

LEARNING MADE EASY



2nd Edition

Direct Selling

for
dummies[®]
A Wiley Brand



Find connections
and make the sale

Harness the power
of social media

Earn success in a
fast-growing industry

Belinda Ellsworth

President and Founder of
Step Into Success



Direct Selling

2nd Edition

by Belinda Ellsworth

President and Founder of Step into Success

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dummies[®]
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Direct Selling For Dummies®, 2nd Edition

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Introduction

Welcome to the revised version of *Direct Selling For Dummies*. When Wiley Publishing first reached out to me almost eight years ago to write a book about direct sales, I was extremely honored. I'm humbled by how many people have read this book and have experienced much success. When it became a best-seller in one week in four countries, I was over the moon.

Now, seven years later after its launch, and the past two years experiencing a pandemic, the industry has undergone an accelerated amount of change. In my 35+ years in the industry, I've never experienced so much change so quickly.

I felt it was a great time for an update to reflect the current strategies that people within the industry are currently using to succeed. Much of this reflects the increase with online presence.

Despite what you may read on Facebook, creating and maintaining a successful direct sales business involves a lot more than posting product shots and waiting for results. Direct sales is like any other business — it requires having the knowledge and applying it; in other words, it takes work. But the benefits of increased income, flexibility, recognition, and personal growth all are worth it.

Because you picked up this book, I assume you want to find out more and are ready to take a chance on *you*. This step-by-step guide can help you navigate this industry and its endless potential. Congratulations on taking the first step. I'm here for you every step of the way so you can be as successful as you want to be.

About This Book

Direct sales companies do their best to provide their reps with relevant information about the industry and training resources to help them succeed. But until now, there's been no book or guide out there like this one, simple and comprehensive. No other book takes you from the beginning of your direct sales journey all the way through to success. This book is full of my training on every aspect of the business, from holding your very first event or appointment to reaching and even exceeding your financial goals.

This new edition specifically addresses the following points:

- » How to be successfully self-employed
- » Why mindset is equally as important as skill set
- » A deeper dive into social media strategies and marketing online
- » How to conduct effective online events that get results
- » How to follow up using your Customer Community Group

Keep this book on a shelf in your office or somewhere nearby. You can reference it whether you're struggling with filling your calendar, recruiting new team members, increasing sales, working with a team member, or whatever challenge you're facing.

Foolish Assumptions

I can't presume to know your hopes and dreams. However, I make a few assumptions about you, my dear reader:

- » You're interested in earning income from home while running your own business and staying as busy as you want.
- » You may not know what company you are interested in, whether you prefer the Social Selling or Network Marketing models, or you have little experience with this industry.
- » You have a vision of a better life for yourself, and you want to chase your dreams, better your family situation, and experience personal growth.
- » You're looking for a little something (or a big something) to finally call your own.
- » You're motivated and a self-starter.

If you decide to go ahead and take the plunge, get ready to change your life. Whether you're looking for extra income, flexibility, or a business to call your own, there's something here for everyone. Whichever of these assumptions speaks to you, this industry can help you, and so can this book.

Icons Used in This Book

I use icons in the margins that serve as small signposts in the following ways:



TIP

Tips contain nuggets of useful, practical advice earned from years of experience in the field and training representatives.



REMEMBER

Text next to this icon is stuff you should keep in mind for future reference.



WARNING

This icon serves to alert you to things that could cause trouble or cost you time. It helps you avoid common but costly mistakes.

Beyond the Book

Here are a couple resources I suggest you check out beyond this book:

- » **Cheat Sheet:** This book also comes with some access-anywhere goodies online. No matter how long you've been in the direct sales industry or how great your leader or company is, you'll likely come across a few questions where you require extra help. Check out our free Cheat Sheet at www.dummies.com for some additional references you can bookmark to keep handy. (Just search for "Direct Sales For Dummies Cheat Sheet.")
- » **My company's website:** After having been in this industry for more than 35 years and worked with hundreds of companies and literally thousands of independent representatives, I'm confident that my company, Step Into Success, offers some of the best resources for training and consulting in the industry at www.stepintosuccess.com.

