



SEC Puts Tupperware on Notice

Company faces delisting from NYSE for a string of noncompliance issues

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Beachbody PAGA Lawsuit Spotlights Continued Independent Contractor Challenges in California

A growing number of former distributors are using the statute to allege exploitation through misclassification



The Beachbody Co., a fitness and wellness company known for its home workout programs, is being sued by one of its former distributors in a dual individual and class-action lawsuit filed under California’s Private Attorneys General Act (PAGA). The May 2023 filing was brought by Jessica Lyons, who joined Beachbody’s direct selling division, Team Beachbody, in 2016. Lyons’ lawsuit alleges that The Beachbody Company, Inc. (re-branded in 2023 as BODi) is exploiting its distributors (called Coaches) by misclassifying them as independent contractors instead of employees.

The 137-page lawsuit alleges that Beachbody, by misclassifying its Coaches, violated a wide variety of provisions of the California Labor Code that apply to employees, such as not

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1	Paymentus	500	2015	San Diego, CA	paymentus.com	858-551-4444
2	Merchant Order	400	2018	San Diego, CA	merchantorder.com	619-512-8888
3	2020 Merchant	300	2020	San Diego, CA	2020merchant.com	619-512-8888

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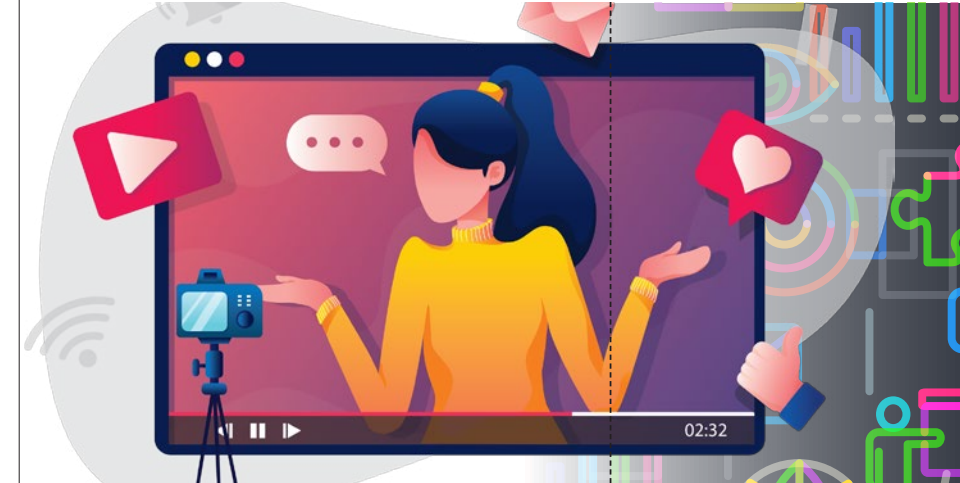
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PUBLISHER'S NOTE ▶▶

Fanning the Flames of Innovation

Nurturing growth while safeguarding success

Hello All!

I hope everyone is off to a great summer! It seems like we went from news stories of record snowfall to record heat and wildfires within just a few weeks time. Whatever happened to boring weather forecasts?

As an avid camper, I am particularly appreciative not only of good weather, but also a healthy and vibrant ecosystem. Lush forests and thriving woodlands are so critical, not only to the environment, but also to our collective well being as we seek to escape, from time to time, from our all-to-often workaholic lifestyles.

I am reminded that, as counterintuitive as it may seem, periodic wildfires can actually help maintain the health of a forest. The fires clear the forest floor of debris, aid in seed dispersal, and help make way for new grasses, flowers, and plants that provide food and habitat for animals and birds.

Is there a lesson here for direct sellers? I believe so!

One of the recurring themes you will find in this issue of *SSN* is the concept of rethinking old or traditional business practices in order to capture the younger consumer and entrepreneur. Companies are breaking the mold in many cases and green lighting strategies that have long been considered as risky or even unthinkable in the direct selling channel.

Is this a "burn it all down" mindset? Absolutely not! Just as with a controlled wildfire, where established trees and vegetation have adapted ways to not only survive, but flourish, after a fire, companies that are willing to hold on to practices that are working while fearlessly adapting to change with novel or even controversial disruptions will undoubtedly reap rewards in the years ahead.

When embracing these unconventional approaches, it is crucial to strike a balance between preserving what works and boldly pursuing innovative strategies. Far from "starting from scratch," this mindset is an acknowledgment that expansion and progress

often require stepping outside the boundaries of tradition to recognize the legacy practices that are suffocating new growth—while keeping the practices that are central to the company's identity and culture.

By fostering adaptability to embrace the needs and aspirations of the younger consumer and entrepreneur, these companies will not only secure their relevance in today's modern market but also pave the way for a vibrant future.

Wishing you all success through boldness in the months to come!

Warmly,



DAVID BLAND

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— COVER STORY ▶▶

BEACHBODY PAGA LAWSUIT HIGHLIGHTS CONTINUED CHALLENGES, CONTINUED FROM 1

paying them a minimum wage, not providing meal and rest breaks, failing to keep payroll records and wage statements, not reimbursing business expenses, and failing to pay unpaid wages at the time of separation of employment. The lawsuit alleges that all of these actions constitute unfair competition, in violation of California law.

PAGA Provides Powerful Tools to California Workers

PAGA is a groundbreaking labor law that empowers employees to act as private attorneys general to enforce labor code violations on behalf of themselves and other employees.

Enacted in 2004, PAGA provides a unique avenue for workers in the state to address violations of the California Labor Code, such as wage theft, discrimination, and workplace safety infractions. Under this law, employees can seek penalties and recover unpaid wages on behalf of not just themselves, but on behalf of others too. PAGA also imposes substantial penalties on employers found in violation of the law.

Before PAGA was passed, workers seeking redress for labor code violations had limited options. They typically had to rely on government agencies, such as the California Labor Commissioner's Office or the Department of Fair Employment and Housing, to investigate and enforce labor laws on their behalf.

While government agencies played a crucial role in addressing labor violations, their resources were often stretched thin, leading to lengthy delays in resolving cases. Additionally, employees had little control over the process and outcomes, as the decision to pursue legal action rested primarily with the government agencies.

California Direct Sales Exemption from the ABC Test Is Challenged

In her lawsuit, Lyons argues that Beachbody is covered by the ABC Test set forth in California's Assembly Bill 5 (AB5) governing the classification of independent contractors and employees, and is not made exempt from that test by a direct seller exemption.

California Governor Gavin Newsom signed AB5 into law on Sept. 18, 2019, marking a significant development in the state's labor landscape. AB5 aimed to clarify the classification of workers as either employees or independent contractors, using the "ABC Test" as the primary standard.



Introduced by the 2018 decision of the California Supreme Court in *Dynamex Operations West, Inc. v. Superior Court*, and later codified by Assembly Bill 5 (AB5), the ABC Test presumes workers to be employees unless they meet all three criteria of an independent contractor:

- A – The worker is free from the control and direction of the hiring entity in performing the work.
- B – The work performed is outside the usual course of the hiring entity's business.
- C – The worker is customarily engaged in an independently established trade, occupation, or business of the same nature as the work being performed.

The Direct Selling Association (DSA) lobbied for, and won, a direct selling exemption from AB5 prior to its passage. However, Lyons claims that California's direct selling exemption to AB5 applies only to "in-person" sales and not Beachbody's online business model.

