

A STUDY ON CUSTOMER SATISFACTION TOWARDS AMWAY PRODUCTS

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ABSTRACT

The insight will help the manufactures to adopt new strategies which would help not only to attract new customer but also the maintain the loyalty of the existing customer, as in the present competitive scenario the consumer are prepared to choose their right product not only based on their needs but However there is high growth tendency for amway it faces some difficulties in achieving their destination. Hence the purpose of this study is to identify the force that influence on consumer shopping pattern particularly in Coimbatore. t also on the basic of personal interest shown by the manufactures on them The techniques used in marketing include choosing target markets through market analysis and market segmentation, as well as understanding methods of influence on the consumer behavior. The marketing planning creates strategies for the company to place advertising to the dedicated consumer.

Keyword: *customer awareness , customer satisfaction , attract the products*

INTRODUCTION OF THE STUDY

Amway is the largest direct selling company and manufacturer in the world that uses network marketing to sell a variety of products, primarily in the health, beauty, and homecare markets. Amway was founded in 1959 by Jay Van Andel and Richard De Vos. Based in Ada, Michigan, the company and family of companies under Alticor reported sales growth of 2.3%, reaching US\$ 8.4 billion for the year ending December 31, 2009. Its product lines include home care products, personal care products, jewelry, electronics, Nutrilite dietary supplements, water purifiers, air purifiers, insurance and cosmetics. In 2004, Health &Beauty products accounted for nearly 60% of worldwide sales.

OBJECTIVES OF THE STUDY

- To know about the awareness level of amway products.
- To study about the customer satisfaction.
- To determine about amway products.
- To know about the usage level of amway product.
- To examine suggestion for future development.

SCOPE OF THE STUDY

The success and failure of a product of a company is purely based on customer satisfaction. Here is a saying in business circle "a satisfied customer will bring 100 new customers away from your product whereas an customer will take 300 customer away from your product ". So customer satisfaction is a key factor in any business particular in MLM business. In this fast growing world each and every company is keeping HR persons

to ensure that their employees are always there in comfort zone whereas in amway's case their IBO's are spread around the globe.

SIGNIFICANCE

The study is focused specifically on customers who have purchased the product. The indian economy is witnessing changes like never before. The indian consumer thoughts are changing. With new players entering the market and increasing availability of choices. The expectation of consumer are increasing more and more. The study attempts to identify the research of the amway product, it would help the company in formulating the suitable strategy. It also identifies the attitude and preference towards amway products.

STATEMENT OF THE PROBLEM

In this competitive world lot of MLM companies are there in the market and they have variety of product as well. Some of them are successful and few of them not doing well. Here we have taken an attempt to study about a company AMWAY, which is really success full for more than decades on selling health care , personal care, home care, color cosmetics directly to the customers.

LIMITATION OF THE STUDY

- The consumer's attitude may change in future due to change in their standard of living Period of the study is very short
- The findings of the study are applicable to the period in which it has been done, it need not be applicable as such for all other period.
- The individuals perspective appears to be different throughout the study.

RESEARCH METHODOLOGY

For collection of primary data. A well structured interview schedule was prepared based on the objectives of the study. The data required for the study were gathered using questionnaires. Since it is a two way transaction the researcher has randomly selected amway IBO's and customer. Based on the questionnaires simple percentages were worked out to study the customer as well as IBO's satisfaction.

COLLECTION OF DATA

Since the objective of research is to measure degree of success of marketing strategies implemented by amway, it is very important to first identify the marketing strategies applied by amway in india. For this purpose, the best source is by issuing questionnaire to the general public.

PRIMARY DATA

A questionnaire was used to conduct the whole survey. To control the response bias and to increase the reliability of data, a structured pattern of question was also used in the questionnaire. The advantages of using this specified construction of the questionnaire are being administrative simplicity and easy in data processing analysis, and its interpretation.

SAMPLING DESIGN

Sampling is that part of statistical practices concerned with the selection of a subset of individual observations within a population of individual intended to yield some knowledge about the population of concern, especially for the purpose of making predictions based on statistical inference. Random sampling method is adopted in this study. Survey method has been followed for gathering the information from the respondents. A sample is called a random sample for each unit of the population has an equal chance a being selected for the sample. The research was done on the basis of a structured questionnaire 100 respondents were interviewed in and around Coimbatore. Questionnaire was distributed to people of various classes and standards.

