
A Study On Consumer Satisfaction Towards Amway Products In Salem City

¹Dr.D.Samundeeswari , ²Dr.G.Rajamani, ³Dr. E. Jothi

¹Assistant Professor, Department Of Bcom-accounting & Finance, Sri Ramakrishna College of arts & science, Coimbatore, samundeeswari.d@gmail.com
Orchid ID: 0009-0007-3691-9528

²Assistant Professor, Department Of Bcom-accounting & Finance, Sri Ramakrishna College Of Arts & Science, Coimbatore.,rajamanigokul23@gmail.com

³Head and Assistant Professor, Department of Commerce(CA), Sona College of Arts and Science, Salem. Tamilnadu., jvjothivenkat@gmail.com.
Orchid ID: 0009-0005-1438-8987.

How to cite this article: D.Samundeeswari ,G.Rajamani, E. Jothi (2024) A Study On Consumer Satisfaction Towards Amway Products In Salem City. *Library Progress International*, 44(3), 11154-11166.

Abstract

In some specialized businesses there may also be licenses required either due to special laws that govern entry into certain trades, occupations, or professions which may require special education. Some businesses are subject to ongoing special regulation. These industries include for eg., public utilities, banking, insurance, broadcasting and healthcare providers. The terms “product” and “brand” are often used interchangeably. A product is “something that offers a functional benefit. A brand on the other hand is a name, symbol, design, or mark that enhances the value of a product beyond its functional value. The business activities are evaluated through marketing activities. Many firms adopt the vigorous means to maintain their existence in the market, as there are many alternatives in the modern business world. The major aspiration of the business is profit motive.

Keywords: Consumer, Satisfaction, Brand loyalty, Influence, Fashionate

INTRODUCTION

A business is a legally recognized organization designed to provide goods or services or both to consumers, businesses and Government entities. A Business is typically formed to earn profit that will increase the wealth of its owners and lead to grow the business itself. The owners and operators of a business have as one of their main objectives the receipt or generation of a financial return or generations of a financial return in exchange for work and acceptance of risk. Businesses can also be formed as not for profit or be state owned. The etymology of “business” relates to the state of being busy either as an individual or society as a whole, doing commercially viable and profitable work.

OBJECTIVES OF THE STUDY

The study has been taken up with original objective of identifying the brand equity for Amway products. In this context the following are the main objectives of the study on the brand equity of Amway products in Salem city.

- To study the brand equity in general.
- To study the profile of Amway products and Amway company.

- To examine the socio-economic background of the respondents..
- To find out the effectiveness of advertising and promotional activities.

NEED FOR THE STUDY

The need for and the use of Amway products has gained momentum in Salem City and hence an attempt has been made at a micro level to highlight the demographic factors and other attributes that determines the purchase decision for Amway brand products. In this process the loyalty for a particular brand and the brand equity have been measured so as to help the manufacturers and the marketers to adopt a more effective and stronger marketing strategy which would further promote and strengthen the Amway products marketing in today's business environment.

SCOPE OF THE STUDY

The study covers Salem City the study is applicable to the consumers of the Amway products. There is a reason to believe that generalization emerging from this research in not completely valid for other marketing aspects where buying considerations are likely to be different. This study is helpful to the manufacturers to identify the consumer loyalty / satisfaction, tastes, beliefs, behaviour and to introduce new strategy to increase the sales.

METHODOLOGY

Research Design

Sampling method is adopted to conduct the study because it is not possible to meet all the consumers. Sample is that portion of the universe which represents the ideas of the whole lot. So the sample selected should reflect the ideas thoughts of the whole population. When sample size is more, it takes more time to complete the study if the sample size is very small, the sampling error will be more. To avoid the sampling error and time consumption the researcher has taken an optimal sample size of 200 respondents for the study.

SOURCE OF DATA

Primary

This study was mainly based on primary data. First hand information is collected and used in the study from a sample of 200 respondents residing in Salem City.

Mode of collection of Primary Data

A structured questionnaire is used for collection of data. The gathered information is then transferred to master table to facilitate an easy analysis of the study.

