

How To
Build A
Lifetime
Residual
Income
Through

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Network Marketing



INTRODUCTION

So you've decided you want to give network marketing a try but you're not at all sure how to make a go of it? Or, perhaps you've been in network marketing for a while now but have had no real success. Maybe you've even lost money!

Network marketing is *the* business of the twenty-first century. More people are entering network marketing than ever before. Why? Because it offers everyone an equal chance at wealth and success — at freedom and security.

Yes, network marketing — or multi-level marketing as it's also called, once had a rather shaded reputation. No longer. Like the franchises of the fifties — McDonalds, for example, network marketing has suffered through a painful growing period. And like McDonalds and other franchises, network marketing companies have come out the other side looking very attractive to profit-seeking entrepreneurs.

The big difference between a franchise like McDonalds or Kentucky Fried Chicken and network marketing companies, however, is that you can get into network marketing with just a few hundred dollars or less. To buy a franchise, however, you need thou-

sands in some cases hundreds of thousands.

The fact is most people fail in network marketing. There are a number of reasons for this. One of the biggest reasons is that people simply do not know how to recruit people and sell product.

After they've run through their warm market (their friends, family or people they know fairly well) they have no one else to call on. Or, so they think.

So what it all boils down to is that most people do not know how to market. They probably have lots of skills and ambition. They may have everything else it takes to succeed. However, they do not know how to recruit people and sell product. And without that ability and that knowledge you will fail at network marketing.

So it is the objective of this booklet to first give you a bit of basic information about network marketing. This is mostly for people who are new to multi-level marketing. We know that not everyone is actively involved in the enterprise — perhaps you are just taking an interest or getting more information. Then, we go into some depth about how the heavy hitters in network marketing become so successful through proper marketing techniques. We share some of these techniques with you.

Those of you who are already in network marketing might want to skip a few pages and go on to the section on how to market your way to success.



WHAT IS NETWORK MARKETING AND HOW CAN IT MAKE YOU WEALTHY?

Network marketing. We hear about it. We read about it. What is it really? Network marketing, simply put, is drawing upon the strength of others to build wealth for you and for them. *It is not labor-intensive.* So it doesn't matter if you get up and go to work somewhere. It doesn't depend upon your labor. It has a life of its own — similar to a business with employees. The difference is you don't worry about bookkeeping or payroll. You do not have to sell something or work on an assembly line or anything else you don't want to do.

If you do network marketing the *right way* you will have a steady fast-growing income whether you put in a lot of hours or not! There is simply no other way to have this sort of freedom.

With network marketing you have the benefits of owning your own business without the headaches. What more could you ask for?

Network marketing is simply building a network, or downline, and drawing a steady, passive income from that network. The net-

work, much like a web, grows in size and strength. As a result, your income increases. **And it's not dependent upon your efforts.** However, we must emphasize that in the beginning you will have to put in hours and effort in order to build your downline. This may take one or two years. It may take more or less time. But we will give you some tips on how to shorten that time period so you can cut down on the work or cut the work out entirely in a very short time. Just don't get the idea that network marketing will make you rich overnight. It won't. And don't get the idea that there is no work involved. There is.

In network marketing you “clone” yourself — you recruit others to do what you do. And they do the same. These people are your downline. The people who recruited you and are above you in the chain of recruitment are called the upline.

Network Marketing is an industry that is the ultimate business opportunity for anyone who wants time freedom and financial independence. It is for people of any age, sex or race.

It has every single component you might want in a business.

It is the growth industry of the 21st century.

Did you know that Mary Kay, the cosmetic company that uses network marketing, has made more women millionaires than any other single company in America?

In the U.S. alone over 10 billion dollars in goods and services are moved each year through network marketing!

Simply put, network marketing is a form of distribution that uses word of mouth to educate people on the benefits of a product.

All of us use a form of network marketing daily. Have you ever recommended a good dinner theater to a friend? Wouldn't it be wonderful if that establishment paid you a percentage of your friend's

meal and entertainment price because your recommendation got him to go to the dinner theater?

