

Preference and Satisfaction of Consumers towards Herbalife Products-An Analytical Study

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ABSTRACT

Herbalife International is a multi-level marketing company that sells nutrition, weight management and skin-care products. Herbalife product is a leading brand having wider market share. The brand is familiar to most of its prospective consumers. The study deals with pros and cons of Herbalife products and measures the effectiveness and expectation of consumers towards the products. It is an attempt is made to study the consumers preference towards herbalife products. For This study questionnaire has collected from 60 respondents. The collected questionnaire were analysed with the tools of percentage analysis, ANOVA. t-Test and Kendall's Co-efficient of concordance(W). Thus this study suggests the consumer feel that the prices of Herbalife products are high, the manufacturer can plan on economising the same. And the study concluded that the manufacturer could take into consideration the consumer requirements, so that it would be highly successful by satisfying the customers.

1. Introduction

In this competitive world almost all organisations adopt different strategies in order to attract more consumers towards their products. With the fast moving life style and sedentary working pattern there has been an increase in proper weight management, energy and fitness, nutrition supplement and personal care of the people.

Healthy life begins with nitrous food and good dietary habits. Attention to diet has become vital to counter the stress of present day lifestyle. With speed in change in lifestyle, people prefer processed food products with preservatives, fast foods and junk foods to cut short their time in cooking, where these kinds of food practises deteriorates health. Herbalife offers a complete solution for weight management, targeted nutrition supplement, energy & fitness and personal care for all age groups for a healthy and nutritious lifestyle.

2. Statement of the Problem

Health care and personal care products play an important role in all customers day to life. Health and personal care products are convenient as people need not concentrate more on their balanced diet and their looks. People begin to develop preferences at a very early age. Preferences are part of what makes the people who they are and the brands they seek out reflect their preference. In every product category, consumers have more choices, more information and higher expectation than ever before. So in this context a study is left necessary to know the consumers' preference towards Herbalife products.

3. Objectives of the Study

- To study the consumers preference and their satisfaction towards herbalife products
- To analyse the factors influencing the consumers in purchasing the Herbalife products

4. Scope of the study

Herbalife product is a leading brand having wider market share. The brand is familiar to most of its prospective consumers. The study deals with pros and cons of Herbalife products and measures the effectiveness and expectation of consumers towards the products, which will facilitate the dealers and manufacturers to understand their preference. An attempt is made to study the consumers preference towards herbalife products and dealers' role in marketing.

5. Research Methodology

Sample and Sampling Technique

The design of this study has been structured with the following methodology under convenient sampling method.

Area of the Study

The study of Herba Life Products- customer preference, satisfaction and their problems has been undertaken in Coimbatore city only.

Statistical Tools Applied

1. Simple percentage analysis
2. Kendall's Co-efficient of concordance (W)
3. ANOVA
4. 't' -Test

Sample Design

For the purpose of study, 60 consumers ofherbalife products in Coimbatore City have been selected randomly.

6. Limitations

- The study is restricted to Coimbatore city only.
- The respondents' responses may be biased.

7. Review of literature

Lawrence B. Chonko "Case study : formation of alliance with direct selling companies : Avon and Mattel" This paper provides an assessment of the recent alliance formed between Avon and Mattel. The alliance represents, among other things, a blending of Avon's sales expertise with Mattel's high quality products, including the Barbie product line. The alliance is evaluated on the basis of seven requirements. Managerial suggestions and research ideas are presented. These internal capabilities have been emphasized as companies drive toward sustainable advantage, As alliances form sustainable advantage becomes relevant for both partners and the internal, broad-based training orientation of two companies must be blended with an external and an internal focus.

PrasitRattanaphan The purpose of this study was to identify the major predictors that affect consumers' attitude toward the corporate image of direct selling companies in Thailand. Using questionnaires survey on a sample of 343 customers of direct selling companies in Thailand and then analyzing those using regression. The findings indicated that perceived value ($\beta = 0.191$, $t = 2.778$, and $p = 0.006 < 0.01$) and trust ($\beta = 0.220$, $t = 3.054$, and $p = 0.002 < 0.01$) had significant positive relationship on attitude toward corporate image. On the other hand, brand architecture, corporate social responsibility (CSR), and internet marketing had no significant influence on attitude toward corporate image.

