



A Study on Consumer Satisfaction of Amway Products

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INTRODUCTION:

Marketing encompasses a range of activities, organizations, and processes designed to create, communicate, and deliver value to diverse stakeholders, including clients, consumers, partners, and society. Through marketing, individuals and organizations exchange value to acquire their needs and desires, fostering a social pathway to mutual benefit.

Effective marketing hinges on understanding customer satisfaction, which is crucial for long-term organizational success. Customers can be categorized into four groups: satisfied, loyal, hardcore loyal, and potential. Retaining customers requires ongoing satisfaction, making customer satisfaction studies an essential tool for monitoring and improvement.

The global marketing landscape has witnessed the rise of multi-level marketing (MLM), a rapidly growing sector within the direct selling industry. Over the past six to nine years, MLM has gained popularity due to its low-risk nature and potential for supplemental income. As more individuals seek additional revenue streams, MLM has emerged as a viable opportunity for entrepreneurship.

A key aspect of MLM is its direct selling approach, enabling customers to receive products directly from manufacturers. This model, also known as network marketing, empowers individuals to build businesses. Companies like Amway, a leading MLM player in India, exemplify this approach through innovative strategies and world-class products, promoting individual entrepreneurship and driving industry growth.

OBJECTIVES OF THE STUDY:

- 1) To understand the socio-economic profile of the customers.
- 2) To study the customers' preference and awareness towards Amway products.
- 3) To know the satisfaction level of customers.
- 4) To identify the problems faced by the customers.
- 5) To offer suggestions based on the findings of the study.

NEED FOR THE STUDY:

This study aims to gauge customer perspectives, providing organizations with valuable insights to identify areas for improvement and optimize their offerings to meet evolving customer expectations. By understanding customer satisfaction levels, businesses can pinpoint shortcomings, make informed product enhancements, and refine their market strategies to better align with customer needs.

SCOPE OF THE STUDY:

This research endeavors to uncover valuable insights into customer perceptions and satisfaction levels, allowing the company to pinpoint areas for enhancement. By understanding customer concerns, the company can develop targeted solutions to address pain points, cultivate loyalty, and delight valued customers. Furthermore, this study will equip Amway distributors with a deeper understanding of customer preferences, satisfaction levels, and relationship dynamics, empowering them to tailor their approach and foster meaningful connections.

NATURE OF THE STUDY:

The study is made an attempt to analyze the customer satisfaction and dissatisfaction towards Amway products.

DATA DESIGN:

Primary data which are collected freshly for the first time for a specific purpose in mind using the questionnaire method.

REVIEW OF LITERATURE:

methodologies, and contributions from preceding analysts. By critically evaluating earlier works, this review identifies knowledge gaps, informs the scope of future inquiry, and shapes the objectives of the present study. To achieve this, the researcher examined a diverse range of scholarly sources, including peer-reviewed journals, books, dissertations, and conference proceedings, selectively focusing on works relevant to the specific research issue, theory, or domain.

REVIEW OF LITERATURE:

Pravin Kumar and Dr. Asha (2012) investigated distribution channels in rural Maharashtra, while Suman et al. (2012) explored data mining applications in direct marketing, focusing on customer approach strategies and solutions.

Rekha Attri and Sunil Chaturvedi (2011) probed ethical issues in multilevel marketing, public awareness, product value, and quality. Chamikutty and Preethi (2010) analyzed Amway's branding, emphasizing category advertising to educate customers.

Lakshmi and Akhila (2009) surveyed factors influencing quality of work life among direct selling organization employees, gathering primary data through questionnaires. Balu (2009) found that multilevel marketing accounts for less than 2% of India's retail sales, impacting only a fraction of society.

COMPANY PROFILE:

The advent of multi-level marketing (MLM) has revolutionized the selling landscape, making it easier for companies to reach a vast consumer base. MLM's appeal lies in its accessibility, allowing individuals to join and earn a substantial income through product sales without significant investment or risk.

A crucial factor in a company's MLM success is its commitment to exceptional customer service and satisfaction. Embracing the mantra "customer is king" is vital, as it fosters loyalty and drives business growth.

The MLM concept has its roots in the 1920s, pioneered by Carl Rehnborg. He leveraged this innovative approach to market vitamins in the US through his California Vitamin Corporation, later renamed Nutrilite Products Company, Inc. in 1939.

