



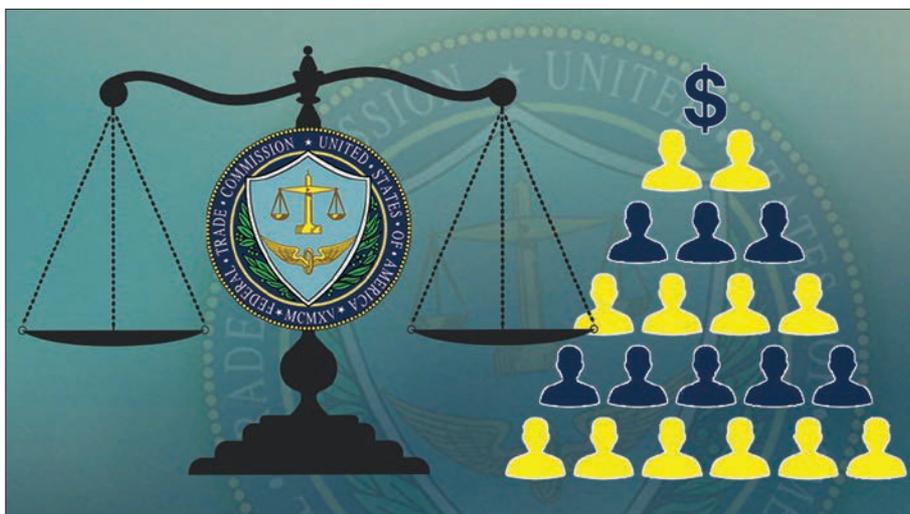
Direct Sellers Report Q1 Earnings

Herbalife down big while USANA, Primerica, and Nature's Sunshine see stabilization and growth

MORE ON PAGE 10

FTC Wins Anti-Pyramid Case Against James Noland's 'Success By Health'

Following the decision, the Commission submits supplemental findings to the Texas court adjudicating the Neora trial



A federal court in the District of Arizona has sided with the Federal Trade Commission (FTC) in its request to shut down a direct selling company called Success By Health (SBH) for violating the FTC Act by operating as an unlawful pyramid scheme. Led by James "Jay" Noland and three other defendants, SBH, as well as a company called VOZ Travel, marketed coffee, nutraceutical, and travel products through multi-level marketing between 2017 and 2020.

After an 11-day bench trial, the Ninth Circuit Court concluded that, in addition to operating as an illegal pyramid scheme, the defendants made misleading earnings claims while marketing both SBH and VOZ Travel. Furthermore, the court found Noland in contempt for violating a nearly

CONTINUED ON PAGE 7

INSIDE THIS ISSUE



RISK ROUNDUP

HOW DO TEXTING REGULATIONS AFFECT YOUR BUSINESS?

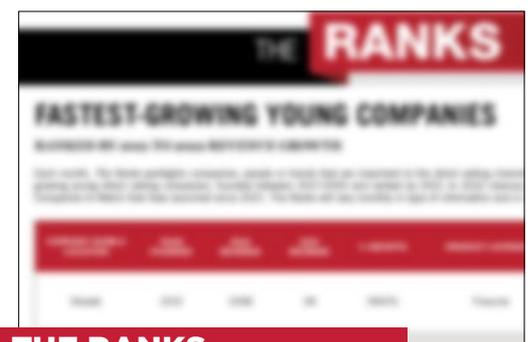
Regulators intensify scrutiny of commercial messaging. 18



SPECIAL REPORT

BEST PRACTICES FOR GROWTH THROUGH SOCIAL MEDIA

Creating community and connection with online platforms. 20



THE RANKS

FASTEST-GROWING YOUNG COMPANIES

New direct sellers off to a successful start. 29





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INSIDE May-June 2023

COVER STORY

01 FTC WINS ANTI-PYRAMID CASE AGAINST JAMES NOLAND'S 'SUCCESS BY HEALTH'

Following decision, the Commission submits supplemental findings to the Texas court adjudicating the Neora trial
By David Bland

NEWS FEATURES

10 HERBALIFE DOWN BIG WHILE OTHER DIRECT SELLERS SEE MODEST GAINS

Global expansion, improved recruitment and in-person events drive profits
By Dave Rauf

14 FTC SENDS WARNING LETTERS TO HUNDREDS OF COMPANIES

Direct sellers included in Notices of Penalty Offense for Product Claims
By David Bland

SOCIAL TECH UPDATE

16 RESHAPING THE CUSTOMER EXPERIENCE WITH TECHNOLOGY

Understanding the customer and prioritizing empathy can create harmony that fosters customer loyalty and positive word of mouth
By Terrel Transtrum, Guest Contributor



24 THE OPTICS: AN EXPLOSIVE MARKETING TOOL

RISK ROUNDUP

18 STRICTER TEXTING REGULATIONS POSE CHALLENGES FOR NETWORK MARKETING COMPANIES AND DISTRIBUTORS

By Noah Westerlund, Guest Contributor

SPECIAL REPORT

20 UNRAVELING THE TIKTOK PARADOX: CONTROVERSIAL BANS AND THE THRIVING MARKETPLACE

Direct sellers navigate the clash of security concerns, creative expression and commercial opportunities
By Stephanie Ramirez

INSIDE EACH ISSUE

05 PUBLISHER'S NOTE

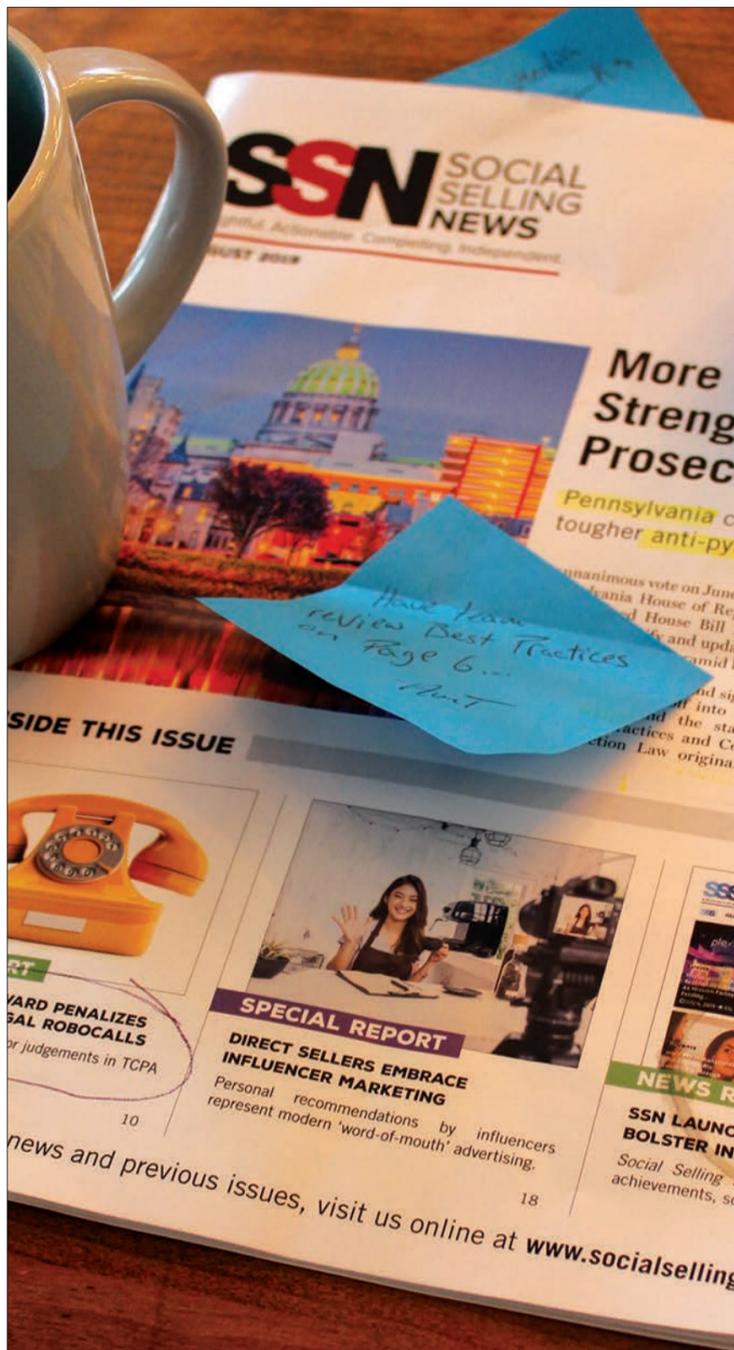
27 THE RANKS

32 WHAT'S NEW

34 PEOPLE ON THE MOVE

35 MEET OUR PARTNERS

36 RESOURCE DIRECTORY



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PUBLISHER'S NOTE ▶▶

SSN's 5th Anniversary Edition

Hello friends!

I am thrilled to give you *Social Selling News*' 5th Anniversary edition. While finalizing this issue, I could not help but feel incredibly grateful for the brilliant and insightful contributions from SSN's staff and our guest contributors. Thanks to their talent and expertise, we are able to keep you informed about the latest breaking news affecting your direct selling business as well as provide you with information and guidance on the legal, technology, and social commerce topics that have become so critical to network marketing in this digital age.

The stories and updates we are bringing you in this month's news features, *Social Tech Update*, *Risk Roundup*, and *Special Report*, are a perfect example of the rapidly evolving commerce landscape affecting the direct selling channel.

You will find in our news features this month reporting on the FTC's continued revival of its Penalty Offense Authority as well as a court victory for the Commission resulting in a multimillion-dollar judgment against the marketers of a blatant pyramid scheme.

Our guest contributors to *Risk Roundup* and *Social Tech Update* bring you timely advisement on two areas of importance for companies that rely on digital commerce to drive sales — optimizing the digital customer experience and avoiding regulatory roadblocks when utilizing SMS marketing strategies.

And speaking of digital commerce, our *Special Report* this month takes a deep dive into the state and federal government's increasing unease with TikTok — one of the most important social media and social commerce platforms for countless direct selling companies and their affiliates.

Finally, don't miss our *Ranks* double feature, where we highlight commission payment specialists as well as a look at some of the fastest-growing new direct selling companies. There has been some amazing startup success over the past few years, and we wish these companies continued success.

I want to thank each of you for reading *SSN*, and for everything you have done to contribute to this endeavor over the past five years. I am honored to lead this publication and grateful for your continued support!

With warm regards,



DAVID BLAND

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FTC WINS ANTI-PYRAMID CASE, CONTINUED FROM 1

20-year-old settlement agreement with the FTC stemming from his previous direct selling venture that the Commission targeted as a pyramid scheme.

Case History: ‘A Far Cry from Financial Freedom’

In January 2020, a federal court temporarily shut down Success By Health and froze the assets of the company and its executives via a temporary restraining order (TRO) after the FTC alleged that the company was a pyramid scheme.

According to the Commission, the company had unlawfully taken over \$7 million from consumers while less than 2% of participants earned more than they had spent on inventory. The FTC deemed this “a far cry from the defendants’ promises of ‘financial freedom.’”

In the filing, the Commission alleged that Noland and his fellow defendants promised affiliates that commissions exceeding \$1 million per month were possible—a claim made even more unreasonable, according to the FTC, by the fact that the company allegedly sold products directly to consumers for the same price paid by affiliates.

Furthermore, the FTC alleged that the company’s “Four Steps to Success” training materials emphasized only affiliate recruitment with no guidance on selling products to consumers.