The lawsuit claims that the exemption "... does not reach Beachbody's modern, online business model, where Coaches drive social media engagement under its guidance and

direction, directing consumers to Beachbody-controlled websites, where Beachbody accepts and processes the sales and fulfills the orders, while also collecting and benefiting from the consumer data it acquires from these leads."

The lawsuit details Lyons' arguments that Beachbody's business model fails each aspect of the ABC Test.

First, Lyons argues that Beachbody Coaches are not free from company control. According to the filing, the company's "byzantine" 48-page policy and procedure document controls and restricts Coaches through policies dictating how they order products, how they market products online, and where the products can be sold.

The lawsuit argues that, "While Beachbody does not expressly prohibit in-person sales, ...Beachbody has created many incentives for Coaches to sell on its online platform, [and] made it difficult, if not impossible, for Coaches to engage in most forms of in-person sales."

As for the second part of the ABC Test, Lyons submits that the use of Coaches to market

BEACHBODY PAGA LAWSUIT HIGHLIGHTS CONTINUED CHALLENGES, CONTINUED FROM 7

Beachbody products is a central part of its business model, and argues that the company's primary benefit from the Coaches' work is the engagement driven to the company's website. Furthermore, according to the lawsuit's allegations, Beachbody exerts significant control over its Coaches by restricting their ability to recruit Coaches from other "competing" downlines, as well as by prohibiting the use of lead-generating tools.

Finally, Lyons argues that the Beachbody business model fails the third aspect of the ABC Test, as its Coaches are not "customarily engaged" in an established sales and marketing business; the lawsuit alleges that, on the contrary, "...most Beachbody Coaches are recruited regardless of their skill or experience, only perform sales and marketing for Beachbody (using Beachbody's approved platforms), and maintain no separate sales or marketing business."

Beachbody Lawsuit Not the First PAGA Problem for Direct Sellers

The Beachbody lawsuit is not the first PAGA action alleging worker misclassification against a prominent direct selling company. In 2020, former Amway distributor William Orage sued the company for misclassifying its Independent Business Owners (IBOs) operating as independent contractors.

As in the Lyons lawsuit, the Orage class-action alleges that Amway failed to pay IBOs a minimum wage and maintain employment records. Orage also cites the various Amway rules that he believes represent control of IBOs, thus failing all existing legal tests defining independent contractors.

These controlling policies include company prohibitions against displaying products without authorization, selling products online apart from the replicated Amway website, selling products to retail customers online, and working or selling for other direct selling companies.

Jeunesse Global, a Florida-based direct selling company that reported over \$8 billion in global sales in 2020, is also being sued under California's PAGA statute. Like the other cases brought by former direct selling distributors, the Jeunesse lawsuit, filed in June 2023, alleges that the company has misclassified its workers and failed to pay them minimum wage and keep employment records, along with other complaints.

The plaintiffs in the Beachbody, Amway, and Jeunesse lawsuits are seeking civil penalties, restitution of rightful wages and attorneys fees, and injunctive relief halting continuation of the defendants' compensation policies. All three cases are still pending.

PAGA Classification Cases Threaten the Direct Selling Model

The ABC Test for independent contractors continues to shape the legal framework for labor classification across the country. While a judgment for the plaintiffs in the California PAGA lawsuits could have devastating financial impacts on the companies being sued, these cases have the potential to significantly impact many U.S. multilevel-marketing companies with a similar business model.

Over 30 states have adopted the ABC Test to determine worker classification, although some states do not use all three prongs of the test.

"These PAGA cases are a very serious matter for the direct selling channel in that they strike at the heart of the independent contractor model, which treats each distributor as an independent business owner," says Larry Steinberg, chair of the Buchalter law firm's MLM Industry Group.

"For the ABC test not to apply, companies will need to demonstrate that they fall within the scope of the direct seller exemption. And once that showing is made, companies will still need to demonstrate that their distributors operate without significant supervision or control."

Steinberg continues, "To make this showing of lack of control, companies will need to make arguments such as that distributors' success is entirely dependent on their own skill and effort, distributors are free to spend as much or as little time as they want in connection with their business, distributors can sell as much or as little as they want, and distributors can work as much or as little as they want, or not at all."

Plaintiffs, on the other hand, will argue that the detailed policies and procedures documents that many companies have constitutes control, and this makes direct sellers vulnerable to an allegation that their distributors are misclassified employees.

The PAGA statute's broad application and potential for substantial financial penalties create a climate of uncertainty and legal

vulnerability for direct selling companies operating in California. The ongoing cases have already highlighted the challenges surrounding worker classification and have raised questions about the independent contractor model that is central to virtually all direct selling business models.

However, network marketing companies are not without outside support when pushing back against accusations of misclassification.

"The DSA has always been a huge advocate for the independent contractor status of salesforce members as recognized under the law," says Brian Bennett, DSA senior vice president, government affairs and policy.

"We advocate for laws at the state and federal level clearly recognizing that direct sellers are independent contractors to create legal clarity," Bennett says. "The association has supported cases by filing amicus briefs and providing robust legal resources for reference that can assist in a positive outcome for these cases."

As these cases unfold, the direct selling channel may face increased scrutiny, potential regulatory changes, and a need to reassess certain business practices and policies to ensure compliance with the labor laws in each state.

The outcome of these PAGA cases will undoubtedly shape the future of the direct selling channel, as companies seek to mitigate the risks associated with worker misclassification.

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David Bland is the publisher of Social Selling News.

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Tupperware's SEC Troubles Are Mounting

The clock is ticking to avoid delisting on NYSE

By Dave Rauf

Tupperware is at risk of getting delisted by the New York Stock Exchange (NYSE) for noncompliance, following the direct-selling giant disclosing in April that it might go bankrupt.

The latest in a growing list of issues for the maker of food storage containers and kitchen goods is the result of its average global market capitalization being less than \$50 million over a 30-trading-day period. Also, its stockholders' equity was less than \$50 million when last reported, according to a regulatory filing.

The Company intends to develop and submit this business plan within the required timeframe, and to identify measures that are in the best interests of the Company and its stockholders.

— Tupperware

SEC Sets Deadline

In the Securities and Exchange Commission (SEC) filing, Tupperware says it received notice from regulators on June 1 that it has 45 days to submit a business plan to the NYSE to remedy the issue. That plan, according to the filing, must present "definitive action the Company has taken, or is taking, which would bring the Company into compliance with the minimum global market capitalization listing standard."

Tupperware stated, "The Company intends to develop and submit this business plan within the required timeframe, and to identify measures that are in the best interests of the Company and its stockholders."

Another issue at hand: Tupperware's average closing stock price was less than \$1.00 over 30 consecutive trading days. It now has six months to fix that issue by having a closing share price of \$1.00 on the last day

of the month and an average stock price of \$1.00 through the prior 30-day trading period.

Tupperware's stock price remained under \$1.00 as of June 16, trading at around \$0.91 at close. In the filing, Tupperware says the NYSE's latest notice "has no immediate effect on the listing of the Company's common stock."

The June 1 noncompliance notification to Tupperware was the second from the NYSE in three months, amid concerns from company executives that it could go out of business without an infusion of additional money.

In April, the NYSE said Tupperware could be delisted after the company did not file an annual report. Tupperware had said that it expected to file its report with the SEC within 30 days, but never

did. Now, the company says it expects to file that annual report by mid-July, along with a first-quarter earnings report for 2023 by early September, according to the SEC filing.

