

# Choosing the Right Product for Your Direct Selling Company

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This blog post is the companion post to the video [Choosing the Right Product for Your MLM Company](#). The following is the transcript of MLM Attorney Jeff Babener's own words:

*Hi, I'm Jeff Babener of [MLMLegal.com](#), and I'd like to talk to you today about how to get your product right the first time.*

If your business is the machine and your software runs the machine then your product or service is, as the French would say, your reason for existence. In looking back on the history of the direct selling industry, a chicken and egg analysis makes it difficult to determine whether the business opportunity or product was the essential reason for commencement of the business. There are instances of both being true. The founders of [Avon](#), [Mary Kay](#), and Home Interiors came from successful experiences in marketing other products. They found a product suitable for their marketing talents. On the other hand, the founders of [Nikken](#), [Amazon Herbs](#), and [Shaklee](#) had a passion for bringing uniquely-new products to the world and direct selling became the best vehicle.

Your company will fit one of these two categories. However, whether it is one or the other, choose a product or service for which you can promote with passion. Be sure that the product is unique or that its formulation is unique to your company. If it is a commodity or generic product such as telephone service then you will need to create another unique marketing edge such as great service and value to market the product. The better of the MLM products are those with high margins resulting from the perception of uniqueness in the marketplace. In the end, a company will only succeed when selling a product of high quality at a reasonable price to a market that purchases the product on its own merits.

Overpriced products of dubious worth have no real long-term future. Death of the direct selling company occurs when distributors are caught informing business opportunities meetings that the product is really irrelevant and is merely an excuse for the marketing plan. Another vocabulary term for this phenomenon is [pyramid](#).

Equally important to choosing the right product is the assurance that your marketing will not be impaired by poor planning. Your initial vendor agreements should be drafted or reviewed by MLM counsel so that you do not find yourself stranded without product, or worse, find your manufacturer in competition with you.

Regulatory compliance is essential for such issues as FDA for labeling and claims, consumer standards for water and air products, or compliance with discount buying legislation. If you are importing products then you should be assured in the beginning that your product will not be subject to embargo or detention. And, obviously, you should be assured that your distributors

and customers would have an uninterrupted supply of product because you have established adequate capacity to produce the product or the service.

*Wishing you the best in your direct-selling business, I'm Jeff Babener.*

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And, as always, visit [MLM Legal.com](#), the best MLM resource on the web. The next *Starting and Running the Successful MLM Company Conference* is quickly approaching! On February 21<sup>st</sup> and 22<sup>nd</sup>, 2013 we are hosting the [MLM Conference](#) for the 25<sup>th</sup> year! This is now our 63rd annual conference (held almost consistently three times per year over the last 24 years). All executives/owners of MLM, direct selling, network marketing, and party plan companies are welcome to attend. This is the *original MLM Startup Conference*, hosted and perfected by direct selling industry expert, [MLM Attorney Jeff Babener](#). Call 503-226-6600 or 800-231-2162 to register. (Can't make this event? Keep an eye out for our May and October conferences as well.)

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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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