[Amway](#) – one of the world's leading direct selling enterprises

AMWAY CORPORATION:

Amway, a subsidiary of Alticor, stands as the world's largest multi-level marketing (MLM) organization. Founded in 1959 by Jay VanAndel and Richard DeVos, Amway's name embodies the "American Way" vision. The company's mission focuses on empowering people to connect others to a better life. As a multinational direct-selling giant, Amway utilizes MLM techniques to offer a diverse range of health, beauty, and home care products. With operations spanning over 100 countries and territories, Amway has evolved into a multibillion-dollar global business, symbolizing freedom and opportunity for millions. Amway's manufacturing prowess is supported by 15 global plants, reinforcing its commitment to quality. The company is an active member of regional and national direct selling associations worldwide, demonstrating its dedication to industry excellence. Over the decades, Amway has solidified its position as a pioneering MLM business, built on unwavering values and founding principles that continue to drive its success.

MANUFACTURING

Amway India's product portfolio is predominantly manufactured domestically through partnerships with seven local contract manufacturers. To enhance their capabilities, Amway invested USD 4 million (Rs. 20 crores) in transferring cutting-edge technology, elevating their facilities to global standards.

Furthermore, Amway is establishing its first state-of-the-art, LEED-certified greenfield manufacturing facility in Nilakottai, Tamil Nadu, with an investment of Rs. 580 crores. Spanning 40 acres, this facility is slated to commence operations by end-2014 or early 2015, primarily producing nutrition and beauty products.

Rank	Country	Sales (\$)	Growth rate
1	China	4,385	+1%
2	Japan	1,185	+2%
3	Korea	885	+2%
4	United States	861	+5%

5	Russia	629	+19%
6	Thailand	568	+10%
7	India	493	+7%
8	Taiwan	340	+8%

ANALYSIS AND INTERPRETATION OF DATA

Analysis and interpretation of data is the process of assigning meaning to collected information and determining the conclusion, significance and implication of the findings. It is an important and exciting step in the process of research. In all research studies analysis follows data collection.

PERCENTAGE ANALYSIS

A percentage analysis is used to interpret the data by the researcher for the analysis and interpretation. Through the use of percentage the data is reduced in the standard form with the base equal to 121 which facilitates relating comparison in the percentage analysis. Percentage is calculated by multiplying the number of respondents in the 121 and it is divided by the same size.

FORMULA

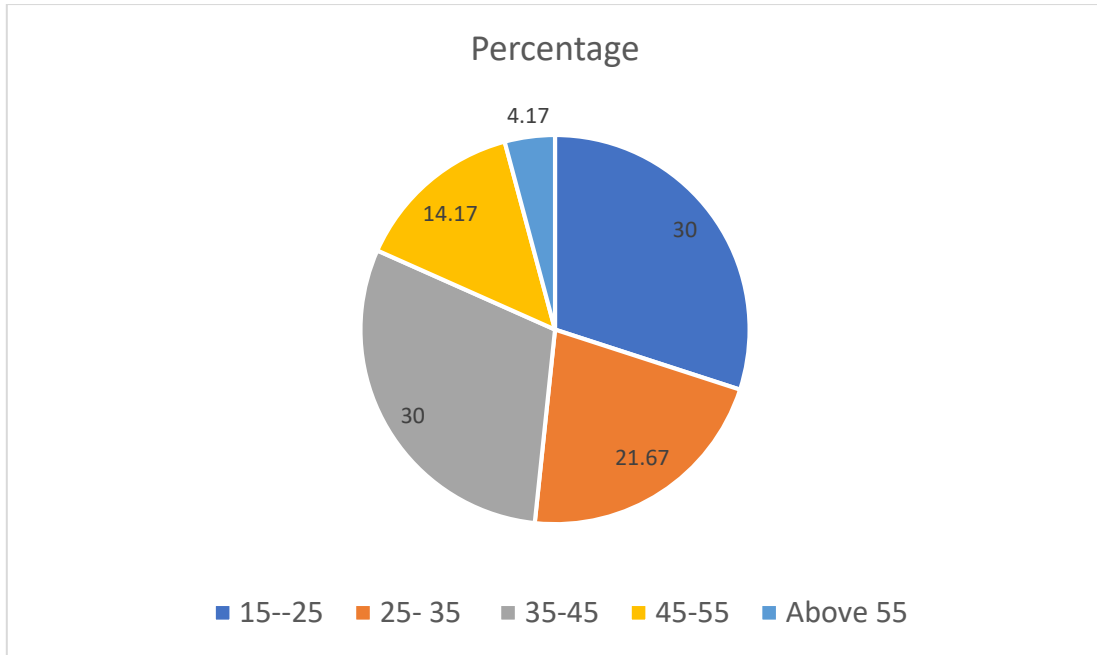
$$\text{SIMPLE PERCENTAGE} = \frac{\text{NO OF RESPONDENT}}{\text{SAMPLE SIZE}} * 100$$

AGE GROUP OF RESPONDENTS

Table 4.1

Age	No of response	percentage
15-25	36	30.00%
25-35	26	21.67%
35-45	36	30.00%
45-55	17	14.17%
Above 55	5	4.17%
TOTAL	120	100%

This chart shows age of its response.