That's what happens in network marketing. You get a commission for recommending products to others and getting others to do the same.

A Powerful Concept

Let's go back to our dinner theater. Let's say the average cost of a meal and entertainment is \$50. Let's say that you recommend that establishment to just five other people. And those five recommend it to five each and each of those recommend to five more and those five recommend to five.

That's five, times five, times five, times five or a total of 780 people who went to the dinner theater because of your initial recommendation to the original five people.

At \$50 per average order, that's \$39,000 in business YOU generated for the dinner theater. If the owner paid you only 10% of that because you increased her business by \$39,000 you would earn \$3,900!

Now, what if each time these people went back to the establishment you were paid another 10% again and again — each time they went back to eat and be entertained? Wouldn't that be great?

That's exactly how network marketing works. And that's why people are getting so excited about it.

The insurance business uses a form of network marketing. Say a general agent has ten agents. He gets paid commissions for up to ten years on not only his own production (a sale he made only once) but he also gets paid an override on each sale his agents made for as long as that business stays on the books.

People who write books get a residual income called royalties. Many entertainers get royalties. You probably remember the famous show that still airs on many stations, *I Love Lucy*. But you may *not* know that Desi Arnaz, Lucille Ball and their heirs **did not** get any royalties from the repeats of those great shows!

Entertainers woke up in later years and demanded royalties be paid to them each time one of their shows aired. That is residual income. And smart people make sure they get their share of residual income.

Of course, another form of residual income is income from stocks and bonds, usually in the form of dividends and interest. While people should indeed have this sort of income it does take a lot of investing to build up enough income to provide you with security for many years. It also takes, in most cases, many years of investing.

Residual income — income that is not labor intensive — is the key to wealth.

Network marketing companies pay residual income by eliminating the cost of advertising. Rather than advertise, they pay you a commission for “referring” new customers to them. These companies only pay for results. They only pay a commission when a referral customer places an order. This way they eliminate the risk of advertising and instead pay that money to you.

Isn't that an astounding idea?

But wait, it gets better! Not only will they pay you on your own referrals but they will also pay you on the referrals your referrals make and on the referrals they make! The network, much like a web, grows. It increases in size and strength. Consequently, your income increases. And it's not dependent upon your efforts — not labor-intensive once you establish your downline . . . those people working under you. This is a form of cloning yourself — a very

powerful network marketing concept.

That's why it doesn't matter how much or how little time you have to devote to network marketing. Once you get started in it and begin your downline it takes on a life of it's own — independent of you!

Because the company handles all the inventory, shipping and billing, you're free to enjoy the things you love to do. Once you have made a referral you will continue to receive an income each time the customer reorders. It's this concept of earning a residual income from a one-time sale that makes this opportunity so powerful and this type of business so exciting and significant.

Then, no matter what happens in your life you have an income. You have money to pay your bills. You have money for the finer things of life. Money for whatever makes you happy.

Does all this sound too good to be true? Well, it IS true. People are doing it every day. And so can you!

The Downside of Network Marketing

We want you to know the downside of network marketing — not just the many benefits. According to recent figures there are currently over 2 million people participating in this type of marketing in the United States. Most of these people never earn over \$200 a month. Only a small percentage earn \$10,000, \$30,000 even \$100,000 a month or more. But that sort of income IS BEING EARNED!

The key to financial independence today comes down to one thing — your ability to market. The word “market” as we use it here is simply to sell your product or service or to recruit others to do it for you.



WHY DO SOME PEOPLE ALWAYS SUCCEED IN MAKING MONEY WHILE OTHERS CONSISTENTLY FAIL?

Most people fail in network marketing because they don't know how to market their business. They contact friends and relatives. That usually just makes people angry. That isn't good business. Once you run out of family and friends you run out of people to refer. That's not doing *real* business and it's one reason why people fail.

Some people mail a postcard, sales letter, or place an ad. Again without success. So what's missing? Why don't they succeed?

Look at the letters you get in the mail each day trying to get you involved in some opportunity. Did you ever notice how amateurish many of them are? Well, in a bit we'll talk about letters and how you can make your letters winners.

