

# Why Do Distributors Join, Stay or Leave a MLM Company?

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If you are a network marketing company or a distributor, you know that recruiting and retention are the lifeblood of the business. What factors make companies successful and the distributors successful? Of course, a competitive compensation plan is a given. But, some very helpful industry studies, many by the Direct Selling Association, have been done and there are some real pearls of wisdom in the results that should be taken to heart and clearly demonstrate that consultants stay with the company because “it is not just the money” after all.

## ***Why Do People Join?***

You might think that the main reason to join is for the money, but believe it or not, that is number four, five and number six on the list.

1. Number one on the list in the studies is that people join because they like and believe in the product;
2. Second on the list is, “I like being my own boss”;
3. Third, “I like working from home”;
4. Fourth, “The harder I work, the more I make.”

Again, earning extra income is obviously important, but it would be a mistake to ignore the “intangible” factors that pull people into the business.

## ***Why Do People Stay?***

Company owners and distributor leaders are always asking, “Why do our representatives stay with us and what can we do to support their retention?” On a list of the top five factors, take a look at where earnings comes in... number five, and then think about what you are doing.

The top five reasons that distributors stay:

1. A favorable response to the products;
2. They relate to the leadership, management and owners of the company;
3. They relate to the leadership of the sales force, i.e., the top distributors and their sponsors;
4. They relate to the vision of the company. If it’s about women’s empowerment or about health, they relate to it; if it is about helping households save money to create a better life, they relate to this vision;

5. And maybe you will be surprised... or not... but the fifth ranked reason that distributors stay with companies is “earnings.” Go figure.

### ***Why do Distributors Leave?***

Finally, one of the industry’s leading direct selling companies pondered the issue of the departure of its distributors. So much so, that the company conducted a series of “exit” interviews with distributors.

Again, although money is important, the answers demonstrated the glue of the company-distributor connection as relationship-driven. Almost across the board, the answer was “communication,” or lack thereof. Consultants need to feel that somebody is responding to them, that they are communicating with them. If consultants feel ignored and this is true in every realm of business, they vote with their feet and they leave.

The following factors were disclosed as leading to departure:

1. Poor Communication;
2. Inferior Support;
3. Inadequate Leadership;
4. Lack of Training.

### ***What Can We Learn as Companies and Distributors?***

Of course, the necessity of a competitive compensation opportunity goes without saying. After all, network marketing is a business opportunity. With that in mind, however, the driving force that bonds us all is quality product and attention to relationships. Actually, this should come as no surprise.

Watch the videos in which MLM Attorney Jeff Babener discusses why distributors join and stay with direct selling companies:

[Why Do Distributors join MLM Companies?](#)

[Why Do Distributors stay with MLM Companies?](#)

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**Jeffrey Babener**  
On Assignment

On any given day you can catch [Jeffrey Babener](#) lecturing on Network Marketing at the University of Texas or the University of Illinois, addressing thousands of distributors in Los Angeles, Bangkok, Tokyo and Russia, or writing a new book on Network Marketing, an article for Entrepreneur Magazine or a chapter for a University textbook. Over two decades he has served as marketing and legal advisor to some of the world's largest direct selling companies, the likes of Avon, Nikken, Melaleuca, Discovery Toys, NuSkin, and he has provided counsel to the most successful telecom network marketing companies...Excel, ACN, World Connect, ITI, AOL Select and Network 2000. An active spokesperson for the industry, he has assisted in new legislation and served on the Lawyer's Council, Government Relations Committee and

Internet Task Force of the Direct Selling Association (DSA) as well as serving as General Counsel for the Multilevel Marketing International Association. He is an MLM attorney supplier member of the DSA and has served as legal counsel and MLM consultant on MLM law issues for many DSA companies.

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