If Tupperware gets delisted from the NYSE for any of its pending noncompliance issues, the company's stock will begin to be traded as a penny stock on the over-the-counter market.

The company's string of noncompliance issues with the NYSE comes as it braces to survive. Earlier this year, Tupperware warned it could be going out of business.

In an April filing with the SEC, Tupperware said "there is substantial doubt about the company's ability to continue as a going concern due to anticipated

non-compliance with financial covenants and inadequate liquidity to fund its operating costs and obligations in the near term."

At the time, the company said that it could violate the obligations made in its credit agreement and that it needed more cash flow.

Financing Discussed, Restructuring Officer Appointed

Following the announcement, Tupperware shared in a press release that it had discussed financing options with advisers to see if there is a way forward without losing the business. The company is hunting for additional funding and is reviewing different aspects of its business, ranging from its real estate portfolio to possible layoffs.

The company also appointed Brian Fox, a managing director with Alvarez & Marsal's North American Commercial Restructuring practice in New York, as its chief restructuring officer, according to a Securities and Exchange Commission document.

"Tupperware has embarked on a journey to turn around our operations, and today marks a critical step in addressing our capital and liquidity position," CEO Miguel Fernandez said in a statement when the company disclosed its financial troubles in April. "The company is doing everything in its power to mitigate the impacts of recent events, and we are taking immediate action to seek additional financing and address our financial position."

Aside from ongoing financial turbulence, Tupperware's investors have filed a class action lawsuit, claiming the legacy party-plan brand didn't "disclose its serious issues with internal controls." The suit also claims Tupperware included material "misstatements" in its 2020 financial reporting.

The company sells products in over 70 countries through its independent sales force, and last year retail giant Target started carrying its products. After years of declining sales, Tupperware had seemingly appeared to be turning a corner.

The company had been able to take advantage of growing customer needs to cook and store food at home during the COVID-19 pandemic. Tupperware saw a sales jump from growing eat-at-home trends and increased concerns from consumers about food safety and storage.

Turnaround Plan Faces Challenges

In 2020, the company launched an ambitious three-year turnaround plan, which included an executive shake-up aimed at rejuvenating its beleaguered brand after years of revenue declines and falling stock prices. That same year, Tupperware reported its first year-over-year sales increase in a quarter since 2017, and the company's stock rallied at the time in response.

"We believe the changes we've made and the results we've reported are evidence that a great turnaround story is in the making," Fernandez told analysts during a 2020 earnings call announcing year-over-year quarterly growth. "Our leadership team, along with the support of our board, is now implementing a new growth strategy for the company."

He added: "While it's still very early days in the complete turnaround of this company, the confidence of our leadership team grows stronger every day that we're making the right changes at the right speed with the right focus."

But Tupperware has faced additional challenges in recent financial quarters, as pandemic trends bolstering their sales have softened: More people have returned to restaurants and eating outside the home again.

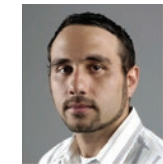
In 2022, sales dropped by 18% to \$1.3 billion compared to 2021, and the company's stock price has plummeted 86% since last June.

Company at Crossroads

In the wake of Tupperware's recent financial challenges and the looming threat of delisting from the NYSE, the company finds itself at a

critical juncture. As shareholders and analysts closely monitor the situation, Tupperware's leadership faces the imperative of implementing robust strategies to regain stability and investor confidence. Only time will reveal the company's ability to navigate these troubled waters and restore its standing in the market.

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Dave Rauf is a Social Selling News Contributor.



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Getting Real with J.Hilburn's Charla Gervers

Building success and a sense of community with nontraditional solutions



Charla Gervers brings over two decades of experience to her role as senior vice president of sales for **J.Hilburn**, a leading custom-made menswear brand in the direct sales industry. With a proven track record of success as a senior leader in the sales, marketing and personal development arenas, she has led success across numerous product categories, including nutrition, skin care/beauty, energy, travel services, and girls' and women's apparel. Her most recent prior roles include serving as chief sales officer at Matilda Jane/Good Hart and vice president of field development at Scout & Cellar. Gervers' passion is inspiring leaders around the world to live full out and go get the life of their dreams.

SSN: You have a reputation for creating nontraditional solutions in terms of finding new ways to profit, to approach training, etc. Why is the strategy of thinking differently important, and how does it give companies an edge?

CG: It's always important for us to come at things from a new perspective because the world's always changing around us. Today more than ever we're leading volunteer armies, so we've got to do things that are innovative to make people want to engage with us, to make people want to open an email or a text. It goes to everything that we do. If we're not constantly rethinking things, then we're probably going to be stale and out of date.

It's known everywhere that humans have an attention span less than that of a goldfish, or less than 8 seconds! That means we've got 3 seconds to capture their attention with whatever it is that needs to be captured. So how can we do that in a fresh and exciting way? I think that's the question.

SSN: A few years back you stepped into a situation to lead where there were some challenges from losses in the executive suite that were emotionally taxing, which impacted the field. Can you share a little about that?

CG: The founder, who had sold the company but still was very involved, passed away, and then within the next two years two additional executives passed away. Three strong, powerful women whom the sales organization admired were suddenly not with them cheering them on

each day. Our field was comprised mainly of young 20-something moms of small kids. So, they looked to these individuals as mentors, personally as well as professionally, and that was a very difficult thing for them to absorb and move forward. Leading the field after these losses meant we had to care on a different level. The field could have lost their dream in this time, but instead chose to truly honor the founder's legacy by how they lived and grew their businesses day in and day out.

SSN: Making your field feel like family seems key. What enabled that bonding to move forward and help everyone to stay positive?

CG: We've all heard for years that people follow people they know, like and trust. Because of the deep relationships that were the foundation of the company with these three executives, it wasn't something that could be glossed over. We needed to acknowledge what was going on. Otherwise, it's the elephant in the living room, and the new management team won't be well-received. On the corporate side, we're "doing life with people" too. I've been privileged to go to a lot of the weddings, but at the same time, a lot of the funerals that have happened through the course of 20-plus years. We're either a community or we're not, and I believe we do it the best when we come around those who need us in times like this.

SSN: Let's talk about the cross-pollination that you've been involved in with training. Instead of looking at other direct selling companies as competitors, you've been



involved in utilizing their strengths. It seems like that could be a shift in the channel psyche. What are the keys to making it work?

CG: An opportunity presented itself when I was with Scout & Cellar. We were preparing for a leader event to take place in January and decided it would be very beneficial to our field and internal team to participate in some personal development related to mindset and shifts in mindset as we entered the new year together.

The internal team had a very full plate, and we recognized that the personal development part of this event needed to be a "10" in order to start the year where we wanted to.

Sarah Shadonix, founder of **Scout & Cellar**, shared this amazing event that Michelle Gay and her team at **Limelife by Alcone** had recently done. I watched the entire thing, and at the end of it I was so inspired! And we felt compelled to bring a similar experience to the Scout & Cellar field. Yes, we could have reinvented the wheel by doing it ourselves, or we could lean into an abundance mindset and ask them to partner with us to write history together. I'd never seen this done before, so of course that excited me the most. Good people attract good people, and good people hire and em-

power good people, and that's what happened across both companies. Sarah and Michelle had a conversation about Michelle's team helping us at our event, and within hours, they were booked on flights to lead an entire day session with our most important leaders. This is a true abundance mindset in action because both Sarah and Michelle looked at this as an opportunity to be better together. All the industry talks about it, but Sarah and Michelle demonstrated what an abundance mindset looks like. They demonstrated to all of us the impact we can make far beyond the walls of our own company by using our talents and gifts to make the entire industry better, and in turn (as clichéd as it sounds) make the world a better place. It was a weekend I will never forget!