Building a Network Marketing business is now much faster and easier than ever before. But it takes know-how. And you do have to take the time to learn or to let a professional assist you.

With the advance of new technologies it's entirely possible to earn \$2,000, \$4,000 even \$6,000 profit your first month in business. Some people even earn those figures in a week!

You don't need a lot of money to get into network marketing. Usually a small investment will get you started. You don't need a college degree or special education or background. You can begin from wherever you are in life.

There are doctors and attorneys who have quit their practices to go into network marketing after discovering it offered a less stressful life while, at the same time, providing as much or more money than they made while in practice. Many network market and keep their practices.

There are also people who worked at low paying dead end jobs who turned to network marketing and became millionaires. It is truly the great equalizer.

How To Succeed In Network Marketing.

The three big secrets to success in network marketing are (1) find the company or companies that are right for you, (2) learn to market your products and (3) learn to recruit the *right* people to get you in a profitable position fast. The people who fail in network marketing fail because they don't follow the above rules. These rules are written in stone. Break any of them and you will fail!

But follow the rules and you will succeed. Period.

For now, we'll assume you are either investigating some companies or already have one or two you're involved with. At any rate, we won't deal with choosing a company in this booklet. But a few words on the subject are in order.

The company or companies for whom you distribute are critical

to your success. Do not waste your time, energy and money on a company that does not have a good compensation plan or valuable, desirable and consumable products. Learn how to select companies that are worthy of you. And learn about compensation plans. They can be complicated and some are unfair and hard to achieve any real income under. Don't wait until you join a company and begin to build a downline to find this out!



HOW TO MARKET: RECRUITING AND SELLING PRODUCT ARE VITAL TO YOUR SUCCESS.

Bag The Hunter Who Snares The Most Game.

Very often a single person generates over 90% of a company's business in his or her downline! This is the person you should try to recruit into your own downline. This person is a proven asset. These people don't just grow on trees, you will have to develop those with potential them into real leaders.

There are all kinds of people who go into network marketing just like in any other business. There are, for example, MLM junkies. These are people who move from one company to another looking for that elusive pot of gold. They are not especially good prospects for you because, just as they might sign up with you, they will soon sign up with someone else and move on.

Then there are the novices. They can turn out to be excellent distributors and profit centers for you in time. But they have to be trained and this takes time. Fortunately, Wave Three network market-

ing of today we have many tools available to us that make training simple and fun and less labor-intensive. Be sure your company has these materials available to you. If they don't, look to another company.

You want to shoot for the big game — those folks who know the ropes and already have large downlines but for some reason either want a new opportunity or want to add another company to their primary company. These people will bring with them lots of experience and a ready-made downline of other experienced and productive people!

How to bag these heavy hitters is the subject for another time. But suffice it to say here that these people represent your best bet to get a fast start at building a big powerful business.

However, you should not ignore others who may be a real asset to your business. But the heavy hitters will bring you faster results. You will want to cultivate them and keep them in your downline. That's why it's so important to use the techniques you are about to learn. The big game won't respond to amateurs.

YOU GOTTA' ADVERTISE

“Doing business without advertising is like winking at a girl in the dark. You know what you are doing, but nobody else does.”

Stewart Henderson Britt

In the short space we have here we certainly can't give a course in advertising. But we want to touch on some of the most important ways you can reach out and prospect; how we have discovered through trial and error the ways that work.

Advertising In The Print Media

Everyone loves the classifieds. We all love to read them, to look for a real opportunity. And everyone who is in network marketing frequently needs to run classified or display ads to get new business. One Watkins senior distributor only recruits with a classified in several national publications. But most people use them to supplement other forms of marketing.

Classified ads are cheap compared to many other forms of marketing. They reach lots of people. Unfortunately, they are not tightly targeted like a mailing list should be. You get more of a shot-gun effect unless you put your ad in a very targeted publication. And that's what we suggest you do. Classified and display ads really do work. They work, that is, if they are well-written. If they are not they just cost you money. It's that simple.