SAMPLING AREA

A method in which an area to be sampled is sub-divided into smaller blocks that are then selected at random and then again sub-sampled or fully surveyed. This method is typically used when a complete frame of reference is not available to be used. The sample size for this study is 100 samples. The sampling area covers the Coimbatore city. Data has been collected from customers who are using amway products in Coimbatore.

SAMPLING METHOD

The basic type of random sample is known as a simple random sample, one in which each person or item has an equal chance of being chosen. Often a population contains various distinct groups that differ on the attribute that is being researched. Random sampling is the best method for ensuring that a sample is representative of the larger population.

SAMPLING TECHNIQUE

In this study 100 samples has been selected by convenience sampling method from the population of Coimbatore. This means collection of information from members of population who conveniently available to prove it. Convenience sampling is most often used during the exploratory phases of research project and its perhaps the best way of getting basic information quickly and efficiently.

REVIEW OF LITERATURE

Review of literature provides information to the researcher regarding the previous works done in their area of research and thereby helps them in identifying the theoretical framework and methodological issues relevant to the study. It provides the researcher a proper direction to carry out their research work and enables them to arrive at meaningful conclusions.

- **DRUCKER (1973)** “marketing strategy as seen as process consisting of: analysing environmental, market competitive and business factors affecting the corporation and its business units, identifying market opportunities and threats and forecasting future trends in business area of interest for the enterprise, and participating in setting objectives and formulating corporate and business unit strategies. Selecting market target strategies for the product-markets in each business unit, establishing marketing objectives as well as developing, implementing and managing the marketing program positioning strategies in order to meet market target needs”.
- **HART & STAPLETON (1977)** “a statement in very general terms of how the marketing objective is to be achieved, e.g. acquiring a competitive company, by price reductions, by product improvement, or by intensive advertising. The strategy becomes the basis of the marketing plans”.

THE HISTORY OF AMWAY

What does the word Amway mean? Amway is an abbreviation for "American Way" and was coined in 1959 by company founders, Jay Van Andel and Richard De Vos. Short, unique and easy to remember, Amway has been registered as a corporate name and trade mark ever since. In the following decades, Amway Corporation successfully established itself as a leading multilevel marketing business, built on strong values and founding principles that continue to sustain our company today. The business is built on the simple integrity of helping people lead better lives. Today, Amway is a multibillion-dollar international business representing freedom and opportunity to millions of people in more than 88 countries and territories around the world.

Type: Private

Industry: Direct selling

Founded: November 9, 1959

Founder: Rich devos, Jay van andel

Headquarters: Ada, Michigan, united states

Area served: World wide

Key people: Steve van andel (chairman), Doug devos (president)

Products: Amway home, glister, g&h, nutrilite, artistry, amway queen, espring, ATMOSPHERE.....

Revenue: US\$ 11.8 billion (2014)

Number of employees: 21000 (as of 2014)

Parent: Alticor

Website: www.amwayglobal.com

Its product lines include:

- ✓ Personal care products
- ✓ Home care product
- ✓ Nutrition & wellness
- ✓ Cosmetics and
- ✓ Water purifiers
- ✓ Air purifiers

BRAND

Today amway manufacture over 450 products with manufacturing flexibility in china, india , and the united states. Amway brand includes artistry, atmosphere, body blends, body key, glister, body works, e-spring.

ABOUT THE PRODUCT

Over 450 unique, high-quality products carry the Amway name in the areas of nutrition, wellness, beauty and home, as well as commercial products and a variety of services (from which 105 products are offered in India). In addition, Amway independent business owners in selected markets sell additional brand-name goods through local merchandise catalogues, plus a variety of services and educational products. All products are backed by a customer satisfaction guarantee.



MANUFACTURING STRATEGY

Almost all Amway India products are manufactured in the country through third party contract manufacturers. With the exception of Cosmetics range (Artistry*) and some products in Nutrition and Wellness category, all Amway India products and bottles are manufactured in India. To bring the identified contract manufacturers production facilities and skills to international standard, Amway has invested in excess of US\$ 4 million (approx.rs. 17crore).

ANALYSIIS AND INTERPERTATION:

This chapter deals with the analysis and interpretation of the study on customer perception, awareness and satisfaction towards amway products. The data collected from the samples have systematically applied and presented in the tables under various headings in the following pages. They were also arranged in such a way that, a detailed analysis can be made so as to present suitable interpretation for the same. The following are the statistical tools and techniques were used for analysis of the data collected.

