BANK®

THE CODE OF INFLUENCE™

DIRECT SELLING WHITE PAPER EXECUTIVE SUMMARY

A SCIENTIFIC BREAKTHROUGH THAT INCREASES SALES & RECRUITMENT FOR DIRECT SELLING COMPANIES

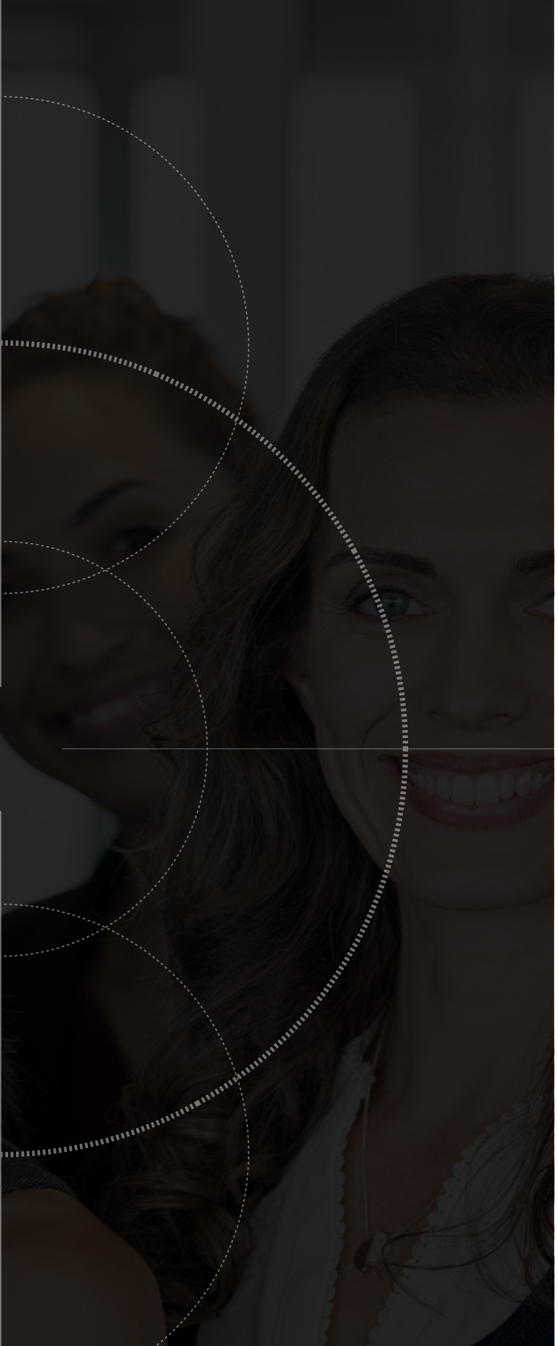
CODEBREAKER™

DIRECT SELLING WITH B.A.N.K.®

DISCOVER HOW B.A.N.K.'S SALES METHODOLOGY CAN INCREASE DIRECT SELLING SALES CONVERSIONS BY 86% AND BOOST RECRUITMENT BY 192%

| SUMMARY

Codebreaker Labs conducted five online surveys of 2,386 U.S. adults to gauge how utilizing the B.A.N.K. sales methodology could help develop best practices for direct sellers looking to grow their businesses. We found that by crafting sales pitches based on the triggers that appealed to each **BANK**CODE, respondents' likelihood of buying DS product increased by 86% and the likelihood of signing on as a DS distributor increased by 192%. In fact, the B.A.N.K.-specific triggers actually out-performed the individually tailored sales pitches we tested using respondents' stated preferences. This report details the purpose, methods, and results of the study and proposes several next-step opportunities for DS companies and DS representatives to partner in future research. The results presented here show huge promise for B.A.N.K. to maximize the 4 R's of direct selling—Revenue, Recruiting, Rank, and Retention—and bring transformational success to direct sellers.



THE TOPIC

In 2018, 6.2 million people were working full- or part-time as direct sellers in the U.S. and total retail sales for direct selling companies hit $35.4 billion[1]. As an industry that stretches across every demographic, geographic, and product or service category, direct selling offers a low-risk, flexible and potentially lucrative entrepreneurial opportunity for anyone willing to work hard. Yet, many who put in long hours, invest their own money, host parties, attend business seminars, and do everything "right," become disappointed and discouraged by the lack of results. In 2018, for example, direct sellers working either full- or part-time averaged just $5,702 in retail sales per year; of that total, take-home income was a fraction. In terms of the **4 R's** that are key to success, nothing seems to line up easily for the vast majority of direct sellers:

REVENUES ARE LOW; RECRUITMENT IS A STRUGGLE; RANK ADVANCEMENT FEELS UNACHIEVABLE; AND EFFORTS TOWARD LONG-TERM RETENTION OF CUSTOMERS AND DOWNLINE REPRESENTATIVES HAVE PROVEN FUTILE.

Several recent industry research reports bear out this harsh reality with hard data and testimonials from embittered and disillusioned direct sellers. While some studies have concluded from these results that the direct selling model is inherently flawed–designed to benefit only the tiny fraction at the elite levels–we propose another explanation for why most direct selling representatives are not thriving.

Simply put, most people's instinctive approach to selling is ineffective as a sales strategy. In addition, because direct sellers must sell on multiple levels (e.g., themselves, the product line, the company, the network, etc.) their misguided intuition about how to sell essentially doubles- and triples-down on their inability to succeed.

For example, a very common selling mistake among all salespeople (not just direct sellers) is the failure to recognize the critical importance of a customer's personality. Personality affects not only how a potential customer perceives a salesperson, but also influences their preferences for certain qualities or attributes (i.e., features and benefits) that may exist within a product or service.