SSN: J.Hilburn is operating a hybrid system with Stylists in a more traditional associate role, but also using brick-and-mortar Stylist-owned locations. How did that come about, and what's the key to making it happen?

CG: The company had studio locations in Dallas and New York City, and our Stylists saw this as an opportunity to create a deeper experience for their clients by opening Stylist-owned Studios. In 2022, J.Hilburn named

a new CEO, industry veteran Stein Ove Fenne, and he saw this quickly because he had created a similar hybrid model in another company with amazing success. Great leaders see a good thing happening and come in and make it even better! That's exactly what he has done.

A J.Hilburn Studio creates an experience and gives new Stylists and mentors an exciting place to work through their first client appointments. Given we're selling custom menswear that is made to measure for each of our clients, there is some learning involved in getting the fit right. We know that the speed of duplication determines the speed of growth, and the Studio experience accelerates growth many times faster. That's exciting!

Yes, we've had Independent Stylists meeting at a client's office or home for over 15 years, and we will always support this method because the mobile business creates a convenience that simply can't be beaten for many clients. I know it sounds counter-intuitive when you hear of traditional retail store locations shutting down. However, we are not a retail space. Stylists take a client's measurements and input them into our proprietary system that creates fit profiles specific to that client. He can look at the fabric

CONTINUED ON PAGE 14

We have an opportunity to amplify the differences that make direct selling great and attract a new generation of thought leaders.

— Charla Gervers

CONTINUED FROM 14

swatches online or in person and can add his personal touch (pick the button, stitching, cuff, collars, and hundreds of custom options) to make each item his own. The Studio program creates an inviting atmosphere and unique experience where clients relax and unwind while designing their personal wardrobes. There is truly nothing quite like a J.Hilburn Studio, and we are pretty proud of that!

J.Hilburn's business of the future is not an either/or. It's definitely an "and", and we are committed to ensuring that the Stylist-owned Studio experience will continue to be a catalyst for growth. We're excited about the future and there is more to come around this concept in the coming years so stay tuned!

SSN: We've seen news headlines about some direct sellers leaving the channel for retail. What do direct selling companies need to be paying attention to? And what lessons will we have to learn from some of these companies?

CG: I think what's happening is fascinating, but I also think there are life cycles in the channel. The business ebbs and flows, and there are things that need to shift as a business matures. Companies have been leaving direct selling for retail since I've been in the channel, and companies have been doing radical things to try and strengthen their business as well. Each company has a unique assessment to make at any given point in time to ask "Can we count on what we are doing today to move us to the next place?" And if the answer is no, then it is time to identify options that can and will move the company forward, but without alienating or compromising the current business.

Traditionally, that would be evaluating the selling system, compensation, promotions, incentives, and geographies in order to reach new consultants. Now I see many companies say, "Let's develop this other channel in retail that will give us another stream of income" and reach new clients directly to help counterbalance these plateaus that are inevitable. I get that, and the question is, how do you navigate both channels and not breach the trust of the field? Decisions must be made about time and money invested, resources, priorities, etc. Yes, it is exciting to do new things, but it can also dilute the focus needed to execute well. I would be remiss to not mention the trust of the field and that whatever happens, it needs to be done with the field included in the conversation. Maintaining field trust is vital to the support of all alternative strategies, and they'll see through anything disingenuous.



SSN: Recruitment is the lifeblood of direct selling but it also has to be done correctly, and lots of folks have their eyes on it, including regulators. How is this facet of direct selling evolving? And what do you think the bigger picture for recruiting strategies will be moving into the future?

CG: We must stay relevant in this generation in order to capture the attention of the future entrepreneur. We must do things differently to engage effectively in today's world. We have what people need and want, but how we articulate that must be compliant and not overreach. Personally, I need to study more about the gig world and look at what they (freelance work, Uber, etc.) offer and what we can do better. I can't speak to this authoritatively, but is there a community like we have? If I'm just taking this writing gig, or this design job, and I'm doing it and then I'm paid, will someone be there for me when times get hard, like we spoke about in the beginning? Do I have a mentor, or am I left to figure it out on my own? We have an opportunity to amplify the differences that make direct selling great and attract a new generation of thought leaders.

It is incumbent upon us to find those things that are unique to the direct selling channel and bring it to life in fresh new ways—find those things that are going to connect with people today. That's the difference in direct sales, and what we have an opportunity to amplify is the people part of it.

SSN: How do you perceive the impact of strategy adjustments when targeting diverse demographics?

CG: I would say the question is, *What demographic are you trying to attract and where are they? Where are they showing up?* Jason Dorsey fascinates me; because I feel like I have so much more to learn about the different generations and what attracts one and what offends another. It's difficult to try to be everything to everyone because you end up being nothing to anyone. So, if your client base is in a certain demographic but you're trying to attract another one, then how do you do that in a way that doesn't feel like you're two different companies? And that's a challenge.

We have to educate the field on the do's and don'ts and help them learn how to communicate with people different from them. We've been doing that with DISC personality tests and so many personal development tools for decades. So, from a company standpoint, it put us in the difficult position of communicating with our Millennials via text, our Boomers via email, our Gen Xers on Facebook groups, and our international audience on WhatsApp. Which means we're communicating with everyone everywhere out of necessity. Do you communicate the same or change the voice of the communication to fit the audience? I have more questions than answers here. I would love to find a way we can reach everyone with one form of communication, and I'll hold onto the hope that maybe someday soon we can.

I do believe that if we can remain students and give ourselves permission to test and learn, we'll find new answers for these new times that will improve upon the current state.

To succeed in this generation, we have to challenge our paradigms and what we've taken as universal truths, and realize they might not be anymore. We will learn if we listen and are open to adapting and being open to those transitional things that might be there. Because it may be that there is a "new normal" like we've been saying, or it may be that we're in transition from whatever was to what will be, and we won't know till we're on the other side of it. As with every generation as they have greater/lesser influence, we need to listen, stay adaptable, and we will win!

SSN

Charla Gervers was interviewed by David Bland on behalf of *Social Selling News*.

Periodically *Social Selling News* interviews a person connected to the social selling phenomenon, asking them to share their experience and insight into the channel.



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Influencing the Influencers

Unlocking the younger demographics by re-thinking traditional practices

By Jenna Lang Warford

Attracting Millennials (and now Gen Z) has been top of mind for direct selling executives since the early 2000s, when the demographic began reaching adulthood. In the beginning, it was partly because Millennials were an even larger population than the Baby Boomers. And as those Boomers began aging out of the field—or at the very least, slowing down activity—the goal seemed more urgent.

The key to successfully attracting large numbers of these demographics may be removing the padlock most seasoned direct selling executives have previously advocated.

Marketing experts agree: These up-and-coming generations are more value-driven and consider it important that the company's mission and values align with their own. But simply having a charitable foundation that “gives back” isn't drawing consistently substantial numbers of younger new consultants interested in creating at least part-time income.