- ✓ Percentage Analysis
- ✓ Chi-square Analysis
- ✓ Ranking Analysis
- ✓ Weighted Average

I.PERCENTAGE ANALYSIS

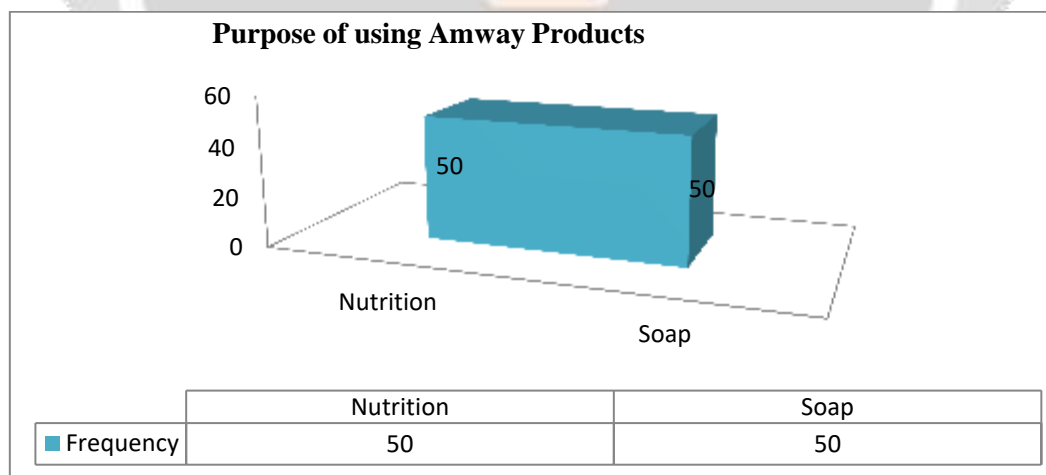
Percentage method refers to a specified kind which is used in making comparison between two or more series of data. Percentage are based on descriptive relationship. It compares the relatives' items. Since the Percentage reduces everything to a common base and thereby allow meaning comparison.

Percentage = Number of respondents in each clause/ Total no of respondents x 100

TABLE SHOWING THE PURPOSE OF USING AMWAY PRODUCTS

Purpose of using Amway Products	Frequency	Percentage
Nutrition	50	50.0
Soap	50	50.0
Total	100	100.0

Source: Primary Data



INTERPRETATION

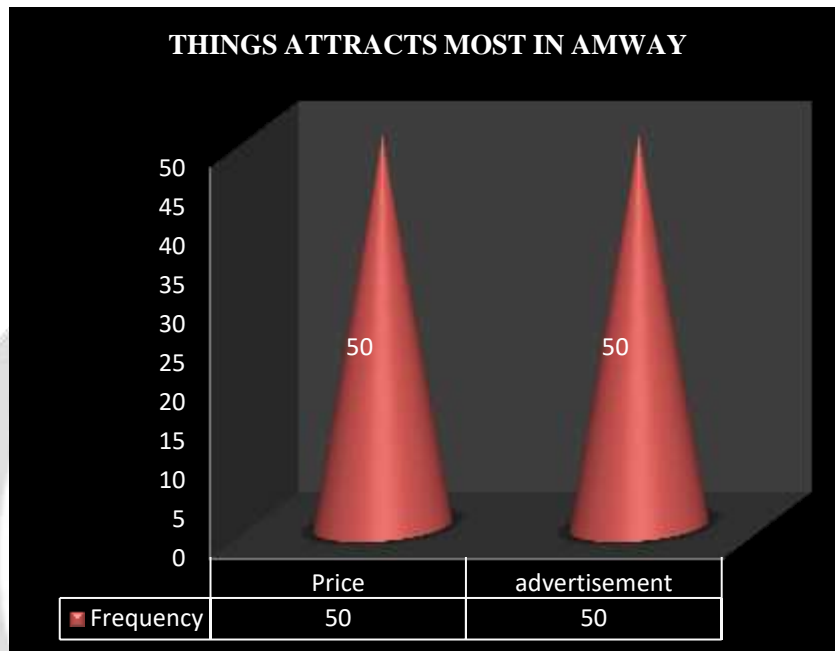
From the above table, it is clearly stated that 50% of the respondents' use 'Nutrition' amway products and 50% of the respondents' use 'Soap' only.