Classified ads need not be long.

The selection of the words is the most important thing in writing copy for your ad. Each word should have a purpose. It should be a word that sells. It should be a powerful word — a powerful combination of words.

Let's dissect a result-getting ad.

The best-kept secret in network marketing. How to recruit more top-quality heavy hitters. Get the best leads money can buy and you ll get these big guns! Our state-of-the-art leads can make you successful. Call our toll-free number now for full FREE details.

Now, let's see what makes it successful.

“The best-kept secret in network marketing” The words “best-kept secret” are proven **hot** words. Everyone loves a secret. Especially a best-kept one! Then we add the words “. . . in network

marketing.” We tell the reader exactly what our ad is about. We don’t lead him or her on. We only want people who are interested in network marketing to respond to our ad. Anyone else is wasting our time. And we can not afford to waste time.

“How to recruit more top-quality heavy hitters..” Here we tell the reader exactly what we will give him. We make sure it’s something WE REALLY do intend to give him. Make no promise you can’t keep! How could a reader NOT want to recruit top-quality heavy hitters? This is becoming must-have information! All network marketers want to know how to recruit the heavy hitters. They want good leads, qualified leads.

“Our state-of-the-art leads can make you successful” This is the coup ‘de grace. We use another get ‘em term — “state-of-the-art techniques.” Everyone today wants to be state-of-the-art. Furthermore, anyone who reads this ad wants to be successful. And we can help them achieve that. So we tell the reader that we can indeed help make her successful. A reader who wants to be successful would be remiss if he or she didn’t respond to our ad!

“Call our toll-free number now for full FREE details.” There it is. This is what we want the reader to do. Of course, we provide the phone number in bold lettering. A toll-free number is preferable but it doesn’t have to be toll-free. If people are genuinely interested they will call. Plain and simple. We want him to give us his name and address. That goes into our database. We want her to take action NOW so we can get full information out to her ASAP. And, by the way, the word “free” is always a hot word. So use it whenever you can.

That’s it. That’s the ad. And it not only pays for itself but it will make you a lot of money. It is, of course, merely an example. You should use several ads and . . .

Test Test Test

It takes more than one ad to see which one will do the best job for you. So don't expect red-hot results the first time out. If you hit, that's great! But if you don't, that's normal.

Sometimes, to save space in classified ads, you can delete conjunctions such as "and," "for," "with," or "from." There are some words that can be abbreviated such as Company. But make sure people will know what the letters stand for!

You should have four or five well-written ads. Try them in different publications. And make sure you key them. Keying simply means using a code that allows you to know where the person saw your ad. You'll want to keep good records so you'll know where to put your money.

You must test your ad. You can try magazines, newspapers, card decks and the online services, including CompuServe, America Online and, of course, the Internet.

Don't be quick to drop a publication or online service. If an ad isn't pulling don't worry too much at first. It usually takes repetition. People need to see the ad frequently. Often it actually takes two to four months or up to six insertions for an ad to start pulling.

Classified ads are money makers. You may not have to spend a lot of money on advertising if you learn how to use classifieds. They can bring you lots of business. If you don't feel comfortable writing the ad yourself, hire a professional. It will be well worth the extra expense to get good results.

Marketing On The Internet

There are millions of people on the Internet and millions more coming online daily. The demographics of the net are rapidly changing. What that means to you is that if you don't get on the net you

can be sure your competition is already there or soon will be.

Right now there are hundreds of network marketing distributors using the net to build their downlines. Some are very successful. Others are not. But you should learn how to use the Internet and how to create at least a basic website; how to advertise your website and how to use it to recruit people.

There are a number of reputable people who can consult with you about how to market on the Internet. There are people who can build a website for you at a reasonable cost. You should look into this as soon as you can. If you're not online now we encourage you to get online just as soon as you can.

The Power of Direct Mail

There is nothing more important and useful to your marketing program than the sales letter or direct mail package. Despite the other forms of marketing and advertising you use you will always need and should always use sales letters, follow-up letters, brochures and other such material. Direct mail should be the backbone or cornerstone of your entire marketing program.

