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## MULTILEVEL MARKETING (MLM)

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# Multilevel Marketing (MLM)

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**Abstract –** This paper presents for bringing changes in business environment using business plan called multilevel marketing. The paper describes what multi-level marketing is, why it is used, and what its limitations are. As compared to the existing system, the MLM system has been found to be much more memory, resource and time efficient. The system is simple to maintain. The concept of Multilevel Marketing or network marketing is a method of product distribution. The products are moved through independent distributors. The distributors are given an opportunity to introduce other distributors to the business. Instead of calling massive media advertising and sales promotion cost, the savings are passed on to distributor consumers. The paper describes the better performance of distributors in multilevel marketing in business environment.

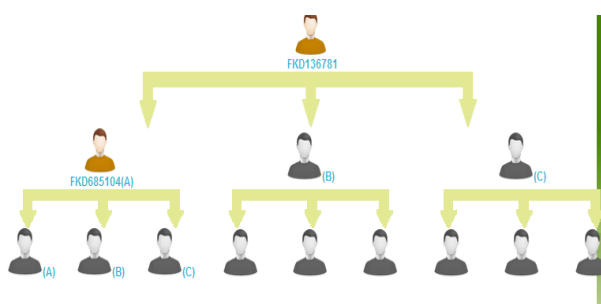
**Keyword:** - Multilevel Marketing, Network Marketing, Down line, Up line, Network marketing, Relationships.

## I. INTRODUCTION

MLM is a marketing strategy in which the sales force is compensated not only for sales they personally generate, but also for the sales of others they recruit, creating a down line of distributors and a hierarchy of multiple levels of compensation. Other terms for MLM include network marketing, pyramid selling, and referral marketing.

Most commonly, the salespeople are expected to sell products directly to consumers by means of relationship referrals and word of mouth marketing. Some people equate MLM with direct selling, although MLM is only one type of direct selling. Of course, we are not talking about building structures, but about people participating in a program who are grouped in the shape of a pyramid, with a few on the top and many on the bottom.

In single-level marketing, the salesperson is rewarded for selling the product, but not for recruiting or sponsoring other sales people. AMWAY is the example of using Multilevel Marketing.



## 2. BINARY PLAN FOR MLM

Free Training of Marketing after Joining

Business Plan:

1. BINARY INCOME

4000 Entry will earn 2 PV and 2500 will earn 1PV

2 closings per day	12-12
	1PV = 500 Rs.
	If Joining Amount is 4000 then
3 Pair capping per closing	capping of 3000 Rs. per closing i.e 6000 Rs. per day Max.
	If Joining Amount is 2500 then

capping of 1500 Rs. per closing i.e 3000 Rs. per day Max.

Note: To qualify your income it is compulsory to attach third ID (c) once. Then you will get 1:1 income. Power leg will be carry forward to unlimited depth

Note: 10% TDS + 5% admin charges will be deducted. Payout will be on 15 and 30th of month.

2. ROYALTY BONUS INCOME

Monthly Income

Total ID X 50 INR

Total Royalty Achievers

if you complete 100 PV (Matching), then you will be in Royalty Achiever. i.e from next month for every new member in Company, 50 INR per ID will be distributed to all the members in the Royalty club.

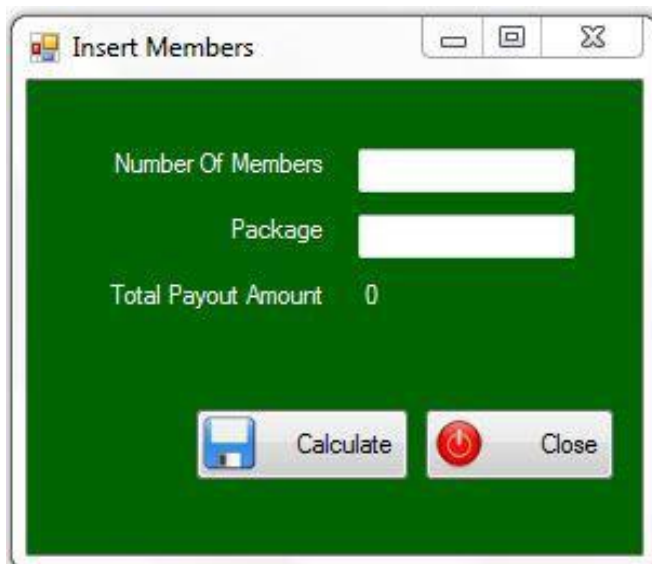
Example:

If you join a Royalty club in month of September, and let's say there are total 10 members in club. If there are total of 20 new joinings for the month of October, then total 1000 will be distribute among all the 10 members i.e. 100 INR per member

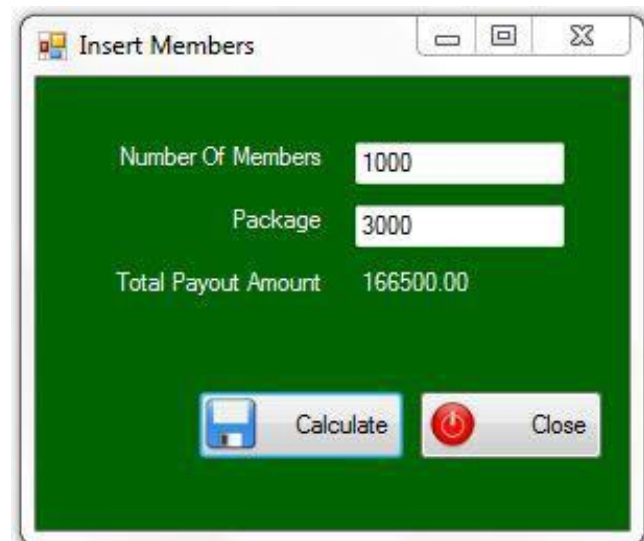
### 3. WORKFLOWS

1. Manual records were kept for the details of members, pins and their payouts.
2. Records of different members and Awards were kept separately.
3. At the end total payouts of member will be calculated.

### 4. ANALYTICAL SOFTWARE



The screenshot shows a window titled 'Insert Members' with a green background. It contains three input fields: 'Number Of Members' (empty), 'Package' (empty), and 'Total Payout Amount' (displaying '0'). At the bottom, there are two buttons: 'Calculate' (with a blue floppy disk icon) and 'Close' (with a red power button icon).



The screenshot shows the same 'Insert Members' window after calculation. The 'Number Of Members' field now contains '1000', the 'Package' field contains '3000', and the 'Total Payout Amount' field displays '166500.00'. The 'Calculate' and 'Close' buttons remain at the bottom.

### 5. ADVANTAGES

1. Independent
2. International Business -Operated globally and made possible by internet, allow their distributors sponsor people in other countries.
3. Freedom of Time and Location
4. Personal Development- learn skills as mentoring, coaching, how to relate with others.

5. Portability-by accessing internet continue to do business while you are in another country or city.
6. Free Training regarding business plan strategy in most cases.
7. It was secure because of its safe control in limited hands.
8. Unauthorized access was not possible.

### 6. DISADVANTAGES

1. Less accuracy.
2. Not reliable.
3. This makes the process very expensive at its running cost.
4. s. sharing of data was not possible.

### 7. CONCLUSION

Finally, we believe that much can be learned from experimental evaluation, or even develop communication skills by interacting with referrals. MLM is clever and complex, but can be changes our business profit from lakhs to crores and so on using good business plan. And that profit is affecting future of our country. Direct sales have become so popular because it offers everyone the chance of becoming a successful self-employed opportunity with the freedom to win and little lose. Network marketing rises from Rs 500 crores turnover in INDIA in 1998 to Rs 2400 crores in sept 2007 and its raising in double digit every year. Network marketing have the good future in India. After few years network marketing is the company which gives the job of the other to full fill their dream... one of the best network marketing in india is ebiz.com pvt. Ltd. And we develop a Analytical Software so that flaws are detected earlier .Analytical software result us about total payout amount after adding Number of Members and Their packages. So that Members do not suffer in the end.

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