Field work and Collection of data

Field work for the present study was carried personally by the researchers. The questionnaire for the collection of data is in English. The opinion and suggestion of the respondents were also elicited. Completed questionnaires are checked immediately on the spot in order to avoid revisits.

Secondary data

Necessary data has been collected from various sources like books of related topics, newspapers, magazines, websites, leading journals and websites of Amway company to make highlights on Amway products.

PROBLEMS AND LIMITATIONS OF THE STUDY

The study is subject to the following limitations:

- The study is limited to the data collected through questionnaire which is distributed to the consumers in Salem City.
- The study being primary one, the accuracy and reliability data depends on the information proceeded by the respondents.
- The respondent views and opinions may hold good for the time being and may way in the future.

- The findings of the study have been presented with the information obtained from the respondents of Salem City. Hence it cannot be generalized.
- This study is undertaken only with the repeated user of Amway products.

TOOLS FOR ANALYSIS

- ❖ The data collected are analysed by using simple percentage.
- ❖ Simple ranking method was used to determine the choice of brands and the factors to determining the same.
- ❖ Chi-Square test has been applied to establish the relationship between brand equity and factors influencing them.
- ❖ One Way Anova Table has been applied to find out the equality of variations between Satisfaction level and the Occupation.

TEST OF HYPOTHESIS

- There is no significant relationship between age and level of satisfaction.
- There is no significant relationship between education and level of satisfaction.
- There is no significant relationship between occupation and level of satisfaction.
- There is no significant relationship between gender and amount of purchase.

REVIEW OF LITERATURE

A brief report of literature review is presented here. Kenneth and Resenyon hold the view that self is in terms of individual's conscious feeling and attitude about themselves as persons. Self concept gradually emerges through interaction with other people and self concept is subject to change. Self concern again depends upon clarity of experience provided by new perception. The basic purpose of all human activity is protection, maintenance and enhancement not of the self but the self concept of symbols and here lies the importance of self concept for marketing.

Jacob Jacoby and David B Kyner (1963) : did a study "Brand loyalty versus repeat loyalty by repeat purchasing". He provides a fuller understanding of dynamics of brand loyalty by reporting an experiment involving the purchase of candy walls by children. The result implies that the marketer should not be concerned with the number of repeat purchase but also with the underlying reasons for such behaviour.

Dr. P. Indrasena Reddy : In his article, marketing challenges for the new millennium, four cases for brand equity valuation, focused that certain brands like Colgate, Amul, Britannia, Lifebuoy, Ariel, Horlicks, Lux, Ponds are held in high esteem by the Indian consumers. According to the author building strong brands is an expensive and long – term phenomenon. Once developed and nurtured such brands add value to the company, which owns them. These brands are also the major source for the company's earnings and profitable companies are now investing heavily in building powerful brands or mega brands. Powerful brands make such as lasting impact on the consumer that it is almost impossible to change his preference even if cheaper and alternative products are available in the market.

C. Rajendra Kumar : In his article, "Ten commandments of Branding strategies" states that, the brand image forms a specific figure in consumer's mind at the very first time sometime learned extensions may result in failure. For eg: ponds launched tooth paste with strong brand image in talcum powder, Building and properly managing brand equity has become a priority for companies of all sizes, in all types of market. Strong brand equity focus the customer's loyalty and profit, and constitute a large part of intangible assets that company own. Today companies are beginning to recognize the balance sheets value of their brands.

Socmic Nag : In his article "Exploring the brand equity" mentions that managing a brand identity has become a Herculean task nowadays. There are six facts of brand identification. They are physique, personality, culture, self-image, reflection and relationship. A strong brand is the one which has a consistent and clear identity another

suggests that the brand managers should pay more attention of developing a detailed identity for the brands.

Since the term “brand equity” emerged in the 1980s, there has been interest in the subject among marketing academicians and practitioners. A 1991 survey of Marketing Science Institute members ranked brand equity the number one issue facing marketing management (Aaker 1991). Researchers have focused primarily on defining and measuring the concept and, to a lesser extent, understanding its causes and effects. This literature review will address both the measurement and management of brand equity.