Preliminary Injunction Granted

The following month, the court granted the Commission’s request for a preliminary injunction against SBH, stating that there is “compelling evidence” that the defendants were operating a pyramid scheme and engaging in deceptive practices in violation of the FTC Act.

In September 2020, the FTC filed an amended complaint with the court requesting a permanent injunction and equitable relief, alleging that the same defendants were operating an additional pyramid scheme known as VOZ Travel.

In the court filing, the Commission alleged that Noland and his fellow defendants were selling travel memberships for at least \$1,000 each in exchange for access to a discount travel platform and the ability to earn rewards by recruiting others to purchase memberships. However, the amended complaint alleges that the VOZ booking platform was never launched.

In the September filing, the Commission alleged that the defendants were in violation of two FTC Rules—The Merchandise Rule, which protects consumers who purchase merchandise through mail order or telephone transactions, and the Cooling-Off Rule, which protects consumers making purchases outside of a seller’s regular place of business.

Commission Seeks Summary Judgment

On March 12, 2021, the FTC filed a motion seeking summary judgment as to liability against all of the defendants. In the 35-page motion, the Commission detailed their claims that both SBH and VOZ Travel had violated the FTC Act by operating as a pyramid scheme, making false income claims, and providing affiliates with the means to violate the FTC Act. The Commission also accused the companies of violating the two FTC rules.

On May 18, 2021, FTC Commissioners requested that the Court grant them a preliminary injunction with asset freeze and receivership due to the defendant Jay Noland’s alleged unlawful activity, including his supposed violation of a 2002 settlement order with the FTC.

The order barred him from engaging in future pyramid schemes, making deceptive earnings claims about any future multi-level marketing program and misrepresenting the benefits that a MLM participant could receive.

On June 23, 2021, the FTC filed a motion for summary judgment on monetary relief against the defendants in the amount \$1.16 million. The Commission stated in the motion that Section 19 of the FTC Act enabled them to seek monetary relief to redress consumer harm caused by the defendants’ rule violations, namely the Merchandise and Cooling-Off Rule violations.

On Aug. 30, 2021 the Court granted the FTC’s request for sanctions against individual defendants for the intentional spoliation of evidence. After advising Defendant Jay Noland to preserve documents relevant to its investigation, the Commission alleged that the defendants began using encrypted messaging platforms called Signal and Protonmail to communicate with each other. It was further alleged that Noland used these encrypted accounts to provide a script for third-party witnesses.

Defendants Found Liable

On May 11, 2023, in a detailed and meticulously reasoned 131-page order, a bench trial in the U.S. District Court of Arizona found the defendants liable for several violations. Although the FTC originally sought monetary damages of



CONTINUED ON PAGE 8

FTC WINS ANTI-PYRAMID CASE, CONTINUED FROM 7

\$8 million at the outset of the case, the April 2021 Supreme Court decision on the *AMG Capital Management* case ended the FTC's powers to seek equitable monetary relief such as disgorgement or restitution. Therefore, the Commission clarified its monetary remedies-related requests to only seek remedy for SBH's Rule violations and not the unlawful pyramid motions and earnings claims.

The Court identified several outstanding issues to be resolved by the bench trial.

The first issue was establishing whether or not SBH acted as a pyramid scheme. The court established that SBH's "six-phase" compensation plan required only recruiting, and not sales to ultimate users, in order to earn "any meaningful amount of money."

Citing both the Koscot test (based on *FTC v. Koscot Interplanetary*, 1975) and *BurnLounge* case (2007), the Court concluded that "...the FTC met its burden of establishing that 'the rewards [SBH] participants received in return were largely for recruitment, not for product sales.'"

A second issue was to establish that the defendants made misleading earnings claims for both SBH and VOZ Travel. Although the Court had previously issued a summary judgment in the FTC's favor with respect to VOZ, it did not grant a summary judgment for SBH at the time. This judgment was passed by the Court after the bench trial.

Referencing SBH's claims that affiliates would earn substantial, life-changing money and financial freedom, the Court cited *FTC v. Cyberspace.com* (2006) and determined that despite the defendants' use of "disclaimers," the net impression was that affiliates could reasonably expect to earn these substantial commissions.

Court Awards Minimal Damages for Rules Violations

The FTC requested over \$1.1 million in monetary remedies for SBH's violations of the Merchandise and Cooling-Off Rules. However, the court found that, while the defendants did violate the rules, the Commission failed to justify the full damage amount for the Merchandise Rule violation due to its failure to adequately assess the value of delayed or missing product shipments. The Court awarded damages of only \$6,829 for the Merchandise Rule violation.

The Court declined to award any damages at all for the "blatant" violations of the Cooling-Off Rule, as the FTC failed to explicitly show that the Rule violation was directly related to the consumers' financial loss.

Defendants Ordered to Pay Millions for Contempt Violation

In what turned out to be the most financially impactful part of the ruling, the bench trial determined the extent to which the defendants violated a 2002 permanent injunction stemming from Noland's internet-based MLM called Bigsmart, which the FTC sued for being an unlawful pyramid scheme.

In the resulting settlement, Noland and his associates were barred from engaging in future pyramid schemes and from making misleading earnings claims while participating in multi-level marketing ventures.

By making false representations while operating SBH and VOZ Travel as a pyramid scheme, the Court determined that the FTC successfully proved the underlying contempt violations with "clear and convincing evidence."

The Court granted the Commission's request for the imposition of a \$7.3 million compensatory civil sanction that will be jointly owed by the defendants.

Commission Submits Findings for Neora Case

At the conclusion of the bench trial, the FTC submitted a Notice of Supplemental Authority to the U.S. District Court of Texas that is adjudicating the ongoing FTC case against Neora, a direct selling company headquartered in Dallas, Texas, that the FTC is suing as an alleged pyramid scheme.

The purpose of this submission is to bring to the attention of the Texas court the relevant legal authorities and information that was established in the *Noland* decision.

In the filing, the Commission noted four components from the *Noland* decision that it believes should have a bearing on the ongoing Neora case.

1. The credibility and persuasiveness of two FTC witnesses, which the Arizona Court found to be credible and relevant to its liability findings.

2. The proper test to apply for determining if an MLM is a pyramid scheme. The FTC points out that in the *Noland* decision, the Court evaluated whether participants in the business could succeed through recruitment only, without customer sales. The Court also noted the MLM's emphasis on a lack of safeguard policies, the use of false product demand, and the high percentage of affiliate incentives to "buy rank" through the purchase of products.

3. The proper test to apply and evidence to consider when evaluating whether an MLM has made misleading income claims. The Commission's Notice referenced the Arizona Court's findings that the "Defendants' income claims were false in theory and in practice."

4. Marketing and training materials were used to spread the defendants' false income claims, which violates the FTC Act for furnishing the means and instrumentalities to mislead others.

Whether or not the FTC's Supplemental Notice to the District Court of Texas will make a difference in the Neora case remains to be seen. Regardless, the Commission appears intent on continuing its targeting of direct selling companies that it believes are placing a higher priority on recruitment over customer sales.



David Bland is the publisher of *Social Selling News*.

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Herbalife Down Big While Other Direct Sellers See Modest Gains

Global expansion, improved recruitment and in-person events drive profits

By Dave Rauf



Herbalife

Slumping sales in North America and China sent Herbalife to a 70% nosedive in first-quarter profit to \$29.3 million.

The MLM giant reported sales during the first three months of the year were down by 6.3% to about \$1.3 billion. That includes an 8.9% decline in North America, and continued sluggish performance in China, where sales dipped 36% compared to the same period a year ago.

CEO Michael Johnson said despite plunging revenue, the company will grow and results will improve.

“We’re evolving. And that’s what’s been happening over the last six months, and it’s going to continue,” Johnson told analysts during a recent earnings call. “We still aren’t where we want to be, but we have embarked on a significant journey.”

Revenue in every global region declined during the quarter, except in Latin America, where sales increased by 2.5% to \$205 million. The LatAm region was boosted by

8% year-over-year sales growth in Mexico, and a 4% bump in Brazil, which executives said on the earnings call “is returning to growth after several challenging years.”

In China, Herbalife sales have plummeted in recent years, as stringent COVID-19 policies locked down the entire country for much longer than anywhere else in the world.

The country alone accounted for nearly 23% of all Herbalife sales in the third-quarter of 2020, months after the pandemic spread globally and during a period when the company was reporting record revenue. As of the first quarter of this year, revenue from China now makes up roughly 5% of overall sales.

Yet, Herbalife executives remain upbeat about the future in China. In-person meetings in the country, Johnson said, have returned in the last couple of months, and Herbalife Nutrition Clubs—brick-and-mortar locations operated by distributors selling Herbalife shakes, teas and products—are starting to reopen.

“You’ve got to realize that in China, when they went into lockdown, it was much different than any place on the face of the earth. It was a true lockdown,” Johnson said. “Without being too positive here or too

negative, I think we’re going to see some interesting news out of China over the next couple of quarters.”

Herbalife did not provide fiscal 2023 guidance, citing as a reason the “rapidly shifting macroeconomic sentiment and backdrop, as well as increased volatility in the market.”

Overall, Johnson said the company is encouraged by improving trends in some areas—what he called “early rays of light, some bright spots”—including the smallest year-over-year total sales decline on a constant currency basis, and predicts a reversal of the negative sales trend by the end of the year.

“Our trends tell us we will see growth in the fourth quarter,” Johnson said.

Q1 Numbers

- **Total Sales:** \$1.3 billion, down 6%
- **Total Profit:** \$29.3 million, down 70%
- **North America Sales:** \$297.2 million, down 9%
- **Europe and the Middle East Sales:** \$262 million, down 9%
- **Latin America Sales:** \$205 million, up 2%

- **Asia Pacific Sales:** \$413 million, down 9%
- **China Sales:** \$67 million, down 36%

Return of In-Person Events Provides ‘Momentum, Increased Engagement’

During the call with analysts, Johnson highlighted Herbalife’s return to in-person events, saying the company had held 700 face-to-face gatherings since the beginning of this year, which has allowed the company to reach an audience of 400,000 people.

Those meetings, Johnson said, gave the company a jolt of momentum and increased engagement by providing a forum for training, mentoring and to launch new products. And they’re a central component of the company’s plans to return to growth by the end of the year.

Herbalife has 10 regional events planned for the rest of 2023, Johnson said, including gatherings in Lima, Peru; Bangalore, India; Singapore, Singapore; and San Antonio, Texas, in the next three months.

“Distributors will leave these events more energized and motivated with enhanced



JONI ROGERS-KANTE
SENEGENCE

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Joni Rogers-Kante credits her commitment to consistency, devotion to family, and abiding faith to achieving success as a business and family woman. Joni has paved a path toward a life of abundance, and she devotes her life to empower others to find theirs, too.

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in business and care for communities in need through its nonprofit. Not only has Joni built a rewarding global business, she is also changing lives closer to home. Joni passionately protects rights of independent entrepreneurs in the direct selling industry and works to improve the economic lifeblood in her homestate of Oklahoma.

Joni believes accomplishment is unique for everyone, and we are all here with our own important purpose. She says a fulfilling life

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CONTINUED ON PAGE 12

HERBALIFE DOWN, CONTINUED FROM 10

knowledge, training and an opportunity and a plan to expand their businesses,” he said.

“We will be exchanging different unique successful sales methods, opportunities for distributors to train, mentor, motivate, inspire, and learn from distributors.”



USANA

USANA Health Sciences reported better-than-expected earnings in the first quarter, as increased customer activity in Asia helped counter double-digit declining sales in the U.S. and Europe.