This book offers so many of the basics for the direct sellers. In addition, my website offers an array of programs that focus on follow-up, host coaching, and my proven time management system the Power Hour. You can also find resources on The Five Priorities of a Successful Leader, how to plan and execute interviews and opportunity events, Camera-Ready Confidence, and so much more. Whether you're new to direct sales, looking to revive your business, or want to take your successful business to the next level, I have a collection of training programs that will help you succeed.

If you're a leader searching for training to help motivate your downline or a corporate representative looking to add valuable industry training at your next event or convention, live-event training is for you!

One of my best tools is my Planner for Direct Sellers. When combined with the Gratitude Journal, Leader Planning Guide, and accessory bundle that compliments it, you have a complete business system.

I provide consulting for direct sales companies to assist them with training programs and guides, compensation plans, incentives, weekly conference calls, and webinars. I also provide personal coaching for the executive team.

Where to Go from Here

You may be thinking, *if I can start anywhere, where should I start?*

This book wasn't designed to be linear. It's a friendly reference, not a tutorial, which means you can start or stop wherever you please. Take a look through the table of contents or index to discover the areas that interest you most. Or check for the sections that cover the topics you need the most help in.

If you're new to direct sales, the beginning is a great place to start. You'll get some info on what type of company may be best for you and your situation, and you can check out my new representative checklist. No matter where you start, I hope you have fun exploring the book and soaking up my 35+ years' worth of direct sales knowledge and expertise.

1

Exploring the Direct Sales Industry

IN THIS PART . . .

Find out how direct sales works so you can see whether it's a good fit for you.

Discover how to choose the right company to fit your lifestyle.

Recognize which direct sales model is right for you to find your perfect side hustle.

IN THIS CHAPTER

- » Grasping a clearer picture of direct sales
- » Checking out the three types of direct sales models
- » Getting off to a great start with a checklist
- » Working on the right skills to succeed
- » Viewing ways to work your business

Chapter 1

Examining the Direct Sales Industry

You may have been drawn to start your direct sales business for any number of reasons, or perhaps you're still conducting research before you move forward. Either way, I welcome you to direct sales, a distribution model that has changed many lives.

Direct sales or *direct selling* refers to the sale of products or services away from a fixed retail location. These products are marketed and sold directly through independent sales representatives, also known as consultants, presenters, distributors, and a variety of other names.

Direct sales reps aren't employees of the direct sales company. Rather, they're independent business owners who enjoy all of the benefits of being self-employed with the added perk of being a part of a company that handles operations like shipping, product development, marketing, and more.



REMEMBER

You're in business for yourself, not by yourself.

Direct selling gives both men and women the opportunity to be in business for themselves, add to their families' incomes, and help create the life they have always imagined. The direct sales industry is filled with success stories from stay-at-home parents paying for dance lessons, retirees seeking extra income, and families buying their dream home. Whatever your goal is, direct sales is probably an industry that can help get you there.

Was your mother a Tupperware lady when you were a kid? Did your neighbor sell Avon? Did your family know an Amway millionaire? Even if not, you're probably quite aware of some of the legendary companies that have used this network style of marketing their products. Direct sales companies include some major household names and global brands nearly as familiar as Coca-Cola, McDonald's, General Mills, or Kraft. Here are a few examples:

- »» Beach Body
- »» Cutco
- »» Mary Kay
- »» Pampered Chef

You may have noticed friends on social media posting about making extra money, earning free trips, or perhaps even quitting their day jobs. Plenty of people have been successful with businesses like these. Regular people just like you continue to build thriving businesses in direct sales today.

You may be interested in starting your business to generate extra income while working part time — or maybe you aim to ultimately rely on direct sales as your primary income. Or you could be like a lot of people who have fallen in love with a product, watched a friend or acquaintance work their business, and decided that you, too, want to earn free product and some income by sharing something you're passionate about. If you're like the vast majority of people who join direct sales companies, your reasons may involve a combination of these possibilities.