Salespeople who deliver sales presentations based on their own personality types instead of adjusting their pitches to match their customers' personality types will communicate ineffectively about 75% of the time and, hence, will likely lose most sales. The Chally Group, a Growth Play Company, found that as few as 9% of buyers will buy from a salesperson who does not match the buyer's personality type, compared to up to 89% when personality types are aligned.[2]

[1]Direct Selling in the United States: 2018 Industry Overview. (2019). Direct Selling Association. https://www.dsa.org/statistics-insights/overview

[2]How to Understand the Four Types of Salespeople. (2015). The Chally Group. https://chally.com/how-to-understand-the-four-types-of-salespeople/

[3]AARP Study of Multilevel Marketing: Profiling Participants and their Experiences in Direct Sales. (2018). AARP. https://www.aarp.org/aarp-foundation/our-work/income/multilevel-marketing/

*DS stands for Direct Sales or Direct Selling.

This lack of appreciation for the importance of catering to a customer's personality explains the fact that 67% of all sales professionals fall short of sales goals and 66% of customers say they are turned off by sales presentations, according to salesforce.com. Note that these are the statistics for professional salespeople. Given that an estimated 75% of direct sellers have no prior experience in commission-based sales[3], their lack of success and high rate of attrition is not only unsurprising, it's predictable.

These circumstances, however, present the enormous and intriguing possibility that by simply learning and practicing a proven personality-based sales technique, direct sellers have the potential to accelerate their achievements in the 4 R's–Revenue, Recruiting, Rank, Retention–and reach those milestones for success that, to this point, have seemed so elusive.

To that end, Codebreaker Technologies has initiated a research program dedicated to understanding how the B.A.N.K. system could be used to develop best practices for direct sellers looking to grow their businesses. B.A.N.K. is a scientifically validated personality typing methodology designed to predict an individual's buying behavior based on sets of stated values and preferences. For the purpose of the current study, we are specifically interested in those attributes of DS products and DS business opportunities that different **BANK**CODES find most appealing (Triggers) and which are likely to be deal-breakers (Tripwires).

THE STUDY

THE STUDY | UNDERSTANDING HOW B.A.N.K. CAN DEVELOP BEST PRACTICES FOR DIRECT SELLERS

In 2019, Codebreaker Technologies conducted a series of five online surveys, engaging a total of 2,386 adults living in the United States about various topics related to direct selling. While a set of standard questions was asked of participants across all five surveys, the insights gained from each set of aggregated responses informed the designs of subsequent surveys. All participants identified their **BANK**CODES using the **BANK**CARD Sort method, and then answered a series of additional questions specific to direct selling. Quota sampling was used to ensure adequate representation across all Codes. Using both quantitative and qualitative analytical methods, the following objectives were pursued:

OBJECTIVE 1: Explore how B.A.N.K. correlates with past direct selling experiences and perceptions

OBJECTIVE 2: Establish baseline openness to DS product and DS recruitment

OBJECTIVE 3: Identify triggers that increase likelihood of DS involvement

OBJECTIVE 4: Measure the effectiveness of DS sales triggers and DS recruitment triggers on likelihood of buying DS product and joining as a distributor

OBJECTIVE 5: Determine the top 10 DS sales triggers and top 10 DS recruitment triggers for each **BANK**CODE

OBJECTIVE 6: Assess the effectiveness of the top 10 B.A.N.K.-specific DS sales triggers and DS recruitment triggers on increasing the likelihood of DS involvement

OBJECTIVE 7: Gauge the detrimental impact of potential tripwires on DS sales and recruitment efforts

THE RESULT

***OBJECTIVE 1:* Explore how B.A.N.K. correlates with past direct selling experiences and perceptions**

In order to best understand how B.A.N.K. can be used to optimize direct selling sales and recruitment efforts, we were interested in survey respondents' previous experiences with direct selling and how that involvement varied by **BANK**CODE. We asked respondents whether they had ever purchased product from a direct seller, whether they liked the experience of purchasing product from a direct seller, and whether they had ever been a distributor for a direct selling company. To analyze the results of these questions, we split the sample by **BANK**CODE and averaged the responses (Table 1).

TABLE 1

Differences across BANKCODES for respondents' past experience with buying DS product and as a DS distributor

	Past purchase of DS product (%)	Liked the DS purchase experience (%)	Past experience as DS distributor (%)
B	44	45	18
A	42	69	23
N	49	54	23
K	39	62	16
TOTAL	43	56	19

In looking at Table 1, some interesting patterns emerge with respect to B.A.N.K. First, while Blueprints (B's) had higher than average familiarity with purchasing DS product, they were least likely to have enjoyed the experience. Action types (A's), on the other hand, had lower than average likelihood of purchasing DS product, but those who did tended to like the experience. Nurturing types (N's) were most likely to have purchased product in the past, but only slightly more than half rated the experience as positive. Finally, compared to the average for the sample, Knowledge types (K's) were least likely to have purchased DS product in the past, but those who had bought product tended to say they had a good experience. Across the sample, 19% reported having been a DS distributor in the past. A's and N's were more likely to have been distributors than B's and K's. Given the values of the different B.A.N.K. identities, this is not surprising.

OBJECTIVE 2: *Establish baseline openness to DS Product and DS recruitment*

In each survey, participants read the following prompt related to their baseline probability of buying a DS product, and then provided an estimated probability between 0% and 100%:

> *Imagine you are approached by a friend or family member about a product line they are selling as part of a home-based business. Before you hear the details of the product, how likely are you to buy the product?*

The next prompt, also repeated across each survey, had to do with recruitment. Respondents estimated their probability of signing on as a distributor using a scale of 0% to 100%:

> *Now imagine that one of your friends wants to grow their network of distributors for their home-based business. Before you hear the advantages of being a distributor, how likely are you to sign on as a distributor?*

Across the entire sample of 2,386 unique respondents, we have very accurate estimates of these baseline probabilities. Before any sales pitches are made and before any information is provided about the type of product or the type of business, people on average state that they are 35% likely to buy DS product and 13% likely to sign up as a DS distributor. However, when we break down these likelihoods across **BANK**CODES some interesting differences emerge (Table 2).