Re-thinking How a Millennial & Gen Z Field Is Influenced

An acknowledged core principle of growing direct selling companies is having a “s/hero” on the corporate team, usually a founder or key executive with the field experience of growing a large sales organization. The field connects with the s/hero's story,

“...We have to understand the mindset of the upcoming generations.”
 — Tami VanHoy, Head Executive over Field Development and Customer Support, pawTree

identifies with their struggle and believes in their ability to, in conjunction with their upline, guide them to success.

“I really believe that's a principle that has gotten this channel where it is today,” says Tami VanHoy, currently the head executive over field development and customer support at pawTree and former founder and CEO of **Homemade Gourmet**. “But I think we have to recognize that the generations coming up don't trust ‘corporate.’ They are looking for Influencers that they relate to and trust, and trust what those Influencers are saying about a brand.

“So do I feel like the need for a (s/hero) has disappeared? Absolutely not, but I don't think it plays as powerful of a role in the future growth of the direct selling channel. I think it has a place, but we have to understand the mindset of the upcoming generations,” VanHoy says.

Kristina Kajic, co-founder and CEO of **Bella Grace Global**, agrees that Influencers are key to growth and scaling in today's market. “The direction the world is heading is focused on Influencers because they are all about social selling: So I think that the future of the direct selling channel is the Influencer model. I believe it so firmly that it's how we essentially structured the Bella Grace business model.”

Part of Kajic's belief stems from the way Influencer thinking has evolved over the past several years. “Even just five years ago, certain Influencers would accept any gigs for a paycheck. Now, they've grown—particularly in the area of self-esteem and understanding their value—and are willing to say, ‘I don't align with your product, so (representing your brand) is not something that I'm willing to do.’

“So I think that the 30-day contracts are on their way out, and I think the network marketing

model, the business model where they can create income that allows them to enjoy longer-term benefits from the influence they have, is on the rise.”

Her opinion is supported by several facts. First is that, unlike the first iteration of social media influence by popular bloggers, fewer of today's Influencers are accepting products as compensation. According to Influencer Marketing Hub, 42% of brands are offering paychecks to their Influencers. Brands are also diminishing the number of quarterly contracts and instead offering the shorter monthly term contracts.

“Micro- and macro-Influencers are on the rise, as they are now recognizing that social media is not just a celebrity-based platform,” Kajic says.

“It's an everybody-based platform, and people are noticing ‘Regardless of my following, I can create a business and income with it.’ They're becoming more ‘woke’ that ‘Social media can be my business, and this is something that I can do regardless if I have never done it before, even if I'm not a high-end celebrity with a million followers because I do it on a daily basis anyway.’

“I think the micro-Influencers are recognizing that ‘I post on a daily basis the vacation I'm taking, the food I'm eating, and the products I'm consuming, and I'm not getting

paid off of it—but I can,’” Kajic says. “For the direct selling channel, the good news is that Millennials and Gen Z see this Influencer model daily and are open to learning how they can engage with it.”

All Affiliates Are Influencers; Not All Influencers Are Affiliates

Another trend Influencer Marketing Hub noted is the change from brands paying a flat rate to paying a percentage of sales. Percentage-based commissions are the standard for Influencers who are paid as an Affiliate—where they receive a commission for sales their influence generated, usually through a coupon code or link. Affiliate marketing is undertaken to directly increase sales so every sale is tracked, and the Affiliate Influencer is paid based on their direct influence on revenue generated.

Influencer marketing may have other goals, including building awareness or increasing user-generated content (UGC). According to Influencer Marketing Hub's research, the goal of increasing UGC climbed from 32% in 2022 to 45% so far in 2023.

While some executive teams are debating whether or not to offer Affiliate programs, the reality is that they are already paying through one to any consultant who is selling products but not



recruiting a downline. Keeping those sellers growing long-term requires a commission that makes it worth their while, and therefore requires a multiplier that supports those commissions.

Exclusivity vs Authenticity

Affiliates and Influencers also seem to be behind the shift in how Millennials and Gen Z—and to some extent, Gen X—determine whether an opportunity is for them or not.

“If I'm a gigger I'm going to have to believe in the message of the company, the purpose of the company, the mission of the company, and absolutely believe in the product for me to sell it,” VanHoy says.

“Having a founder who is relatable, that's great, but guess what? I'm also looking for companies that will let me sell the way I want to sell, and that means I'm not just selling your products in your

brand. I'm also selling this other product and this other brand.” she says.

Heather Chastain, founder and CEO of the Bridgehead Collective, shares how this behavior goes against the very nature of many direct selling companies. She says, “The idea that direct selling companies would be open to—much less encourage—Distributors to represent multiple brands is contrary to what many of us have believed. I have used the ‘can't ride two horses with one rear-end’ analogy from stage many times.

“But for Millennials and Gen Z, who value authenticity, advocating one brand and one brand only seems disingenuous,” she adds. “They may love the skin care of one brand and the nutritional shake of another. Being able to share both, regardless of whether those are

“I don't think we have the right to say ‘You can only be a distributor with this company.’ With the modern world, you can't limit people regarding what they can and cannot do. The fashion industry is a great example.”
 — Kristina Kajic, Co-Founder and CEO, Bella Grace Global

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from two different direct selling companies, is important to them and ultimately more effective.”

Chastain, who recently completed a generational engagement study that focuses on attitudes toward entrepreneurialism in general and direct sales specifically, says that these demographics will simply choose to represent a brand that allows them that authenticity over a company that limits participation with other direct sales companies.

Kajic agrees that allowing new generations to follow their bliss is a plus for everyone. “I don’t think we have the right to say ‘You can only be a distributor with this company.’ With the modern world, you can’t limit people regarding what they can and cannot do. The fashion industry is a great example. There are Influencers who go to every single fashion show, and they monetize the fact that they’re at that show and that they’re wearing those clothes in that moment.

“Let’s say yesterday was Louis Vuitton, and they monetized that yesterday; today, they go to Prada, and they monetize Prada. Tomorrow, they’re going to Chanel, and they’re going to monetize Chanel,” she says. “I think that fashion has ultimately set that standard of you don’t have to represent one brand, you can represent many different brands.”

The caveat, Kajic says, is that success relies on the quality of work behind it. “If you don’t go all out with all three of those companies, you’re short lived regardless of the number of your following, because your following is basically your downline.

“If they recognize that you’re not going all out and you’re really not passionate about the products that you are representing and promoting, they won’t purchase it. And I think that translates to our industry. As long as someone

“The more that being non-exclusive is embraced, the easier it is to see that it is the true abundance mindset.”
 — Heather Chastain, Founder and CEO, Bridgehead Collective

is passionately representing each product, they can be successful.”

VanHoy says the conversation also comes back to these generations seeking freedom from too many rules and steering clear of brands that intentionally limit them.

“So for the Gen Z and Millennials, it’s not just ‘I am making a difference.’ It’s also that there is not an exclusive mindset. They may think, ‘I like your product, I believe in your brand and I even like your founder, but if you’re going to make me be exclusive and have rules that keep me from being able to do other things, then I love you but I’m going to go find a company that will meet me where I am.’

“So as a channel, I think we are trying to figure out where we are,” VanHoy adds. “Are we exclusive? Are we not exclusive? I believe we have to make that transition. Instead of asking the sellers to come to meet us where we are as companies, we have to meet them where they are.”