CEO Kevin Guest told analysts during a recent earnings call that the company is off to a solid start to the year.

USANA reported profit declined to \$18.4 million, down 18%, during the quarter that ended April 1. Total revenue for the quarter was \$248 million, a 9% decrease compared to a year ago.

Sales in the Americas and Europe declined by 11% in the first quarter to \$49 million. In China, the company’s largest market, sales were down 3% on a constant currency basis.

However, USANA handily beat Wall Street revenue and earnings estimates, and company executives said they are seeing active customer counts stabilize and sequential quarter net sales growth due to several initiatives.

There are also positive signs that have emerged in China. Global sales declines in recent quarters can be largely attributed to

disruptions and lockdowns in China related to COVID-19, as well as inflationary pressures and economic slowdowns in other regions.

The company benefited during the first few weeks of the first quarter from increased demand for several health products in China following the government’s shift in COVID-19 policy.

Demand started to increase at the end of 2022, when China lifted its COVID lockdown, and carried over into the first quarter and added \$12 million in net sales, Guest said.

However, Guest called it a “temporary lift in net sales.” Also during the quarter, USANA experienced another temporary boost as some customers ramped up buying—\$13 million of customer purchasing activity—ahead of the annual price increases.

Executives said global inflationary pressures continue to “meaningfully” impact USANA’s business.

Despite economic challenges, USANA said demand for health and wellness products continues to be strong, “and we remain well positioned to execute our growth strategy.”

Part of that strategy this year will include a heavy focus on live in-person events, Guest said, targeted at “engaging and further incentivizing our sales force.”

The company is also planning to focus on more localized and smaller promotions in 2023 instead of the historical single or large promotions it has held in recent years.

The company said that its strategy of focusing on live events and smaller, more focused, promotions will generate growth in the long-term.

USANA said it expects full-year revenue in the range of \$875 million to \$950 million.

Q1 Numbers

- **Total Sales:** \$248 million, down 9%
- **Total Profit:** \$18.4 million, down 18%
- **Asia Pacific Sales:** \$200 million, down 9%
- **China Sales:** \$124 million, down 7%
- **Americas and Europe Sales:** \$49 million, down 11%

CEO Transition

Guest, who has been CEO since 2015, is preparing to leave the top spot on July 1 and transition to executive chairman. USANA President Jim Brown will take over as CEO.

Guest used a short portion of the earnings call to highlight the upcoming shift in leadership, saying he has full faith in the company’s future CEO.

“I look forward to continually being deeply involved in USANA’s strategy and mission,” Guest said. “In this new role, I want to express that I am not retiring; I’m just shifting strategic roles. I also want to express my sincere appreciation for and confidence in Jim as USANA’s CEO, as well as USANA’s extraordinary management team employees and associates.”

USANA Global Footprint Grows

During the earnings call, USANA executives also teased an impending global expansion announcement, in what would be the company’s first new market in five years.



We listen in on the public company earnings calls and read the transcripts so you don’t have to. Check back each quarter for our review with insights and takeaways for your own business.

At the time of the call, USANA declined to name the new market it was planning to move into, but Guest said it will open later this year, and “we are optimistic about the long-term growth opportunities it will present.”

Turns out that market is India. Expansion into India increases USANA’s global footprint to 25 markets.

The company expects to launch operations in India near the end of the third quarter of 2023, and said it anticipates it will contribute “modestly” to sales during the fiscal year.

“We have spent several years of extensive research and meticulous work to prepare for this expansion into India,” Brown said in a press release announcing the India expansion plans.

“We are confident that our products and business model are ideally

suitable for India, and we believe in our team’s ability to develop and grow this important market as we work toward our vision of creating the healthiest family on earth.”



Primerica

The Georgia-based financial firm reported a first-quarter earnings increase of roughly 9%, buoyed by growth in its life insurance division and improved results in its senior health business.

Meanwhile, economic uncertainty and stock market volatility continued to hammer Primerica’s investment and savings segment, which was down 25% year-over-year on sales of \$2.3 billion.

Primerica is a direct seller of term insurance policies and annuities, along with other financial and investment services.

For the quarter, the company reported a profit of \$125 million on sales of \$690 million.

Results from the first three months of the year reflected continued growth of adjusted direct premiums in the company’s life insurance division, along with progress in improving the profitability of its senior health segment, CEO Glen Williams told analysts during an earnings call.

Life insurance products introduced last fall have boosted the sales force’s enthusiasm, he said. During the quarter, the company said it issued 84,500 new life insurance policies, a 2% year-over-year increase, and estimated that annualized life insurance premiums were up 6% to \$89 million.

Primerica acquired TeleQuote, a provider of senior health insurance and a distributor of Medicare-related insurance policies, in July 2021, but the segment has underperformed consistently since the acquisition.

That’s starting to turn around, Williams said. Results for the first quarter were in line with expectations, and profitability metrics are improving, which he called “encouraging.”

A lucrative part of Primerica’s business—its Investment and Savings Product—reported sales of \$2.3 billion, down 25% compared to the prior year period. That sales downtrend is expected to continue, as the company projects ISP sales could decline between 7% to 10% in the second quarter due to continued economic uncertainty.

Along with lower sales, revenue decreased in the investment and savings segment by 13% to \$210 million.

Q1 Numbers

- **Total Profit:** \$125 million, up 9%
- **Total Sales:** \$690 million, down 2%

Recruiting Uptick

Primerica had quite a successful quarter when it comes to recruiting.

About 93,500 new people joined the company in the first three months of the year, a 10% increase year over year. Additionally, more than 11,000 new life-insurance licensed reps were added during the quarter, an 11% increase.

Williams said the company has been able to achieve sales force growth this quarter with no incentives—“it was good fundamentally sound growth in the quarter.”

“What we’re seeing is that we’re getting better at telling our story,” he told analysts. “There’s a better story to tell with our success as we go forward. We just see the desire in a disrupted kind of employment dynamic of people looking for alternatives, looking for additional part-time income to offset the higher cost of living or looking for alternative career paths.”



Nature’s Sunshine

The nutritional and personal-care products maker reported a profit of \$860,000 during the first-quarter and is predicting modest sales growth for the full year.

CEO Terrence Moorehead told analysts in a recent earnings call that the company started the year on a strong note, as figures for the first-three months of the year exceeded Wall Street expectations.

Nature’s Sunshine’s reporting of \$860,000 profit this quarter comes as the company netted a \$3 million loss during the same time period a year ago, grappling with global supply chain issues and inflationary pressures that offset an overall sales increase.

Sales were \$108 million for the quarter, down 2%. The decline was largely driven by sales drop-offs in China and North America.

But Moorehead said the Asia region as a whole performed strong, delivering first-quarter sales that were up 9% on a constant currency basis. Taiwan and Japan were the two best-performing markets in the region.

Moorehead added that the company is seeing encouraging signs in China, where sales momentum is building each month.

“We continued to operate in an extremely challenging external environment,” Moorehead said, “but the underlying fundamentals and strength of our business remained firmly intact, and the steps we’ve taken to create a more consumer-focused business continued to help us build momentum in the quarter.”

Nature’s Sunshine said it is forecasting “low- to mid-single-digit revenue growth” for the year.

Q1 Numbers

- **Sales:** \$108 million, down 2%
- **Profit:** \$860,000, up from a \$3 million loss
- **Asia:** \$46.3 million, flat
- **Europe:** \$21.4 million, down 2%
- **North America:** \$34.6 million, down 4%
- **Latin America and Other:** \$6.2 million, down 6%



Dave Rauf is a Social Selling News Contributor.

FTC Sends Warning Letters to Hundreds of Companies

Direct sellers included in Notices of Penalty Offense for Product Claims

By David Bland

On April 13 the Federal Trade Commission (FTC) put 670 companies, including several direct selling companies, on notice regarding the need to substantiate product claims.

In a fourth round of warning letters since the Commission resurrected the use of its Penalty Offense Authority (POA) in October 2021, The Notice of Penalty Offenses Concerning Substantiation of Product Claims reminds the recipients that the promotion or advertising of products using deceptive or unfair practices is a

violation of Section 5 of the FTC Act and subjects them to civil penalties of \$50,120 per violation.

Companies receiving letters include major corporations such as Amazon, PepsiCo, Novartis and Walmart. Many direct sellers also received the notice, including **Amway, Arbonne, Isagenix, Herbalife, Mannatech, Nature's Sunshine and Nu Skin.**

The FTC states that these letters are to serve as a warning to various companies likely to make health claims and is not an indication

that the companies have done anything wrong.

The Notice of Penalty Offenses letter states: "A recipient's inclusion on the list does not in any way suggest that it has engaged in deceptive or unfair conduct.

Although the initial distribution of the notice is limited to those making or likely to make health claims, the notice is not limited to health claims and applies to any marketer making claims about the efficacy or performance of its products."

FTC Details Requirements for Product Claims Substantiation

Following the 2021 letters sent to 70 for-profit colleges on earnings and success claims, letters to over 700 companies regarding endorsements and testimonials, and notices sent to over 1,000 marketers regarding money-making opportunity claims, the Commission's most recent warning to marketers details five purportedly unfair and deceptive product substantiation practices.

1. Advertisers may not make objective product claims without having a reasonable basis for the claim using competent and reliable evidence at the time the claim is made.
2. Advertisers may not make a claim about a product's health benefits or safety features without reliable and objective scientific evidence provided by qualified persons.
3. Advertisers may not represent directly or by implication that a product will cure, mitigate or treat a serious disease without relying on at least one human clinical trial that (1) is randomized; (2) is well-controlled; (3) is double-blinded (unless the marketer can demonstrate that blinding cannot be effectively implemented given the nature of the intervention); (4) is

conducted by persons qualified by training and experience to conduct such studies; (5) measures disease endpoints or validated surrogate markers; and (6) yields statistically significant results.

4. Advertisers may not misrepresent the level or type of substantiation for a claim.
5. Advertisers may not represent that a product claim is scientifically or clinically proven unless they possess evidence that is sufficient to satisfy the relevant scientific community of the claim's truth.

Prior FTC Administrative Cases Cited

As with all FTC notices of penalty offenses, the April letter to marketers about claims substantiation cites previously settled administrative cases on the topic that represent a precedent for guiding future Commission actions and decisions.

Section 5 of the FTC Act authorizes the Commission to seek civil penalties against parties engaging in a particular conduct with knowledge that the conduct has been previously found unfair or deceptive.

Thus, the objective of the warning letters is to establish for any future legal action that the letter recipients had actual knowledge that certain acts or practices were previously deemed by the Commission to be unfair or deceptive.

The administrative orders cited in the product substantiation letter, spanning cases from 1974 to 2017, cover a wide variety of product claims cases, including the efficacy of weight-loss treatments, health claims about cancer treatment and heart disease, the efficacy of automotive devices and fuel additives, and the biodegradability of certain plastics.

The prospect of steep civil penalties will help insure that advertisers don't play fast and loose with the truth.

— Sam Levine, Director of Bureau of Consumer Protection, FTC

The April letters also include copies of the Commission's Oct. 13, 2021, Notices of Penalty Offenses regarding endorsements, reviews, and testimonials that addressed the deceptive practice of making false claims about third-party endorsements; misleading consumers about an endorser's status as an actual or current product user; and failing to disclose an unexpected material connection with an endorser.

The warning letters conclude by reminding marketers to consult the FTC's recent update of its Health Products Compliance Guidance.