8. Analysis and Interpretation

Table No: 1
Personal factors Vs. Factors influencing to purchases Herbalife product

S. NO	Socio- Economic Profile		No. Of Respondents	Percentage
1	Age	Below 20 years	3	4.9
		20-30 Years	21	34.4
		31-40 Years	12	19.7
		41- 50 Years	22	36.1
		Above 50 Years	3	4.9
2	Gender	Male	20	32.8
		Female	41	67.2
3	Marital Status	Married	50	82.0
		Unmarried	11	18.0
4	Level of Education	No Formal Education	0	0
		School Level	13	21.3
		Graduate	27	44.3
		Post Graduate	21	34.4
5	Occupational Status	Student	8	13.1
		Business	17	27.9
		Professional Employee	26	42.6
		Others (Specify)	10	16.4
6	Type of Family	Joint	28	45.9
		Nuclear	33	54.1
7	Number of Members in the Family	Upto2 Members	6	9.6
		3 - 4 Members	29	47.0
		5 - 6 Members	21	34.4
		Above 6 Members	5	8.0
8	Monthly Income of the Respondents	Below Rs. 20,000	9	14.8
		Rs. 20,000- Rs.30,000	13	21.3
		Rs. 30,0001- Rs.40,000	20	32.8
		Above Rs.40,000	19	31.1
9	Area Wise Distribution of Respondents	Urban	34	55.7
		Rural	18	29.5
		Semi-Urban	9	14.8

From the above table it is observed that the most of the respondents 36.10% are in the age group of 41- 50 years, majority of the respondents 67.20% are female and majority of the respondents 82.0% are married. Most of the respondents

44.30% are graduates, most of the respondents. 42.60% are Professional Employees, majority of the respondents 54.10% belong to nuclear family, most of the respondents 47.0% have 3 - 4 Members in their family, most of the respondents 32.80%

have monthly income of Rs. 30,0001- Rs.40,000 and majority of the respondents 55.70% belong to the urban area.

Test Statistics - Kendall's Coefficient of concordance (W)

Kendall's W	.206
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With the value (W) 0.206 it is inferred that there is less similarity among the factors considered by the respondents for buying Herbalife products.

Mean Ranking

Table No: 2
Reasons for buying Herbalife products

Reasons	Mean Rank	Actual Rank
Immediate result	3.39	III
Less side effects	3.82	IV
Reasonable rate	5.61	VII
Healthy	3.02	I
Feel energetic	3.10	II
Nutrition supplement	4.07	V
Wide range of flavors'	4.99	VI

From the above mean rank table it is observed that Most of the respondents buy Herbalife products for health purposes which is confirmed with the lowest mean rank of 3.02. Rank two is assigned to the factor 'feel energetic' (mean rank 3.10) which is considered as the second most important reason for purchasing the product followed by 'immediate result' (mean rank 3.39), Fourth rank has been assigned to 'less side effects' (mean rank 3.82). 'Nutrition supplement' has been assigned fifth rank (mean rank 4.07). 'wide range of flavours' of product is assigned the sixth rank (mean rank 4.99), followed by 'reasonable rate' (mean rank 5.61). **Hence, out of the features of Herbalife products, consumers have ranked 'Healthy' as number one reason for buying the products.**

Mean Ranking

Table No: 3
Problems in Purchasing Herbalife products

PROBLEMS IN PURCHASING	Mean Rank	Actual Rank
Not easily available in shops	3.00	III
Non-availability of all products	3.07	V
Very expensive	2.97	II
Delay in delivery if ordered online	3.05	IV
No money back guarantee	2.92	I

From the above mean rank table it is noted that most of the customers face 'no money back guarantee'. Second most rank has been assigned to 'very expensive' with a mean rank of 2.97, next rank has been assigned to 'not easily available in shops' (mean 3.00). Fourth rank has been assigned to 'delay in delivery if ordered online' (mean 3.05), followed by 'non-availability of all products' (mean 3.07). **Hence, out of the problems in purchasing Herbalife no money back guarantee have been ranked as number one reason.**

KENDALL'S COEFFICIENT OF CONCORDANCE

Kendall's W ^a	.010
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KENDALL'S COEFFICIENT OF CONCORDANCE

Kendall's coefficient of concordance (W) has been applied to find the extent of similarity among the respondents in assigning the ranks to the given reasons for buying the products. W ranges between 0 and 1. Higher the value of W, more will be the similarity among the respondents.

