

Published based on [Herbalife Scam Review - Do They Get Complaints From Distributors?](#)

# **Herbalife Scam Review - Do They Get Complaints From Distributors?**

Many people wonder when reviewing Herbalife for the first time, “*Is Herbalife a scam?*” and for good reason. Unfortunately, the home business world is overwhelmed by misleading or even downright bogus claims of people making huge amounts of money with apparently no skills, time or effort required, so it’s important to do your research when evaluating Herbalife or any other company to work with to make sure it’s a legitimate opportunity.

## Is Herbalife a Scam or Legitimate Business?

[Herbalife](#) was founded in 1980 by Mark Hughes who started the company by selling its original weight loss product out of the trunk of his car. Mark had gained his drive and inspiration to spread what would become Herbalife’s weight loss message from the untimely death of his mother, which he blamed on an eating disorder and an unhealthy approach to losing weight. From those humble beginnings, the company has grown to a publicly-traded ([NYSE: HLF](#)) network marketing giant with over \$4.3 billion in sales for 2010 and 2.1 million independent distributors across 75 countries worldwide.

As you can see, **Herbalife** is a completely legitimate company that is publicly-traded and does billions of dollars in sales across the globe. As great as those numbers are, it might also be one of the driving factors behind a small, yet vocal group of people which claim that *Herbalife* is a *scam*, but I’ll get to that in a moment.

## Review of The Herbalife Compensation Plan

With *Herbalife*, there are actually five different ways that people earn money as distributors:

- Retail profit ranging from 25%-50% for selling Herbalife products to end customers.
- Wholesale profit of up to 25% between the difference of what you pay for the products, based on your level in the company, and what your downline purchases them for.
- Monthly TAB Team Bonus of an extra 2%-7% on the overall sales volume of your Herbalife organization.
- Monthly override payment of up to 5% on the personal sales volume of your “supervisors” in your first three generations.

At the end of the day, the company claims to pay out up to 73% of their revenue with the intention of having one of the most generous compensation plans in the network marketing industry. At first, I was skeptical about those claims, but at up to a 73% payout at the top levels of the **Herbalife** compensation plan, that is actually pretty good. Most network marketing companies structure their target payout range in the mid sixties or so as a percentage of revenue, so when you can potentially earn over 70% of the sales that you personally generate, you’re doing pretty well – if you’re personally producing a lot, that is.

So why do the vast majority of active leaders in the company [earn less than \\$825 per year on average](#)? Is that why so many past distributors are claiming **Herbalife** is a *scam*?

**Learn to leverage the power of the internet to generate up to 12 hot leads per day for your Herbalife business!**

Why Do Some Past Distributors Claim Herbalife Is a Scam?

When it comes down to why someone is going to say something negative about **Herbalife**, or really any home-based business, you typically have to dig a little deeper to determine why they’re saying *Herbalife is a scam*.

When someone says that a network marketing company is a scam, it’s either because they didn’t make any money or they didn’t make millions their first month and decided to call it quits. That’s basically what it boils

down to.

What you have to keep in mind with this industry is that you're really only paid to do two simple (not to be confused with easy) things: You're paid to sell a product or service, and you're paid to recruit and train people to do the same. That's all.

While it's not **Herbalife's** fault if a distributor doesn't make any money because they choose to spend all of their time checking email and studying the product catalog instead of talking to people about buying their weight loss products or becoming a distributor themselves, [they're not totally off the hook either](#).

Like so many other MLM's today, their entire training program is centered around building a list of your friends and family, getting them to a hotel meeting, and signing them up. It's not that approach that's necessarily wrong, since thousands of successful businesses have been built doing just that, but it presents new Herbalife distributors with the problem of not knowing what to do if their best friend and brother-in-law doesn't want to join their business.

With no other prospects to talk to, these people give up and say "**Herbalife is a scam**" when all they really needed was an [MLM recruiting system](#) and some [modern day marketing training](#) to give them an avalanche of prospects that would love to hear about their business.

## Herbalife is NOT a Scam

With over 30 years in the network marketing industry and [positive track record of resolving complaints](#), I think it's safe to say that *Herbalife is not a scam*. Now it's up to you to determine if it's the best business for you and your family, or if you should consider working with another MLM company.

*Disclaimer:* I am NOT affiliated with Herbalife in any way and am providing my opinion based on my time spent in the network marketing industry and my understanding of the company.



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**P.S. – If your sponsor doesn't already have a proven system in place to help you generate 3-10 leads per day from [Facebook](#) and [Twitter](#) for your business, [you might want to check this out](#).**

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