The guidance, updated in December 2022, explains the legal requirements for advertising and selling health products, including dietary supplements, weight-loss products, and other health-related items. It also provides information on how to avoid making false or misleading claims about the benefits of these products.

Recent POA Actions Largely Untested

The FTC's use of its Penalty Offense Authority to obtain monetary relief in the wake of the Supreme Court's decision to end restitution and disgorgement via Section 13(b) has been largely untested, leaving several important questions for the courts to consider.

Many legal observers have questioned the use of decades-old and thus potentially outdated administrative cases to qualify the recent penalty offense

notices, arguing that regulatory agencies should be required to justify their penalty offenses with current legal standards and regulations rather than relying solely on outdated cases. This would ensure that penalties are consistent with current legal standards and regulations and are not unfairly applied to those being penalized.

Commissioner Wilson Issues Lone Dissent on her Final Day as Commissioner

The Commission voted 3-1 on March 31 to approve the substantiation notice, with Commissioner Christine Wilson casting the lone "no" vote on her last day as an FTC commissioner. Wilson issued a separate statement detailing her dissent.

While applauding the Commission's efforts to "use every tool in the FTC's toolbox to obtain monetary relief for consumers subjected to unlawful conduct," Wilson, the lone Republican on the Commission prior to her departure, expressed her concerns that the "complex and nuanced" nature of substantiating product claims through often-dueling experts would make it exceedingly difficult for the FTC to obtain civil penalties from targeted individuals and companies.

Furthermore, she states that the process of identifying targets and monitoring businesses for violations would consume significant agency resources.

Although former Commissioner Wilson voted with her colleagues to

approve the three previous Notices of Penalty Offenses that were sent in 2021, her rationale for the dissenting vote on the fourth letter mirrored her concerns about the expanded use of Section 13(b) prior to the AMG decision.

"During the Obama Administration, the Commission expanded the use of 13(b) to seek consumer redress even against legitimate companies. Some of these cases were premised on challenges to substantiation for claims made as part of national advertising campaigns.

"This expansion of the program prompted many FTC scholars and practitioners to begin questioning the FTC's authority to seek monetary equitable monetary relief under Section 13(b)," Wilson said in her dissenting statement.

Sam Levine, Director of the FTC's Bureau of Consumer Protection, said, "The requirement for advertisers to have adequate support for their advertising claims at the time they're made is a bedrock principle of FTC law.

"The prospect of steep civil penalties will help insure that advertisers don't play fast and loose with the truth."

SSN



David Bland is the publisher of *Social Selling News*.

Reshaping the Customer Experience with Technology

Understanding the customer and prioritizing empathy can create harmony that fosters customer loyalty and positive word of mouth

By Terrel Transtrum

Over the past few years, customer needs and expectations have dramatically changed. Digital technology has become a significant part of the customer experience, forcing organizations to adapt quickly. However, while technology is essential, it's not the only factor. Understanding the customer is crucial to creating engaging digital experiences that contribute to the overall customer experience.

If Brand Experience is about making promises, then Customer Experience is about keeping them.

It's no surprise that many organizations prioritize technology over customer empathy and focus on customer understanding later in the process once they set technology plans into motion. Operational efficiency, for example, typically prioritizes automation over empathy toward the customer. This back-to-front approach might explain why some leaders view customer service teams as "mop-and-bucket" crews paid to hear complaints and clean up boo-boos.

However, with a deepened understanding of customers to guide technology (not vice versa), it's possible to create engaging digital experiences that contribute to the overall customer experience (CX). Brands that optimize their customer journeys to align with their brand experience (BX) drive satisfaction, loyalty, and retention as they meet customer expectations.

By prioritizing customer (and employee) understanding and creating engaging digital experiences,

brands can enhance reputation, increase revenue, improve margins, and create long-term loyalty.

Brand Experience and Customer Experience

At its core, a brand is a name, image, or symbol that identifies an organization or its products and services, setting it apart from competitors. The Brand Experience (BX) is the sum of all sensations, emotions, thoughts, and perceptions that people associate with a brand, while the Customer Experience (CX) refers to how customers perceive specific interactions with a brand throughout the discovery, purchase, and use of its products and services.

If BX is about making promises, then CX is about keeping them.

"A poor promise will starve a great experience," says Dipanjan Chatterjee, principal analyst for Forrester Research. "A poor experience will break a great promise. And either will render the brand unfit to compete."

When BX and CX are aligned, they create the harmony that fosters customer loyalty and positive word of mouth, which, in turn, drives revenue growth and retention. However, achieving this harmony requires strategic experience planning and execution across all levels of the organization.

Because the digital experience is an essential component of CX, if it's complicated or frustrating it can lead to a lost customer. Alignment and simplification of BX and CX do not just magically happen. It takes work to create a structure and implement practices that facilitate the interplay between CX and BX. Harmony demands the best of strategic, operational, and organizational elements.

The Digital Experience

A powerful partner that can support BX and CX alignment is the Digital Experience (DX). In making a purchasing decision about a brand, customers will combine and connect every relevant interaction and bit of information or message to inform their decision. In a customer's mind,

everything has been woven together. Yet organizations often lose sight of this connection when they design their marketing and CX strategies.

Marketing becomes focused on delivering messages about the brand proposition and employing marketing and communication strategies to build consumer expectations around the brand. Customer service and operations become focused on delivering the customer experience primarily through service. The strategies are often developed in isolation and are frequently siloed.

Consulting work is routinely about removing silos and fostering collaboration to bind the brand experience and customer experience. Deploying digital strategies to deliver the customer brand experience must reflect a sincere and appropriate understanding of the customer by balancing empathy and technology.

The Total Experience

Leaders in the "new normal" seek advice on how to improve their customer experiences through technology and organizational structure. A holistic approach that considers both customer and employee experiences demands two distinct steps:

1. Clarify Your Brand Promise (BX)

Start with your organization's core belief system and translate it into

personality attributes, emotional benefits, and your clear brand promise. This must be felt and lived by everyone in the organization and align with your target customer. Without this clarity, CX efforts flounder. The entire organization, led by the CMO as the brand ambassador and CSO (customer service officer) as the chief customer advocate, must come together to deliver a consistent experience at every touchpoint.

2. Understand What Your Customers Crave (EX)

To create an engaging digital experience, you must understand what your customers want to achieve and what they think of themselves. A better digital experience should enable them to reflect on their choices and deepen their understanding of how to accomplish their goals with your products.

For instance, depending on a customer's goal, a better digital experience might enable them to reflect on their choices because you provided them with a learning path—interactions that deepen their understanding of how to accomplish their goals with your products. A Gartner study found that customers who "realized something new about their needs or their own goals" were 1.73 times more likely to buy more.

Technology powers research and innovation, and at the same time it propels our organizations with customer growth and retention. Customer understanding informs design and galvanizes the digital experience, an essential ingredient of designing and delivering an engaging CX.

Organize CX initiatives and DX systems around (a) customer understanding and empathy, and (b) total experience to avoid "robotic insincerity."

Understanding Your Customers

Very few organizations have entirely digital journeys. Most still deliver physical products, offer physical



experiences, or provide human interactions, and understanding customers is more convenient and powerful than ever before. Modern tools for listening to customers include voice of the customer (VOC), pulling conversations from the internet that identify customer sentiment (online media monitoring), developing customer journey maps, defining personas, and spot-checking satisfaction with various customer scores.

These efforts can cultivate a deeper understanding of your customer in order to adapt to their needs, and when skillfully applied the organization will come out on top because the customer ultimately wins. Since its early inception, Melaleuca Inc. (now a \$3 billion global D2C giant) assigned the executive role of CSO (customer service officer) as the top-ranking position at the decision table and management circle, second only to the CEO. Here is how the CEO reasoned: "The CSO's job is to keep our customers happy, so everyone else's job is to keep the CSO happy. Make sure the CSO has what they need."

Understanding the customer at such profound levels comes as a result of sustained advocacy (your CSO) and intelligent customer data, sometimes referred to as "customer intelligence." The outcome is understanding that nurtures customer

empathy. This better balances a customer's situation, interests, and intent with the organization's goals.

A simple, but powerful example is Mary Kay's Mirror Me™ virtual makeover tool, a customer-centric digital experience that focuses on enhancing the customer's sense of self. Grounded in human understanding, this buzz-worthy digital experience is designed on the crucial understanding that an important element of a person's well-being is how a product looks on them. The AI-powered makeover tool allows a person to try on the product virtually, play with makeup and create every look imaginable. When you toss in support from beauty consultants and a simple shopping experience, then beauty becomes easy and fun.

Measuring CX

Reshaping CX requires metrics that should reflect your company's goals (including employees' goals) and customers' goals. The right metrics can be used to communicate the rationale for initiatives and investments; validate the effectiveness of CX improvements; guide goals and targets; and signal when corrections or innovations are needed.

Measuring needs and expectations should be at the center of measuring CX. When viewed through the lens of BX (Brand Experience) and CX

(Customer Experience) alignment, findings and conclusions will always point to simple and clear recommendations. Metrics that align with key roles across marketing, IT, customer service, sales, operations, and associated CX priorities empower the organization with actionable views of customer behaviors and perceptions.

Here are five metrics that are essential to measuring CX:

1. Customer Satisfaction (CSAT): The oldest and most widely used CX metric.
2. Customer Effort Score (CES): A precise way to measure if you are truly easy to do business with.
3. Net Promoter Score (NPS): The barometer of the state of the customer relationship.
4. Customer Sentiment (CS): A key indicator of the three engagement and retention behaviors (saying positive things about the organization, referring friends and family, return purchasing activity).
5. Employee Engagement: The role of employees in customer service (not only customer service agents).

Gathering and understanding the right signals from customers along their journey gives you the ability to connect at deeper levels, even in small ways. When you consistently challenge beliefs about what customers and employees want in an experience, technology and the digital experience can deliver meaningful and profitable consistency.

In the final analysis, exceptional CX is about context, not technology.



Terrel Transtrum is the Founder and CEO of ServiceQuest.

Stricter Texting Regulations Pose Challenges for Network Marketing Companies and Distributors

By Noah Westerlund

Over the past 18 months, federal lawmakers have intensified pressure on the Federal Communications Commission (FCC) to do something about the ever-growing issue of unsolicited marketing texts. Given those pressures, the FCC and Federal Trade Commission (FTC) have increased their efforts to regulate carriers' texting practices.

This regulatory push has significant implications for network marketing companies and their distributors. Essentially the FCC and FTC decided to broaden the net cast by the Telephone Consumer Protection Act of 1991 (TCPA Act) and the Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 (CAN-SPAM Act). The TCPA Act regulates telemarketing, including SMS messages and phone calls, while the CAN-SPAM Act covers email marketing.

Though the FCC aims to protect consumers from text message scams and spam, these stringent measures have presented new challenges for network marketing companies and their distributors, affecting their ability to deliver messages to prospects and even one another.

Regulatory Pressure Has Been Building

In September 2022, the FCC filed a proposal that brought texting under the purview of existing regulations. The proposal required mobile wireless providers to block texts from invalid, unallocated, or unused numbers, as well as numbers on a Do-Not-Originate (DNO) list. The FCC's intention is to enhance consumer protection and combat the rising menace of text message scams and spam.

Under pressure from regulatory bodies, carriers have introduced new requirements for what they classify as "commercial texts." Previously, the registration of sending numbers and campaign content was voluntary, but it is now mandatory.



Network marketing companies and distributors must register their numbers and campaigns with carriers to comply with the regulations. This registration process aims to distinguish legitimate commercial messages from unsolicited and misleading ones.