TABLE 2

Baseline likelihood of buying DS product or becoming a DS distributor

	Baseline Likelihood of Buying Product (%)	Baseline Likelihood of Becoming a Distributor (%)
B	30	10
A	40	25
N	50	18
K	25	10
TOTAL	35	13

Nurturing types are the most likely (50%) to buy product, perhaps because of the high value they place on relationships, but are only 18% likely to become a distributor—perhaps because they are averse to the idea of recruiting friends and family to fuel their business. Action types—who tend to be up for trying new things and exploring new opportunities—state they are 40% likely to buy product and 25% likely to sign up as a distributor. Blueprints (30%) and Knowledge types (25%) aren't quite as willing to commit to buying product without having more information, and definitely need serious convincing before signing on as a distributor (10% likelihood).

Not surprisingly, the breakdown of respondents who reported a 0% likelihood of buying DS product or signing on as a DS distributor also varied by **BANK**CODE (Table 3).

TABLE 3

Percentage of sample reporting 0% baseline likelihood of buying DS product or becoming a DS distributor

	0% Likelihood of Buying Product (%)	0% Likelihood of Becoming a Distributor (%)
B	9	24
A	5	18
N	5	18
K	10	28
TOTAL	7	22

A relatively small percentage of the sample overall stated that there was no chance that they would buy DS product. Blueprints and Knowledge types were the most unreceptive to both buying product and to becoming a distributor, and may represent the hardest sells in general for DS involvement. Only 5% of Action and Nurturing types said there was zero likelihood that they would buy DS product, but 18% of A's and N's were closed to the idea of being recruited as a distributor.

These results clearly highlight the value in understanding the **BANK**CODE of a potential customer.

NOT ONLY CAN B.A.N.K. OFFER INSIGHT INTO SOMEONE'S BASELINE LEVEL OF OPENNESS TO BUYING DS PRODUCT OR BECOMING A DS DISTRIBUTOR, THE CODE SPECIFICALLY HINTS AT HOW MUCH EFFORT MAY BE REQUIRED TO CRAFT THE PERFECT PITCH TO MAKE THE SALE—OR WHETHER THOSE EFFORTS SHOULD BE DIRECTED SOMEWHERE ELSE.

Undoubtedly, there's a bit of an uphill battle when it comes to recruitment, compared to selling product, particularly for Blueprints and Knowledge types.

OBJECTIVE 3: Identify triggers that increase likelihood of DS involvement

For our first online survey (Survey 1) we used an open-ended response format to generate a comprehensive set of potential triggers (e.g., appealing product attributes or sales messages) that could increase the likelihood of a potential customer buying DS product or signing on as a distributor under a friend or family member. After reading the DS scenario and establishing a baseline openness to DS involvement, respondents were given the following prompts:

> *What could your friend or family member tell you, share with you, or describe to you so that you would be more interested in purchasing the product? (List three.)*
>
> *Now list one "deal-maker." That is, something your friend could do that would strongly increase your desire to buy the product.*
>
> *What could your friend or family member tell you, share with you, or describe to you so that you would be more interested in joining their network of distributors? (List three.)*
>
> *Now list one "deal-maker." That is, something your friend could do that would strongly increase your desire to join their network of distributors.*

Our qualitative analysis of over 3,000 free-response answers yielded 65 overarching potential sales triggers and 70 potential recruitment triggers. We grouped the triggers into themes in order to gauge the proportion of the sample that named an attribute within that theme and also the frequency with which that theme was listed as a deal-maker (Table 4).

TABLE 4

Increased interest frequency and deal-maker frequency for DS product sales trigger themes

DS Product Sales Trigger Themes	Increased Interest Frequency	Deal-Maker Frequency
Product will benefit the customer's life (e.g., make life better, meet a need, fix a problem, make life easier)	24%	11%
Seller has good personal experience with product (e.g., seller uses product, believes in it, has good results with product, has benefited from product)	18%	4%
Proof of product's effectiveness (e.g., research, reviews, testimonials, demonstrations, samples, testers)	14%	16%
Special offer or deal (e.g., discounted prices, product on-sale, free product, promotional offers, monetary savings compared to something customer already buys)	12%	37%
Product usefulness (e.g., product is practical, works as advertised, is relevant to customer's life)	11%	

DS Product Sales Trigger Themes	Increased Interest Frequency	Deal-Maker Frequency
Reasonable prices (e.g., price of product is competitive with similar products or substitutes, product value is aligned with price)	10%	
Product quality (e.g., product is of high quality, product is better than similar products on the market)	7%	
Seller is able to provide extensive details about the product (e.g., seller can answer all questions)	6%	
Product is superior to similar products (e.g., compare quality, effectiveness,production method, price, other attributes)	5%	
No risk for trying (e.g., money back guarantee, free trial)	3%	12%
Transparency on how customer's purchase benefits the seller (e.g., income based on commission-based sales, rank advancement based on sales)	3%	2%
Wants to support friend (e.g., is motivated to purchase because friend is seller)	3%	
Proof that the direct selling company is not a scam (e.g., not a pyramid scheme, not an MLM)	3%	
Uniqueness of product (e.g., one of a kind, unlike anything else on the market)	2%	
Charitable benefits of purchase (e.g., buying the product will benefit a charitable cause; product produced in an ethical manner compared to other products)	2%	2%
Product is an upgrade for something customer already uses (e.g., better than the status quo, will improve upon the current standard)	2%	2%

The top three most effective messages to increase the likelihood that a customer will buy DS product have to do with describing how the product would improve the customer's life (24%), the seller's experience with the product (18%), and providing proof of the product's effectiveness (14%). Yet, when it came to deal-makers—something that would strongly increase the respondent's desire to buy the product—the most frequently mentioned were offering a special deal (37%) and providing proof of the product's effectiveness (16%). Interestingly, the trigger theme around low risk was only mentioned by 3% of the sample as an attribute that would increase interest, but when deal-makers were elicited, 12% of the sample said they wanted a risk-free trial or a money-back guarantee.