The 'W' calculated for the given item is .010. Hence there is less similarity among the consumers in assigning ranks for the problems faced by the customers in purchasing Herbalife products.

ANOVA

Table No: 5
Personal factors and level of satisfaction towards Herbalife products

Factors		Level of satisfaction towards herbalife			F	Table Value	Significant/ Not Significant
		Mean	S.D.	No.			
Age	Below 20 yrs	3.5333	.70238	3	1.211	2.52	NS
	20-30 yrs	3.8286	.37033	21			
	31-40 yrs	3.9833	.35633	12			
	41-50 yrs	3.9273	.43881	22			
	Above 50 yrs	3.6000	.40000	3			
Educational qualification	School level	3.8462	.37553	13	.277	3.15	NS
	Graduate	3.8370	.33299	27			
	Post graduate	3.9238	.53095	21			
Occupation	Student	3.6500	.61179	8	1.454	2.52	NS
	Business	3.8235	.30726	17			
	Professional employment	3.8200	.19889	10			
	Others	3.9680	.44974	26			
Family monthly income	Below Rs.20,000	3.6444	.55478	9	1.067	2.75	NS
	Rs.20,000 – Rs.30,000	3.9385	.30967	13			
	Rs.30,001 – Rs.40,000	3.9000	.34028	20			
	Above Rs.40,000	3.8947	.46842	19			
Residential area	Urban	3.9353	.46637	34	1.367	3.15	NS
	Rural	3.8333	.33077	18			
	Semi-urban	3.6889	.31798	9			

The satisfaction score for age is found to be higher for the respondents in the age group of 31 – 40 years with the mean score of 3.98, the respondents having post graduate is more compared to other educational groups, as the highest mean value of 3.9238 is scored by them, the highest mean value is scored by the respondents who are doing other occupation, followed by business, professional employment and students, family monthly income between Rs.20,000-30,000 are more

satisfied with Herbalife products than others and the customers from urban area are more satisfied with the product.

't'-TEST

H₀: There is no significant difference in the mean score on the level of satisfaction of the respondents classified based on different gender, marital status and type of family.

Table No: 5
Personal factors Vs. Level of satisfaction towards Herbalife

Factors		Level of satisfaction towards Herbalife			T	Table Value	Significant/ Not Significant
		Mean	S.D	No.			
Gender	Male	3.7700	.29218	20	1.308	1.96	NS
	Female	3.9171	.45820	41			
Marital status	Married	3.9080	.38164	50	1.592	1.96	NS
	Unmarried	3.6909	.52432	11			
Type of family	Joint	3.8214	.47247	28	.821	1.96	NS
	Nuclear	3.9091	.36087	33			

The satisfaction score for female respondents is found to be higher than (mean score 3.91) the male respondents with the mean stress score of 3.77, the table shows that the highest mean value of 3.9080 is scored by the respondents who are married, which shows that they are more satisfied with Herbalife products when compared to the respondents who are not married and 3.9091 is scored by the respondents who are in nuclear family, which shows that they are more satisfied with Herbalife products when compared to the respondents in joint family.

9. Findings

Simple Percentage Analysis

- Among the respondents it is found that both male and female are equal.
- Most 35.8% of the respondents are under the age group of 15 to25.
- Majority 51.7% of respondents are single and not married.
- Majority 62.5% of the respondents have 2-4 members in their family.
- Majority 50.8% of the respondents have completed their degree level.
- Most 35.8% of the respondents are found to be employees.

- Majority 58% of the respondents earns 5000-25000 per month.

10. Suggestions

- Since the consumer feel that the prices of Herbalife products are high, the manufacturer can plan on economising the same.
- Taking into consideration the consumer requirements more flavours could be introduced.
- Herbalife product should be made easily available in all types of retail stores / shops.

11. Conclusion

Herbalife is encouraging everyone to celebrate the immeasurable rewards of the products. It offers a complete solution for weight management, targeted nutrition, energy and fitness and personal care. But in years to come definitely the demand for this product will increase. As demand would increase the company will also try to satisfy those demands. In the process, the manufacturer could take into consideration the consumer requirements, so that it would be highly successful by satisfying the customers.

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