Chastain agrees and advocates going even further by recognizing these new sellers are championing the abundance mindset that direct selling talks about all of the time. She says, “The more that being non-exclusive is embraced, the easier it is to see that it is the true abundance mindset.

they approach it is totally different from the approach of those who want to build an income through a significant organization.”

Chastain’s research was able to determine the desired ranges of incomes for the varying generations, and she said that even she was surprised at the results. “It was fascinating to see that what one generation was looking for, another was likely to regard as a scam.”

VanHoy’s observation focuses on responding to the level of income the consultant expresses a desire for, and helping them meet their goal.

“If I was coaching someone who wants to build an organization and create a larger income, I would say to them, ‘You can’t do that with multiple businesses. That’s a gig mentality, and it works for a specific income need. But when you really want to build an organization, you pour all of your energy into it and build that one.’

With younger demographics in this social media-influenced world it all comes down to three things. Offer them a solid opportunity for income, meet their desire for authenticity, and allow them the choice of how much to build with whom.

“We speak to our fields about abundance rather than scarcity, and allowing them to pursue all their options is part of that,” she continues. “It makes a powerful statement that we believe in this channel, and we want what is good for them. We’re going to do exciting things, and we want them to be part of it.

“It’s very similar to when a field member would approach me in years past and say they were considering another opportunity. My response, even when I advocated exclusivity, was ‘Tell me about it; because I want what is best for you more than anything else.’ That approach resonated with the field then, and it’s what the younger demographic is looking for in a direct sales company now,” Chastain says.

Show Me the Money

In John Fleming’s book *Ultimate Gig*, it is recommended that those who are evaluating a gig determine whether it has “a reasonable return on investment of time.”

VanHoy says, “For many, they are looking for a little gig income here, a little gig income there, because they want to have a specific quality of life more than they want to have massive paychecks.

“They want to pay their bills, and they want to be able to pay for their quality of life, but the way

SSN



Jenna Lang Warford is a Social Selling News Contributor.

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DIRECT SELLING ASSOCIATION

The Affiliate and Influencer Fact Sheet

Increase your reach; Pump up your sales—and figure out how to pay for both

To meet the key interest points of today's prospects, many direct selling executives are considering the expansion of their comp plans to include Affiliates and/or Influencers. Here's a Fact Sheet to help ensure your team is all on the same page.



Studies show Influencers produce 11x more ROI than other digital marketing.

Nano-influencer: 1k – 10k followers
 Micro-Influencer: 10k – 100k followers
 Macro-Influencer: 100k – 1M followers
 Mega or Celebrity-Influencer: 1M+ followers

By 2025 social commerce is expected to account for 17% of all ecommerce spending.

The Influencer Marketing Industry is set to reach approximately \$21.1B in 2023, up from \$16.4B in 2022.

Top Platforms for Influencer Marketing

TikTok: 55%	Twitter: 14%
Instagram: 50%	LinkedIn: 10%
Facebook: 42%	Twitch: 6%
YouTube: 38%	Other: 12%

Why Influencers?

Reasons Companies/Brands Use Influencers	2022	2023
Increase Sales	36%	29%
Build Awareness	35%	26%
Increase User-Generated Content	32%	45%

Show Me the Money

The structure of payments to Influencers is shifting from a “flat rate” to something more like Affiliate marketing payments, which are a percentage of sales. (In 2022, 42% of companies used the percentage method to pay Influencers. So far in 2023, 53% of companies are using the percentage method.)

Virtually Famous

Virtual Influencers—a digital character created using computer graphics that is given a personality and behaves on social platforms as an influencer. One of the most famous, Lu do Magalu, has 14.6M followers. These virtual influencers have representatives that companies can contact; they aren't simply owned by individual brands.

Tracking Sales: Don't Reinvent the Wheel

Considering using Affiliate Marketing or Influencer Marketing as an alternative to standard Distributor marketing? Take a spoke from the most common methods used to track sales of affiliates and influencers.

Email addresses: 31%	Coupon codes: 12%
(up from 16% in 2023)	Product SKUs: 5%
Referral links: 30%	Other: 21%

Acronyms

EMV—Earned Media Value: the worth received from content shared by an Influencer. It indicates what an equivalent advertising campaign would cost for the same effect.

IMV—Influencer Media Value: essentially the same as EMV.

Comp Plans

Offering an Affiliate aspect to a compensation plan must address two main components:

- Reasonable commission for products/services sold
- Reduced restrictions on relationships/representations of other direct sales companies

Another Reason Influencers May Be Open to Network Marketing

In the recent past, it was easier for Influencers to procure quarterly contracts. Now, an increasing number of companies and brands prefer monthly campaigns. They do, however, prefer to use an Influencer they have an existing relationship with (61%).

Brand's Length of Campaign	2022	2023
Monthly	34%	48%
Quarterly	35%	18%
Annual	14%	15%

Things to Know

“Affiliates” and “Influencers” are terms often used interchangeably, but in this post-pandemic world the distillation has become the KPIs that are measured and the way brands compensate these content creators.

Affiliates are always Influencers.

Affiliate Marketing describes the measure of commission-based sales. Influencer Marketing describes the measure of generating website traffic and increasing engagement, generally paid by campaign via cash, gifts, free products or other incentives.

Affiliates are driving sales because they're Influencers, but when referring to Affiliates, the connotation is that they are receiving commissions on sales. Those simply referred to as Influencers are those who are driving traffic and engagement, but whose metrics are not necessarily directly related to sales.

The Smaller the Dog, the Bigger the Bite

While conventional wisdom dictates that the broader the reach, the bigger the results, that's not necessarily true for social media. Macro-Influencers (those who aren't celebrities but who have 100,000 to 1 million followers) have lower engagement than those with fewer followers. The reason is obvious to direct selling executives: followers value engagement (the social aspect).

Good to Know

Followers value engagement—this is more likely to occur with Nano- and Micro-Influencers.

Influencer-generated posts out-perform branded posts; consumers value third-party, lifestyle content over polished, branded images. (8x more interaction.)

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MERCHANT PROCESSING 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 merchant processing companies that work specifically in the direct selling realm, ranked by number of direct selling clients. If client information was not provided, "did not provide" is used in the column and the company is listed in alphabetical order. *The Ranks* will vary monthly in type of information and in number of items included. Ranks client data is not audited and relies on the good faith responses of the participants.

RANK	COMPANY NAME & LOCATION	NUMBER OF DS CLIENTS	KEY CONTACT	3 REPRESENTATIVE CLIENTS	WEBSITE	CONTACT INFO
<u>1</u>	Nexio Orem, UT	321	Nikky Kuykendall	Solex NvisionU Awakend	nex.io	801-623-4000 x173 nkuykendall@nex.io
<u>2</u>	Metrics Global Las Vegas, NV	100	Dee Oldroyd	It Works! SeneGence Red Aspen	metricsglobal.com	702-757-6900 dee@metricsglobal.com
*	ACI Worldwide Coral Gables, FL	Did not provide	Melissa Brady	Did not provide	aciworldwide.com	904-629-3710 melissa.brady@aciworldwide.com
*	Checkout.com San Francisco, CA	Did not provide	Chris Perry	Did not provide	checkout.com	415-218-5695 chris.perry@checkout.com
*	Global Payroll Gateway Newport Beach, CA	Did not provide	—	Did not provide	globalpayrollgateway.com	855-342-5474 sales@gpgway.com
*	MassPay Las Vegas, NV	Did not provide	Mike Valentine	Did not provide	masspay.io	702-570-2768 mike@masspay.io
*	Nuvei Phoenix, AZ	Did not provide	Scott Fitzpatrick	Did not provide	nuvei.com	866-296-0443 sfitzpatrick@nuvei.com
*	Paymenture Lindon, UT	Did not provide	—	Did not provide	paymenture.com	800-308-9762 info@paymenture.com
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— WHAT’S NEW ▶▶