One of the most publicized financial methods is used by Financial World in its annual listing of worldwide brand valuation. FW’s formula calculates net brand-related profits, then assigns a multiple based on brand strength (defined as a combination of leadership, stability, trading, environment, internationality, ongoing direction, communication support and legal protection). The marketing literature, operationalizations of brand equity usually fall into two groups: those involving consumer perceptions (e.g., awareness, brand associations, perceived quality) and those involving consumer behavior (e.g., brand loyalty, willingness to pay a high price). Among the perceptual measures, one technique uses consumer preference ratings for a branded product versus an unbranded equivalent. Another approach, used by several authors, treats brand equity as brand name importance, since the name of a brand is often its core indicator (Louviere and Johnson 1988; Yovovich 1988; Sharkey 1989; MacLachlan and Mulhern 1991). Mahajan, Roa and Srivastava (1991) used the potential value of brands to an acquiring firm as an indicator of brand equity. Another financial measure (applicable only when launching a new product) is based on brand replacement, or the requirements for funds to establish a new brand, couple with the probability of success

In this era of modernization, the needs and requirements of the people goes on increasing day by day. To meet out and satisfy the needs and requirements of the consumers, the producers offer numerous brands and varieties of products. The taste and preference of the people differ from each other. No two persons have the same perception towards a particular product. Besides, the users of a particular product also differ in age, gender, income, source of information, brand loyalty, preference, performance of products, etc., Therefore, an insight into the profile of the respondents are necessary before analyzing the data collected from them and testing of the hypothesis. Hence this chapter portray’s a birds eye view of the profile and attributes of 200 respondents.

DISTRIBUTION OF RESPONDENTS ACCORDING TO BRAND CHOICE

Brand Name	No. of Respondents	% of Respondents
Garnier	51	25.5
Ponds	40	20
Lakme	41	20.5
HUL	68	34
Total	200	100

Source: Primary data

Table shows various brands of products owned by the respondents other than Amway. Out of 200 respondents, Hindustan unilever limited is the most preferred brand in Salem city as it is used by 34% followed by Garnier with 25.5% of the respondents and Lakme with 20.5% followed by 20% of the remaining respondents of ponds. Therefore, this indicates that the majority of the people in Salem city prefer Hindustan Unilever limited products.

SOURCE OF INFORMATION TO THE RESPONDENTS

Generally, many factors motivate an individual to purchase Amway products. The manufacturers and dealers undertake the task of serving the consumer with source of information for their own products. Hence the respondents are classified on the basics of sources which influence them to purchase are shown in table 4.7.

DISTRIBUTION OF RESPONDENTS ACCORDING TO SOURCES OF INFORMATION

Source of Information	No. of Respondents	% of Respondents
Advertisement	18	9
Agents	82	41
Friends	63	31.5
Neighbours	37	18.5
Total	200	100

Source: Primary data

Table shows that a majority of 41% of the respondents has purchased through agents and nearly 31.5% of the respondents are motivated by their friends and following by 18.5% of respondents motivated by their neighbours. Whereby, nearly 9% of them are motivated by advertisement. Therefore, this indicates that the majority of the people using Amway products are motivated through agents and dealers.

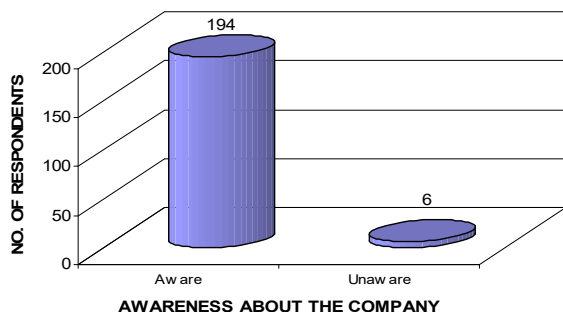
DISTRIBUTION OF RESPONDENTS ACCORDING TO AWARENESS ABOUT THE COMPANY

Awareness	No. of Respondents	% of Respondents
Aware	194	97
Unaware	6	3
Total	200	100

Source: Primary data

As the name of the manufacturing company and brand name is one and the same for Amway products nearly 97% of the total respondents are able to recognize the company and prefer Amway products among the wide available choices whereas 3% of the total respondents are not able to recognize the company as they belong to the category of switching over to products from time to time.

