

BUSINESS DAILY

HOME

Network marketing requires financial and mental stamina



Every time you tell your colleague or friend where you bought your nice outfit and they want to go and get a similar one for themselves, then you know you are doing network marketing. Photo/REUTERS

After reading the book *'Rich Dad, Poor Dad'* By Robert Kiyosaki, and a few other titles by him, we started wondering what network marketing is all about.

Our curiosity was further aroused by the book *'Secrets of a millionaire mind'* by TH Eker.

The author says network marketing is a good source of passive income in which many millionaires rely.

What better way to understand the business than to join a network marketing company?

We searched around and discovered that some of our friends were doing very well in such businesses and had quit their jobs since they were now financially independent.

So, what is Network Marketing?

To borrow the words of Tim Sales, a network marketing Guru, this is a business concept where individuals earn on multiple levels from the productivity of their organization through sponsoring others to join their teams.

In the books *'Rich Dad, Poor Dad'* and *'Cash flow Quadrant'* by Robert Kiyosaki's, the author classifies network marketing in the big business quadrant.

The reason being that 'Rich people build networks and everybody else looks for jobs.'

For example, SK Macharia owns a radio Network, Safaricom is a telephone network, Ted Turner owns Cable News Network.

Simply put, Network Marketing is the building of networks.

Previously, we never understood why people joined the network marketing companies.

But most of the time it is because you know the person selling the opportunity to you.

Initially we never thought of network marketing as a 'real business'.

An advantage of Network marketing unlike other businesses is leverage .

Like many people we thought that Network marketing was just another sophisticated pyramid scheme.

But herein lies the difference; pyramid schemes don't have tangible goods and services to sell. Network marketing firms move products as their core business .

In pyramid schemes there are no monthly targets but network marketing firms have monthly targets and by meeting them, you progress to higher levels.

Again, in a pyramid scheme you can never surpass the person who brought you into the system but with a network marketing company there is enough room for everybody to get to the top .

In developed markets, this system is becoming the most effective and most reliable mode for moving products.

Infact billionaires Bill Gates and Donald Trump are all proponents of this business model.

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When joining a network marketing company you need to know about the company.

Be warned, not all of them are legitimate; you need to consider a number of things when joining.

Firstly, how old is the company? The older the company the more stable it is.

Secondly, what products are you going to be moving for the company?

To succeed you need consumables that will bring your customers back every month

Thirdly, you need to ask about the levels of payment.

All network marketing firms have a pay plan.

Fourthly, what incentives are offered? What makes the work worthwhile?

Fifthly, you need to consider the values of the company.

Always look for a network marketing company that puts people first.

If their priority is to move products, that's just a sophisticated sales job.

Lastly, the marketing plan should be clear and the same all across the world.

Some of the benefits of network marketing include financial freedom, improved lifestyle, personal growth and like Kiyosaki says, it gives you the mental and core education to withstand the rigours of the Big business world.

With network marketing you can comfortably work from anywhere, better still, you can do it part time and keep your normal job while committing 2 to 3 hours daily to earn that extra income.

But many people shy away from Network Marketing because they lack the mental, financial and emotional stamina and many won't have the determination to stay the course.

Another reason people won't join network marketing is that they will allow their weaker friends to dissuade them from joining the business.

This game is about personal franchising and for this you need to be strong.

Is network marketing the perfect business?

Well if you like a 'Normal routine' where you go to work every day and get paid a stipulated salary at the end of the month, and you prefer doing this until retirement; then this is not your kind of business.

[Back to Business Daily: Network marketing requires financial and mental stamina](#)