

## MLM v.s. Melaleuca (Customer Direct Marketing)

MLM	Melaleuca
Only a handful of companies stay in business	4A1 profit rating from Dun and Bradstreet
Accounts receivable and accounts payable, retailing is required	No accounts payable or receivable
High competition with similar products	No competition. Melaleuca is the only Consumer Direct Marketing company
Company sponsored training costs money, Training done by independent distributors for profit	Free company training and support
Lawsuits/class action cases occur and generate bad press/media	All training is done and/or approved by company and is professional in nature
Image of company becomes taunted when distributors get burned or lose money	No class action suits on record
Motel meetings are hype and paint dreams that are unattainable	Only positive press/media coverage
Cost of doing business is high	Company image stays positive
Large amounts of paperwork	No one loses money
Inventorying of products is encouraged	Business briefings are one on one
Selling quotas in order to get paid	Cost of doing business is very low
Distributors must service retail customers	Little or no paperwork
Distribution system has middleman so products are marked up and expensive	No Inventory!
Perceived saturation occurs quickly	No selling, 35 BP consumption minimum
Charge backs on returned products	All customers order themselves on a 1-800 number or via the website.
Products manufactured by outside companies	Products shipped direct from Melaleuca to each customer

Buy-ins	No Buy-ins
Most have break-a-ways (Take-a-ways)	No break-a-ways
Low distributor reorder rates	High customer reorder rate
People can lose money from investment cost of startup	No risk - a \$29 business
Compensation program doesn't disperse the income equitably	Compensation is very fair with equitable distribution of earnings to all who work at all levels
Very few get lifetime residuals	Many get lifetime residuals
Only a few who got in early on will succeed	Anyone can succeed
Volume swings from promotionals	Income based on commissions, car bonus, cash bonuses, revenue sharing and more
Most of all income is based on commissions	Low attrition and failure rate
High attrition and failure rate	Business report is detailed and comprehensive
Business report is average	Anticipation of gain is basis of motivation
Fear of loss is basis of motivation	