The world of direct sales has been very significant in my life for more than 40 years. I'm sincerely grateful for all it has provided me and my family. The income and rewards of direct sales companies have afforded me a lifestyle I couldn't have imagined and have led me to treasured lifelong friendships.



REMEMBER

The direct selling industry can help you achieve what you want out of life. The details of what a *better life* looks like are completely up to you.

But how does direct sales work, and what does becoming an independent direct sales rep involve? This chapter serves as a jumping-off point to the world of direct sales and explains what you need to know to have a better understanding of this opportunity.

Understanding How Direct Sales Works

In direct sales, the products are sold by *independent representatives*, not employees. These salespeople purchase a business starter kit to join a direct sales company. A *business starter kit* typically requires a low-cost fee for materials, the details of which differ among companies. This starter kit often includes products that you can use personally or use to showcase at online or in-person events. This kit includes necessary paperwork and training materials that will help you get your business off to a fantastic start. This purchase, along with signing the company's standard agreement, sets you up as a member or independent representative.



REMEMBER

As a rep (or consultant, or brand ambassador, or perhaps another title, depending on the company), you're an independent contractor who works on a commission-only basis, running your own small business. Because you're truly independent, you don't report to a supervisor. You set your own hours. You decide when, whether, or how often you will work. If you feel like it, you can increase your efforts and earn more money — in effect, giving yourself a raise — or you can pursue advancement with a new title. With direct selling, all career titles, promotions, and pay raises are based solely on production.

You are independent, yes, but you also have a built-in support system from the company and from your team. You're part of a team of other independent representatives who have a vested interest in your success — your *upline*. Your upline includes your *sponsor*, the person who helped you join the business (whom you get placed directly under in terms of organizational structure), along with other experienced people whose businesses are connected to your business through a sponsorship line. These upline mentors can really help you. They know how to create success in the business and have sponsored many other independent representatives. Because they already know how to sponsor, they can show you how to do the same. Your access to this mentorship is built in to the direct sales business model.

In addition to being taught how to sell products, you'll be trained on how to meet people outside your own personal circle to sell products to and how to introduce people to the benefits of becoming a representative as well.

You can feel comfortable turning to your upline for support because the business model pays them commissions based on the success of the people in their sponsorship line. They're eager to see you succeed and they understand the details of your business better than anyone. Your success contributes to their success, so they have an incentive to provide you access to the tools and information you need to run your business well.

Direct sales offers the average person a way to earn income with an established business model and a marketable product line. It works almost like a mini-franchise without the initial investment. It can cost a new business owner tens of

thousands or even millions of dollars to open a brick-and-mortar franchise like a donut shop or fast-food restaurant. With direct sales, you benefit from your affiliation with a company that has created the concept, conducted research and development, incurred the manufacturing costs, and invested the money in starting the larger business and brand. This provides you with a low-risk opportunity to earn more money than you could realistically by starting from scratch alone.

The company also absorbs the ongoing expenses of warehousing the product, developing new products, creating marketing materials, complying with government regulations, and taking care of a number of other high-ticket costs that you'll never even have to think about, let alone be responsible for. This arrangement removes some headaches for you and eliminates the need to hire a staff of your own or become an expert in these other areas. When things work well, reps can focus solely on marketing the products, taking great care of their customers and teams, and recruiting new people into their teams.

So, what's in it for the company? Independent reps are the sales and marketing arm of the company, and the company only pays commissions for actual sales. Instead of paying for advertising and other expensive marketing, the company only pays the independent sales force after a sale has been made. That's appealing to companies, especially when they have products they believe will do better with word-of-mouth advertising and live demonstration.

