

CLOSE UP



Dipo Tepede

Multi Level Marketing Creates New Millionaires in Nigeria

Country Background

Nigeria is today, one of the largest economies in the West African region and is ranked third largest after South Africa and Egypt. It is currently on track to become one of the top 30 countries in the world by 2011, with a GDP of US\$374.3 billion as at 2010. It is a country rich in the natural resources of crude oil, coal, tin columbite, palm oil, peanuts, cotton, rubber, wool, hides and skins, textiles, cement, food, footwear, chemicals, fertilizer, printing, ceramics, ship construction and repair.

Nigeria has produced some of the richest men in Africa including Mr. Aliko Dangote with a net worth of US\$13.8 billion as featured in the Forbes Billionaire List 2011. The Dangote Group, initially a small trading firm founded in 1977, is today a multi-trillion naira conglomerate with operations in Benin, Ghana, Nigeria and Togo. The Dangote Group dominates the sugar industry, the soft drinks market, breweries, confectioneries, cement and flour.

At the moment, the public sphere in Nigeria reacts positively to goods manufactured abroad than goods manufactured locally. Although this is prevalent in developing countries, at a time when the majority of people want to see their own locally produced goods to help boost industrialization and employment, Nigeria is still saddled with poor infrastructural development to support further industrialization. If this aforementioned problem is, however, reversed, Nigeria's would

most likely adopt locally manufactured goods as revealed by its globally embraced entertainment industry.

Direct Selling

Multi-level compensation systems are a fairly new concept in this country, and many confuse it with pyramid get rich quick schemes. In spite of this, however, in a relatively short time span, the industry has grown rapidly, making millionaires out of many Nigerian nationals. Most multi-level companies have shifted from Asian countries, and have saturated the market. There is not as yet a Direct Selling Association (DSA), which in other countries regulate the activities of the players in the industry. There are, however, some people trying to develop one, but it is not however effective at the moment.

The negatives of the political, economic, social and technological factors in Nigeria have encouraged the growth of MLM rather than the positives. A political structure riddled with incompetent and corrupt leaders may project MLM as a get-rich-quick scheme hence attracting a lot of baby boomers who emerge from a "lazy" cultural era. In a country where dilapidated infrastructure is prevalent, one logically expects a downward spiral in technological growth (especially when it comes to the internet). But, the reverse is the case – the perception of MLM as a get-rich-quick scheme may induce a powerful will amongst the people of Nigeria to embrace the internet amidst poor infrastructure.



The Direct Selling Industry Players

The players in Nigeria are mostly foreign companies, making up ninety percent of the total market. Companies like Forever Living Products, Edmark, Avon, MaryKay, Tianshi, Wingate and GNLD dot this lucrative landscape. So far, Forever Living Products seems to be one of the oldest in the country appearing on the horizon as early as April 2000. It currently has centres in Lagos, Abuja, Port Harcourt and Warri. Its distributors currently stand at 206,877 and growing, with recorded sales of Nigerian Niara 2.52 billion (US\$1.5 million). Nigeria, is to date, the only African country to have produced four diamond managers. Forever Living Products Nigeria has been ranked number one in sales in Africa and number ten in global sales in the year ending 2010. During the last FLP Super Rally 2011 held this August 18 – 20 in Washington DC Nigerian leaders received 114 profit sharing cheques, with 10,000 case credit qualifiers, which represented a 31 percent increase as compared to the same period last year.

The success of MLM in Nigeria is not product sensitive but is primarily based on the leaders who endorse them and the ease at which they can make money. There has been unusual success in the travel genre despite the fact that only about 5% of those involved actually travel. There are minimal barriers to entry into the industry. However, gaining acceptance and attaining growth depends on choosing the right leaders to manage affairs in Nigeria. The favored method of promotion is conducting workshops and seminars. Avenues to Wealth is pretty young in the country and has a huge following with about 25,000 people in their network. This seems to be the current market leader. The product is a privilege pack offering access to exclusive wealth education products and opportunities. It offers discounted global travel, cutting edge health

services at remarkable prices, free vacation packages in either Thailand or Las Vegas and has a huge selection of eBooks.

Multi level marketing is at its prime in Nigeria and is experiencing a revolution. New programs are appearing every other month. Who will come out a loser and who will be the next billionaire? Just like everything in life, one has to be dedicated, work hard and be constantly active in building their downlines to remain in the game. Players are cautioned to research the companies they join well and to ensure they are selling a genuine product, offering a good compensation plan and not solely focused on recruiting distributors. The year is not yet over, and we are still watching Nigeria to see whether it gets to that list of top 30 countries in the world. In the words of Shakira “Its time to dust yourself off, get back on the saddle, choose your battles, your on the front fire, if you get down, get back up, every-one’s watching”. This Time For Africa!

This article was written in collaboration with Dipo Tepede: Dipo Tepede is passionate about youth development in Nigeria – he believes that the development of a nation begins with the development of an individual mind. This is why he initiates and manages different youth capacity building programs through blogs, workshops and seminars. He qualifies as a Six Sigma Black belt (SSBB), Project Management Professional (PMP) and a Masters in Business Administrator (MBA). Notable amongst his many achievements is the re-segmentation of a high-end Project Management Classroom Training prized at \$1, 899 to as low as \$300, giving as many Nigerian youths as possible access to this crucial education.

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