While the goal is to protect consumers, these requirements have posed administrative burdens and potential delays for network marketing companies seeking to communicate with their distributor networks.

Carriers Turn to Automated Filtering

Initially, carriers approached the new requirements with leniency. However, in recent months, carriers have strengthened their enforcement measures to ensure compliance. Verizon has taken the lead in implementing strict filtering practices, and other carriers are expected to follow suit. The filtering process targets unregistered traffic that carriers

identify as illicit or commercially related but not properly registered.

Essentially the carriers have implemented automated filtering processes that decide what traffic goes through and what does not. These filters are far from perfect and will often filter out legitimate traffic.

There is an example of a soccer coach who can no longer communicate with his team via text message as he was sending several group messages a week that often included links to schedules and registration sites. These messages were blocked by the automated software.

While carriers' filtering practices aim to curb spam and protect consumers, they have inadvertently affected legitimate network marketing messages. Distributors who send messages without proper registration face the risk of having their communications filtered or blocked, hindering their ability to reach their target audience effectively.

In addition, carriers have been reluctant to disclose specific filtering requirements. This lack of transparency has left network marketing companies and distributors frustrated and uncertain how to comply fully. Questions arise regarding the threshold for the number of sends per day or per hour per person, or whether the frequency of specific links passing through the carriers' networks triggers filtering.

This uncertainty has caused significant challenges for network marketing companies and distributors as they strive to understand and navigate the evolving landscape of compliant texting practices.

To underscore the seriousness of the regulatory measures, the FCC shut down Global UC, a small carrier based in Germany that operated in the U.S. In November, the FCC issued a warning letter to Global UC concerning its robocalls, emphasizing that texts and robocalls are now regarded similarly under the new regulations.

However, Global UC did not take the warning seriously, and one of its executives made a flippant comment publicly. Consequently, in December, the FCC took the unprecedented step of shutting down Global UC's operations in the U.S. This case serves as a stark reminder to carriers as to the consequences of non-compliance. In turn, the carriers are taking a much more conservative approach to traffic monitoring.

How Does This Affect Your Business?

While many companies haven't noticed these effects, that doesn't mean they aren't there. When a text is blocked there is no message back, there is no warning—the text message is simply never delivered. The only way a distributor or company can determine if the message did or did not go through is to contact the receiver to verify that the message was received.

For many distributors, the ability to quickly send a video link to a prospect via text is central to their ability to do business. Texting has long been an integral part of their communication strategy, allowing them to reach their networks effectively and promote products or opportunities. The new requirements for commercial texts as well as the filtering practices have disrupted these established channels, leading to compliance challenges and decreased communication efficiency.

Network marketing companies now face the task of ensuring that all sending numbers and campaign content are registered with carriers. This registration process, although aimed at weeding out unsolicited and misleading messages, poses

The mandatory registration of the sender's number as well as campaign content has created uncertainty and administrative burdens for marketing companies and distributors.

administrative burdens and potential delays. Distributors may experience challenges when disseminating time-sensitive information or communicating with their teams, as their messages could be filtered or blocked due to non-compliance.

Moreover, the lack of transparency regarding filtering requirements adds further complexity. Network marketing companies and distributors operate in a dynamic environment that requires frequent communication and information sharing. The uncertainty surrounding the threshold for compliance leaves them unsure about the boundaries they need to adhere to in their messaging strategies.

In this context, network marketing companies and distributors need to adopt a proactive approach to ensure compliance with the FCC's regulations. It is crucial to educate distributors about the new requirements, registration processes, and potential consequences of non-compliance. Companies must provide clear guidelines and support to ensure that distributors can effectively navigate the evolving regulatory landscape.

What You Can Do

There are several things that companies can do to improve the deliverability of text messages.

First, companies need to make sure that the texting service they use to communicate with their distributor base has provided them with a registered number. In addition, they need to register their campaign. Any SMS provider should be able to walk them through this process. When selecting a service provider, companies should be sure that the company is open to working with network marketing companies. Many well-known providers do not provide services to network marketing companies.

Second, when sharing videos and other collateral materials that are hosted on company sites, make sure those sites have been registered and properly classified by a security company such as Trendmicro.

Trendmicro and other companies like it maintain databases of "safe" domains and will track the reputation of a domain over time. The better the reputation of a domain the higher the likelihood that messages containing a URL referencing this domain will be delivered.

Finally, train distributors on these issues and engage them in proper practices such as refraining from buying marketing lists that haven't been properly vetted.

The FCC and FTC's intensified regulations on texting practices have significantly impacted network marketing companies and their distributors. While the aim is to protect consumers from scams and spam, the new requirements and filtering practices have introduced challenges.

The mandatory registration of the sender's number as well as campaign content, coupled with the lack of transparency regarding filtering criteria, have created uncertainty and administrative burdens for network marketing companies and distributors.

Navigating these regulatory changes requires a proactive approach and a commitment to compliance to ensure effective communication and maintain consumer trust in the network marketing industry.

By staying informed and implementing appropriate measures, network marketing companies and distributors can adapt to the evolving regulatory landscape while maintaining their communication effectiveness and business operations.



Noah Westerlund is President of NOW Technologies.

Unraveling the TikTok Paradox: Controversial Bans and the Thriving Marketplace

Direct sellers navigate the clash of security concerns, creative expression and commercial opportunities

By Stephanie Ramirez

In a landscape shaped by the ever-evolving digital age, the realm of social media has become an influential platform for communication, entertainment and commerce.

Among the myriad of apps that have captured the attention of millions worldwide, TikTok, the Chinese-owned video-sharing platform, has emerged as a dominant force, captivating users with its short-form videos and creative expression.

With 1.5 billion monthly active users globally, TikTok is the fastest-growing social media platform, reaching 1 billion users in September 2021—a record set in only four years since its worldwide launch.

However, TikTok continues to find itself increasingly entangled in a web of controversy concerning national security, data collection and user privacy, prompting Washington D.C. rhetoric to intensify.

The Chinese government's expansive surveillance capabilities and national security implications have raised alarm bells among policymakers, sparking questions about the potential risks associated with TikTok's vast user base.

Policymakers fear that TikTok, which like many other social media platforms collects vast amounts of data on its users, would be forced to give its data to Beijing under a 2017 law that compels companies to turn over any personal data relevant to China's national security. These concerns have propelled the app into the center of debates, reflecting the complex intersection of technology, geopolitics and societal influence.

U.S. party members from both sides of the aisle agree that it would be beneficial to have some form of legislation that gives the Commerce Department greater power to ban or restrict apps linked to countries deemed as foreign adversaries, such as China.

TikTok Legal Troubles

A bill, being led by a bipartisan coalition, Sens. Mark R. Warner (D-Va.) and John Thune (R-S.D.), would not guarantee a ban or a forced sale of TikTok, but it would give the federal government more legal standing to pursue either route.

Sen. Warner said in a press release issued by his office in March, "Today, the threat that everyone is talking about is TikTok, and how it could enable surveillance by the Chinese Communist Party, or facilitate the spread of malign influence

campaigns in the U.S. Before TikTok, however, it was Huawei and ZTE, which threatened our nation's telecommunications networks."

"And before that, it was Russia's Kaspersky Lab, which threatened the security of government and corporate devices. ...We need a comprehensive, risk-based approach that proactively tackles sources of potentially dangerous technology before they gain a foothold in America, so we aren't playing Whac-A-Mole and scrambling to catch up once they're already ubiquitous."

Sen. Thune added, "Congress needs to stop taking a piecemeal approach when it comes to technology from adversarial nations that pose national security risks."

"Our country needs a process in place to address these risks, which is why I'm pleased to work with Senator Warner to establish a holistic, methodical approach to address the threats posed by technology platforms – like TikTok – from foreign adversaries. This bipartisan legislation would take a necessary step to ensure consumers' information and our communications technology infrastructure is secure."

The bill, known as the RESTRICT Act, if passed, wouldn't target

TikTok specifically. Instead, it would authorize the Secretary of Commerce, under orders of the President, to restrict or ban digital products and services from countries it deems to be foreign adversaries: China, Cuba, Iran, North Korea, Russia, and Venezuela.

In addition to Sens. Warner and Thune, the legislation is co-sponsored by Sens. Tammy Baldwin (D-Wis.), Deb Fischer (R-Neb.), Joe Manchin (D-W.V.), Jerry Moran (R-Kan.), Michael Bennet (D-Colo.), Dan Sullivan (R-Alaska), Kirsten Gillibrand (D-N.Y.), Susan Collins (R-Maine), Martin Heinrich (D-N.M.), and Mitt Romney (R-Utah).

As of April 2023, the app has already been banned for use by federal employees, and has been banned for use by state employees in 34 states in the U.S. Governors have cited cybersecurity issues and fears over Chinese spying as reasons for the bans.

These bans have generally been justified with national security concerns, due to TikTok's ownership by the Chinese company ByteDance.

Following state bans of the app on state-owned devices and networks, at least 18 state

universities have restricted access to TikTok in recent months on school computers, mobile phones and Wi-Fi, in accordance with executive orders in those states banning the app on government-owned devices and networks.

A TikTok spokesperson, Brook Oberwetter, previously told NBC News the company is "disappointed that so many states are jumping on the political bandwagon."

"We're especially sorry to see the unintended consequences of these rushed policies beginning to impact universities' ability to share campus-wide information, recruit students, and build communities around athletic teams, student groups, campus publications, and more."

Not long after a Chinese spy balloon was spotted flying over the state of Montana earlier this year,

drawing national attention, the state's legislature drafted a bill to ban TikTok in Montana entirely. Montana is home to one of the nation's three nuclear missile silo fields at Malmstrom Air Force Base. Montana Governor Greg Gianforte just signed that bill into law last month.

Gianforte tweeted that he has banned TikTok in Montana "to protect Montanans' personal and private data from the Chinese Communist Party," officially making it the first state to ban the social media application.

The bill specifically names TikTok as its target, prohibiting the app from operating within state lines. The law also outlines potential fines of \$10,000 per day for violators, including app stores found to host the social media application.

TikTok has lashed back hitting the state with a lawsuit just days after the bill was signed, which is due to take effect Jan. 1, 2024. TikTok alleges that the ban violates the U.S. Constitution, including the First Amendment, as well as other federal laws, according to a complaint filed in Montana District Court. The ban is "unconstitutionally shutting down the forum for speech for all speakers on the app," the company said in the lawsuit.

Oberwetter said in a statement, "We are challenging Montana's unconstitutional TikTok ban to protect our business and the hundreds of thousands of TikTok users in Montana. We believe our legal challenge will prevail based on an exceedingly strong set of precedents and facts."

Emily Flower, a spokeswoman for Montana's attorney general, Austin Knudsen, told *The New York*

Times that the state expected legal challenges and is fully prepared to defend the law that helps protect Montanans' privacy and security.

Direct Sellers Leverage TikTok Algorithm-Driven Content Discovery

Despite the growing controversies, TikTok continues to gain popularity among users of all ages. Direct sellers are increasingly turning to the platform as a way to promote their products and connect with potential customers.

With its short-form video format and algorithm-driven content discovery, TikTok provides a unique opportunity for businesses to reach a wide audience quickly and easily.

"The current generation of young people are on TikTok," shared Brittany Munk, North American director of sales for **Epicure**, a direct seller founded in 1997 that offers healthy packaged foods for easy meal prep.

"Regardless of the controversies with the platform, if we're not there, then we're missing out on this new up-and-coming generation."