Table 5 shows the themes around the DS recruitment triggers. The top three most effective messages to increase the likelihood that a customer will sign on as a distributor have to do with proving profits (30%), explaining the benefits of joining (12%) and providing details about the logistics of joining. The top deal-maker was proof of profits (30%), followed by assurance of low risk (8%).

TABLE 5

Increased interest frequency and deal-maker frequency for DS recruitment trigger themes

DS Recruitment Trigger Themes	Increased Interest Frequency	Deal-Maker Frequency
Proof of profits (e.g., What are the expected profits? Are profits high?)	30%	30%
Benefits of joining (e.g., improves life, makes life better, makes life easier)	12%	2%
Details about the logistics of selling (e.g., What exactly do I have to sell? How does the network operate? Are there quotas to meet? Is this commission based? Can I make money without selling?)	12%	2%
Amount of effort and time involved (e.g., How much time is required? Is it easy?)	9%	5%
Details about the product (e.g., what the product is, how well product is selling on the market)	8%	5%
Low monetary risks and costs of joining (e.g., Will I have to pay to join? What are the personal costs? Are there any risks?)	7%	8%
Proof the company is not a scheme or not an MLM	3%	1%
Lucrative money (e.g., I'll get rich quick, it's an insane amount of money, lucrative profits)	3%	
Transparency about how joining helps the friend (e.g., If I join do you (the friend) benefit monetarily?)	3%	
Already interested in or passionate about the product (e.g., Has to be a product I am already interested in or passionate about)	2%	
Not required to reach out to people (e.g., Do I have to contact, bug, reach out to, or cold-call my friends and family?)	2%	2%

DS Recruitment Trigger Themes	Increased Interest Frequency	Deal-Maker Frequency
Ability to work from home	2%	
Opportunities to earn bonuses (e.g., startup bonuses, sales bonuses)	1%	4%
How long it takes to earn money (e.g., How long before I start making a profit?)	1%	
Opportunity to grow in the company (e.g., Can I climb the ladder?)	1%	

***OBJECTIVE 4:* Measure the effectiveness of DS sales triggers and DS recruitment triggers on likelihood of buying DS product and joining as a distributor**

Given the 65 DS sales triggers and 70 DS recruitment triggers generated from the open-ended responses, we sought to measure the impact of those triggers on a person's likelihood of buying DS product or joining as a DS distributor. We created a survey that contained the baseline DS scenario and questions described above, and then prompted respondents with the following:

> *Imagine your friend or family member has 60-seconds to tell you, show you, describe to you, and share with you materials demonstrating all the benefits of buying the product. Please read each of the attributes of the product below and indicate whether hearing about this attribute would increase the probability of you buying the product, not change the probability of you buying the product, or decrease the probability you would buy the product.*

Respondents then rated each of the 65 potential sales triggers based on whether the attribute would increase, not change, or decrease their probability of buying the DS product. (Note: Respondents still received no information about the type of product being sold.)

After rating the 65 DS sales triggers, each respondent was shown a customized sales pitch based on the attributes they personally rated as increasing their probability of buying DS product. They were asked:

> *Imagine your friend or family member discussed with you ALL of the following attributes. Now how likely are you to buy the product?*

After reading their customized sales pitch, the respondents estimated their likelihood of buying DS product on a scale of 0% to 100%. Across all respondents, the average likelihood of purchasing DS product rose by **86%** when presented with a personalized sales pitch that included everything they wanted to hear.

The same methodology was used for the 70 DS recruitment triggers. After reading their customized recruitment pitch, respondents read this question:

> *Imagine your friend or family member discussed with you ALL of the following attributes. Now how likely are you to join their network of distributors?*

Upon reading their customized recruitment pitch, each respondent then estimated the likelihood that they would sign on as a distributor. Across all respondents, the average likelihood of signing on as a distributor rose by **172%**.

OBJECTIVE 5: ***Determine the top 10 DS sales triggers and top 10 DS recruitment triggers for each BANKCODE.***

Admittedly, generating uniquely individualized sales and recruitment pitches is an impossible endeavor in the real world. Thus, we sought to measure the effectiveness of crafting power scripts based on the buying personalities of different **BANK**CODES. We determined the top 10 DS sales triggers and top 10 DS recruitment triggers for each **BANK**CODE based on the average rating of each trigger within each Code.

TOP 10 DS PRODUCT SALES TRIGGERS

B

Shows you copies of customer testimonials.
Shares with you brochures that provide information about the product.
Describes how the product can help you live longer.
Describes how the product is based on patents.
Shows you pictures or videos of how the product will make you feel good.
Explains how your buying the product will financially benefit them.
Explains to you how they are giving you a great deal.
Demonstrates this is a better product than something you are already using.
Tells you the history of the product.
Shows you news articles featuring the product.

A

Shows you celebrity endorsements for the product.
Describes how the product is based on patents.
Describes how the product will make you more of an expert.
Describes how the product is one of a kind.
Shows you that thought leaders are involved in the development of the product.
Tells you about the awards the product has won.
Describes how the product was the first to market.
Shows you pictures or videos of how the product will make you feel good.
Tells you how the product will make you happier.
Tells you the vision of the product.

