
What are Multi Stage Marketing and Advertising?

Are multi stage marketing and advertising getting you straight?

It might be a little difficult to understand what the topic is trying to discuss at first glance. The primary reason for this is because the understanding of multistage marketing and advertising might be a little limited. Suppose you have a company or an [e-commerce site](#) that has been making a considerable amount of money and expanding quite a lot over the past few years and now you have decided to step into the next year.

Similarly, your company may be relatively new and you want to progress fast. This is where you can use multistage marketing to your best advantage. Still confused? The reason must be because you don't know how the multistage marketing and advertising works. Only once you are clear of the concepts surrounding it, you can implement it for your business more effectively and be able to judge whether it is proving to be beneficial for your company or not. [P3 Multisolutions](#) is helping a number of reputed companies with their multistage marketing and advertising services.



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To give you a little more perspective on things, just think of a company that is being launched in India. Many acquaintances of yours are enthusiastic about becoming a part of the company and are ready to make an effort to sell the products that were offered by the company itself. This is a perfect example of multistage marketing and advertising. To speak in simpler terms, this is a

kind of [marketing strategy](#) that encourages distributors to have more people under their wings of guidance and become distributors themselves. The motivational factor here is that the original distributor gets an additional cut of all the sales that the newly recruited distributor is doing.

If you are one of the head distributor and seller of a product, you can sell some of it to customers and also outsource some of it to the person you recruit to be your “downline distributor”. You act as a mentor and teach them the tricks of the trade on how to go about sales appropriately. Like any other business strategy, even multistage marketing and advertising have some negative aspects associated with it, which should be addressed first. It is agonizingly close to the pyramid structure of marketing, which is deemed to be illegal in most of the countries.

One way of differentiating between these two strategies is that in multistage marketing, more emphasis given to selling the products to the customers whereas, in the pyramid scheme, it is mostly about selling to your sub-distributors. Whenever the recruitment aspect of the company becomes more important than the product itself, you should understand that a pyramid scheme is being followed and avoid it. Moreover, you should not give excessive false hopes to people who join this multistage marketing department by assuring them of extravagant benefits in a short period of time.

You should be honest in your analysis and give them a modest overview of how things work and how sticking on to the job is going to be more important in the long run. Once these two aspects are addressed properly, you can concentrate on the usefulness of multistage marketing and advertising and how it is beneficial for your business.

Benefits of multistage marketing and advertising



Given below is a list of the benefits that are associated with multistage marketing as well as advertising:

a) Whenever you start a new business venture, one way to judge how successful it has been to keep a track of the revenue it generates. The financial point of view for any company is as important as anything else. When your company indulges in multistage marketing and advertising, there is a jump in revenue, more often than not. This can be attributed to the fact that there is an increased amount of manpower making an effort to sell your products. Yes, you tend to lose out on more amount of money because of the cuts that you have to provide to the main distributors and the down line distributors but when you make a comparison of your total expenditure and revenue generated, you will continue to remain at a profitable situation. Thus, looking at the bigger picture, multistage marketing is definitely a boon financially.

b) It provides a way to generate income for a large number of people. All the people who enlist as downline distributors get a portion of the sales that they make. This can even act as a motivational factor as the person will be determined to sell more in order to reap in more benefits, which will be again beneficial for the generation of the revenue for the master company. Thus, it is a way of employing a large section of people, although not as a permanent employee of the company per se, gives them the opportunity to make some easy money.

c) Through the multistage advertising process, you can make more people aware of your company and the products it offers and also, how it is going to be beneficial to the customer. Thus, you can reach out to a larger section of the population, mainly by good word of mouth and once you are able to generate that trust, you can expand your business more effectively.

Few shortcomings of multistage marketing and advertising

Given below is a list of the shortcomings that you should know about:

a) The people sitting at the top of the business model tend to make the bulk of the profits from the revenue generated and the income of the downline distributors are considerably less, making it an uneven distribution of wealth.

b) The distributors are not frontline employees of the company and do not receive any additional incentives for putting in labor to sell the products as the cuts are only derived from the product only. They are not legally employees of the company as well and enlist as individual businesspersons.

After reading all the above-mentioned points, if you had to conclude whether multistage marketing and advertising has been pulling your company straight, the answer is yes.

Final Verdict

The financial and revenue aspect of it is definitely addressed properly and the company tends to make more business and sale based on this strategy. There is still room for improvement with respect to certain aspects like fraudulent schemes should not be practiced which might make people lose money in the long run due to the investments that they make and not being able to make proportional sales. If the issues of distribution of the profits and giving more credibility

to the distributors can be established, it will be a good scheme for them as well. Overall, if used judiciously and within legal limitations, multistage marketing and advertising is definitely a boon for any company or organization.

