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# **The Essential Network Marketing Report**

***"Save You Tons of Time and Money From  
Falling Into The Pitfalls and Traps In  
Network Marketing"***

***By Eric Brown***

**<http://www.MarketingNextLevel.com>**

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# **The Essential Network Marketing Report**

**“Save You Tons of Time and Money From Falling Into  
The Pitfalls and Traps In Network Marketing!”**

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## **The Shocking Truth About Network Marketing!**

If you are reading this book, let me first congratulate you if you are a newcomer to the world of MLM and allowing me to impart my experiences on the industry to help you in taking the first step into this fantastic industry.

My intentions of writing this book is to help and provide people generic information that would apply to any company regardless on their marketing/compensation plan, product, team, country or even offline or online!

It is indeed a shocking truth to find out that over 95% of network marketers or home based business owners are operating their business at a LOSS!

How scary if you are reading this for the first time.

Well thankfully if we all worshiped statistics fanatically, most people today will be afraid to drive cars or even go to school (e.g. the percentage of road accidents and how many students in a class 'make it' in getting distinctions)

We all want to be smart people and rather be in the top 5% being the ones making the money now, don't we? Of course we do.

It is sad that countless of poor victims join the industry, uninformed, and when they run into problems, they usually put the blame on the company, the team or even the industry itself!

That is why we hope to avoid such unfortunate circumstances.

Even if you have been involved, this information is invaluable because it might teach you things you have missed out or information to help your downline. Ok, let's proceed...

## **Top 10 Decisive Common Mistakes To Avoid For Newbies**

Remember the staggering truth that 95% of people fail in MLM?

I strongly believe that among the 95%, there are sincere, hardworking people who work hard to make the business work for them, but are spending most of their time and money DOING ALL THE WRONG THINGS!

In MLM or Network Marketing, just like in real life that we must learn from the mistakes of others. We don't all the time in the world to make all the mistakes ourselves!

With that thought in mind, let us avoid making the same mistakes like other newbies...

### **# 1 - Trying to understand everything**

If you are new in your business and you sit down for days (some even take weeks before they make their first phone call) trying out the product, reading all the company brochures, understanding every single calculation about the compensation plan, memorizing all the names of the management in the company (I think we get the idea)...

This is a VERY SLOW way to get started in your business.

Your business is like riding a bike

*You don't learn to ride by reading the best manual on riding*

*You don't learn until the moment you start peddling*

*You learn by falling down*

*You also learn how not to fall down after falling down the first time*

## **# 2 - Doing the business alone during the first 30 days**

Network marketing doesn't care of if you are a CEO, entrepreneur, manager, housewife, college kid or a beggar. If you are new to the business you start from ZERO.

If you think you can earn a six figure income in 2 to 5 years time without following a system then you are grasping at thin air. There are people in traditional business who do make it within a few years but everybody learns from SOMEBODY and network marketing is no exception.

Here is an example.

There is this one guy who is an experienced businessman. He started in network marketing and wanted to do it his own way. He rented an office, hired a few staff, created a sales team and sent them out after spending a few hundred thousand dollars on capital alone. After 3 months, his business had nothing to show.

What happened? One of the main reasons of his failure was the fact that network marketing is not designed to run this way. His staff or sales team will not be able to duplicate the process.

There are uplines mentors to guide you and they don't cost you any money to ask for help. I would go to them like a sick man would go to a doctor instead of an architect.

## **# 3 - Quitting your job**

Network Marketing is a business like any other business. Don't get psyched into thinking that by burning my bridges and giving all I've got for the next 6 months without any financial support.

There is this saying that goes, if the only tool I have is a hammer, all my problems will look like nails. In network marketing, ANY form of financial pressure might kill your prospects because you will keep seeing them like money bags before and even after they 'get in'.

Some seasoned networkers only 'consider' quitting their job when their income in their business matches at least double their current income.

## **# 4 - Begging people to join**

New distributors get so hard up on recruiting people that they wind up coming across as high-class beggars in suits. They pitch and sell and pitch and sell that prospects get afraid of them. Some even chase down their prospects.

Always remember that the ball is in your court. They are the one who needs the opportunity and you are HELPING them to realize this. Don't try to convince them. Instead, when you start helping people out of a genuine concern, dealing with their problems, they will be attracted to you and they in turn will ask you for opportunities.

## **# 5 - Explaining the business over the phone**

The purpose of a phone call is to INVITE the prospect. If phone calls can close all the deals, no one will need to hold opportunity meetings anymore or rent buildings. People will just sit at home and call people to become millionaires.

Once your intention is very clear that you are just inviting, you will not confuse people by talking about the opportunity, product or plan. Imagine, the other person on the other side will have a chance to say no to you even after you have explained everything for an hour or so and that is one thing you don't want to have.

## **# 6 - Telling prospects that this is not MLM or network marketing**

Most newbies are so afraid or embarrassed when the prospects ask this these dreadful questions:

*Is this MLM?*

*Is this one of those networking thing?*

*Is this one of those pyramid selling?*

*Are you trying to recruit me into those Direct Selling things?*

Most will go, "Err... Um, no its not. Yeah it's MLM but we're not really selling... hello? Hello??"