INTERPRETATION

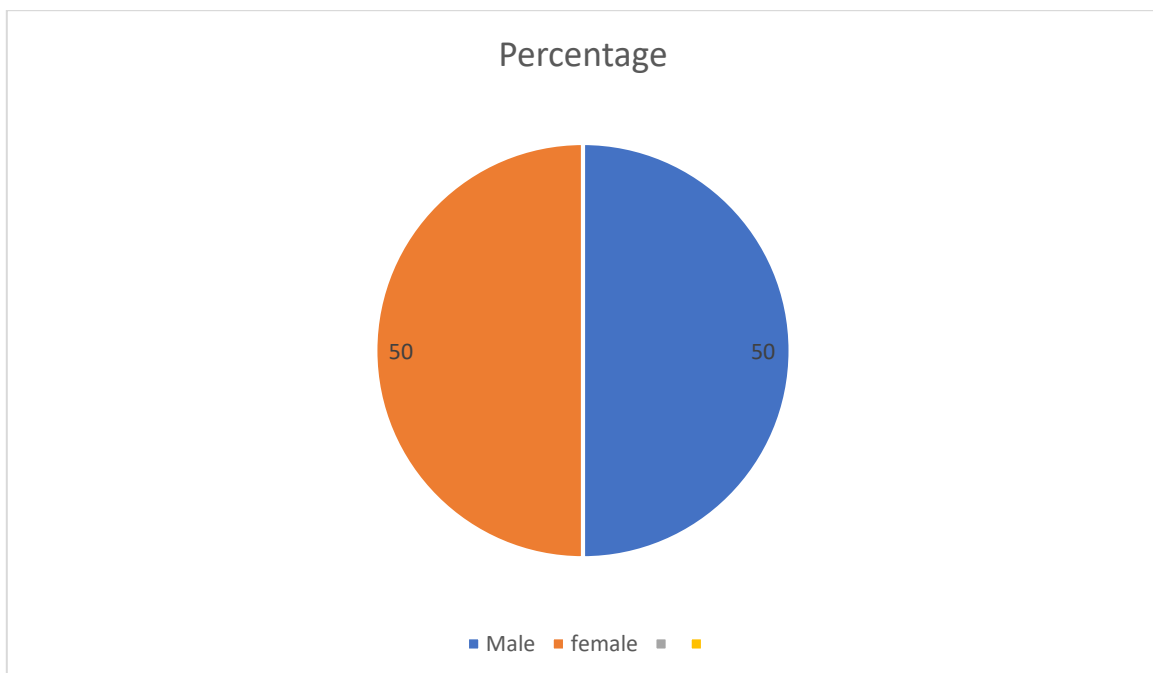
All the responses were classified under the age group as show in table. It is inferred that 30% of the responses are in the age of 15-25 and age group 35- 45 .21.67% of the responses in the age group of 25- 35. 14.17 of the responses are in age group of 45-55.4.17 of the responses are in age group of above 55.

Gender

Table 4.2

Options	No of Response	Percentage
Male	60	50.00%
Female	60	50.00%
Total	120	100%

This chart shows gender of response.