N

Tells you that a portion of all proceeds goes to benefit a charity.
Tells you that a portion of all proceeds goes to benefit a specific cause.
Tells you how the product has benefited their life.
Shows you pictures or videos of how the product will make you feel good.
Describes how the product can add meaning to your life.
Tells you why they believe in the product
Describe how the product can add purpose to your life.
Tells you that they use the product.
Shows you copies of customer testimonials.
Shows you pictures or videos of how the product will make you look good.

K

Shares research articles or case studies that provide information about the product.
Shows you proof that there is scientific support for the quality of the product.
Shows you that scientists are involved in the development of the product.
Demonstrates the usefulness or practicality of the product for your everyday life.
Shows you that thought leaders are involved in the development of the product.
Shows you scientific proof of product effectiveness.
Shows you proof demonstrating the credibility of the product.
Shows you that the product is credentialed.
Shows you proof of the benefits of the product (research, reviews, testimonials, demonstrations, samples, testers).
Shares with you websites that provide information about the product.

TOP 10 RECRUITING TRIGGERS

B

Tells you about the team spirit at the company.
Tells you about the financial success of other distributors.
Shows you pictures or videos detailing trips earned by the top distributors.
Tells you about the financial success of other company leaders.
Discusses how distributors have unlimited income potential.
Describes to you how the top earners are making an insane amount of money.
Tells you that the company promotes a "one team, one dream" philosophy.
Tells you about how distributors are entrepreneurs.
Explains to you how the product you would be selling is something you are already interested in.
Describes the causes the company supports.

A

Describes the strong community of the culture.
Tells you about the financial success of other company leaders.
Tells you how being a distributor will allow you to become a guru.
Tells you about the history of the company.
Tells you that distributors can expand their business internationally.
Tells you about how distributors are entrepreneurs.
Shares stories about top income earners.
Tells you that the company promotes a "one team, one dream" philosophy.
Tells you how much you will have to contact your friends and family.
Explains to you how the product you would be selling is something you are already interested in.

N

Describes the charities the company supports.
Describes to you how being a distributor allows you to earn enough money to donate to charities.
Tells you about the reputation of the company.
Describes to you how being a distributor helps you pay off your debts.
Describes to you how to advance within the company.
Describes to you their product concept.
Shows you the credibility of the founders.
Describes the causes the company supports.
Tells you that the company promotes a "one team, one dream" philosophy.
Tells you about the financial success of other distributors.

K

Shows you how well the product is currently selling on the market.
Provides you the sales track record for the company.
Tells you about the tax advantages of being a distributor.
Shows you the credibility of the company leaders.
Demonstrates to you their home-based business is not a scheme.
Describes how distributors have the opportunity to open new markets.
Tells you that distributors all work from home.
Provides you with the sales track record for the leaders.
Describes to you how to grow your business.
They are transparent about how you joining benefits them monetarily.

OBJECTIVE 6: ***Assess the effectiveness of the top 10 B.A.N.K.-specific DS sales triggers and DS recruitment triggers on increasing the likelihood of DS involvement***

Because we found that a perfectly tailored sales pitch (e.g., one in which the customer hears their own personal triggers) could increase DS product sales by 86% and DS recruitment by 172%, and because B.A.N.K.'s goal is to create personality-based power scripts, our next research objective was to assess the effectiveness of the top 10 DS sales triggers and the top 10 DS recruitment triggers for each **BANK**CODE on increasing the likelihood of a respondent's involvement in direct selling.

Each respondent identified their **BANK**CODE and then read the "friend or family member has a home-based business" scenario to establish a baseline likelihood for buying DS product and for joining as a DS distributor. Respondents were then shown the top 10 sales triggers that matched their **BANK**CODE, and were asked to imagine that their friend or family member did or said everything listed. We then asked them to report again how likely they were to buy the product.

This methodology was repeated with the top 10 DS recruitment triggers and respondents were asked to estimate their likelihood of joining their friend or family member's network as a distributor. The results of this survey are presented in Table 6.