Ever get those sinking feelings?

Never ever lie to your prospects. It reflects badly on you and people are not stupid. Either tell them up front it IS an MLM or Networking business (we should be proud that we are in a multi-million dollar industry) or turn the question around by asking, "What do you mean is it MLM, how do you feel about MLM?" Then let him or her tell it as it is. Make the appointment afterwards.

Remember: if you are shady about what you are doing, your prospects will think they will have to do the same as you if they join you.

## **# 7 - Tricking my friends to an opportunity meeting**

Another big mistake: asking your friends or prospects out for a drink then driving them to an opportunity meeting without informing them that it is an opportunity meeting.

You gain nothing by hiding things from your prospects. Be open and proud of what you are doing! You sponsor people using CONFIDENCE, not trickery.

## **# 8 - Telling everyone what their income is**

I wouldn't answer this question at all. Why would anyone go around telling others how much money they are making in their JOB? Would you find it insulting if someone asks you what your income is in your business?



If people realize the audacity about asking one's salary in work or business, shouldn't the same apply in network marketing as well?

Most networkers usually go around trying to prove their worth to others so they hope by parading how much (or how little) they are making, they hope to 'gain' others. A successful networker radiates leadership and confidence so most people won't ask them how much they are making. Its all about posture.

## **# 9 - Not being yourself**

This is the worst kind of disease among distributors.

Imagine if you are looking for your good buddy whom you have known since high school. Every time you see him, all you talk is jive, or nonsense. All of a sudden, you go, "Dude, I've got this business opportunity that will CHANGE YOUR LIFE!" Your friend will think you are on drugs or something.

BE YOURSELF! Don't try being someone you are not.

## **# 10 - Emotional Attachment**

Don't get too hard up when a prospect says NO to your business. It is easier said than done but we must realize that MLM is just like any business – mixing emotions with it is a recipe for disaster.

When a prospect says NO, we must not take it personally because most of the time they are saying no to the opportunity and not YOU. They might not believe in themselves or they might be having things on their mind at this point of time. They might say YES in the future so don't dissolve friendships just because they don't join you.

The worst thing can happen is that you start feeling sorry for yourself and brood or complain about the business. If you let the NOs sap your excitement, it creates a domino effect which will kill your business for good.

## **Top 10 Deadly Common Mistakes To Avoid For Non-Newbies**

### **# 1 - Passing negative downline**

*NEVER EVER PASS NEGATIVE DOWNLINE!*

*UNDER NO CIRCUMSTANCES!*

*LEADERS MUST NEVER MAKE THIS MISTAKE!*

I don't care if you had a really bad day or your downline is your best friend since junior high. When people join a business, they don't join an opportunity, they join YOU! It means they believe in you and see you as some kind of leader. If you pass negative down, they will lose their confidence in you and your business will be destroyed when they do the same to THEIR downline.

When you have negative or challenges, BRING IT UPLINE. Never down.

### **# 2 - Spending more than you can sustain**

If you are a leader with a large group of downline in different states around the country, you could exhaust yourself doing meetings and rallies everywhere. You may be making 5 figures, but always be careful.

Once, there is this leader who had people in another state asking him to do a rally in their town. He rented this hotel for a few thousand dollars. His people promised that they will bring more than 50 new prospects. But when the actual day came, only 5 turned up and only 1 signed up. The trip was a total disaster and cost him a bomb!

Another big mistake is spending all the money you earned on new cars and houses. But what happens if your network is not stable? There may be many leaders under your team but you will never know what happens the next day. Leaders can join other companies, they might get sick or even die! Then how are you going to pay for your new house, car or that new yacht you bought? Never spend too much. Always save for a rainy day.

### **# 3 - Reinventing the Wheel**

Many seasoned networkers make the mistake of reinventing the wheel. If your company has been established for many years or has even tapped the international market, it is crucial you follow their system as it is in line with the company's direction and is a time-tested business building system.

Don't reinvent the wheel. If you do, your downline may not duplicate and it will spell trouble!

Network marketing has been around for decades. Even newly startups can benefit from the experience of other companies.

### **# 4 - Would You Leave Your Baby at home alone?**

Of course not. The funny thing is, new downlines are like newborn babies! Hard to imagine, huh? I am not trying to insult anyone here, but there is a high dropout rate for newcomers and it is scary. Why does this happen?

A newborn baby if not taken care of will be a target of germs (negative energy, rejection, feeling emotionally down in the business), kidnapping (head-hunted by other companies without armed with the right information), and will cry a lot (they will whine to the upline when problems come). I have seen corporate businessmen whine like little children when they didn't get their commission on time or the admin never replied their e-mails or even when their friends said something negative.

Downlines require your attention especially in the first few months where they are most vulnerable.

## **# 5 - I won't give up versus the definition of insanity**

If I have a downline who is not making money and not GROWING, you know what I'd do? I'd ask him to consider other opportunities and refund his money from the company (if possible).

