



## THE MYTH OF AUTOSHIP

AutoShip, or the automatic delivery of products or services on a monthly basis primarily serves two functions: 1) To create consistent consumption and repeat purchases of that product or service by the consumer; 2) Customer convenience, by eliminating the need for the customer to have to repeatedly reorder the same products or services over and over again.

Unfortunately, the benefits of AutoShip for either of the above purposes are vastly overrated. It is true that network marketing companies would love to see their customers continue to come back month after month to make repeat purchases. However, in reality, it simply doesn't work that way. Unless you have a product or service that by nature is generally delivered via ongoing subscription, i.e., newspapers and magazines, utilities (including communications and Internet), insurance, loans, financial services, etc., just getting the customer to agree to go on AutoShip is no guarantee that they won't cancel it.

Many companies and their representatives like to rely on the fact that a certain percentage of customers will indeed stay on AutoShip for extended periods for no other reason than habit, and/or because they simply don't know how to cancel it. Is that really the position that you want your customers to be in, though? People who are buying your product simply because they forgot or don't know how to cancel the recurring AutoShip order?

Most friends and associates tend to view me as a well organized person. And certainly I'm not one to waste money. Yet, despite that, I will admit that in any given year it is not uncommon for me to spend anywhere from several hundred to over one thousand dollars on products and services that I simply didn't have time (or didn't know how) to cancel. It is not by accident that many companies make it easy to sign up for the automatic delivery of their products or services, but provide no easy way to cancel.

In the case of one MLM related service that I decided to try out, not only was there no way to cancel online, but their Contact form didn't work, so there was, seemingly, no way to send them an email either! At first, they provided only a Contact form and no email address. When eventually I found an email address and sent an email asking them to cancel my account there was no reply! Finally I found a phone number and called them, and even then they often had problems with their voicemail box being full or not taking messages, etc.

So, while it is possible to retain some customers longer simply because it's easy for them to sign up for AutoShip but not so easy to cancel, again, do you really want your customer to feel like he or she is being held hostage?

Ideally, you should have high quality products and services that are well understood and in demand by your customers. Customers should continue ordering because they WANT or NEED your product or service, and not simply because it's on AutoShip.

In the majority of cases, companies, and their representatives, want people on AutoShip for ONE reason and one reason only, to attempt to extract ongoing consistent revenue from that customer. At least from the company's standpoint, that's the real bottom line. And, from both the company's standpoint and that of the representative, that AutoShip may very well be tied to that representative achieving or maintaining a certain compensation level, often with names like Silver, Bronze, Gold, Platinum, Executive, etc. The more money you spend each month (especially on AutoShip) the more money you qualify for in the compensation plan. Often this results in inflated and/or artificial consumption. In other words, people either buying things they don't really need, and/or buying more than they really need.

**Rule #1 For Keeping AutoShip Under Control:** For your own long term financial success and in the best interests of your customers, is to make sure that you buy only what you need! If you need a particular product or service delivered every month and in that quantity, great. If not, don't agree to have it continue to be auto-shipped to you.

**Rule #2** is to remember that, whether as a representative or a customer, YOU are the ultimate consumer and purchaser. It's your money! Therefore, it should be up to you as to when and how much of it you spend. Don't be intimidated by your company or upline into buying more than you need, or fall into the trap of trying to make your representatives and customers to do the same (buy more than they need on AutoShip).

In the short run you may make less money than if your numbers are artificially inflated by people buying more on AutoShip than they really want to. But, in the long run, you'll have a stronger customer and rep base, and your representatives and customers will respect you far more for keeping their best interests in mind by encouraging them to buy your products and services because they want and need them, and in the quantities they need them in.

At the very beginning of this article "Customer Convenience" was mentioned as one of the reasons that companies claim to offer AutoShip.

However, after decades of experience ordering a multitude of products worth tens of thousands of dollars, and watching others do the same, I'm absolutely convinced that AutoShip can be just as much an inconvenience as it is a convenience.

And please let me be quick to point out that, yes, I absolutely DO have products and services that to this very day are delivered to me each and every month on AutoShip. I'll go even further by sharing with you that in just one category, nutritional products, I order as much as \$400 to \$600 PER MONTH worth of those kinds of products.

HOWEVER, in a "slow" month I might order as little as \$100 to \$150 worth of product. So, you might be wondering, why the difference, and what do I mean by a "slow" month?

Just one example: Health Packs (or Paks). Keep in mind that this is most commonly applicable to health and nutritional products, but it can apply to many other products and services as well.