DISTRIBUTION OF RESPONDENTS ACCORDING TO AWARENESS ABOUT THE COMPANY



DISTRIBUTION OF RESPONDENTS ACCORDING TO PACKAGING OF AMWAY PRODUCTS

Package	No. of Respondents	% of Respondents
Highly Attractive	120	60
Attractive	46	23
Not Attractive	20	10
Indifferent	14	7
Total	200	100

Source: Primary data

Table reveals 60% of the total respondents have the opinion that the package is highly attractive for Amway products followed by 23% of the total respondents view as attractive whereas 10% of total respondents are having an opinion that it is not attractive where as 7% view that it is highly indifferent. Therefore 60% prefer the package of Amway products.

DISTRIBUTION OF RESPONDENTS ACCORDING TO BRAND IMAGE / POSITION OF AMWAY PRODUCTS

Inducing Factors	No. of Respondents	% of Respondents
Quality	121	60.5
Price	22	11
Variety	36	18
Brand Name	21	10.5

Total	200	100
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Source: Primary data

The above Table indicates that more than 60.5% of total respondents prefer Amway products for quality which retains the company's brand image in the market for long term followed by varieties with 18% of respondents and 10.5% of the respondents prefer the product by price and brand name. Therefore, 61% of total respondents have an opinion that they prefer Amway products for the quality.

SATISFACTION OF THE RESPONDENTS

A company's valuable asset is its customers. In today's market environment satisfied consumers are those who prompt the firm's future growth and they are satisfied with the firm's quality, price, performance of products offered by the company.

DISTRIBUTION OF RESPONDENTS ACCORDING TO LEVEL OF SATISFACTION

Satisfaction	No. of Respondents	% of Respondents
Highly Satisfied	66	33
Satisfied	94	47
Dissatisfied	22	11
Highly Dissatisfied	18	9
Total	200	100

Source: Primary data

From the above table it is clear that 47% of the respondents are satisfied with the product followed by 33% of the respondents highly satisfied where as 11% of them are dissatisfied and nearly 9% are highly dissatisfied. Therefore this indicates that 47% of the total respondents are satisfied.

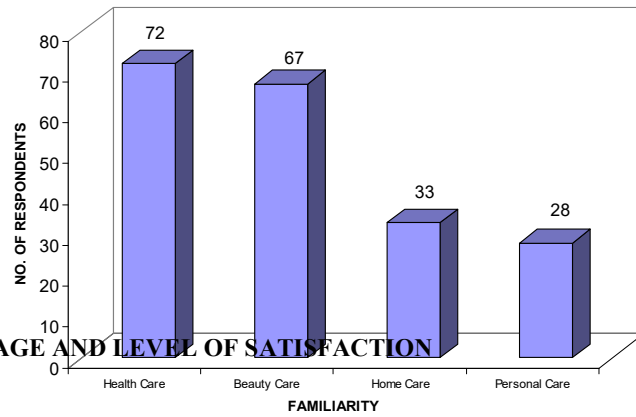
DISTRIBUTION OF RESPONDENTS ACCORDING TO FAMILIARITY

Familiarity	No. of Respondents	% of Respondents
Health Care	72	36
Beauty Care	67	33.5
Home Care	33	16.5
Personal Care	28	14
Total	200	100

Source: Primary data

The above table shows that 36% of the respondents prefer to buy health care products where as 33.5% of the respondents purchase beauty care products.16.5% of the respondents purchase homecare products and the remaining 14% of the respondents purchase personal care products. Therefore 36% of respondents adopt health care products of the company.

DISTRIBUTION OF RESPONDENTS ACCORDING TO FAMILIARITY



RELATIONSHIP BETWEEN AGE AND LEVEL OF SATISFACTION

Null hypothesis

There is no significant relationship between age and level of satisfaction.