Recognizing the Three Different Direct Sales Models

Since the disruption of COVID-19, a tremendous amount has changed in the direct selling industry. Today, there are three types of direct selling, which I introduce here (Chapter 2 dives deeper into the ins and outs of these models):

- » **Network Marketing:** *Network Marketing* refers to a company structure designed to move consumable products through a network of independent reps, through both personal use and sales to end consumers. When a Network Marketing company is building its sales force, it's focused on building a network of consumers. The company doesn't distinguish between those who join as independent representatives to earn money and those who join merely for a discount on their personal products. Examples of companies that use the Network Marketing model are Isagenix, Plexus, and Modere.
- » **Social Selling:** This model is done in a couple of ways:

- Products are shared directly to consumers either in person or online through various social media platforms.
- Products are sold to groups of people who have been gathered together by a host they know personally, either in person or virtually (online). These types of gatherings have typically been referred to as *parties*. However, in recent times, most refer to them as *events*.

Examples of companies that use the Social Selling model are Thirty-One Gifts, Pampered Chef, Scentsy, Mary & Martha, Grace & Heart, and Color Street, just to name a few.

» **Influencer/Affiliate Marketing:** This model is about marketing and innovation and attracting and developing affiliates, distributors, and customers. This typically happens through social media and algorithmic marketing. With affiliate marketing, a company compensates a third party to generate traffic to a particular location online, for example their website. The result is that some of that traffic may turn into leads. That third party is called an *affiliate*, and they receive compensation (such as a commission fee) if one of those traffic leads uses their link to purchase products from their site. Examples of companies that use this model are Tate + Zoey, Red Aspen, and Hugh & Grace.

Walking You through Your First Steps in Direct Sales

I devote much of this book to helping you work through the many details of direct selling, and I devote whole chapters to explaining the many facets and supporting you in making decisions.

Say for a second that you've picked your product and company and have decided to join. What happens then? What are you in for? The following sections explain the steps you can follow as you begin your new business.

You may feel confused or overwhelmed. Don't worry. That's why I wrote this book. Most people join a company and then ask themselves, *What do I do first? What does this jargon being thrown around even mean? And what do I really need to know, right now, to get moving so I can earn some money?*

That's where you can use the following information. Come back to it if you begin to feel lost. You'll have a shorter learning curve and feel more confident if you pay attention to these lists, read the related chapters in this book, and seek additional

guidance and training from your company — and especially from your sponsor and your upline.

Waiting for your kit

While waiting for your kit, do the following:

- » **Get a planner or calendar big enough to write in.** That's where you'll schedule your meetings, appointments, and events. The Planner for Direct Sellers is absolutely one of the best designed for the industry. Chapter 5 discusses the way you can use a calendar.
- » **Mark all the dates that you want to work for the next two months and add any personal conflicts to your calendar.** If your goal is to work Tuesdays and Thursdays, then put a star on each of those dates. This will help you offer dates to clients who want to schedule events or appointments with you.
- » **Schedule your launch event.** Your *launch event* is an event you host yourself that will launch your business to your family and friends. For best results, you'll schedule two launch parties within three days of each other. Your leader or company may have a group launch event scheduled for new reps. Chapter 7 talks about launch parties.
- » **Make a working list of people you know.** Focus on adding 50 to 100 names and their contact info. See Chapter 8 for help on creating your list of 100.
- » **Post your plans on Facebook and other social media and tell your friends and family how excited you are about your new business.** For more information on how to utilize social media in your business, head to Chapters 10 and 11.
- » **Invite as many people as you can to your launch event(s).** Check out Chapter 7 for more information.
- » **Schedule four to five additional events or appointments in a 30-day time frame.** In this case, ask people who can't attend your launch event to host one of their own. See Chapters 7 and 8 for more information.
- » **Invite a friend to start a business with you.** Statistics show that when you start the business with a friend, your chances of success are much higher. See Chapter 18 for more on recruiting.
- » **Set up your personal website that your company provides.** Your company will provide you with step-by-step instructions on how to do this. You'll be able to share this website with your customers and use it for marketing purposes. Customers can order directly from your website and find more information on hosting a party or joining the business.