People really do enjoy getting letters that offer them a unique and exciting opportunity. And if you put the right offer and use the right words in your letters people will read them. Furthermore, people will respond favorably to them.

So we want to spend a bit more time discussing this form of marketing.

What makes a sales letter successful? To answer that, let's first discover what does not make a successful sales letter. Let's look at a very bad sales letter. Here is one we received.

We are reprinting the letter here along with our comments. See if

you agree with us.

Dear Friend:

“The _____ company wants to keep its position in the field of network marketing.” *(Well, keep it. I don't care. What's this got to do with me? I m very busy this morning. I have a pile of work on my desk. So get on with it or you're outa' here.)*

“We've been a leader in the industry for many years and want to continue to be.”

(Oh big deal. So you re big and rich and famous. Do I really care? I think not! All this talk about your enormous success makes me feel small and unimportant.)

“We want you to be a distributor for us.”

(You want! You want! You pompous ass! I m worried about whether I can pay my taxes or not. Whether I should be in stocks or bonds or cash or simply kill myself. And here you send me this damn letter that I really don't have time to read and tell me all about what you want.)

“Will you please put _____ Company on your preferred list of companies and consider coming on board with this us as a distributor?”

(Preferred list. You have your nerve! You ask me to put you on some sort of preferred list and you haven't given me one reason to do so. I have a list to put you on but it isn't called preferred!)

“ A prompt acknowledgment of this letter would be appreciated. Please let us know if you are interested in our offer.”

(Fool! You mail me a cheap form letter. You tell me how awfully great you are. You manage to make me feel very small in comparison to your enormous status and then you ask me to write to you! Please! Give me a break. I have, at least I would like to think I have, more to do with my time than write you a letter.

My dogs need shots. My cat is agoraphobic and my computer

*needs repair and you want me to write you! You didn't even
enclose a postage-paid card or give me a toll-free number to call. I
think not my friend. No way!)*

Do you ever get letters like this? We all do. Companies telling us how big they are, how wonderful they are, how much business they did last year. Independent distributors telling us how just one short year ago they were broke, bankrupt and lost their house and now they are millionaires. Please! Spare us all these awful and foolish letters.

Unfortunately, most letters don't say one thing about what they can do for the reader. Now, if it were the Salvation Army telling us what they did and how a donation would help we might be inclined to care. But when a business is trying to sell us something or get us to do something we don't want to hear any more about them then we have to. All we want to hear is what they can do for us, how well and how quickly and at what cost to us. That's all. No more. No less. Period.

And we sure don't want to hear the told and re-told story of rags to riches that no longer rings true and is more like a template used by everyone! In the hands of a professional writer this effect can be used to some extent. But the rest of us should avoid it!

The biggest mistakes we see in letters are (1) amateurish writing and letters that are entirely too long in verbiage and short on getting to the point and (2) letters that tell the reader how great the company or sponsor is but fail to mention what they can do for the reader. Or if they do mention that fact they leave it until the last, by which time the reader has already thrown the letter away.

The point, of course, is that no one really cares about you, your company or your product or service UNTIL they know what you can do for them. What will using your product or your service do for him or her? What will becoming a distributor and having you as a sponsor mean to him or her? How will it make his or her life better? That's what people want to know.

You need to get right to the point and tell the reader what he or she will get from reading the rest of the letter. Tell her why she should read it.

You only have a few seconds to get a person to read your letter. Don't waste those few seconds talking about how great you or your company are. The reader will know how great you are if you can solve one of his problems. And that's exactly what your letter should promise to do.

Recruiting Is Done In Stages.

We have a lot of people tell us they would like to have a letter that will recruit in one stage. For example, they want to mail out a letter that sells the concept of network marketing *and* their primary and even sometimes supplementary company all in one letter! **Bad idea AND it won't work!**

Some of them even want to mail out their tape and/or brochure in the very first mailing. Just don't do it.

If you buy or rent a good list of names you are way ahead of the game. But these names are still not your warm list — not yet. They are still cold to you. You will run through a lot of money very fast if you send them a letter and brochure and/or tape in the first mailing.