Mary Kay Chairman David Holl Inducted into US DSA Hall of Fame

The U.S. Direct Selling Association (DSA) has inducted David Holl, chairman of **Mary Kay Inc.**, into the DSA Hall of Fame. During its 2023 annual meeting in Scottsdale, Arizona, Holl received the industry’s highest honor in recognition of his service and contributions to the association, the Direct Selling Education Foundation (DSEF), and the channel. He started working for Mary Kay in 1993 and was promoted to chief financial officer in 1996, serving as treasurer. After being named president and chief operating officer in 2001, he assumed the title of president and CEO in 2006. With Holl at the helm, the company expanded into numerous new markets and diversified its revenue streams worldwide. Now, he serves as chairman and oversees the company’s executive committee. According to DSA President and CEO Joseph N. Mariano, “David’s commitment to the channel and development of entrepreneurs globally is unmatched.”

Nu Skin Marks 20th Annual Force for Good Day with \$1.5 Million Donation

Nu Skin hosted its 20th annual Force for Good Day on June 7, celebrating its founding along with taking time to give back to local communities throughout the regions where it operates. This year’s event at its Utah headquarters was focused on supporting children battling illnesses in hospitals or undergoing surgery. More than 900 Nu Skin employees and their families worked together throughout the day of service to benefit 1,000 hospitalized children around the world by assembling kits to support them in their recovery after life-saving surgeries. The Nu Skin Force for Good Foundation also made a \$1.5 million philanthropic contribution to the Intermountain Primary Children’s Hospital Larry H. and Gail Miller Family Campus, which is being built in Lehi, Utah. The donation will go toward a new indoor play area for patients and their young family members. Nu Skin is additionally donating over 250,000 units of hygiene products to families leaving refugee camps in war-torn countries within Eastern Europe. More global service projects will take place across the globe, including in Latin America, Japan, Korea, Taiwan and Southeast Asia.

L’Oreal’s Purchase of Aesop Approved by Brazil’s Antitrust Regulator

French cosmetics company L’Oreal, which had agreed to purchase Australian luxury brand Aesop from Brazil’s **Natura & Co.** in April, has received approval to move forward with the sale. As of May, Brazil’s antitrust regulator Cade has put its stamp on the purchase, according to Reuters. L’Oréal, a leading world beauty brand for more than 110 years, plans to purchase Aesop for an enterprise value of \$2.53 billion. The acquisition will be paid in cash and expected in the third quarter of 2023, Natura said. While L’Oréal may be looking to grow its presence in high-end cosmetics with a focus on international expansion, for Brazil’s Natura, the sale will provide financial relief as it faces narrowing margins and the burden of debt. Aesop has been Natura’s most lucrative brand with nearly 400 stores. 2022 sales were up 21% to \$537 million, compared to the previous year.

DSSRC Refers Wayal Health to the FTC for Possible Enforcement Action

The **Direct Selling Self-Regulatory Council (DSSRC)** of BBB National Programs has referred direct seller **Wayal Health Sciences USA Inc.** to the Federal Trade Commission (FTC) for possible enforcement action. This next step came after Wayal Health failed to respond to a DSSRC inquiry into “aggressive health-related product performance claims made on social media by the company and its salesforce members.” Allegedly, earnings claims made on social media had indicated that the health and wellness company’s products are able to treat health conditions such as memory loss, Alzheimer’s Disease, skin cancer, and ADHD. Per DSSRC, such claims require substantiation “in the form of competent and reliable scientific evidence.” After Wayal Health failed to respond to DSSRC’s inquiry after multiple attempts, it has now been referred to the FTC and the Utah Office of the Attorney General.

UK DSA Study Reveals 36% More People Started a Direct Selling Business

The **U.K. Direct Selling Association** has released new data that shows a substantial increase in people joining direct selling brands in the first quarter of 2023 in the U.K. With a jump of 36.4%, the uptick is being attributed to individuals needing to offset their rising cost of living amid inflation, as they are seeking additional income that avoids the increased expenses of a commute or paid childcare. Per the data, 38% of consultants reported that they wanted to work from home. According to Susannah Schofield OBE, director general of the Direct Selling Association, “Direct selling is a retail channel that traditionally performs well in challenging economic times.” The U.K. DSA said an estimated 500,000 people in the U.K. work as independent business owners, with the majority (64%) pursuing the opportunity as a side hustle. On average, direct sellers in the U.K. earn \$605 a month.

The Avon Co, Medifast End Operations in Separate Regions

The Avon Co. announced it will close operations in Puerto Rico and the Caribbean as of Aug. 30, 2023. Avon had reviewed the sustainability of the business and long-term profitability and pointed to “declining populations” and “increased operating expenses on the islands” as contributing factors in its decision to exit. Challenges resulting from natural disasters and the post-pandemic environment also had a substantial impact on the business. The closure will affect 100 employees. **Medifast**, the parent company of direct seller **OPTAVIA**, announced its exit from Hong Kong and Singapore, as demand has gone down amid “economic changes” in the region as a result of the pandemic. The company will use those resources to add enhancements to its Fuel for the Future program, a strategic change the company is implementing to reduce spending and free up capital to invest in growth initiatives, technology, and new products. Medifast is targeting 15% annualized revenue growth and 15% sustainable operating margin by 2025 as well as 200 to 300 basis points in gross cost savings by 2025.

— WHAT'S NEW ▶▶

Green Compass Lobbies with Hemp Roundtable to Support Legislation

Green Compass founders Meredith and Sterling Cook recently made their way to Washington, D.C., to join the U.S. Hemp Roundtable (USHR), a bipartisan coalition of companies and organizations that advocate for science-driven, equitable and inclusive laws and regulation for the hemp industry. The company, which joined the USHR Board of Directors this year, was there to lobby for support of a regulatory framework that would ensure CBD products and other non-intoxicating hemp ingredients can be lawfully marketed. Promoting the “Regulate CBD Now” campaign, the group met with members of Congress to advocate for the Hemp and Hemp-Derived CBD Consumer Protection and Market Stabilization Act, Hemp Access and Consumer Safety Act, and CBD Product Safety and Standardization Act. The bills would also require CBD products and hemp extract product manufacturers to comply with existing regulatory frameworks. Founded in 2019, North Carolina-based Green Compass develops clean-label, safe, and sustainable organic products including CBD, terpenes, flavonoids, and other beneficial hemp-derived compounds. It owns all of its R&D, extraction capabilities, formulations and manufacturing.

DSA 2022 Growth and Outlook Survey Shares Latest US Industry Data

The **U.S. Direct Selling Association (DSA)** has announced results from its latest Direct Selling Growth and Outlook Survey, showing 2022 retail sales of \$40.5 billion, a small decline from 2021. The number of direct sellers had a slight drop compared to the previous year with 6.7 million independent business owners selling on a part-time or full-time basis. Also 41 million customers purchased through the channel last year. When looking at 2022’s number of customers, this includes preferred customers and discount buyers that purchased through direct sales and excludes those who have not signed an agreement with a direct selling company. According to Joseph N. Mariano, president and CEO of DSA, though revenue for the channel declined in 2022, “it remains higher than the pre-pandemic revenue reported in 2019” and shows there is continued interest in the channel. The Direct Selling Growth & Outlook Survey is released annually by DSA and reports on the size and scope of direct selling in the U.S. The survey is audited by Nathan Associates a Cadmus Company, a third-party international economic consulting firm.