The result inferred that majority 50% of the respondents' using amway products for 'Nutrition' and 'Soap'.

TABLE SHOWING THE THINGS ATTRACTS MOST IN AMWAY

Attraction	Frequency	Percentage
Price	50	50.0
Advertisement	50	50.0
Total	100	100.0

Source: Primary Data



INTERPRETATION

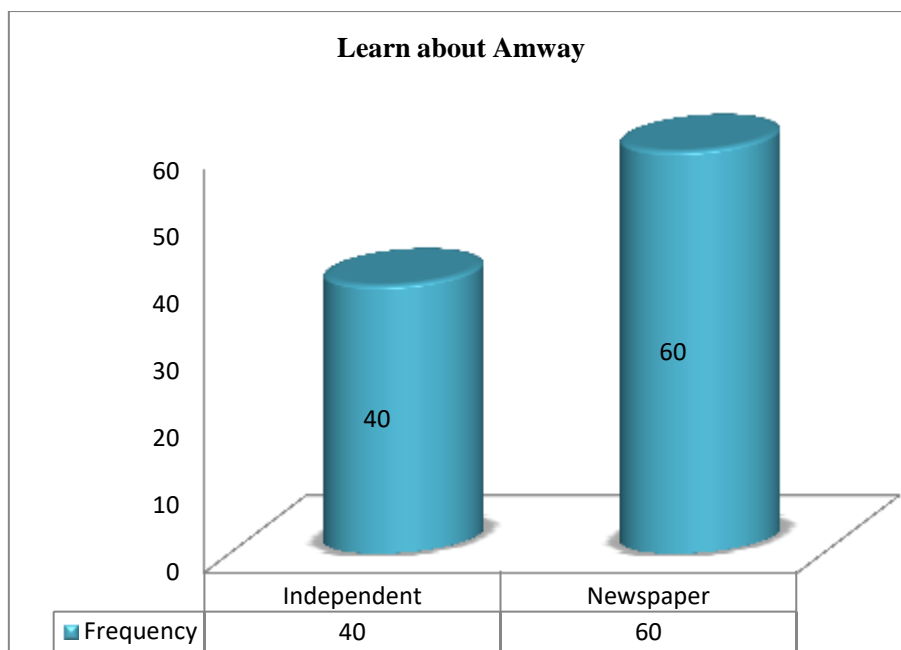
From the above table, it is clearly stated that 50% of the respondents attracted by 'Price' in Amway products whereas the same level of 50% attracted by 'Advertisement' in amway products.

The result inferred that majority 50% of the respondents attracted by 'Price' as well as 'Advertisement'.

TABLE SHOWING THE LEARN ABOUT AMWAY

Learn about Amway	Frequency	Percentage
Independent	40	40.0
Newspaper	60	60.0
Total	100	100.0

Source: Primary Data



INTERPRETATION

From the above table, it is clearly stated that 40% of the respondents learn about amway ‘Independent’ whereas 60% of the respondents learn about amway through ‘Newspaper’.

The result inferred that majority 60% of the respondents learn about amway through ‘Newspaper’ only.

II. CHI-SQUARE ANALYSIS

The Chi square test procedure tabulates a variable into categories and computes a chi-square statistic. Statistical method to test whether two (or more) variables are : (1) independent or (2) homogenous. The chi-square test for independence examines whether knowing the value of one variable helps to estimate the value of another variable. The chi-square test for homogeneity examines whether two population have the same proportion of observations with a common characteristic.

$$X^2 = \frac{(O-E)^2}{E}$$

$$\text{Degree of freedom} = v = (R-1)(C-1)$$

Where,

O= observation frequency

E= expected frequency (column total x row total)/grand total

R= no of rows

C= no of columns

AGE AND PURPOSE OF USING AMWAY PRODUCTS

H_{01} : There is no significant association between age and purpose of using amway products

TABLE

Factors	Below 20 years	21-30 years	31-40 years	Above 40 years	Total
Nutrition	30	11	0	9	50
Soap	29	16	2	3	50
Total	59	27	2	12	100

CHI SQUARE TEST RESULT

CALCULATED VALUE	TABLE VALUE	D.F
5.943	7.815	3

INFERENCE

In the above analysis, the calculated value 5.943 is less than the table value 7.815 at the level of 5% significance. Hence the null hypothesis is accepted. Thus it can be inferred that there is no significant association between age and purpose of using amway products.