INTREPRETATION

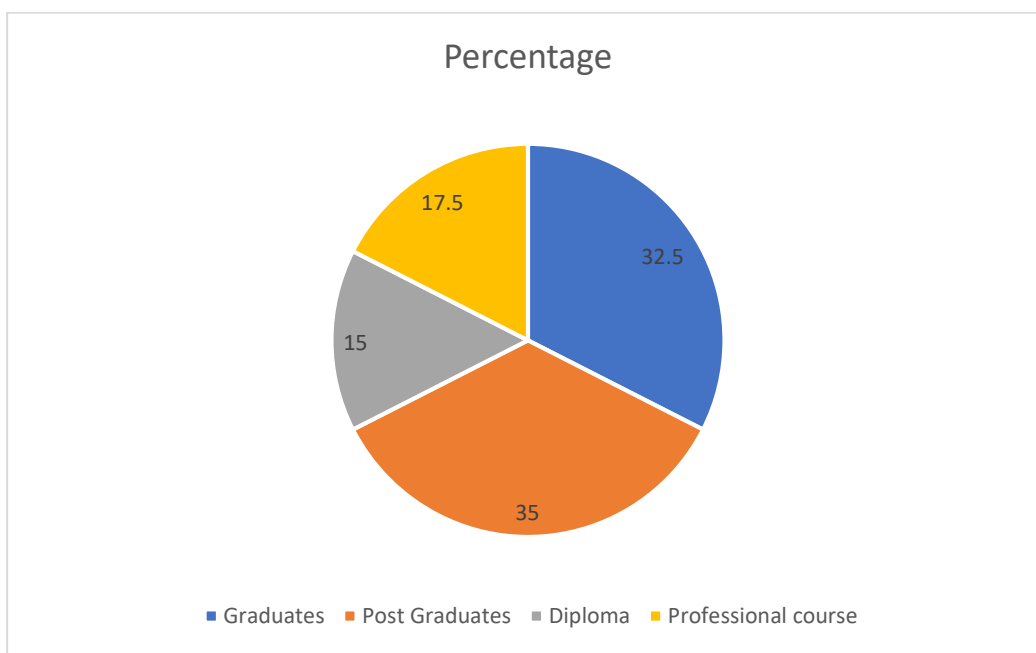
From above table it is inferred that equal number of responses male 50% and in above the responses Female also 50%

Educational

Table 4.3

Options	No of Response	Percentage
Graduates	39	32.50%
Postgraduates	42	35.00%
Diploma	18	15.00%
Professional course	21	17.50%
Total	120	100%

This chart shows the educational qualification of response.



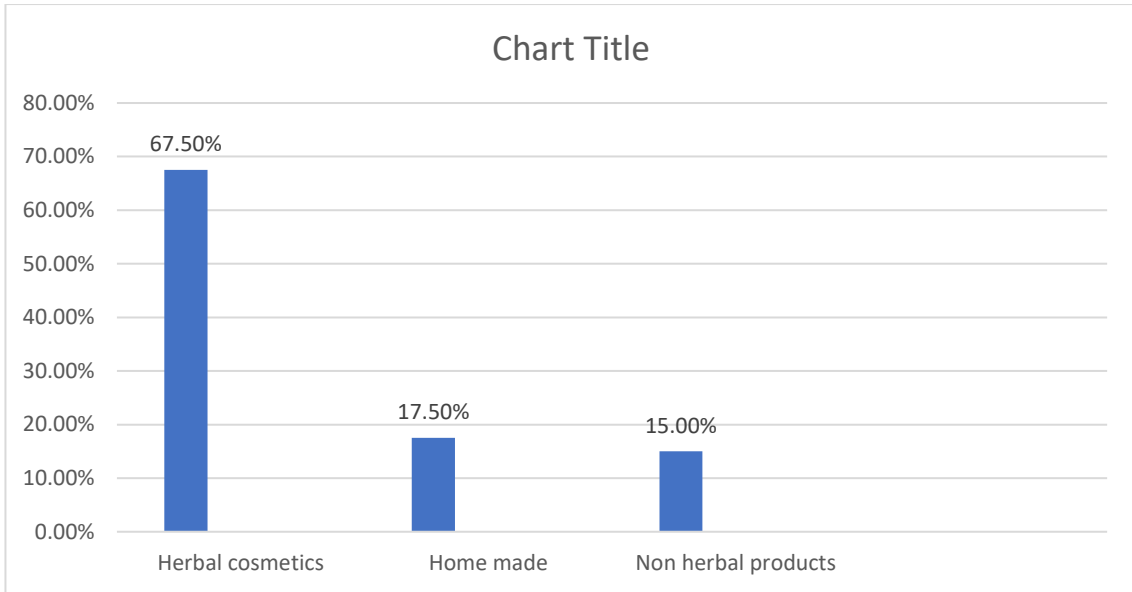
INTERPRETATION

In above table majority of responses is postgraduates 35% of the responses belongs to graduates are 32.5% of the responses professional course 17.5% of the responses diploma 15%

Which of the following type of Amway products you use

Table 4.17

Options	No of responses	Percentage
Herbal cosmetics	81	67.50%
Home made	21	17.50%
Non herbal products	18	15.00%
Total	120	100%



