Chapter XVI

Web-Based Training for the Network Marketing Industry

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The Internet is radically changing the way we do business and in the ways we deliver information and training. Companies must use effective methods for distributing information and training materials in a timely manner to ensure their competitive edge.

With globalization, dispersed workforces, remote management and an ever increasing information glut, ensuring that employees are properly trained to represent the company and the industry to which they belong becomes an ongoing challenge, if not a nightmare. One industry that is particularly vulnerable to the challenge of providing consistent, high-quality training, is the Network Marketing Industry.

This chapter will look at the Network Marketing Industry training requirements in light of the industry needs and available training sources. An assessment of the fit for the inclusion of Web-Based Training (WBT) as a support tool will be made. A global overview of the potential market sizing will be reviewed with a look at future trends and opportunities.

The objective of this chapter is to determine the potential fit of WBT for the Network Marketing Industry. More specifically, this chapter will:

• Define the training requirements at each stage in the network marketing discovery process.
• Compare the current methods being used to offer training.
• Highlight deficiencies/opportunities with the current training systems.
• Suggest a role for WBT in the Network Marketing Industry.
• Calculate the potential market size within the industry.
• Highlight the challenges for using WBT in the Network Marketing Industry.
• Identify the benefits of WBT for the Network Marketing industry.

BACKGROUND

Network Marketing

Network marketing is simply a form of distribution for products and services. It is the movement of products or services from the manufacturer or producer to the end user via word of mouth marketing which is one of the most effective and cost-efficient methods of distribution. According to Rod Nichols (1995), Network Marketing is “conversational marketing” — people talking to people.

J. P. Getty further explains the concept of network marketing when he says that he would rather have 1% of the efforts of 100 people than 100% of the effort of one person. Network Marketing is all about having many people work together, either part-time or full-time, and distribute a small amount of consistent volume of products or services.

Network marketing works on the concept of geometrical growth. As each new distributor (company representative) introduces their company’s products or services to their own circle of influence, word of mouth advertising expands to new circles and continues exponentially to expose increasing numbers of people to the products and the individual companies. Products are normally ordered through the use of 800 numbers with delivery being direct from the home company to the end user. The distributors are rewarded for their “word of mouth” advertising through a company specific compensation plan.

Products which have been proven to be successfully distributed via network marketing include health care products, consumables, and telecommunications.
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