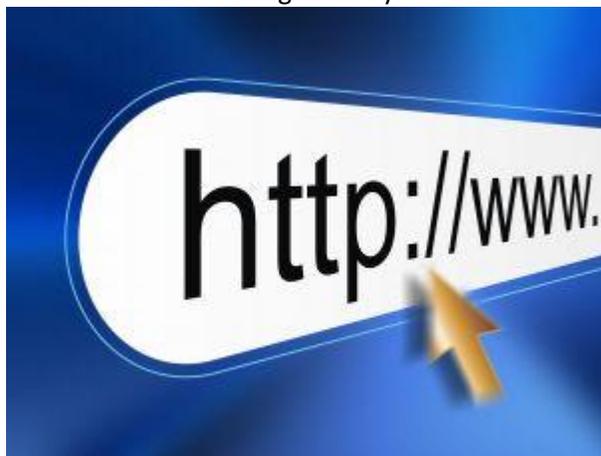


[The History of Technology and the MLM Industry](#)

By Jeffrey Babener © 2013 / 2014

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This article is the companion article to the video: [Technology's Impact on the Direct Selling Industry: The History of Technology](#), in which MLM Attorney, Jeffrey Babener, discusses the impact technology has had on the direct selling industry.



Today, with satellite television and the internet, individuals in countries throughout the world can become aware of an opportunity and a company's products instantaneously.

The MLM industry has been immeasurably changed by advances in communication, technology, transportation, and shipping. When the original companies, such as [Shaklee](#) and [Amway](#), started marketing through multilevel marketing they consisted of large networks of distributors who inventoried and supplied products to individuals in their localized areas. This, of course, was because the country did not yet have UPS or FEDEX that allowed for next day delivery to the customer or distributor. Most of the companies in the early days had large, key distributors pay their own downline commissions rather than have the company pay the downline commissions directly because the companies lacked the technology to track distributors. They also relied on communication by the key distributors in their field because the internet did not yet exist. Neither did cell phones. The tremendous ease in communication that we have today simply didn't exist for the early direct selling companies.

Of course, that all changed in the 1980s with the computer revolution. There were three instances of advancements in communication, including technology, transportation and shipping, which had a profound impact on the success of the MLM industry. In addition, as we saw in the 1990s and beyond, an explosion in direct selling has not only taken place in the United States, but also around the globe. Prior to advances in technology, it could take decades for a multilevel opportunity or a direct selling opportunity to find its way into other countries, especially developing nations. Today, with satellite television and the internet, individuals in countries throughout the world can become aware of an opportunity and a company's products instantaneously.

Today, direct selling companies like Avon do business in more than 140 countries and we expect to see that increase dramatically. In fact, studies done by the Direct Selling Association have indicated that over

the next ten years we will expect to see approximately 200,000,000 people recruited into a direct selling opportunity around the world. Roughly today, approximately 155,000 people per week are recruited into a direct selling opportunity worldwide. And, the fastest growth is occurring outside the United States, interestingly enough.

Although, direct selling companies, especially the most successful ones have their roots in the United States, the MLM model and foundation was built in America. MLM leaders have always been native to the USA.

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And, as always, visit MLMLegal.com, the best MLM resource on the web. The next ***Starting and Running the Successful MLM Company Conference*** will be here before you know it! On May 16th and 17th, 2013 we are hosting the [MLM Conference](#) for the 25th year! This is now our 64th 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 October and February conferences as well.)

This article is also available online at: <http://mlmlegal.com/MLMblog/?p=400>

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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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