Most health and wellness companies offer at least one, "Health Pack," which they've stocked with items they feel that most people would always want to purchase every month. Again, these packages may also be designed to qualify the representative for a particular level in the company's compensation plan.

The problem with this approach is that, especially if it is a pack that contains many varied products, it is highly unlikely that you will consume all of its contents equally over the entire month. So, at the end of the month it is very possible that you'll end up with too much, or too little, of some of the products included in any given package.

If you just keep ordering that same package then before long you'll end up with a whole surplus of some items, and perhaps run short on others. That's what I mean by a "slow" month. Slow months for me are those months where the previous months' AutoShips have caused me to be overstocked on certain items. If I end up getting overstocked on many if not most items, then I may only spend as little as \$100 to \$150 that month buying just the few items that I'm running out of. On the other hand, if it is a month during which I've almost run out of everything, or soon will be, then I can easily spend as much as \$400 to \$600 purchasing all of the health and nutritional products that I might typically buy in any given month.

Do I continue to keep receiving products on AutoShip every month even when I already have too many, or don't need them? Absolutely not! If I see that I'm getting too stocked up on certain items then I'll remove those items from my AutoShip order for that month. Some companies let you put AutoShip on "pause" and then resume it again when you are ready for exactly this reason. However, if no such options are provided I am not at all shy about simply canceling my AutoShip order for a particular month altogether. Then, when I see that I'm going to be running low on those items, I'll go back on AutoShip.

### AUTO SHIP DEADLINES

Especially if you are new to receiving products on AutoShip, be sure to familiarize yourself with your company's policy for submitting changes or cancellations to your order. Some companies will allow you to literally change your order almost at the last minute. More commonly, however, they will have a policy that states that you must do so well prior to the actual AutoShip date, sometimes by as much as 10 days in advance! If your company has such a policy and you wait until after the deadline you may be unable to stop your AutoShip for that month, even if you don't need any more of the product!

To summarize:

1. Emphasize the value of your products and services so that both you and your customers are purchasing because they need and want your products, and

not just to meet some compensation plan requirement. Ask yourself, if I weren't personally involved in this company, would I still be buying this product? Almost all of the products and services that I mentioned above that I buy, sometimes to the tune of as much as \$400 to \$600 a month, are for my personal consumption only and not at all because I'm trying to qualify for a spot somewhere in a company's compensation plan. In fact, in most cases, I do not push the opportunity at all, and in most have never signed up even a single rep. (Though I'm a huge fan of health and wellness and practice it daily, it just so happens that my primary focus is on building organizations outside of the strictly health and wellness area.). So, I can definitely answer with a resounding, "yes," the question, "would I buy these products anyway even if no opportunity were involved."

If you can answer, "yes," to that question and you happen to be in the health and wellness area, awesome! You'll be much better off and build a stronger organization and customer base as a result.

2. Do not buy and certainly do not continue to receive on monthly AutoShip anything that you do not really want or need. Buy products because you actually intend to use them, and not just to qualify for a certain level of compensation.

3. Monitor your AutoShips and your usage of the products and be ready to adjust as needed, ordering more, or less, whenever necessary.

4. Finally, remember that YOU ultimately are in control and are the one who determines what you need, and in what quantity, and when. So, if you are simply getting too stocked up on certain items, or you simply don't need them during a certain month, don't be shy about canceling your AutoShip order if your company doesn't give you more flexible options. You can always resume your AutoShip order when you are ready.

And, lastly, let me point out that, all things considered, as long as you actually need and want whatever products you are buying, then by all means DO take advantage of any specials, bonuses, and/or compensation plan benefits that you will enjoy by ordering on AutoShip. In other words, if your company offers advantages to placing your order on AutoShip, as opposed to placing a "regular" order, there is nothing wrong with that. Very few companies have a policy that states that you won't get those same advantages just because you don't stay on AutoShip every single month. If you cancel your AutoShip this month for instance, naturally you probably won't enjoy for that month any of the perks that are offered for being on AutoShip. However, when you DO decide to order again, if you place your order back on AutoShip, you'll probably enjoy the same benefits as if you had been on AutoShip the entire time.

Some people like to shop at sales just because items are on sale. Hence the old saying, "no sale is a good sale if you don't need the item that's on sale!" Likewise, AutoShip does have its place, but no benefit is likely to be worth it if you are spending money each month buying products on AutoShip that you don't really need or want.

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