RELATIONSHIP BETWEEN AGE AND LEVEL OF SATISFACTION

Level of Satisfaction					
Age	Highly Satisfied	Satisfied	Dissatisfied	Highly dissatisfied	Total
Below 25	12	10	5	4	31
25 – 35	18	25	3	7	53
35 – 45	11	48	8	5	72
Above 45	25	11	6	2	44
Total	66	94	22	18	200

Degree of Freedom	Table Value	Calculated Value	Significant
	5%		
9	16.919	66.631	Significant

Since, the calculated value of χ^2 is more than the table value, the null hypothesis is rejected. Thus, there is a significant relationship between age and level of satisfaction.

RELATIONSHIP BETWEEN GENDER AND AMOUNT FOR PURCHASE

Null hypothesis

There is no significant relationship between gender and amount for purchase.

RELATIONSHIP BETWEEN GENDER AND AMOUNT FOR PURCHASE

Amount for Purchase					
Gender	Upto Rs.250	Rs.250 – 500	Rs.500 – 750	Above Rs.750	Total
Male	7	3	50	42	102
Female	5	20	23	50	98
Total	12	23	73	92	200

Degree of Freedom	Table Value	Calculated Value	Significant
	5%		
3	7.815	18.128	Significant

Since, the calculated value of χ^2 is more than the table value, the null hypothesis is rejected. Thus, there is a significant relationship between gender and amount for purchase.

ONE WAY ANOVA TABLE

TO FIND OUT THE EQUALITY OF VARIATIONS BETWEEN SATISFACTION LEVEL AND THE OCCUPATION

Null hypothesis

Various satisfaction level of Amway products are homogeneous.

RELATIONSHIP BETWEEN SATISFACTION LEVEL AND THE OCCUPATION

Satisfaction Level					
Occupation	Highly Satisfied	Satisfied	Dissatisfied	Highly Dissatisfied	Total
Self Employed	13	10	9	5	37
Salaried	23	52	5	4	84
Govt. Employees	20	30	2	1	53
Others	10	2	6	8	26
Total	66	94	22	18	200

One Way Table				
Source	Sum of Square	V	Mean Square	F'ratio
Between Rows	1000	3	333.3	3.008
Within Rows	1662	15	110.8	
Total	2662	18	-	-

Degree of Freedom	Table Value	Calculated Value	Equality of Variations
	5%		
18	3.16	3.008	Homogenous

The calculated value is less than the table value, therefore the hypothesis is accepted. Hence there is no difference between the occupation and the level of satisfaction.

SIMPLE RANKING METHOD

FACTORS INFLUENCING TO MAKE PURCHASE

ATTRIBUTES													
Factors	Rank I 5 Points		Rank II 4 Points		Rank III 3 Points		Rank IV 2 Points		Rank V 1 Point		Total	Percentage	Rank
	No. of Respondents	Weight	No. of Respondents	Weight	No. of Respondents	Weight	No. of Respondents	Weight	No. of Respondents	Weight			
Quality	113	565	13	52	24	72	16	32	34	34	755	25.62	I
Price	22	110	41	164	53	106	12	24	72	72	476	16.15	V
Attractive Package	18	90	66	264	17	51	49	98	50	50	553	18.76	III
Brand Name	15	75	37	148	58	174	65	130	25	25	552	18.74	IV
Availability	32	160	43	172	48	144	58	116	19	19	611	20.73	II
Total		1000		800		547		400		200	2947	100.00	

Today consumer's are well versed in decision making. There would be many reasons to prefer a product from other products even though both products are having the same attributes like quality, price, availability, brand name and package.

This table clearly reveals that respondents are asked to rank the factors considered in purchasing, namely, I, II, III, IV, V ranks are allotted to them correspondingly weight age was assigned to each rank such as for I rank with 5 points followed by 4, 3, 2 and 1 points for other ranks respectively. For each factors the rank given by the respondents is multiplied with corresponding weights and the total weights are found out for each (reason) factors.

Therefore on the basis of the total weights (755) points are allotted availability, (553) points are allotted to attractive packages, (552) points allotted to brand name and (476) points allotted to price for the Amway products.