Munk said that approximately 75% of kids graduating high school now want to be some sort of social media influencer or gig economy money earner after graduation.

"I think it's imperative that we're on TikTok while it's here, and that we understand it," Munk added. "We're there on the corporate side to teach our ambassadors, because if we don't, we're going to miss out on who will be the next generation of people running the company, being our ambassadors."

Even though the platform explicitly bans content promoting what they refer to in their community

CONTINUED ON PAGE 22



UNRAVELING THE TIKTOK PARADOX, CONTINUED FROM 21

guidelines as “pyramid schemes” and “multi-level marketing companies,” direct sellers have found unique ways to share products and find new customers.

“Users tend to dislike salesy or spammy advertising or content, and instead prefer genuine and authentic content,” Munk said. “It’s important to note that TikTok’s definition of a multi-level marketing company is one where most of the sales come from recruiting and not selling products. So where we are different, and I think most direct sellers now are different, is that distributors make most of their income selling a product.”

Munk said that Epicure puts a great deal of time into researching and training their distributors on how to participate in social media trends, including TikTok.

“Whether it’s a dance or a viral sound clip, users can participate in the trend while low-key promoting their product or company,” she added.

“What triggers a ban is if the words you say in your captions have, ‘sign up now or join me.’ Those words can trigger an audit where TikTok will take a closer look at your profile.”

She continued, “There are four things that get people to stop their scroll on TikTok or Instagram, and the first one is entertainment. So for a direct seller to be entertaining, that is a great way to build your following, build connections, show your credibility, and get people to follow you back.” Then there’s education, followed by motivation and lastly inspiration.

Munk said her company provides quite a bit of training on how to create “viral” content sharing the Epicure products and following the TikTok trends. She added that because of the way the TikTok algorithm works, users can build a following in a short amount of time.

“Facebook allows access to about 2,500 posts per day per user on average, and they only allow you to actually see about 10% of those,” Munk shared.

“With TikTok and Instagram, it’s based on scrolling activity. If you don’t slow down on something, like or comment on something in your feed, they note that, and won’t show you similar content again. But when you pause on something like a cooking video for example, they’re like, okay, she’s interested in this.

And soon enough, based on your actions, they have you figured out and they will show you videos of women sharing cooking tips from then on.”

One of the key advantages of using TikTok for business is the ability to create engaging, shareable content that can go viral and generate significant exposure for a brand or product.

By using popular hashtags and leveraging trending topics, businesses can tap into the massive reach on the platform and build a following of loyal customers. Research shows that 35% of TikTok users have bought something off the platform and 44% of users discovered products through ads and content posted by brands and influencers.

Another approach to creating potential sales on the platform is to partner with influencers or other content creators who have a large following on TikTok, according to Hillary Alston, senior vice president of sales for **LulaRoe**. “By working with these influencers, reps can reach a wider audience and potentially attract new customers.”

Like Epicure, LulaRoe provides a great deal of training on how to properly reach new customers on social media, Alston shared. She said distributors looking to promote their products on TikTok may want to also consider the following:

- **Focus on providing value** – Rather than simply promoting products or opportunity, focus on creating content that provides value to viewers. This could include tutorials, educational content, or product reviews that help viewers understand the benefits of your products.
- **Be authentic** – Authenticity is key on TikTok, so it’s important to be transparent and genuine in your content. Avoid using canned scripts or promotional language that could be seen as spammy, salesy, or manipulative.
- **Leverage popular trends** – TikTok is all about trending topics and challenges, so try to incorporate popular trends into your content in a way that is relevant to your business. This could involve creating a unique spin on a popular trend or creating your own challenge that aligns with your brand.
- **Work with micro-influencers** – Partnering with micro-influencers or other content creators who live in your area can be a great way to reach a wider audience on TikTok and not cost more than a few products. Look for influencers who have a large following and whose audience is a good fit for your product.
- **Be consistent** – Consistency is key on TikTok, so it’s important to post regularly and engage with your audience. This can help you build a following and establish yourself as an authority in your niche.



Promoting a business on TikTok requires a strategic approach that focuses on providing value to viewers and avoiding sales pitches or manipulative content.

By following these tips, and staying up to date on the latest trends and guidelines, Alston added, direct selling distributors can use TikTok to grow their businesses and connect with their target audience.

The TikTok paradox continues to captivate attention as the platform grapples with both controversy and a thriving marketplace.

However, amid the turmoil, TikTok has emerged as a robust marketplace where innovative influencers, small businesses, and direct sellers thrive, leveraging the platform’s vast user base to sell products and engage with consumers in new and exciting ways.

As policymakers, regulators, and users navigate this complex landscape, striking a balance between security and innovation becomes crucial.

The evolving story of TikTok highlights the intricate challenges inherent in our digital era, reminding us that finding harmony between safeguarding interests and fostering new ideas remains an ongoing journey in the dynamic world of social media and commerce.



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Stephanie Ramirez is a Social Selling News Contributor.



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TIKTOK: DA BOMB OR TIME BOMB?

Security Risks Are Real, but Savvy Direct Sellers Are Leaning in

TikTok users have spent \$6B+ in-app to date—the second nongaming app to achieve this. Of this revenue, the U.S. was the top in-app income source for TikTok, accounting for 37%; China was second. In the U.S., the typical individual accesses the app eight times each day, for a total of 68 minutes of app use.

TIKTOK BY THE NUMBERS

TikTok Users in 2023

- Worldwide total TikTok users: 1.6B.
- 30.25% of the world's 5.07B internet users.
- 22.32% of the world's 4.9B active social media users.
- Worldwide monthly active users: 1.05B. (No longer available in India or stat would be higher.)
- USA: 150M.
- USA Businesses: 5M+*. (*Small businesses such as independent distributors are not included in this figure.)

TikTok Consumption 2023

- 20.83% of world's total internet users.
- 1B videos watched every day.
- 885M users over age 18.

The Algorithm Has It

- Facebook allows each user access to 2,500 posts a day; showing about 250.
- TikTok (and Instagram) base post access on scrolling activity.

Monthly Active Users (MAU) Worldwide 2023

- Facebook	2.95B
- Youtube	2.51B
- Whatsapp	2B
- Instagram	2B
- Wechat	1.3B
- TikTok	1.05B
- FB Messenger	931M
- Douyin	715M
- Telegram	700M
- Snapchat	635M

TikTok's Demographics

- Female	57%
- Male	43%
- Under 18	28%
- 19-29	35%
- 30-39	18%
- 39+	19%



Engagement rate of Micro-Influencers vs. Mega Influencers

Micro-Influencers	Mega Influencers
- 17.96% on TikTok	- 4.96% on TikTok
- 3.86% on Instagram	- 1.21% on Instagram
- 1.63% on Youtube	- 0.37% on Youtube

2023's Most Downloaded App

1. TikTok—also most downloaded of all time, +3B
2. Instagram
3. Facebook
4. Whatsapp
5. Telegram
6. Zoom
7. Snapchat
8. Facebook Messenger

2023's Most Popular Categories on TikTok According to Hashtag Search

- Entertainment	535B
- Dance	181B
- Prank	79B
- Fitness/Sports	57B
- Home reno/DIY	39B
- Fashion	27B
- Recipes/Cooking	18B
- Life hacks/Advice	13B
- Pets	10B
- Outdoors	2B

IS TIKTOK A TIME BOMB?

Who Is Worried About TikTok

Cybersecurity experts cite China's access to TikTok's data as a potential risk because in 2017 China passed a law that compels companies to turn over any personal data deemed by Beijing to be relevant to China's national security.

- Federal employees are banned from using TikTok.
- State employees in 34 states are banned from using TikTok.
- 18 state universities have restricted access to TikTok on school computers, mobile phones and Wi-Fi.
- Montana has a law that bans TikTok as of January 2024. (TikTok has filed a lawsuit opposing this.)
- Bipartisan federal effort: the RESTRICT Act, which would authorize the Secretary of Commerce (under orders of the president) to restrict or ban digital products or services from countries deemed to be foreign adversaries; currently that includes China, Cuba, Iran, North Korea, Russia and Venezuela.

FIELD FOCUS

Pro Tips for the Field to Optimize TikTok

- Use popular hashtags.
- Most popular content:
 - Entertainment.
 - Education.
 - Motivation.
 - Inspiration.
- Avoid phrases like "join me" or "sign up now."
- Focus on providing value.
- Be authentic.
- Leverage trends.
- Partner with micro-influencers.
- Consistency counts.

CORPORATE TEAM DIVISION OF LABOR

Marketing Department Focus

1. Report top TikTok Trends weekly.
2. Provide top hashtags monthly.

Training Department Focus

1. Provide basic how-to.
 - a. Length of reels/videos.
 - b. Recommended basic equipment.
 - c. What to do about "mess-ups."
 - d. How to edit & upload.
2. Repeat simple Do's & Don'ts.
3. Explain why, how & with whom to partner.

Sales Department Focus

1. Basic content ideas.
2. Being authentic vs. being scattered.
3. Discovering your niche.

Sources: DemandSage.com, Upfluence

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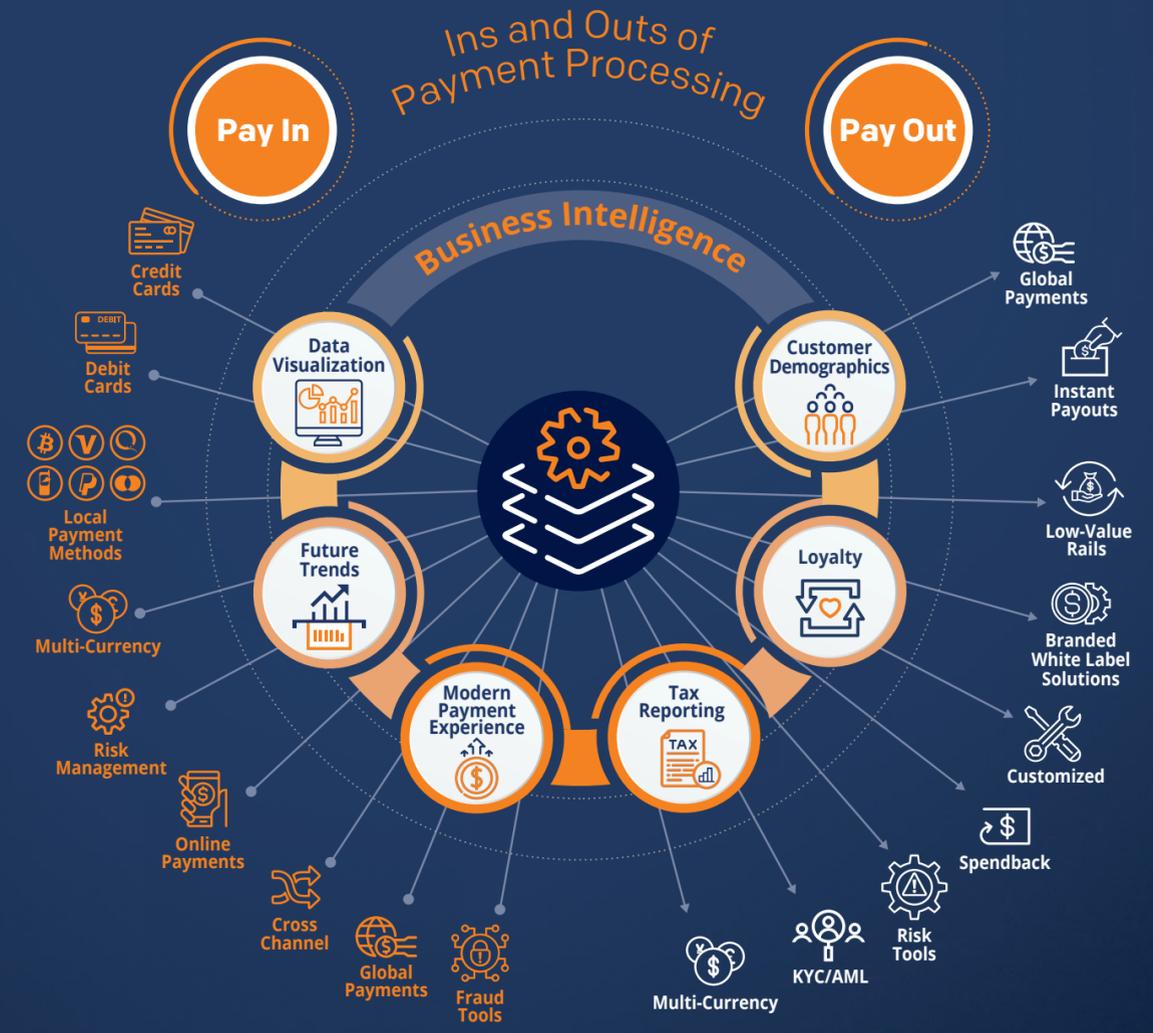
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THE RANKS

