

What's a downline? What is an upline?

© Jeffrey Babener 2013

The definitions of “upline” and “downline” can be rather simple to explain even though compensation plan structures are rather complex. Here we have provided a brief and simple explanation of uplines and downlines.

Multi-level marketing, otherwise known as network marketing, MLM, party plan, and/or direct selling, is a business in which a sales force sells products and services through word-of-mouth marketing. The sales force (also known as consultants, representatives, distributors, etc.) is compensated not only by the sale of products and services to customers, but also for the sales made other sales people whom they recruit. As a consultant recruits other consultants, they generally earn a percentage of their recruits' sales. These recruits are called the “downline” distributors.

Conversely, if you are recruited into a MLM company then you will have a sponsor. Your sponsor – along with other consultants in levels above you – is considered your “upline.” Your upline will receive a percentage of your sales. This will entice them to recruit more consultants.

Visit MLMLegal.com and MLMAttorney.com for much more information about the direct selling industry.

Find us on our social networks:

[Google+](#)

[LinkedIn](#)

[Twitter](#)

[Myspace](#)

[Facebook](#)

This article is also available online at: <http://mlmlegal.com/MLMblog/?p=609>

www.mlmlegal.com

Welcome to MLM Legal - a valuable resource to the Multi-Level Marketing and Direct Sales Industry. Use this site to review interesting articles about this high growth industry. Keep

current with the law and how it is affecting large and small companies throughout the United States. MLM Legal is sponsored by Jeffrey Babener of [Babener and Associates](#).



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.

www.mlmlegal.com