



## The Relevance Of The Development Of Network Marketing In The Modern Economy

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### ABSTRACT

This article considers the task of network marketing is the information coverage of the maximum coverage of people. Selling is a natural result of this outreach. Turnover in network marketing arises and is maintained due to the fact that people inform about the company's products.

### Keywords:

Marketing, trade, factor, people, sale, products, business, information, turnover.

The main factor holding back many people from starting their own business is the lack of financial opportunities and the fear of losing funds, often borrowed, if the business fails. Both of these shortcomings are almost completely absent in the multilevel marketing model.

"Multi-level marketing" or MLM (multi level marketing) means a system for delivering a product or service to a consumer and encouraging people to carry it out. Multi means "more than one", Level - generation, level. You can call this system "promotion of products through several generations." A more modern name is the term "network marketing".

Network marketing is a common form of direct selling retail. A feature of this business is that the goods sold are not on the shelves, but are distributed with the help of distributors. Distributors are people who create their own networks that make business.

The main task of network marketing is the information coverage of the maximum coverage of people. Selling is a natural result of this outreach. The turnover in network marketing arises and is maintained due to the fact that people inform their friends and acquaintances about the company's products and single out

those who need it from them.

The main issues of network marketing are considered in the works of foreign authors D. Jobber, F. Kotler, JR Evans. Russian scientists G.L. Azoeva, G.L. Bagieva, I.K. Belyaevskaya, D. Kardava, D. Mamedov and others paid attention to the problems of applying the concept of network marketing.

The prevalence of network marketing is currently associated with a number of benefits associated with it:

1. Network marketing is the foundation of any financial independence. No matter how well we get paid for our work, sooner or later there will be periods of planned or forced leave (illness, pension, etc.). Passive income allows you not to lower the usual life bar even in the event of a decrease in a person's personal labor activity. For example, if we create our own network and go out of business for three years, our network will work without our presence. She will make a turnover from which we will receive money. When we return, we will keep our percentage and qualifications. In traditional marketing, after a long absence, we usually completely lose our business.

2. In a traditional business, when a

new employee comes to us, we ourselves evaluate him and determine how much we will pay him. And the less we pay him, the more money we have left for ourselves. In network marketing, the opposite is true. The more our people earn, the more we earn. This is the biggest advantage. We invest our life in a person to teach him how to earn money.

3. In a typical company, our career opportunities are limited by many factors: the number of senior positions, the prejudice of superiors, education, gender and age. Therefore, even if a company has a really good and promising employee, no one can guarantee that he will be able to achieve great success. In the network business, his income and career advancement depend solely on his efforts and activity.

3. In network marketing, there is the possibility of self-determination of the pace of work, a free schedule and the absence of a "subordinate-boss" scheme. We ourselves determine for ourselves the figure of acceptable profit and the amount of time and effort spent. Given that our sponsor is not our boss, but a business partner, he is directly interested in the constant growth of your income, which will bring rewards to him. In network companies there is no subordination, since everyone is a distributor, he is also a partner. For this reason, a friendly atmosphere reigns in network companies.

4. In the network business there is constant support and training from the company. Since the success of each networker depends not only on his personal sales, but also on the activity of the created team, he is seriously interested in ensuring that the affairs of each of its members go well. Distributors are provided with comprehensive information assistance. Multilevel marketers not only show how to implement

products, but also teach them how to negotiate, how to properly respond to failures, and how to effectively manage their time.

Despite a number of advantages in network marketing, there are also disadvantages:

1. The biggest disadvantage, in my opinion, is the similarity of network marketing with financial pyramids. Often people have distrust and suspicion in connection with this

similarity;

2. When working for hire, a person receives a rate guaranteed by an employment contract. And the employer takes upon himself the organization of various, vital issues. The networker, on the other hand, pays for wrong decisions and rash actions with his profit;

3. Often, due to the lack of objective information about the type of activity, "Rookies" that we attract to our structure, there may be a negative-biased attitude towards multi-level marketing. Therefore, the company's specialists will often have to carry out a series of explanatory work.

In addition to the obvious advantages and disadvantages, there are also very controversial points, for example, the inability to predict the expected income can be both a plus - for a successful networker, and a minus - for a beginner or a person who does not have the ability for this type of activity.

Thus, the relevance of the organization of network marketing is as follows:

Firstly, in a fairly stable system of marketing and distribution of goods through distribution networks;

Secondly, in the constant influx of new distributors from among the buyers, that is, in updating the channels for distributing goods;

Thirdly, advertising campaigns in many network marketing organizations are not carried out, the distributor himself advertises the product with his own example and story.

Network marketing is a type of activity that helps to develop the communicative qualities of a person. The ability to make new acquaintances and connections, the ability to build good relationships with a large number of people, the ability to influence and correctly convey one's point of view - these are the traits that are inherent in all successful distributors. Network marketing contributes to the lives of a large number of people.

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