

What's the difference between MLM, network marketing, party plan, and direct sales?

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Actually, they all fall under the general umbrella of "direct sales." Historically, direct selling only involved direct person-to-person sales, often door-to-door. In the 1950's

companies such as [Amway](#), [Shaklee](#) and [Mary Kay](#) introduced to the direct seller the ability to sponsor other sellers, to build a sales organization, and to receive an override commission on the sales in their sales organization at multiple levels. This is the origin of MLM, multilevel marketing and network marketing, which are all the same thing; i.e., direct sales with a multiple-level compensation opportunity. In addition, in the 1950's companies such as [Tupperware](#) and Home Interiors applied group selling, in the home, to direct selling and from this origin grew the party plan. Today party plan selling is direct selling and virtually every party plan company is also MLM because it rewards sellers for sales in a sales organization built by the direct seller.

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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

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