when young professionals would be leaving work. He was trained to identify my business attire as such a wardrobe that would indicate my professional commitment. He was trained to recognize that I was sitting by myself and, thus, would be a better target because it would allow for intimate conversation and less opportunity for me to resist his pitch. Once he initiated contact with me, he was trained to begin the conversation in a casual demeanor to build my trust. He was trained to ask me questions that

gauged my potential interest in my current career and the possibility that I would like to make more money on the side. Once I recognized his intentions—which I did quickly as a result of having been approached in public about MLM schemes more than a dozen times—his training taught him to provide me with a vague and romanticized summary of his business to tempt me to want to know more. And, once I indicated I was not interested, his training taught him to say things like “I thought you looked like a guy who would be interested in making a lot of money” and other statements designed to use reverse psychology to make me reconsider.

If MLM recruiting techniques sound similar to those used by cults, it's because they are the same techniques used by cults. Cults looking to recruit new members meticulously train their followers how to identify and engage potential recruits as well as how to divulge just enough information about the cult that the potential recruit becomes curious but is unable to catch wind of the scope of the situation. In cults, as with MLM businesses, new recruits are often enticed not with clear-cut explanations of the logistics of the opportunity being presented, but with idealistic and ambiguous guarantees meant to build confidence, provoke interest, and secure allegiance. For cults, those lures take the form of the promise of a wonderful, stress-free life; for MLM businesses, financial security and easy riches. MLM businesses, like cults, know that everyone wants those things, but they also know that if they were to provide the definite, all-encompassing steps leading to those nebulous utopias upfront, most people would turn down their sales pitch without a second thought. This recruiting method is designed to coax new prospects into making a large commitment in such small increments that by the time they've completely bought into the opportunity and joined they are unable to realize how far they came since the first encounter. After all, the leap from being just another member of society that has a job and owns a house to a cult member standing in line for Kool-Aid at the compound is a colossal one.

Despite what MLM sales associates profess, working for an MLM business is not akin to quid pro quo networking. MLM associates often fall back on the justification that although they will make money off of your sales, they are giving you the opportunity to make money and, thus, that the relationship is mutually beneficial in a manner similar to professional networking. From an ethical standpoint, that is absolutely false. For starters, most networking interactions begin on the basis of authentic, personal interactions, and only when one or both individuals recognize an area of professional intersection does the conversation evolve into one consisting of business favors; and, even if it does, the underlying personal foundation for the conversation remains intact. Even in situations wherein one individual approaches an unsuspecting colleague for the sole reason of developing rapport with the hopes of securing a self-serving professional benefit, the requester approaches the potential aide with a sense of humility in the same way an apprentice approaches a skilled tradesman. With Multi-Level Marketing, the sole purpose of initiating personal interactions is to make money, and if some form of friendship occurs in the process, that's just a pleasant side effect. Professional networking is a trade; MLM recruiting is a sale.

Being an MLM sales associate is also not akin to “being an employee of a business that simply lacks a storefront”. Many MLM proponents parrot the oft-used reasoning that “a Multi-Level Marketing business is just like a Wal-Mart that decides not to purchase a storefront and invites anyone to be an employee.” They are correct in that a good or service is being sold by an associate without the benefit of a brick-and-mortar store, but unlike in an MLM business, when a Wal-Mart employee is off the clock they’re not stopping strangers on the street to try to sell them Wal-Mart products—or asking them to become employees as well. Traditional stores maintain a stationary location and use advertising as a means to attract potential customers to peruse their sites under their own free will. Multi-Level Marketing is designed to turn any public or private space into a storefront and coerce unsuspecting individuals into making a purchase.

Multi-Level Marketing businesses often prey on naïve and overly-idealistic individuals. By and large, MLM caters to two types of people: the naïve who are attracted to get-rich-quick schemes, and those who are what billionaire CEO Mark Cuban refers to as *wantrepreneurs*, or individuals who come up with ideas for products and brands but are either too apathetic or too scatterbrained to put in the exhausting effort required to see them through to fruition. The former group is susceptible to MLM business models because their minds are generally open to new ideas and they are easily sold by unfounded guarantees of wealth. The *wantrepreneurs*, on the other hand, want the independence that comes with being their own boss and the financial freedom that comes with resting on the laurels of royalties, but seek an easy—and often underhanded—system to reach that outcome. Both groups would be wise to know that, in an overwhelming majority of occasions, for the same amount of time and effort an individual puts into building their MLM business they can make that much money or more doing a traditional job—a job that offers more legitimate resume-building material than cold-calling and sales pitch skills trumped up as ‘brand marketing’ and ‘corporate development’.

Like cult recruiting, the goal of MLM recruiting is to obtain commitment in such tiny stages that the target doesn’t realize.

Yes, Multi-Level Marketing businesses can be advantageous for some, and yes, there are success stories. Multi-Level Marketing schemes can be a blessing for individuals with criminal records, disabilities, or demanding family circumstances that make it challenging to acquire and maintain a traditional job. For able-bodied adults who can obtain normal jobs, however, MLM should be avoided at any cost. We’ve all heard the story of the single mother who bought into an MLM business as a means to earn a little extra income to help make ends meet and is now making so much money that she quit her regular job and is a financially secure stay-at-home mom. These stories do occur—but they occur very rarely; and when they do, MLM sales associates point to them in much the same way casinos advertise elderly women holding oversized checks boasting money from jackpots won playing the penny slots. What neither advertise are the hundreds upon hundreds of people who leave empty-handed with only a story of the big one that got away.

Ultimately, Multi-Level Marketing businesses are nothing more than unethical enterprises that poison interpersonal relationships. MLM businesses monetize friendly interactions and insert money and worldly benefit into a place where they have no right to be. Hiding behind a façade of benevolence to approach unsuspecting strangers and lure them into a business for personal profit is not only unscrupulous, it's shameful. It transforms seemingly-pleasant interactions into business deals and objectifies and disillusions fellow human beings in the process.

When all is said and done, you might buy into a Multi-Level Marketing business and end up among the tiny fraction of individuals who retire to a chateau by age thirty. But, even if you do, odds are the people sitting next to you in the Jacuzzi will be like-minded individuals who see others not for their value as humans, but for their value as profit-generating machines.