COMMISSION PAYMENT COMPANIES

RANKED BY NUMBER OF DIRECT SELLING CLIENTS

Each month, *The Ranks* spotlights companies, people or trends that are important to the direct selling channel. This month, *The Ranks* lists commission payment companies that work specifically in the direct selling realm, ranked by number of clients invoiced in the last 12 months. If client information was not provided, "did not provide" is used in the column and the company is listed alphabetically. The Ranks will vary monthly in type of information and in number of items included.

COMPANY NAME & LOCATION	NUMBER OF CLIENTS INVOICED LAST 12 MONTHS	KEY CONTACT	3 REPRESENTATIVE CLIENTS	WEBSITE	CONTACT INFO
Payquicker Rochester, NY	276	Crystal Holtzendorff	OmniLife InCruises Vida Divina	payquicker.com	844-258-3006 solutions@payquicker.com
i-payout Fort Lauderdale, FL	200	Natalia Yenatska	Under NDAs	i-payout.com	Natalia@i-payout.com
KyckGlobal Atlanta, GA	1	Mark Brodbeck	Alloette	kyckglobal.com	Mark Brodbeck, CMO mbrodbeck@kyckglobal.com
Global Payroll Gateway Newport Beach, CA	Did not provide	Sales	Did not provide	gpgway.com	sales@gpgway.com
Hyperwallet, a PayPal Service San Francisco, CA	Did not provide	Sales	Did not provide	hyperwallet.com	877-969-7411
Propay Lehi, UT	Did not provide	Sales	Did not provide	propay.com	866-573-0951



Social Selling News has become a trusted source for the entire leadership team here at Theorem. The top news and features give us a broader view of the entire direct selling industry and shape many of our most important decisions.



- Brian Palmer
CEO, Theorem



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THE RANKS

FASTEST-GROWING YOUNG COMPANIES

RANKED BY 2021 TO 2022 REVENUE GROWTH

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Each month, *The Ranks* spotlights companies, people or trends that are important to the direct selling channel. This month, *The Ranks* also lists the fastest growing young direct selling companies, founded between 2017-2020 and ranked by 2021-2022 revenue growth. We have included a list of Young Companies to Watch that have launched since 2021 as well. The Ranks will vary monthly in type of information and in number of items included.

COMPANY NAME & LOCATION	YEAR FOUNDED	2022 REVENUE	2021 REVENUE	% GROWTH	PRODUCT CATEGORY	WEBSITE
Streakk	2019	100M	1M	9900%	Financial	streakk.io
MaVie Global	2018	70M	0M	7000%	Wellness	mavie.com
iX Global	2019	207M	22M	841%	Personal Growth	ixglobal.us
Stemtech	2018	5M	4M	25%	Nutrition, Wellness	stemtech.com
Greenway Global	2017	265M	232M	14%	Household Goods, Beauty	greenwayglobal.us
iBumerang	2019	35M	31M	13%	Travel	ibuumerang.com
Healy World	2019	115M	105M	10%	Wellness	us.healy.shop
QuiAri	2019	55M	50M	10%	Wellness	quiari.com
ByDzyne	2019	35M	34M	3%	Digital, Wellness, Travel	bydzyne.com

YOUNG COMPANIES TO WATCH

COMPANY NAME & LOCATION	LAUNCH DATE	KEY EXECUTIVE	PRODUCT CATEGORY	WEBSITE
Beyond Beauty Club London	2023	Shari Jafari	Beauty	beyondbeautyclub.com
Elomir Melissa, TX	2021	Toan Nguyen	Health and Wellness	elomir.com
Erenzia Beauty Brooklyn, NY	2021	Alina Gonzalez	Beauty	erenziabeauty.com
Gofinity Slidell, LA	2021	Brock & Tymeka Lawrence	Health and Wellness, Personal Care	shopgofinity.com
Hapi Travel Plano, TX	2022	Dave Dove	Travel	mytravelventures.com
Lovlei Mission Viejo, CA	2022	Robin Hoffman Haack	Apparel	lovlei.com
Lovvare Dover, DE	2023	John Altshuler	Health and Wellness	lovvare.com
NVisionU Houston, TX	2022	David Imonitie & Ivan Tapia	Health and Wellness	nvisionu.com
Olbali Orlando, FL	2022	Courtney Adeleye	Health and Wellness, Personal Care	olbali.com
Three Pleasant Grove, UT	2023	Daniel Picou	Health and Wellness	iii.earth

COMMISSION PAYMENT COMPANIES



Natalia Yenatska
COO, i-payout
i-payout.com

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Crystal Holtendorff
Vice President of Global Sales, PayQuicker
payquicker.com

“PayQuicker’s award-winning solution empowers your business to make instant payouts across the globe with a fully customizable, white label payment platform. Offer your distributors flexible choices with branded debit cards, instant virtual cards, global bank transfers, mobile wallets, cash, and more. Plus, you get our bank-grade security and global compliance, coupled with our multilingual account support. Partner with the largest global payout provider to direct selling organizations and start paying your salesforce instantly.”



Mary Kay Celebrates Consultant Stories During 60th Anniversary

Marking its 60th anniversary on Sept. 13, iconic beauty brand **Mary Kay** has brought independent beauty consultants into the celebration by encouraging those across the globe to post their own stories about Mary Kay on social platforms with the hashtag #MaryKay60. The “60 Years of Stories” campaign launched with the company’s own story, which all started with founder Mary Kay Ash in 1963. Her journey to establish one of the most enduring brands is explored through fresh new stories, interviews, and insight in a 40-minute podcast special, which was released on Spotify on Ash’s birthday, May 12. In addition to the podcast, videos featuring several Mary Kay entrepreneurs are also available on official Mary Kay social channels and MaryKay.com. More will be released throughout the year. To complete the festivities, a special Mary Kay 60th anniversary video is running in Times Square in New York City every 15 minutes for several weeks.

DSA Holds Women’s Entrepreneurship Roundtable in Oklahoma

The **Direct Selling Association (DSA)** held its Women’s Entrepreneurship Roundtable Series for a fifth year with an in-person meeting led by **SeneGence** Founder Joni Rogers-Kante. Hosted at her company’s headquarters in Sapulpa, Oklahoma, local female business owners met with Representative Kevin Hern (R-OK). The nine women representing five direct selling companies joined the discussion from Oklahoma’s First Congressional District. They shared how they had benefited both personally and professionally from having flexible work through a direct selling business. Rep. Hern said he was glad to sit down with the entrepreneurs and had his own positive experience with direct selling. He added that the industry has leaders who “show a true affinity for people and have shown how running their business the right way can make a positive impact on individuals, families, and communities.” Since the series’ inception, over a dozen Members of Congress have made themselves available to direct selling business owners to hear about their entrepreneurial experiences.

Herbalife Completes Payment of \$12.5 Million in Lawsuit Settlement

Herbalife Ltd. has finished making a payment of \$12.5 million in a preliminary settlement of a class-action lawsuit filed against the company in 2017. At least four complainants, who were distributors of the company, alleged at the time in a Florida court that Herbalife misled distributors to spend thousands of dollars to travel and attend “Circle of Success” events on the basis that it would help them to “get rich,” according to the complaint filed. In July 2022, though Herbalife admitted no guilt, stating “the suit has no merit,” the company wanted to avoid the “cost and distraction of prolonged litigation” and agreed to a settlement. A judge in California stayed the case and approved the settlement agreement on April 6. The hearing on the final settlement is planned for Oct. 19. Part of the \$12.5 million payout—\$7.5 million—will go to cover settlements to individual class members who submit a valid claim, with the rest covering legal costs and fees.

LifeVantage Financial Results Show 7.5% Increase for Fiscal Q3 2023

LifeVantage reported revenue of \$53.7 million, for third quarter fiscal 2023. This was a 7.5% increase over the prior year. The Americas region saw an 18.2% increase in revenue, including a 19.5% increase in the United States. Asia-Pacific and Europe revenues decreased 14.2%. On a constant currency basis, revenue dropped about 5.1% in the region. Net income per diluted share was 8 cents, compared to 9 cents in the year-ago period, with adjusted earnings per diluted share of 8 cents vs. 12 cents. Adjusted EBITDA was \$3.3 million, compared to \$3.4 million in the prior year period. Cash generated was down from \$5.2 million to \$3.1 million during the first nine months of fiscal 2023. The quarter ended with the company having \$19.5 million in cash and cash equivalents with no debt outstanding. For fiscal year 2023 guidance, the company expects revenue ranging between \$209 million and \$212 million with adjusted EBITDA of \$11 million to \$13 million.

Nu Skin Q1 Revenue Dips to \$481.5 Million

Nu Skin reported financial results for first quarter 2023, which were in line with expectations, the company stated. Revenue was \$481.5 million vs. \$604.9 million during the prior year period, a decrease of 20%. Gross margin dropped slightly to 72.3% from 73.3%, impacted by global inflation pressure. Operating margin was 3.3% or 5.4%, excluding restructuring and impairment charges, compared to 8.6% the previous year. Earnings per share were 23 cents or 37 cents, compared to 76 cents for the reporting period of the previous year. Customer count went down 18% to 1.08 million. Other expenses were the same year over year at \$1.5 million. Guidance for the second quarter of 2023 is estimated to show revenue of \$485 million to \$525 million, or a drop of 14% to 6%, with an EPS of 45 cents to 55 cents. The full-year 2023 outlook includes revenue of \$2.03 billion to \$2.18 billion, or a drop of 9% to 2% and an EPS of \$2.27 to \$2.67.

Tupperware Shares ‘Doubt’ That Business Can Continue

In a recent regulatory filing, **Tupperware Brands Corp** announced concerns about its ability to continue operating, following a series of events that affected its stability. For 2022, Tupperware had reported net sales of \$1.3 billion, which was an 18% decrease from the year prior. In addition to lower sales and salesforce numbers, the company disclosed that it had identified “material weaknesses ... in its internal control over financial reporting” and errors in its results and had yet to file its 2022 annual report with the Securities and Exchange Commission. After the New York Stock Exchange notified the company that its stock could be de-listed since an annual report had not been filed, Tupperware expressed that it anticipated filing the report “within the next 30 days” but that it could not assure it “will be filed at such time.” Because Tupperware anticipates being in violation of its credit agreement with bank lenders and has “inadequate liquidity” at this time, non-compliance in reporting leaves “substantial doubt regarding the company’s ability to continue as a going concern,” according to the filing. The market responded to the company’s news with Tupperware stock dropping significantly. It fell 45% on April 10, the lowest in three years, according to Market Watch. *The Wall Street Journal* also reported the company had enlisted advisers from Moelis & Co, Kirkland & Ellis LLP and Alvarez & Marsal to seek financial alternatives.

