

Melaleuca: A Different Kind of Company



McKay Christensen,
President, Melaleuca Inc.

“Whether you’re a long-term customer with Melaleuca or a new Marketing Executive, I would invite you to build a Melaleuca business and discover for yourself how we are different. You won’t find a better opportunity and I’m certain that working together we can build a business that will last a lifetime!”

I hope you enjoy reading this Special Edition issue of the *Leadership in Action*. As you read, I also hope you’ll get a greater vision of how Melaleuca is making a big difference in the lives of many households across North America. Please read the stories; examine the advancement pages; look at the monthly earnings of moms, retirees, business people, people from all walks of life; and see how they’ve changed their future for the better. You’ll see that we’re making a difference for families in today’s economy.

Melaleuca is a different kind of company. No other company in the world does business like we do. We are not multi-level marketing. Once in a while I’ll read an internet blog or article in which the author will list us among MLM companies as they talk about that industry. They don’t understand the simple differences between Melaleuca and MLM

companies. And there are important differences.

Perhaps you’ve wondered about those differences or you’ve been asked what makes us different from MLM companies. So, I thought it might be helpful to re-visit the differences and clarify what sets Melaleuca apart from MLM, Direct Sales or any other industry.

1 MLM companies often require or encourage their people to buy inventory, or to at least purchase large quantities of product each month to qualify for bonuses. Melaleuca on the other hand, requires no extra purchases and actually encourages customers to only purchase the products they need in their homes that month. This is a significant difference! MLM companies impose a significant risk and burden. With Melaleuca, there is no risk.

A Different Kind of Company

Comparative Analysis

Melaleuca	Typical MLM Companies
1 Simply switch stores and buy only what you need each month; no risk	1 Require large inventory purchases to earn a bonus
2 Customers shop direct with Melaleuca	2 Distributors purchase and resell products
3 Exceptional products at reasonable prices	3 Prices are often 3 to 4 times the actual product’s value
4 Real products you really use; simply re-direct what you’re already spending at the local store	4 Rely on the sensational such as juice, magnets and other products
5 Products developed by world-class scientists	5 Often use unfounded gurus or celebrities to hype the products
6 Everyone can win—anytime	6 “First in” wins; “Last in” loses
7 Proven track record	7 Companies often come and go
8 High customer retention and repeat purchase	8 Low customer retention and repeat purchase
9 Anyone can build a business with time and effort	9 Rely on prior MLM experience and networking contacts to succeed
10 Mission of helping others	10 Focused almost exclusively on money

2 An MLM company usually requires that you resell their products. Melaleuca does not require any reselling—all customers shop direct from the catalog or website. Real people buy real product they really want. This means as you build a Melaleuca business, you don't have to pressure others to buy what they don't need, you have no repeat sales presentations and you don't have to peddle inventory to your friends or neighbors. You simply refer customers to Melaleuca, help them set up their accounts, and each time they shop direct with the company, you make a commission.

3 Most MLM companies charge several times what their products are worth, such as \$40 for a bottle of juice that could be purchased at the store for significantly less. At Melaleuca, products are competitively priced so you can actually save money versus the national brands. Customers just switch from the grocery or department store to Melaleuca. They use the same "old" money they were already using to purchase shampoo, laundry soap and other household items. And the exceptional products they buy keep them coming back month after month.

4 MLM companies often market products that rely on the sensational, such as juice, magnets, diet pills, or green algae. These aren't products that are used by the average consumer. Can you imagine, in today's economy, trying to convince someone to spend hundreds of dollars on cases of juice each month? Melaleuca sells products with real value and benefits superior to those found on the grocery store shelf. Take Sol-U-Guard Botanical® for example: it's an EPA-registered disinfectant that does not use chlorine bleach. Instead, it uses the spice thyme and is two times concentrated. So, it does not contain chlorine bleach, saves you money, and because it's concentrated, it is better for the environment. Unlike products sold at many MLM companies, Melaleuca products don't rely on the sensational but instead offer true value and benefits.

5 Many MLM companies rely on an icon or public figure to champion their products. In some cases, MLM companies have used doctors with Ph.D. degrees from obscure and little known internet-based universities to tout their juice or products. Melaleuca, on the other hand, develops and sells products based on sound

science and rigorous development. We have a strong Research and Development staff with scientists and Ph.D.'s from reputable universities and strong professional experience. In fact, we have some of the best product development scientists in the world.

6 With the MLM high-risk, high-inventory model, the guy on top or the one who gets in first wins and the guy who gets in last loses. Melaleuca has a true and proven business model that rewards Marketing Executives when they team up and help each other. It doesn't matter when you start your Melaleuca business; you can be as successful today as you could the day the company started.

7 MLM companies often come and go because they rely on large purchases and sensational products to generate sales. They are unwilling to reward their distributors for helping others succeed. These companies often grow rapidly and then decline rapidly. Melaleuca, on the other hand, has a 23-year proven track record. In my opinion, this is the defining difference between Melaleuca and MLM: our track record. We continue to grow and prosper because we've based our company on sound business principles, and our Compensation Plan rewards those who help others.

8 At most MLM companies, the customer attrition rate is high. Recently, we closely examined a number of MLM companies and their performance. We asked the companies what their customer attrition was from month to month. First, no company would publicly disclose that figure. Second, when we spoke with the distributors from those companies, their retention rates ranged from 40 percent down to 6 percent in any given month. That means that they lost the majority of their customers each month. So, at MLM companies, each month your first task is to replace the customers you lost before you can even think about growing. Melaleuca has a 94 percent retention rate. That means 94 percent of customers who ordered last month will order again this month. If you look at our retention rate over several years, that average is 95 percent. That is a terrific retention rate and we disclose it! I don't know of any MLM company that would dare disclose their customer repeat purchase rate. Why do we? Because we're not multi-level marketing.

9 Anyone can build a Melaleuca business. All it takes is time and effort. Unlike MLM companies, you don't need a large investment or years of experience. You don't have to have an extensive network of contacts. At many MLM companies, you succeed if you can find an MLM guy with lots of contacts who you can recruit rapidly to earn big bonuses and then move on to the next deal. At Melaleuca, the average person can begin by referring friends and neighbors and then expand their organization by helping others do the same. If you want to see a difference between Melaleuca and MLM companies, look at our ranks of customers and Marketing Executives. They are often ordinary folks just like you and me.

10 Melaleuca is committed to its mission of helping others. To be honest, I don't know the mission of many MLM companies. But it seems to me that their mission is to make money at all costs. I have that impression because it seems thousands of people leave these companies having invested thousands of dollars in hopes of success only to be left with unsold inventory, lots of motivational books and tapes, and unmet dreams of wealth. I'm proud to be associated with a company that helps others get out of debt, stands behind a satisfaction guarantee, and leaves people better than they found them.

So, when someone asks me if we're an MLM company, here's how I respond: "No, we're nothing like MLM companies. We don't require you purchase or resell inventory. We don't rely on hype or sensational claims or products. At Melaleuca, you refer customers to Melaleuca and they shop direct from Melaleuca. Each time they shop, you earn a commission. We sell products that you are already using like cleaning and personal care products. Not only will you find our products are a better value; they're also safer for your home. We are the world's leading referral marketing company. When you shop with us, you'll see that we are also the world's best store for wellness products you're going to love."

Whether you're a long-term customer with Melaleuca or a new Marketing Executive, I would invite you to build a Melaleuca business and discover for yourself how we are different. You won't find a better opportunity and I'm certain that working together we can build a business that will last a lifetime!