

# GET RICH QUICK?

## Are multi-level marketing schemes too good to be true?

**M**ulti-level marketing (MLM) schemes have boomed since the start of lockdown, as those suddenly out of work look for an easy income boost.

But do they really know what they're signing up for? Can you 'get rich quick' or is it too good to be true?

Typically, a MLM business is a large organisation made up of hundreds of individuals selling merchandise and services such as beauty products, weight loss products, candles, cleaning products and books from home.

MLM schemes can be identified by three things: You have to buy a starter kit to join and become a seller; you'll make money by getting other people to sign up and become sellers; and you'll earn a commission from sales.

The Direct Selling Association (DSA) estimates that roughly 563,000 people in the UK are currently involved in direct selling.

However, MLM business structures have been around for years.

They started with brands like Avon, The Body Shop At Home, Usborne Books and Neal's Yard Remedies.

Now, there are new MLM schemes across the internet, like FM World, Arbonne and Younique, that all advertise through social media.

Have you ever received a direct message from an old school friend that sounds like this?

*Hey girl, I've got an amazing business opportunity for you. I'm looking for ambitious women to join my team and I think you'd be perfect!* Many of us have.

These pages regularly post telling followers that they can earn thousands of

pounds, be their own boss and change their life. Understandably, lots of people are tempted to join an MLM to earn some extra income on the side of their job.

However, to actually make money from an MLM is hard.

MLM schemes have been criticised for being similar business models to pyramid schemes.

Pyramid schemes are illegal.

A pyramid scheme does not sell a product or service – instead, the only way to make money is to recruit other people to the marketing scheme.

It means most people who join a pyramid scheme will lose money.

And only a few people at the very top of the pyramid will make money.

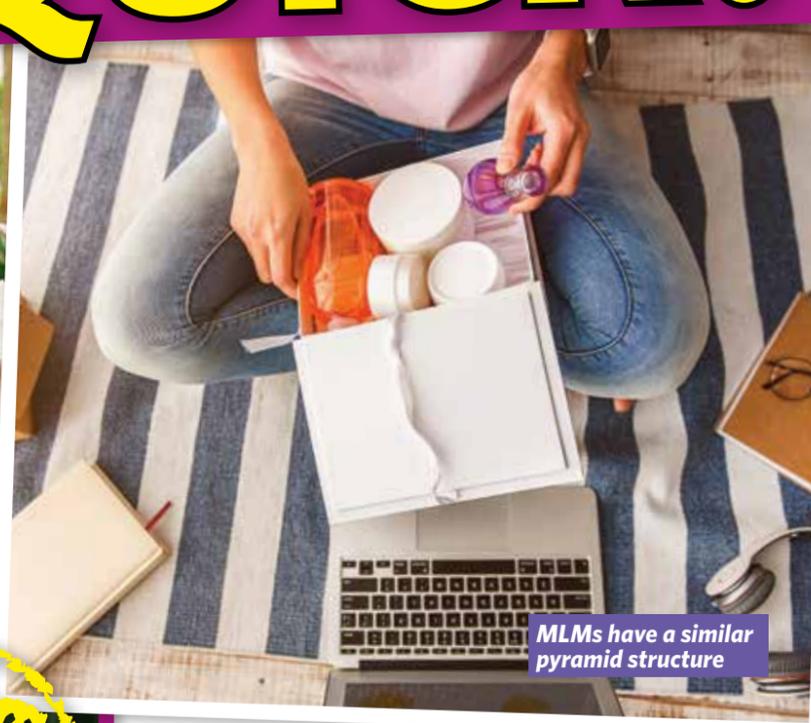
MLM businesses do have a similar pyramid structure, however, a legitimate MLM will sell an actual product.

If you join a MLM business, you are a direct seller, selling products to your friends and family.

You are then encouraged to recruit these



Advertised on social media



MLMs have a similar pyramid structure

**HOT TOPIC**

friends and family to become direct sellers, too.

In 2018, Arbonne had 21,000 independent consultants in the UK selling skincare, beauty, hair and nutrition products.

But according to their income disclosure statement, only 12% each month – a tiny 2,600 people – actually earned any money from Arbonne.

This reality has encouraged an anti-MLM community to form online. Lots of anti-MLM content creators make videos speaking about the alleged 'toxic positivity' culture in MLM companies.

Charlotte Dickerson posted

her first YouTube video titled 'My Arbonne Experience – How I lost £800 in four months'.

In 2018, Charlotte signed up to Arbonne as a direct seller.

She paid the sign-up fee and purchased the recommended starter products.