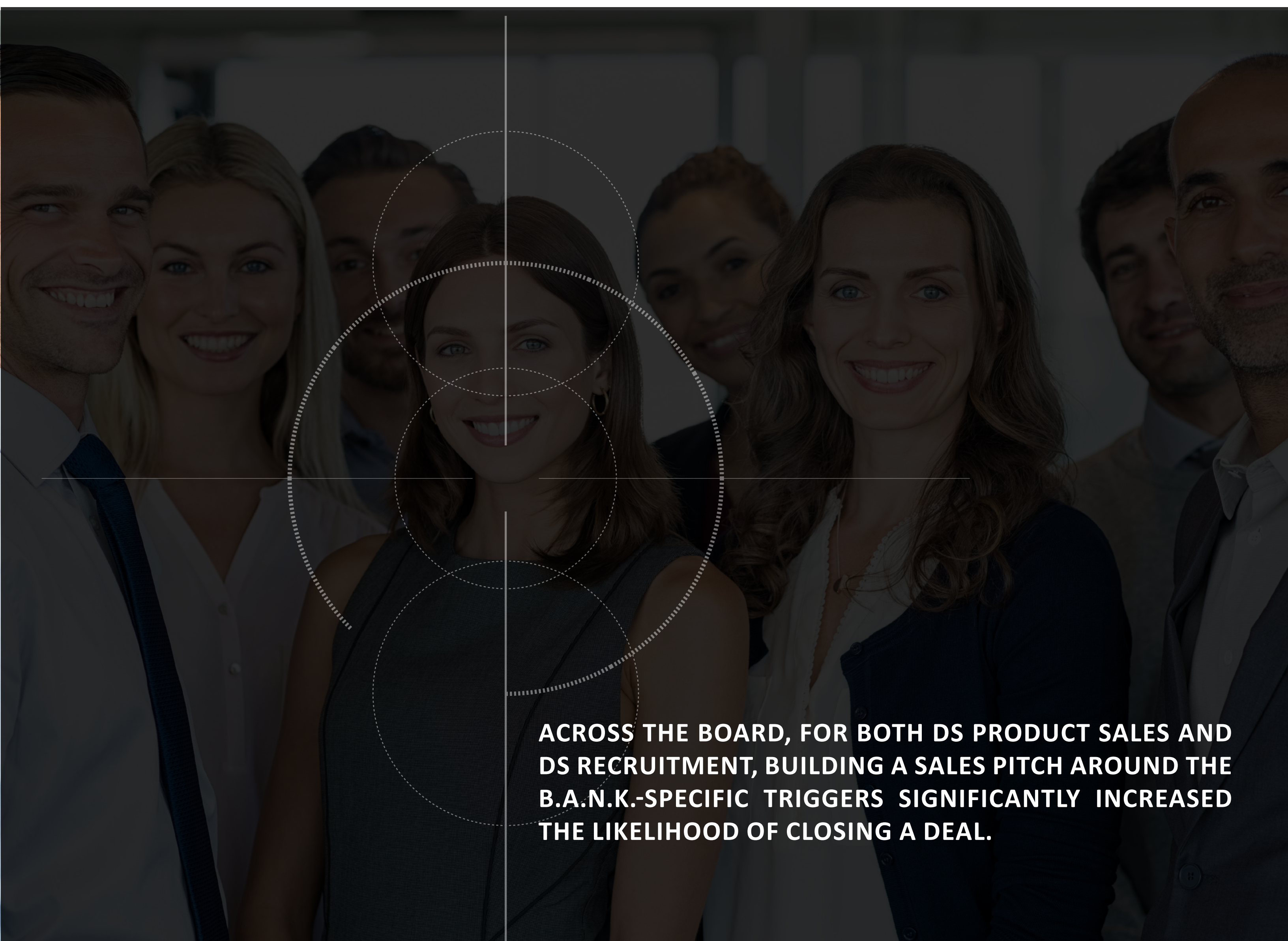
TABLE 6

Effectiveness of B.A.N.K.-specific triggers on respondent likelihood of buying DS product and becoming a DS distributor

	BUYING DS PRODUCT			BECOMING DS DISTRIBUTOR		
	Baseline Likelihood (%)	Likelihood Post B.A.N.K. Triggers (%)	Percent Change in Likelihood	Baseline Likelihood (%)	Likelihood Post B.A.N.K. Triggers (%)	Percent Change in Likelihood
B	30	51	70%	10	20	100%
A	40	60	50%	25	48	92%
N	50	73	46%	18	47	161%
K	25	70	180%	10	35	250%
TOTAL	35	65	86%	13	38	192%

After being presented with the top 10 sales triggers based on **BANK**CODE, the total sample's average likelihood of buying DS product increased by 86%—matching the effectiveness of the customized sales pitch— and was at least 60% for every Code except for Blueprints. The DS sales triggers were especially effective for Knowledge types, which were initially least likely to buy DS product.

We also see that the top 10 B.A.N.K.-specific DS recruitment triggers resulted in enormous increases in respondents' openness to becoming distributors. In fact, using B.A.N.K. was actually more effective across the sample (192% increase in likelihood) compared with using the customized sales pitches (172% increase in likelihood). When looking at particular Codes, Knowledge Types, who were highly reluctant to consider becoming distributors at the start, reported a one-in-three chance of joining after reading their B.A.N.K.-specific DS recruitment triggers—a 250% increase. The likelihood of joining also more than doubled for Nurturing types, rising to a 47% chance of signing on, which nearly matched the reported likelihood for Action. Although Blueprints remained the hardest to sell, the chance of convincing a B to become a distributor surprisingly doubled, from 1 in 10 to 1 in 5 after showing them their B.A.N.K.- specific DS recruitment triggers.



OBJECTIVE 7 ***Gauge the detrimental impact of potential tripwires on DS sales and DS recruitment efforts***

In the final survey, we wanted to determine the influence of tripwires—undesirable attributes or characteristics of a product, seller, or company that could undermine a deal—on the likelihood of a respondent buying DS product or becoming a DS distributor. That is, imagine a direct seller successfully delivers a power script based on a potential customer's **BANK**CODE and the customer was ready to buy product or sign on. But before doing so, they had some questions: Do I have to pay to join? How much does the average distributor earn? Do I need to sell to family and friends? Certain answers to those types of questions may not be appealing to some people.

Therefore, while the previous objective was to determine how B.A.N.K.-specific triggers affected the probability of buying DS product or signing up as a DS distributor, we were curious about how different **BANK**CODES responded to potential DS industry tripwires and whether we could identify differences in the impact of tripwires across the **BANK**CODES.

A total of 50 DS tripwires were identified from an open-ended survey, past DS seller testimonials, and DS industry research. We focused on the influence of those tripwires on respondents' stated likelihood of joining a friend or family member's network of distributors. As in previous surveys, respondents first selected their primary **BANK**CODE and indicated their baseline likelihood of becoming a distributor. Then after seeing the top 10 B.A.N.K.-specific DS recruitment triggers, they estimated their likelihood again. (We did not examine tripwires for buying DS product in this survey).

Next, we presented the following prompt:

> *Imagine you ask for some more information about the opportunity and your friend or family member provides you more details about the products, the company, and what it means to sign up as a distributor. Please read each of the following statements and rate whether hearing or learning this information would increase, decrease, or not change the probability of you signing up as a distributor.*

Respondents then rated each of the 50 potential tripwires according to how that tripwire would impact the likelihood of becoming a distributor. Potential tripwires that decreased a respondent's probability of signing up were piped into a new prompt, where respondents were asked to choose the one that would be the biggest deal-breaker, and then estimate their likelihood of joining the network of distributors if, in fact, the statements they had identified as tripwires came up in the sales conversation. Overall, 33 of the 50 potential tripwires were identified as actual tripwires that could affect a recruitment effort.