It is very important NOT TO GIVE UP. But on the other hand, what are they doing about it? The definition of insanity is DOING THE SAME THING OVER AND OVER AGAIN EXPECTING DIFFERENT RESULTS!

There are downline who just refuse to make a change in their lives to get to their goals. They change too slowly and keep doing the same things over and over again. If I didn't have a conscience, I can keep on telling him, "Don't worry, you are doing good. Don't pressure yourself. You are getting there, don't give up and keep on keeping on..."in an effort to keep the numbers up in my organization, or I could tell him the truth and say, "Look, you're not making money here, either you shape up or shape out. We have no room in our team for people not willing to change." Having numbers means squat if your people are not making money and are not growing.

## **# 6 - If I scratch your back, will you scratch mine?**

What if your colleague or associate who is in another MLM asks you to join them? There are times when people get so desperate for business, they go to other opportunity meetings of other companies in an attempt to recruit new blood. This is a good way to expand your network, but... most people will pitch their opportunity to you and will only oblige you mostly in an attempt to gain your friendship and recruit you instead.

The worst thing that can happen is spending a lot of money on joining fees of other companies and not getting a single one of them in yours.

You may scratch someone else's back, but they will not necessarily scratch yours. Don't play tug-of-war.

## **# 7 - Ambiguous advertising**

*PART-TIMER WANTED  
GOOD SALARY WITH BONUS  
NO EXPERIENCE NECESSARY!  
FLEXIBLE HOURS!*

If you see this ad, what would you be thinking this is all about?

If I see these kinds of ads in the newspaper or online, I would be deceived into thinking someone is offering me a JOB. The expectations would be unclear and the person invited would not have a clear intention when he arrives for the 'interview' which will turn out to a 'show-the-plan'.

Another problem with advertising:

Unless you have a low cost, high moving retail product that can generate quick cash for distributors, do not advertise. Most new people burn themselves out of their businesses with advertising expenses. So it is very important to train your new downline with low cost methods or your attrition rate would be rather alarming.

## **# 8 - Not keeping the business simple**

Seasoned networkers might be in MLM for a long time and may even memorize the compensation plan much better than the company themselves!

You may understand the plan but a new prospect might get too confused if you give them information overload!

Normally, for a new distributor, things must be kept so simple for them that they will believe that anybody can do this business! If you bog them down with so many details, they will sit down and think too much.

Too much analysis will lead to paralysis of the mind.

***Remember: A downline's effectiveness is only half of yours. If what you are doing can not be easily duplicated, it does worse down the downline.***

## **# 9 - Trying to turn ducks into eagles**

What do ducks do? They quack.

What do eagles do? They soar.

What happens when you try to make a duck soar? They fall flat on the ground and they quack louder!

Sad to say, not all downline are like eagles. We wish they are but many people spend too much time with ducks and try to turn them into eagles. They quack too much and everyone becomes ducks in the end (like quaking about the problems in the company, spreading negative all around).

Personally, I would rather have eagles in my team so all of us can soar together.

## **# 10 - No half way (plane taking off)**

There is no such thing earning a mediocre income in network marketing or MLM.

If someone says, I would be happy to earn a few hundred bucks a month, they will most likely give half hearted effort.

They don't achieve enough momentum to get to ANY tangible income. You either go all the way, or no way at all.

Allow me to illustrate.

If a plane takes off, it needs a certain momentum to take off. Lets say if we need about 150 miles per hour to take off, you must exceed that speed or else we are not flying anywhere. It won't take off at 140, 145 or even 149!

Just like in network marketing, only by producing top-notch effort, will outstanding results (often better than their expectation) occur.

## 4 Basic Misconceptions About Network Marketing Business

You MUST work closely with your upline. 'But, I don't want to bother them. They are so busy with their huge team. They are making huge income. I am not worthy to speak to them' – WRONG!

Don't be afraid to call your upline! Don't worship them. They are there to HELP YOU.

The fact that they are earning money from your group gives you the RIGHT to request their help!

**Your Upline is NOT your BOSS.**

Good, sincere uplines are always there to help you and guide you (unless they are untrained and really bossy) but the norm is that generally there will be someone who wants you to succeed.

We are in business for OURSELVES but NOT BY OURSELVES. If your upline calls you, motivates, encourages and helps you, YOU ARE ONE LUCKY PUPPY!

Uplines are not OUT TO GET YOU, so don't avoid them – if you do it is YOUR LOSS.

Another key point to remember about approaching your prospects

***THE HEALTHY DO NOT NEED A DOCTOR – IT IS THE SICK WHO DO!***

Everyone is 'sick' in a certain way and they will look for medicine to solve their problems. Ever seen a doctor hard-selling medicine? No, the patients beg the doctor to CURE them. The patients are looking for a solution and the doctor doesn't sell them, he gives advice and prescribes.



**Stop being like a BEGGAR!**

Don't go, "Come out and listen to my opportunity, I'll buy you a drink."  
You spend 2 hours explaining to them your opportunity and in the end  
they didn't join you. Why?

How do you prescribe medicine to their sickness?

*First EXPOSE their sickness, generate interest in your 'medicine' and  
HELP THEM by UNDERSTANDING their needs.*

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