Very quickly, Charlotte struggled to sell the products and build a team, and consequently lost money.

Whilst some people are very successful at Arbonne, Charlotte is not alone in her negative experience.

In December 2020, TikTok banned online content that promotes multi-level marketing companies.

The social media network updated their community guidelines to ask users not to post or share TikTok content that 'depicts or promotes multi-level marketing or pyramid schemes.'

Whilst this is a small change – in the broader content of online MLM recruitment, it is

a significant indication of the risks of MLMs.

Evidently, there are very few people earning lots from MLM schemes and thousands of people earning nothing – if not, losing money.

However, it is understandable why so many people are signing up to these MLM companies.

The potential to become a successful and independent business seller from the comfort of your own home is extremely desirable, especially in the current

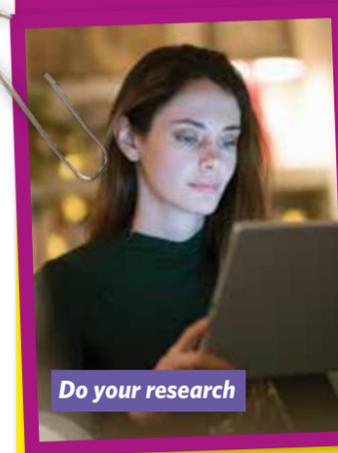
challenging and difficult job market.

For those considering signing up, the DSA advises:

'Beware of individuals making unrealistic claims about direct selling being a chance to 'get rich quick' – anything that looks or sounds too good to be true probably is.'

If you want to try out direct selling, it is so important that you do your research, don't take detrimental risks and don't be afraid to cut your losses if you don't succeed.

**563,000 people in the UK are involved in direct selling.**



Do your research

## SUCCESS STORY

**S**ingle mum-of-two, Charlotte Burgess, took the plunge into multi-level marketing and came out on top...

The Wigan-based healthcare assistant was struggling to provide for her family, but after successfully managing to lose six stone thanks to The 1:1 Diet, Charlotte wanted to help others do the same.

Charlotte says: 'My job, although rewarding, was incredibly demanding. I was on minimum wage and the hours were long. It forced me to be on universal credit, and that isn't what I wanted.'

'Everything was a struggle. I had no freedom or flexibility, and as a mum to two young boys – Harley, now five, and Frankie, three – I wanted to give them the best life possible.'

'When I first made the decision to become a consultant for The 1:1 Diet back in 2016, no one believed I was going to succeed. I borrowed the money off my grandma to start the business,' Charlotte says.

In 2019, Charlotte became a full-time consultant.

'I had no intention of it being a career. I just wanted to be able

to earn enough money for the little things in life. Instead, it completely surpassed all expectations,' Charlotte says.

'My first Christmas as a full-time consultant made me so emotional. We also got to go on our first family holiday to Butlins, and I saved £10,000 to do my house up.'

'Everything I worked for was to give the kids a better life, but I wanted to do something for me. I've always dreamt of owning a Range Rover, and now I get to drive my dream car!' Charlotte says.

Charlotte works just three days a week and earns three times her previous salary.

'It is without doubt the most rewarding job I've ever had. It's completely changed my life and I can safely say I don't know where I'd be without The 1:1 Diet!' Charlotte says.

To find out more information about The 1:1 Diet by Cambridge Weight Plan, visit [onezonediet.com](http://onezonediet.com)



It worked out for Charlotte

**THE 1:1 DIET**  
by Cambridge Weight Plan

## TOPTIPS

**T**he Direct Selling Association (DSA) shares their advice if you are thinking of joining a multi-level marketing scheme and becoming a direct seller.

### 1. SET REALISTIC EXPECTATIONS

In direct selling, money is earned through commission on product sales. Be realistic about how much time you have to dedicate to your business.

### 2. CHOOSE THE RIGHT PRODUCTS TO SELL

Many brands sell their products direct-to-consumer – Avon, The Body Shop at Home and Neal's Yard Remedies Organics, so there are a wide variety of products to choose from.

### 3. ALWAYS LOOK FOR THE DSA LOGO

All DSA member companies must adhere to strict industry Codes of Conduct, which ensure

greater protection.

### 4. BEWARE OF ROGUE INDIVIDUALS

As in many sectors, there are individuals that can do huge damage to the reputation of the industry.

### 5. KNOW YOUR RIGHTS

Learn about upholding good practice as a direct seller before you start.

Go to [DSA.org.uk](http://DSA.org.uk) for more information.



Many end up losing money

It isn't for everyone