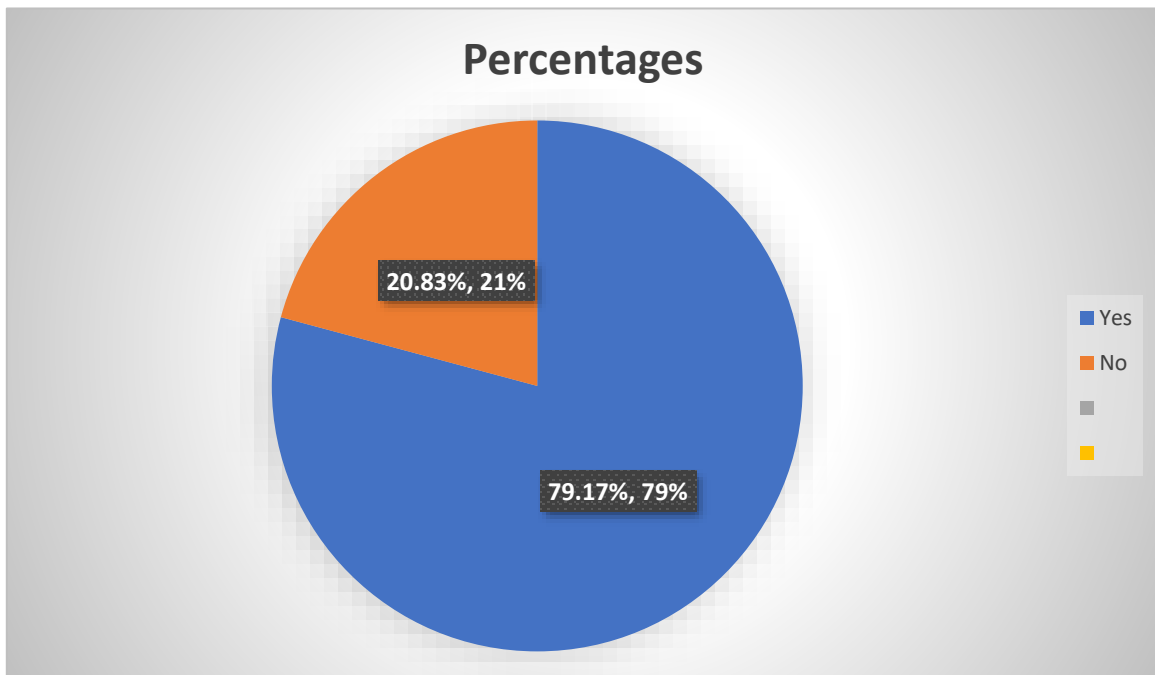
INTERPRETATION

In above the table majority of responses have used the herbal cosmetics 67.50% in above the responses can use homemade 17.50% in above the responses can use 15.00%