III. RANKING METHOD

Ranking technique was adopted to analyse the views of the employees. Thorder of merit thus given by the employees for each statement under each head was converted into ranks by using the following formula.

$$\text{Per cent Position} = \frac{100 (R_{ij} - 0.50)}{N_j}$$

RANKING ANALYSIS

Ranking technique was adopted to analyse the views of the employees. The order of merit thus given by the employees for each statement under each head was converted into ranks by using the following formula.

TABLE SHOWING RANKING FOR AMWAY PRODUCTS BASED ON FACTORS

Factors	1	2	3	4	5	6	7	8
Personal Care	81	42	32	24	31	21	15	4
Home Care	26	52	60	47	35	18	10	2
Nutrition	43	29	30	39	29	44	26	10
Cosmetics	3	12	25	17	39	40	57	57
Other Products	7	26	21	32	43	55	47	19

RANK VALUE

Rank	100 * (RankValue-0.5)/5	Garrett Value
1	10	75
2	30	60
3	50	50
4	70	40
5	90	25

RANKING

Factors	1	2	3	4	5	Calculated Score	Average Score	Rank
Personal Care	75	60	50	40	25	6450	64.5	1
Home Care	3825	2400	0	0	225	5430	54.3	2
Nutrition	1500	2340	500	840	250	4660	46.6	4
Cosmetics	750	0	2450	1160	300	4670	46.7	3
Other Products	1425	720	1000	800	725	3040	30.4	5

INTERPRETATION

From the above garret ranking table for amway products based on purchase, the factors are ranked from Personal care stood at first , Home care stood at second, Cosmetics stood at third, nutrition stood at fourth and other products stood fifth.

IV. WEIGHTED AVERAGE METHOD

The weighted average is similar to an arithmetic mean of a set of numbers in which some elements of the set carry more importance (weight) than others.

$$\text{Weighted Average} = \frac{\text{sum of weight}}{\text{Total numbers of terms}}$$

TABLE SHOWING THE LEVEL OF SATISFACTION BETWEEN ELEMENTS

To estimate the weighted average score for level of satisfaction between elements using rating score, for this purpose the qualitative data is converted into quantitative one using 3 point and 4 point scaling technique. Here 4 point rating scale is used by assigning:

- 4-For Very Satisfied
- 3-For Satisfied
- 2-For Moderate
- 1-For Dissatisfied

Elements	Satisfied (3)	Very satisfied (4)	Dissatisfied (1)	Moderate (2)	Weighted average Score	Rank
Price	26	66	8	0	3.5	3
Quality	26	74	0	0	3.74	1
Quantity	46	40	11	3	3.15	4
Brand	41	59	0	0	3.59	2

PERCENTAGE ANALYSIS

- Majority 50% of the respondents attracted by 'Price' as well as 'Advertisement'.
- Majority 50% of the respondents' using amway products for 'Nutrition' and 'Soap'

SUGGESTIONS

- With the help of analysis and interpretation, it is found that majority of the people know about the amway products (i.e) amway products are well known to the people.
- Also amway should provide discounts and offers to increase sales and also strategy should be improved.
- Amway should take steps to create more advertisement about its products to create awareness among the people.

CONCLUSION

Amway is one of the largest direct selling company in the world. The products of Amway are world class product quality. Amway covers a wide range of products from beauty care. Health care, to clothing, and daily use products etc. the products are costly as compared to other branded products available in market but if we compare the quantity while using the products require less amount and thus can be used for longer time.

REFERENCE:

- DRUCKER (1973) "marketing strategy as seen as process consisting of: analysing environmental, market competitive and business factors affecting the corporation and its business units.
- HART & STAPLETON (1977) "a statement in very general terms of how the marketing objective is to be achieved.

QUESTIONNAIRE

- 1) For which purpose you usually use amway products?
 - a) Nutrition
 - b) Soap
 - c) Protein powder
 - d) Beauty home
- 2) which thing attracts most in amway?
 - a) Price
 - b) advertisement

- c) Quality
 - d) Others
- 3) How do you learn about amway?
- a) Independent
 - b) Newspaper
 - c) Internet
 - d) Magazine

WEBSITES

- www.amway.com
- www.alo.com

BIBLIOGRAPHY



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