The aim of marketing is to meet and satisfy target customers needs and wants better than competitors. The brand equity is a combination of assets that can be viewed from both the firms and the customer's perspective. Brand equity exists when customers react preferentially to the product, solely because of favourable, unique and strong brand association. Very broadly brand perceptions are affected by all interactions between the firms and its customers. The firm has the potential to enhance brand equity through website design, the brand name, the type of services that are offered, co-branding arrangements etc. If used properly, brand equity can enhance the effects of all other marketing levers on buyer – seller relationships

Findings

Based on the analysis of data, the following are the major findings of the study.

Basic profile of the respondents

- ❖ Maximum number of respondents who prefer Amway products are males.
- ❖ A higher percentage of the respondents who use Amway products are married people compared to unmarried.
- ❖ It is evident that out of 200 respondents, a 36% of the respondents are in the age group of 35 to 45 years.
- ❖ The survey throws light on the fact that among 200 respondents, 36% of the respondents earn income between Rs.15000 – 25000.
- ❖ Out of 200 respondents, a majority 38% of the respondents who use Amway products belong to college level of education.
- ❖ It is obvious that majority of 42% of the respondents are under salaried class.
- ❖ Obviously, respondents prefer Hindustan Unilever limited products other than Amway products.
- ❖ 41% of the respondents know about the products through agents.
- ❖ 42% of the respondents feel the advertisement in websites is effective.
- ❖ About 97% of respondents are aware of Amway products.
- ❖ 60% of the respondents are using the Amway products for more than 6 years.

CHI-SQUARE TEST

- There is no significant relationship between age and level of satisfaction.
- There is no significant relationship between gender and amount used for purchase.

There is no significant relationship between occupation and level of satisfaction

Simple Ranking

Based on the rank assigned by the respondents, the most inducing factors for the purchase is quality followed by availability, attractive package, brand name and price.

Consumers show a greater degree of brand equity towards Amway products.

Suggestions

In the light of the present study, few suggestions have been given by the researcher to improve the marketing of Amway products and obtain 100% brand equity.

- The consumers are expecting that the company shall introduce and provide every time with new varieties with reasonable prices.
- There is a need for frequent advertisement in mass media to face stiff competition in today's marketing environment.
- The company should fix reasonable price in order to attract the lower income class people.
- The company should introduce trial pack for all varieties of the product.
- The company should produce products in small quantity also.
- Company shops are to be opened in each and every place to make an easy purchase.
- The price should be reduced.
- To increase the satisfaction level of consumer and to retain loyalty, the company should maintain the quality as it is.
- Still more attractive packages are to be introduced.
- New marketing techniques like discounts, free offers may improve the sale of Amway products.

Conclusions

Marketing plays a pivotal role in the growth and development of the country. The development of marketing has always kept pace with the economic growth of the country. Now the modern marketing faces high competition in their activities. Earning profit is possible only when information is collected from the consumer and also should know about their expectations. Modern marketing is consumer oriented, it begins with consumer and ends with consumer. In order to retain the brand loyalty, it is said, "To treat loyal consumer in a royal manner", the manufacturer must know the consumer habits and reinforce those habits by reminding the consumer of the value of their purchase and encourage them to continue to purchase those products in future.

In the Amway company products are sold to the distributor who in turn provides them to retailers or agents from whom consumers eventually buys. Thus the first customer of the Amway company is the distributor. At the first level ensuring satisfaction of the distributor is important. At the second level, the customers are the retailers / agents whose satisfaction is very important. Finally, there is satisfaction of the consumer to reckon with. If one consumer is satisfied, several more through the good word-of-mouth the company earns from this satisfied consumer. Problem solving customer service is like a stitch-in time. It can save a lot if practiced before the problem fester.

Amway is a household name in today's marketing environment, this has proven over time that it has the expertise to sustain in a competitive environment with its quality products. Most of the users are well aware of the brand and have been using it regularly over a period of time. Although there are a number of alternatives available, users still prefer to stick on to the well known and trusted brand. Brand equity makes sense to buy a particular brand instead of some other brand even if two products are the same in terms of attributes such as features, price and quality. The quality of Amway products has ensured continued customer patronage and a high degree of brand equity.