

# Why Do Distributors Stay with a Particular MLM, Direct Selling Company?

By Jeffrey Babener © 2013 / 2014

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This blog post is the companion post to the video: [Why Do Distributors Stay with MLM Companies?](#) Find out how to retain the most important asset to your MLM company, distributors.



In the realm of any business, if people feel ignored then they vote. They vote with their feet and leave. We are often asked the questions “why do people stay with MLM companies” and “why do they leave?” *Retention is essential for a successful MLM company.* We are in an industry that has a lot of attrition due to the nature of the work environment. Many distributors work part time and are competing for peoples’ time. Distributors (or representatives, consultants, etc.) come and go all the time. Losing a distributor is worse than being

unable able to recruit new consultants, making retention essential.

There are interesting answers given by distributors as to why they stay with the company. You may think they stay for the earnings, but income often comes in fifth or sixth place in industry polls. As a general matter, consultants usually stay with a MLM company because *they are connected and bonded with the products the company sells, as well as with the company’s mission and with top management/leadership.* Distributors also like to be recognized for the work that they do. Recognition is very important in the direct selling industry. These are factors that really propel distributors to stay with a MLM company.

The resulting question is then “why do distributors leave?” There was an exit study done quite a while back by one of the large direct selling companies and they asked that same question. Almost always the answer resulted in the frustration consultants felt with a lack of communication within the company. *Distributors need to feel that somebody is responding to them* and that they are being communicated with. Today we have tools that ease communication. Direct selling companies that are not doing a good job at communicating can use the internet, distributor service centers and any other available electronic sources in order to be responsive to their teams (or downlines). The company leadership needs to be responsive. In the realm of any business, if people feel ignored then they vote. *They vote with their feet and leave.* Communication is the number one reason why consultants leave MLM companies. Company communication should be addressed in the very beginning stages of formulating a MLM company.

For more information about MLM Attorney Jeff Babener, visit [www.mlmlegal.com](http://www.mlmlegal.com) or [www.mlmattorney.com](http://www.mlmattorney.com).

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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 16<sup>th</sup> and 17<sup>th</sup>, 2013 we are hosting the [MLM Conference](#) for the 25<sup>th</sup> year! This is now our 64<sup>th</sup> 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 post is also available online at: <http://mlmattorney.com/blog/2013/03/14/why-do-distributors-stay-with-a-particular-mlm-direct-selling-company/>

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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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