Medifast Announces Q1 2023 Revenue of \$349 Million

Medifast, parent company of direct seller **OPTAVIA**, reported revenue of \$349 million for the first quarter ended March 31, 2023, which was a decrease of 16.4% from \$417.6 million the prior year. This decline was primarily driven by a lower number of active OPTAVIA Coaches, which decreased 8.1% to 58,700 in the first quarter, as well as lower Coach productivity. Average revenue per active OPTAVIA Coach dropped by 9% to \$5,945, compared to \$6,536 for the first quarter last year. Gross profit decreased by 18.5% to \$246.4 million from \$302.3 million, driven by lower revenue and cost inflation from raw ingredients, shipping and labor. Gross profit margin was 70.6% vs. 72.4% in the previous quarter of 2022. Net income in the first quarter was \$40 million, or \$3.67 per diluted share (EPS). In the prior-year period, net income was \$41.8 million, or \$3.59 per diluted share. The company anticipates revenue now in the range of \$250 million to \$270 million and diluted EPS in the range of \$1.32 to \$1.44.

Mannatech Forms Subsidiary, Trulu Brand to Lead Innovation

Mannatech Inc. has formed a new wholly owned subsidiary that will serve as its innovation hub. Though it will operate separately, the new entity will be a vital part of Mannatech’s future, company executives shared. As times change, the 30-year-old brand is taking steps to remain relevant and evolve how it does business to reach its customers. Introducing a new brand Trulu, the subsidiary was created to embrace the gig economy with a focus on affiliate and influencer marketing while still incorporating the best attributes of Mannatech. As more customers turn to “health and well-being through nutritional supplementation,” CEO Al Bala shared that Mannatech saw a need to simplify its business model. J. Stanley Fredrick, Mannatech chairman of the board of directors, reiterated that the investment in a new venture “will not distract from our responsibilities to Mannatech’s existing business” but will only build on the brand’s established strengths.

AdvoCare Invests in Sustainable Future with New Packaging System

AdvoCare International has launched sustainability initiatives to reduce its carbon footprint and promote environmental responsibility. Starting with the installation of new solar panels added to its headquarters and manufacturing facility, AdvoCare has also set up a new I-Pack packaging system to decrease the energy and paper used in the shipping process. In 2022, the company put in 1,068 solar panels that generate a renewable energy source to power the company’s operations. This will cut down on AdvoCare’s dependence on fossil fuels and lessen its greenhouse gas emissions. Already, the move has shown a drop in overall kilowatt usage by the company every month since installation, from September 2022 through March 2023. AdvoCare’s boxing system, The I-Pack, is designed for fulfillment operations to produce corrugated packs that are fit to size and are 100% curbside recyclable, which will cut down on waste. The number of packages shipped and billed by dimensional weight has reduced by 20% since the system was set up.

DSA Canada Board Meets for Day on the Hill in Ottawa

Members of the **Direct Sellers Association of Canada** Board had their Day on the Hill the first week of May, with two days spent in the country’s capital of Ottawa. The group met with Members of Parliament, senators, and more government officials to share the value and benefit of the direct selling industry and business model. After a DSA Canada board meeting and well-attended government reception, members were able to engage with representatives of all major parties during several meetings focused on topics related to economic and social contributions the direct selling channel provides within Canada. Topics included the importance of upholding the independent contractor status of direct selling consultants to ensure their ability to pursue meaningful earnings opportunities; the need for a national regulatory framework that provides a balance between entrepreneurial encouragement and consumer confidence; and the promotion of investments that assist Canadians to work flexibly, including in the areas of digital literacy education, broadband internet expansion, and the support of female entrepreneurs.

Pure Romance, Avon UK Are Latest to Pursue Omnichannel Strategy

Two companies are the latest to advance an omnichannel strategy. While **Pure Romance** has announced a total “shift” from its multi-level sales model, **Avon UK** is taking it slowly. Pure Romance shared that its goal was to “improve and modernize the customer experience” by providing seamless interaction and customization where customers like to shop. This includes unifying the user journey across all channels and touchpoints, whether through consultant sales or on the corporate website. The company said that it would remain committed to investing in its consultant and the quality of its products as well. Avon UK, on the other hand, is expanding its sales channel by offering a new Amazon storefront for U.K. customers as part of a continued digital transformation. Unveiling its “Embrace your Power” branding, Avon is working to reach a broader customer base, and more than 300 of its beauty and skincare products can be found now through Amazon’s platform. The new branding is based on women’s unique power, with Avon celebrating them “living out their full potential.”

People on the Move



FRANK LAMBERTI, HERBALIFE

Herbalife has promoted **Frank Lambert** to chief operating officer beginning July 1, following Mark Schissel's retirement. Lambert will now oversee product innovation and supply chain, digital content and infrastructure, distributor and sales analytics, as well as back office operations. He joined Herbalife in 2005 as vice president of investor relations.



STEVE CARLILE, YOUNG LIVING

Young Living Essential Oils has hired **Steve Carlile** as chief marketing and digital officer. Carlile brings more than 20 years of experience connecting brand goals with those of customers through innovation and digital strategies. He previously served **Younique** in this same capacity. Before that, he worked with **Isagenix** and **Nu Skin**.



IBI MONTESINO, HERBALIFE

Herbalife has expanded **Ibi Montesino's** role as executive vice president and chief of staff. Montesino will now focus on all global distributor-facing business and employee management and relations. She joined the company in 1998 as an assistant for personal care. As an executive vice president, she currently oversees the distributor and customer experience.



JANET S. WEIL, SUNRIDER

Janet S. Weil has joined **Sunrider International** as general counsel. Weil has spent over 25 years in the direct selling industry with roles in compliance, executive leadership, corporate law, and general counsel in the U.S. and Europe. Before Sunrider, Weil was the associate general counsel at **Plexus Worldwide**, and before that, **WorldVentures**.



ROB LEVY, HERBALIFE

Rob Levy has been appointed regional president of the Americas and will be responsible for **Herbalife's** strategic, sales and marketing functions across North America, South and Central America, Mexico, and Brazil. Currently executive vice president of worldwide distributor affairs, Levy is a longtime industry veteran with 28 years at Herbalife.



LÉA BALTZINGER, ARBONNE

Arbonne International has named **Léa Baltzinger** as chief people officer. Baltzinger has spent over 20 years working as a senior HR leader within multiple industries, both domestically and internationally, including in hospitality, retail, consumer electronics and biotechnology. Most recently, she served as senior vice president of iHerb.



VICTOR GOYTIA, EXP REALTY

Victor Goytia has been named director of Puerto Rico, Panama and the Dominican Republic at **eXp Realty**. He will lead the company's brokerage operations in those countries. Goytia has been responsible for eXp Puerto Rico's operations for more than two years, and this appointment is an expansion of his current role.



MICHAEL ALLEN, LIFEVANTAGE

LifeVantage Corp. has hired **Michael Allen** as president and director of **LifeVantage Japan**. Allen brings more than 30 years of experience in Asia-Pacific to the role, as well as top executive leadership working at **Avon** and **Forever Living**. Most recently, He was CEO at CMA-Interactive, a company he co-founded.



VIRGINIA RESTREPO, EXP REALTY

Virginia Restrepo has been promoted to lead **eXp Realty** brokerage operations in both Chile and Colombia as director. Restrepo joined eXp in 2022 as director of eXp Chile with 25 years' experience in marketing and management roles, before pursuing real estate sales. This new appointment will expand on her current responsibilities.



KENT WOOD, AMARE GLOBAL

Kent Wood has been promoted to chief operating officer at **Amare Global**. He will be responsible for all global operations, including finance, supply chain, IT, and legal. Wood joined Amare in 2019 as CFO and brings over 30 years of experience. He co-founded **XANGO** and held roles at **Perfectly Posh**, **VIIVA**, and others.

People on the Move



CHARLA GERVERS, J.HILBURN

J.Hilburn has appointed **Charla Gervers** as senior vice president of sales and marketing. With over 20 years spent as a senior leader in direct sales, Gervers brings expertise in sales, marketing, and leadership development. She recently served as chief sales officer at **Matilda Jane** and vice president, field development at **Scout & Cellar**.



WILLE RODRIGUEZ, FARMASI

Farmasi has named **Wille Rodriguez** as vice president of marketing. Rodriguez brings more than 15 years of experience working for direct selling brands, recently as vice president of marketing at **Tupperware**, and 12 years with **Herbalife**, in product development, marketing technology implementation, change management, and communications.



COURTLAND PEARSON, FARMASI

Courtland Pearson has joined **Farmasi** as executive vice president of sales, U.S. and Canada. Pearson has over 30 years' experience in global business and direct sales, having served 20 of those in Asia with **Nu Skin** and **Neways**, among others. Pearson will now lead strategies, processes, events, incentives and programs for these markets.



DANA HOLMES, SOUTHWESTERN

Southwestern Family of Companies (SWFC) has hired **Dana Holmes** as vice president of business development and analysis. Holmes has spent over 30 years as a corporate advisor. Now he will work with the new business development team analyzing business operations, financial data, market research and competitor data to boost growth.

— THE SUPPORTERS ▶▶

MEET OUR PARTNERS

Below is a listing of all of the suppliers who placed display advertising in this month's issue. We are grateful for their participation and support in bringing news and information to the social selling channel.

EXIGO.....	02	THATCHER.....	25	JENKON.....	28,39
MOMENTUM FACTOR.....	09,23	IPAYOUT.....	26	INFOTRAX.....	40
METRICS GLOBAL.....	11	HANNA SHEA.....	35		

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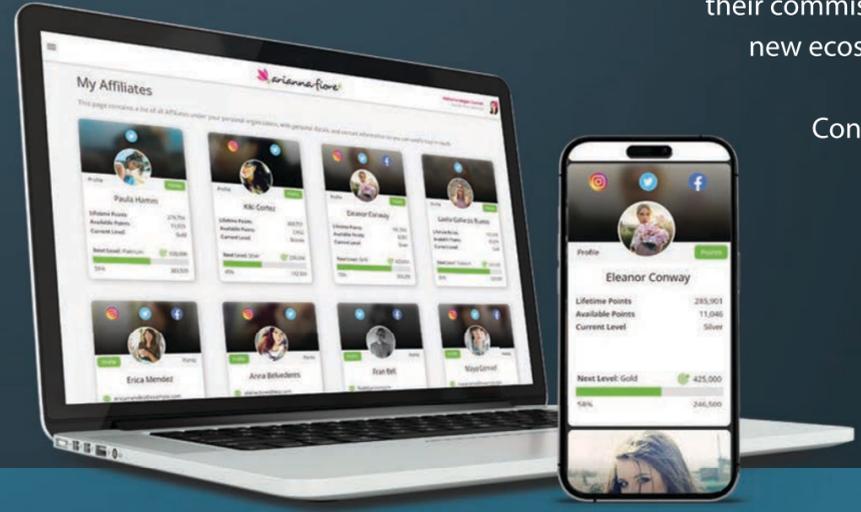


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