— INFLUENCES ON THE CHANNEL ▶▶

The Class of 2023 Learns Soft Skills to Navigate Their New Workplace

The latest graduating class is entering the workforce with a lot of specialized skills, but employers have noticed they’re arriving at the office ill-equipped with the more nuanced skills that the setting requires. Areas of concern include the absence of key soft skills, such as professional behavior when communicating in person, office etiquette, and dress codes. Many new employees were in college when they had to abruptly switch to remote courses during the COVID-19 pandemic, so they often missed out on skills they would have picked up in class or on the job while interacting with mentors and colleagues, according to The Wall Street Journal. This group is eager to work in person, rather than remote though. The outlet referenced the virtual student-health company TimelyCare’s recent survey of about 700 graduates, which reported that 53% said they preferred being fully in-person. To tackle deficiencies in basic areas such as elevator conversations, presentation skills, and email-writing, universities and companies have teamed up to help train new hires and give them guidance. According to the new hires interviewed, this support is very welcomed.

WhatsApp Introduces Channels, a Private Broadcasting Feature

WhatsApp, Meta’s instant messaging app used by over 2 billion people in more than 180 countries, has launched Channels, a one-way broadcasting tool that offers “a private way to follow people and organizations.” Now, organizations, companies, local officials, sports teams, and more can send texts, photos, videos, stickers, and polls to a wide audience. The app will have a searchable directory so users can follow their interests. Unique to WhatsApp Channels, versus other social media, phone numbers of admins and users will remain private and invisible to each other, and followers won’t be able to see the profile information of other followers. As WhatsApp has a strong international market share, Channels will offer companies the chance to expand their reach globally. WhatsApp pointed out in its announcement, “We also believe there is an opportunity to support admins with a way for them to build a business around their channel using our expanding payment services as well as the ability to promote certain channels in the directory to help increase awareness.” Channels is currently available for select organizations in Colombia and Singapore.

— 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	TRINITY.....	11	HANNA SHEA.....	28
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— PEOPLE ON THE MOVE ▶▶

People on the Move



MINDY MACKENZIE, BEAUTYCOUNTER

Board Director **Mindy Mackenzie** has been named Interim CEO of **Beautycounter**. Mackenzie most recently served as partner and chief performance officer at Carlyle, and before that, was senior advisor at McKinsey and global head of strategy, M&A, and human resources at Jim Beam. She specializes in building strong leadership teams.



DANNY LEE, DSA

The **Direct Selling Association (DSA)** Board of Directors has elected **4Life** President and CEO **Danny Lee** as chairman by unanimous vote. As DSA chairman, Lee will represent the collective interests of more than 125 member companies in the U.S. and Puerto Rico. Outgoing chairman was Kevin Guest of USANA.



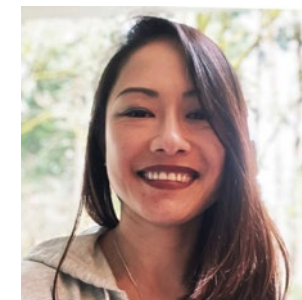
ROBERTO MARQUES, BEAUTYCOUNTER

Beautycounter has appointed **Roberto Marques** as chair of the board of directors to build on the company’s mission and drive sustainable and profitable growth. The former executive chair and group CEO of **Natura & Co.** had held numerous senior leadership roles at Johnson & Johnson and Mondelez International for over 30 years before Natura.



KEVIN HERBERT, NATURE'S SUNSHINE

Nature’s Sunshine has named **Kevin Herbert** as executive vice president and president of North America. Herbert has over 25 years of global experience at the executive and senior level working with consumer goods companies, such as Samsung, Borden, and Hain Celestial. Most recently, he was a general manager of natural specialty at Crossmark.



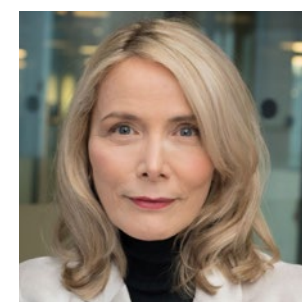
NICOLE MALOZI, BEAUTYCOUNTER

Beautycounter has hired **Nicole Malozi** as chief financial officer. Malozi comes to Beautycounter with extensive executive finance experience at large consumer brands, including Tatcha, Nike and DFS Group Limited. She has over 18 years’ experience in areas such as financial, planning and analysis, forecasting, and new business development.



MARI LOLI SÁNCHEZ CANO, BETTERWARE

Betterware de México has appointed **Mari Loli Sánchez Cano** to its board of directors. Sánchez Cano has extensive experience in direct selling, having joined Jafra Mexico in 1991. She is now president and CEO of the company, which was acquired by Betterware in 2022. She has also served in sales and communication.



ANNA MALMHAKE, ORIFLAME

Anna Malmhake has been named CEO and president of **Oriflame**. Malmhake, who joined Oriflame as a board member in 2014, has extensive leadership experience in several global consumer goods companies. She started her career at Procter & Gamble and went on to Coca-Cola, Motorola, and the Absolut Co. Recently, she was at Activision Blizzard.



DAVE PAULUS, BEE'S KNEES

Bee’s Knees Wellness has named **Dave Paulus** as CEO. Before joining the company, Paulus spent 19 years as a member of Merkle’s executive leadership team. His background includes over 30 years serving as a leader in the consumer marketing, digital, and data and analytics space.

People on the Move



NICOLE REICHAUT, BEE'S KNEES
 Nicole Reichart has been hired as vice president of sales and business development at **Bee's Knees Wellness**. Reichart has over 20 years of experience in the wellness and fitness realm, having worked with Equinox fitness club and SlimGenics. She has also operated her own direct sales business with companies such as **Modere**.



FREDERIC BILLON, SELDIA
 Seldia, the European Direct Selling Association, has appointed **Frederic Billon** as vice president. Billon has been CEO of **Justfrance** since 2018 and is general delegate of the **Fédération de la Vente Directe (FVD)**, the French Direct Selling Association. He started his career in the Dominican Republic and has worked with Naturalforme.



SARAH HENNING, UTILITY WAREHOUSE
 U.K.-based **Utility Warehouse (UW)** has hired **Sarah Henning** as its new energy director. Henning has an extensive background in the energy sector and joins Utility Warehouse after previously serving as commercial director at Hastings Direct. Before that, she was commercial finance director at OVO and chief commercial officer at Tonik Energy.



JEFF WEISBERG, STEMTECH
 Jeff Weisberg has joined **Stemtech** as director of new business development. Weisberg has spent over 23 years in direct sales coaching and training, as well as working as a company consultant. He also runs his own businesses, including Daddy Works From Home. Now, he will be responsible for training sessions for Stemtech's field.



STEFAN KASSING, IGENIUS
 Stefan Kassing has been hired as director of global education at **iGenius**. With his new role, Kassing will be responsible for developing and implementing the global education strategy for the company covering the financial market. He will also be involved in designing and delivering internal training and development programs for iGenius' educators.

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