DO YOU PREFER HERBAL PRODUCTS AS COMPARED TO NON-HERBAL PRODUCTS

Table 4.18

Options	No of responses	Percentages
Yes	95	79.17%
No	25	20.83%
Total	120	100%



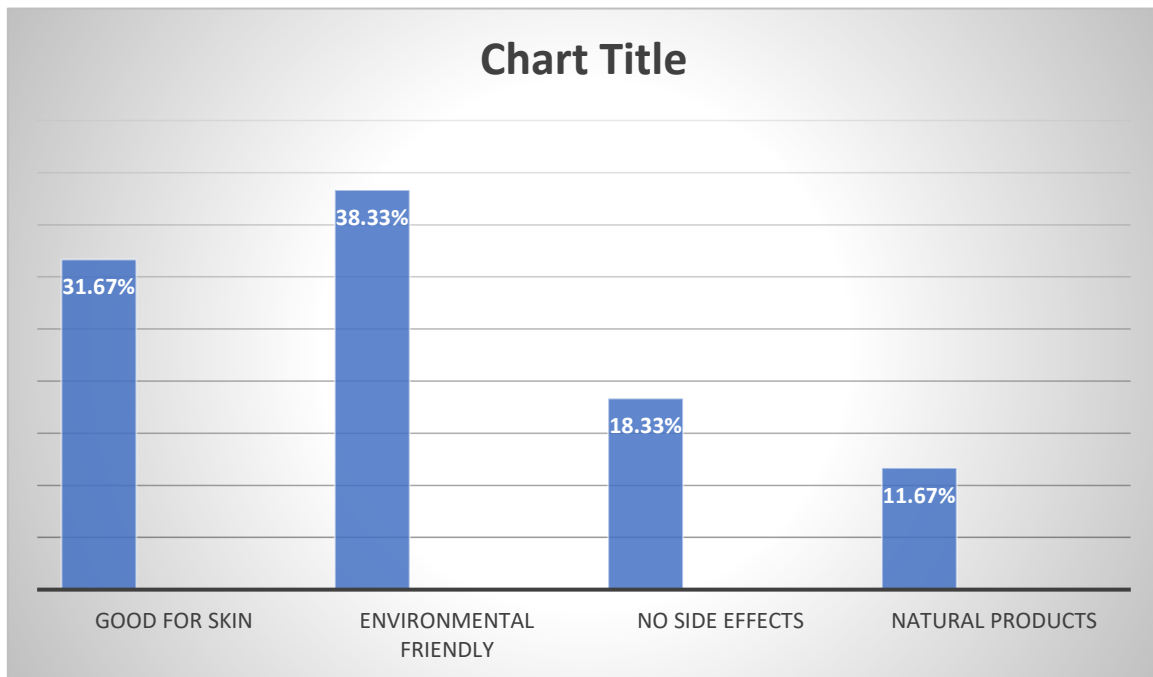
INTERPRETATION

In above table majority of responses can prefer non herbal products yes 79.17% in above the responses can prefer non herbal products no 20.83%

IN CASE OF YES MEANS SPECIFIC THE REASON FOR SAME

Table 4.19

Options	No of responses	Percentage
Good for skin	38	31.67%
Environmentally friendly	46	38.33%
No side effects	22	18.33%
Natural products	14	11.67%
Total	120	100%



INTERPRETATION

In above the table the responses have not prefer herbal products environmentally friendly 38.33% in above the responses good for skin 31.67% in above the responses no side effects 18.33% in above the responses natural products 11.67%

FINDINGS, SUGGESTIONS AND CONCLUSION

FINDINGS:

- The Majority of the respondents belong to the age group of 15-25
- The Majority (59.2%) of the respondents are female
- The Majority (3.7) of the respondents belong to the Postgraduate.
- The Majority (63.6) of the respondents are students urban.
- The Majority (41.3) of the respondents are buy Amway Product from supermarket:
- The Majority (40.5%) of the respondents are infused by friends.
- The Majority (64.5) of the respondents are small quantities.
- The Majority (57%) of the respondents may be depending on the product.
- The Majority (35) of the respondents are small occasionally.
- The Majority (49.6) of the respondents are small vegetarian.
- The Majority (47.1) of the respondents purchase Amway product from last six month.

- The Majority (69.4) the respondents are inflicted by across advertisement.
- The Majority (43.3) of the respondents are eco-friendly.
- The Majority (52.9) of the respondents are big bazar.
- The Majority (35%) of the respondents are may or may not be willing to pay an extra amount.
- The Majority (72.7) of the respondents are influenced by packaging of the product.
- The Majority (43.8) of the respondents are feel hygiene.
- The Majority (38.8) of the respondents are aware of different types of packaging.
- The Majority (42.5) of the respondents felt environmental concern are the main challenges faced by Amway Companies
- The Majority (37.5%) of the respondents are considered functionality primary.
- The Majority (35.6) of the respondents are safe glass bottles.

SUGGESTIONS & RECOMMENDATIONS:

The packaged food industry should cater to younger demographics by creating products that evoke the taste and comfort of home-cooked meals, while prioritizing nutritional value. Consumers increasingly prefer purchasing packaged foods from retail outlets, where they can browse a wider selection. Therefore, manufacturers must focus on strategic product display and shelving. Affordability is a significant concern, as high prices deter many consumers. To expand their customer base, manufacturers should aim to reduce prices without compromising quality. Packaged food products are often consumed during special occasions like birthdays and gatherings. Marketers can leverage this trend by offering bundled products tailored to these events. In today's fast-paced world, convenience is paramount. Packaged food companies can gain a competitive edge over fresh food markets by offering quality products at lower prices. Interestingly, female consumers exhibit a stronger preference for packaged foods, as they enable effortless variety and convenience for family meals.

CONCLUSION:

Consumer behavior plays a vital role in business organizations. This study examines consumer satisfaction toward Amway durable goods in Coimbatore district, revealing key insights. Consumers demonstrate awareness and information-seeking behavior, prioritizing product quality and brand loyalty. They scrutinize product characteristics, weighing potential negative effects and quality. Television advertisements emerge as a primary source of product information. The study highlights factors influencing consumer behavior, driving satisfaction with Amway durable goods.