TABLE 7

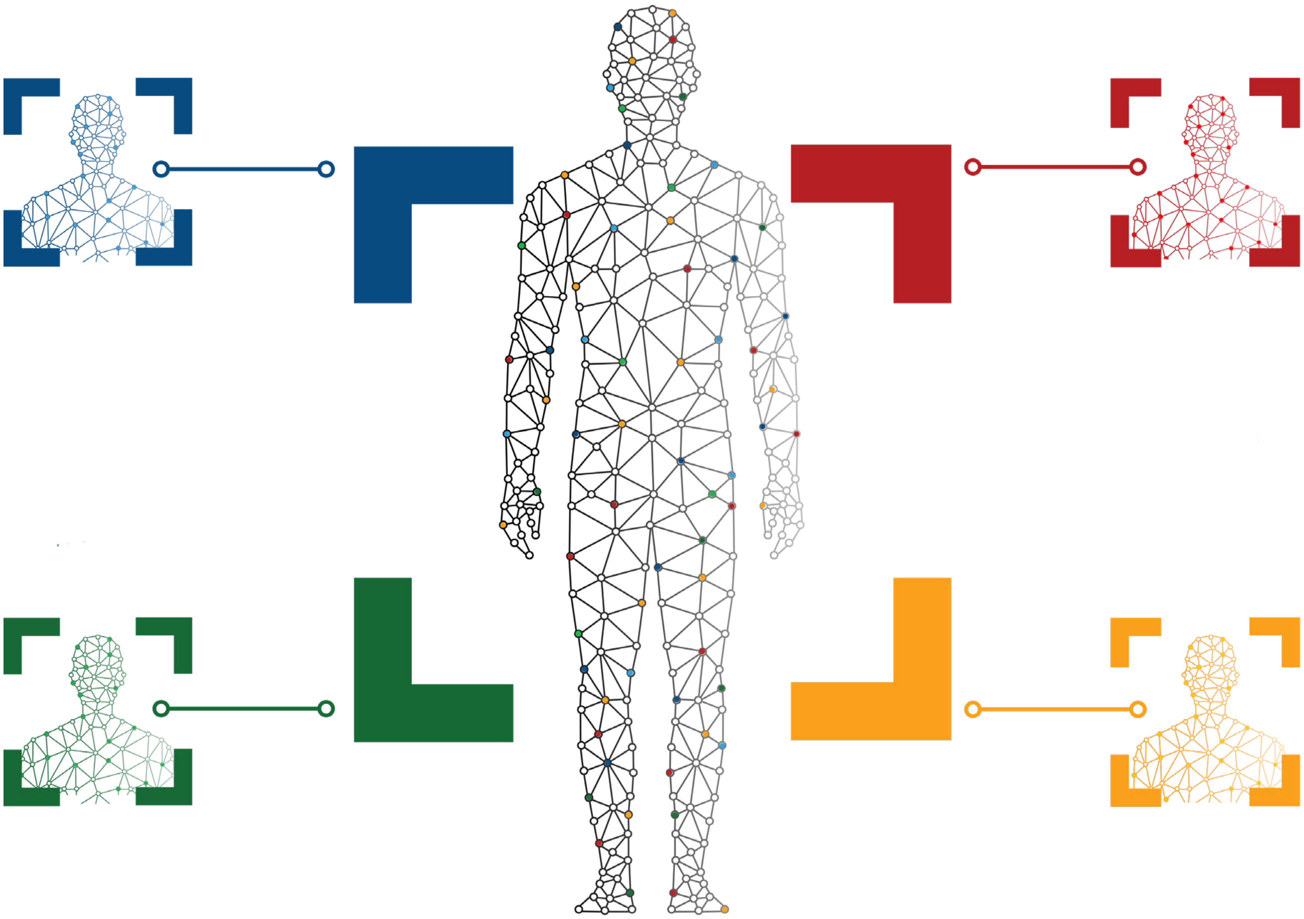
Effect of DS tripwires on respondent likelihood of becoming a DS distributor

	Baseline Likelihood (%)	Likelihood Post B.A.N.K. Triggers (%)	Likelihood Post Tripwires (%)
B	10	20	2
A	25	48	11
N	18	47	5
K	10	35	1

The results shown in Table 7 indicate that DS tripwires are likely to be deal-killers. Any gains made from the B.A.N.K.-specific power scripting are in danger of disappearing if tripwires arise and are not defused or addressed in a strategic fashion. Knowledge types, for example, start off unreceptive to the idea of becoming a DS distributor and then become significantly more open to the idea after being presented with the B.A.N.K.-specific recruitment triggers. Yet, after seeing the tripwires, the average likelihood of K's signing up as a distributor drops to 1%. Not surprisingly, only the Action types showed any degree of resilience to the DS tripwires, which is consistent with their attraction to challenges, risks, and desire for opportunities to prove their prowess.

When we examined ratings of tripwires and those marked as deal-breakers for each **BANK**CODE, we saw very little variability across the codes. Our conclusion: tripwires for direct selling companies appear to be universally undesirable. So, given how devastating tripwires can be, what is a DS seller to do?