In addition, you would not get a good response. Why? Because you're giving people far too much to absorb and you simply can not recruit in one stage of the direct mail process.

The stages are:

- Lead-generating (letter, e-mail or postcard).
- Recruiting call.
- Letter and brochure and/or tape.

- Follow-up letter and other material.
- Telephone call.

You will do some recruiting in the second stage and will not need to go on to the third and fourth. In fact, you may never have to go to the third and fourth stage. But be prepared to do so.

Start with a small mailing of a single letter and work up from there — sending a bit more each time. Do not overload the prospect. You will find if you follow these suggestions you will recruit more people more often and you will spend less money doing it.

Leads — They're Not All Created Equal.

Leads. You simply can't get along in *any* business without them. And in network marketing they are your life blood. Bad leads can cause you to fail miserably. But good ones can help you achieve your financial dreams.

There are lots of ways to get leads. There are many places to buy leads. But the smart thing to do is to let a professional company provide you with qualified leads each month. Let them do the hard work of culling the wheat out from the chaff — leaving you with only top-quality leads; the names of people who *really are interested* in what you have to offer. Leaders Club™ is the preferred way to get high-quality leads and, at the same time, have an exciting additional income. Leaders Club is the lead provider chosen by the heavy hitters in network marketing.

For more information on Leaders Club contact the person who sent you this booklet or visit them on the World Wide Web at www.leadersclub.com.



WHAT NOT TO DO IN NETWORK MARKETING

A few final words about network marketing. We have learned from experience that those who succeed in network marketing do certain things over and over. They don't do things the way most network marketing failures do. There is a pattern to what they do and how they do it.

We find that people who spend at least \$5,000 on marketing and promotion and who reinvest their MLM checks back into their businesses are the ones who succeed. That is not to say that you need to have 5 grand ready to invest. Even though most started with only \$200 or \$300, just about everyone we know who has been successful in network marketing has spent at least \$5,000 in promoting their business before it produced a full-time income.

We also suggest you do not invest all of your money at one time up front. You need to allow some time for the learning curve. The last \$1,000 you invest will most likely be more productive than the first \$1,000.

Finally, do not quit your full-time job immediately and go into network marketing! Make sure you have a good steady income before quitting your job. Start out part-time and work up to full-time

network marketing. We suggest you do not quit your job until you are earning at least twice your regular income OR have maintained a livable income from network marketing for at least one year.

Call On The Professionals ***It's the smart thing to do.***

When you need medical attention you go to a doctor. When your pipes bust and water floods your entire house you call a plumber. And when you need help in your business you should call a professional who can make sure you have the competitive edge.

We have mentioned several times in this booklet that you should seek professional help if you are uncomfortable writing ads or if your own ads don't pull good responses. You should also call on a professional to write your sales material, to create your online presence and to purchase/rent top-quality high-response leads.

Don't try to do everything yourself. The heavy-hitters in network marketing know when it's time to call in professionals. That's why they're heavy-hitters. If you want to join their ranks we advise you to do the same.

Your Time To Shine.

There is a lot to learn about network marketing. There are lots of really good books, newsletters and support organizations now available that will help you get a grasp on how to start. We suggest you begin now to learn all you can about network marketing and the various pay plans and how they differ; what to look for in a company and what to avoid. The more you know and use effectively, the faster you will realize income from your network marketing business.

And if you're a network marketing pro you too can learn. Things

are changing all the time. We had a retired network marketer call us recently wanting to return to the business but he was astonished at how much the business had changed! Unfortunately, he was not prepared for the changes. But being a wise person, he turned to professionals to help him get going again.

It's not the network marketing of ten years ago. Or even five years ago. And if you want to be a part of the most exciting and promising adventure around we invite you to become a part of the new Wave Three network marketing.

The wave of the future is here today! And you can surf that wave to the island of financial security and time freedom. Don't wait for your ship to come in, swim out to it! And remember to follow the rules of the leaders — the heavy hitters of network marketing. And very soon you will be one of them.

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