IT'S NOT ROCKET SCIENCE

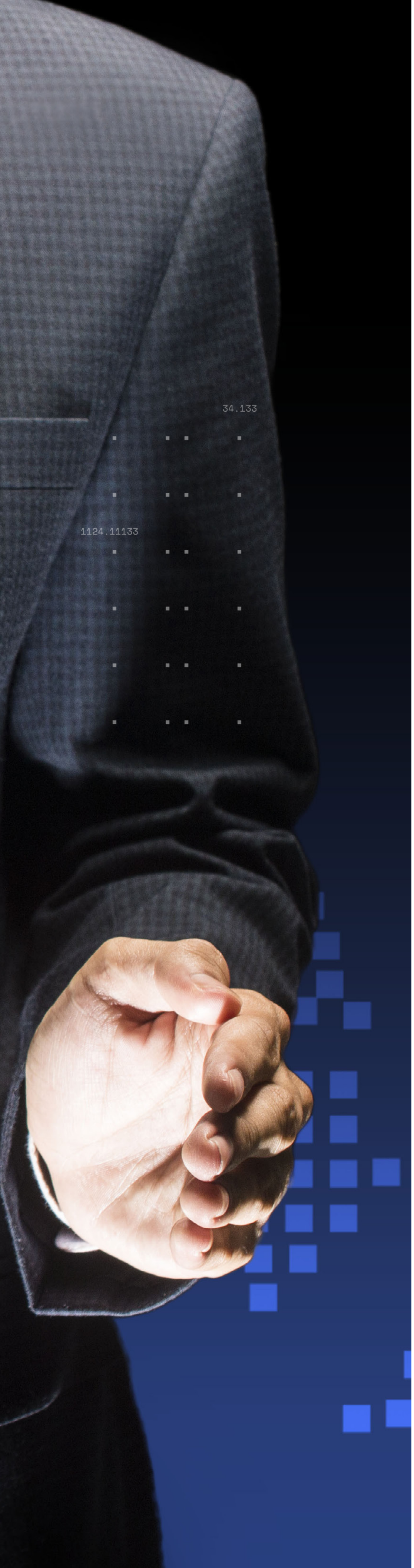


One path toward a successful sale would be to craft a power script that was so inviting and appealing that tripwire questions never came up—not an impossible task, but also not plausible. Another option would be to address common tripwires within the B.A.N.K.-specific power script, but to do so in a way that appeased the specific Code. While potentially more realistic, there's still no guarantee that a tripwire won't arise at some point during a sales pitch. The bottom line is that tripwires will come up, but can be mitigated.

THUS, A DS SELLER'S ABILITY TO EMPLOY THEIR KNOWLEDGE OF B.A.N.K. IN ORDER TO NEUTRALIZE THE NEGATIVE PERCEPTION OF THE TRIPWIRE WILL BE CRITICAL TO KEEPING THE SALE ALIVE.

IT'S PERSONALITY SCIENCE


2324.111



CONCLUSION & FUTURE RESEARCH

The research presented here underscores the immense value of utilizing the B.A.N.K. system for successfully selling DS product and recruiting DS distributors. Even given the nature of the study and the fact that respondents were prompted with a hypothetical scenario about an undefined product, an anonymous “friend or family member” and an unnamed DS company, the B.A.N.K.-specific sales pitches resulted in significant increases in respondents’ stated likelihoods of buying DS product and joining DS distributor networks.

The research also confirmed that certain B.A.N.K. personalities are easier to win over than others, while others tend to remain resistant to involvement in direct sales. Understanding these individual differences is critical for direct sellers in terms of how they spend their time, who they approach for recruitment, and who is best targeted for product sales only. Our exploration of tripwires exposed the danger they pose in killing a deal that otherwise seems to be on the right track, highlighting the need to craft strategic responses when potentially unfavorable topics arise.

THE NEXT STEP IN THE CODEBREAKER DS PROGRAM WILL BE TO BUILD UPON THIS FOUNDATIONAL RESEARCH BY PARTNERING WITH DIRECT SELLING COMPANIES TO CREATE PRODUCT-SPECIFIC AND NETWORK-SPECIFIC TRIGGERS AND TRIPWIRES, WHICH COULD BE TESTED AND REFINED WITH FURTHER RESEARCH AND PILOT STUDIES.

We are also looking for DS partners interested in exploring how the B.A.N.K. system can be used, specifically, to increase Revenue, Recruitment, Rank, and Retention. The Chally Group, a Growth Play Company, found that as few as 9% of buyers will buy from a salesperson who does not match the buyer’s personality type, compared to up to 89% when personality types are aligned.

FOR MORE INFORMATION

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Research conducted by Dr. Ryan T. Howell, Sr. Data Analyst, and Dr. Colleen J. Howell, Sr. Science Writer, at Codebreaker Technologies.

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- **Rank Advancement:** Help distributors hit higher ranks faster.
- **Retention:** Keep more team members engaged longer.

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BOOK YOUR COMPLIMENTARY STRATEGY SESSION NOW.


Cheri Tree
TECH CEO

CODEBREAKER™

ABOUT

CHERI TREE

A N K B

Cheri Tree is a best-selling author, professional keynote speaker, and world-renowned entrepreneur. She is the Founder and Chairman of Codebreaker Technologies, Inc., with clients in more than 100 countries worldwide. She is the creator of the revolutionary B.A.N.K. methodology and Codebreaker's Personality Coding Technology, designed to help business owners close more sales in less time and improve their communication skills and personal relationships. Cheri has spoken to hundreds of thousands of entrepreneurs and professionals globally at some of the top business conferences in the world. She has also been invited to speak at Harvard University, the University of California, Google, and the United Nations.

In addition, Cheri has been featured in numerous international publications including Forbes.com and Entrepreneur.com, and has been nominated as Innovator of the Year and Entrepreneur of the Year because of the breakthroughs created from her Personality Coding Technology, including Codebreaker AI, the world's first Artificial Intelligence powered by B.A.N.K.

Cheri is both purpose-driven and profit-driven, with a goal to create income, influence, and impact for all. Her mission is to crack the code of every human on the planet and ultimately make our world a better place by creating One World, One Language. She is passionate about life and helping others **TAKE IT TO THE BANK®**, so they can take it to the beach!

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