

A Study on Consumer Attitudes towards Amway Products at Aruppukottai

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ABSTRACT

Consumer attitudes are both an obstacle and an advantage to a marketer. Choosing to discount or ignore consumers' attitudes of a particular product or service—while developing a marketing strategy—guarantees limited success of a campaign. A study was made on consumer attitude towards Amway Products. The aim of the present paper is to examine to what extent their need based of Amway products.

1. Introduction

Consumers are individuals with likes and dislikes. When the preponderance of people in a particular group feel one way or another about a product, service, entity, person, place or thing, it is said to be a generalized consumer attitude that could affect the marketing of that person, product or entity in positive or negative ways. Marketers strive to influence consumer attitudes, and understanding the prevailing attitude is the first step to changing it if needed.

Consumer Attitude is both an obstacle and an advantage to a marketer. Choosing to discount or ignore consumers' attitudes of a particular product or service—while developing a marketing strategy—guarantees limited success of a campaign. In contrast, perceptive marketers leverage their understanding of attitudes to predict the behavior of consumers.

An attitude in marketing terms is defined as a general evaluation of a product or service formed over time. An attitude satisfies a personal motive—and at the same time, affects the shopping and buying habits of consumers. Consumer attitude simply as a composite of a consumer's beliefs, feelings, and behavioral intentions toward some object within the context of marketing. A consumer can hold negative or positive beliefs or feelings toward a product or service. A behavioral intention is defined by the consumer's belief or feeling with respect to the product or service.

2. Objectives of the study

1. To find out the whether the Amway products are need based.
2. To offer suggestions in the light of findings of the study.

3. Data & Methodology

The study has mainly depended on primary and secondary sources of data. Primary data were collected by administering a well-conceived questionnaire to the respondents. The size of the sample was 200. Simple random sampling was used for the selection of the required number of samples.

4. Statistical tools used

- Relevant statistical tools such as
- Percentage calculation,
- Discriminant analysis

5. Review of literature

According to Goffman (1959) introduced the concept a 'managed situation', the idea that people manage the impression that others have of them by the way they present themselves. In the presence of others, the actor is seen to organize his activity in order to express an impression that he wishes to convey. The object of the study of role theory is to increase understanding of role enactment of individuals in social settings, so as to understand and predict behavior.

According to Holbrook and Hirschman (1982) the paramount goal of marketing is to understand the consumer and to influence buying behavior. One of the main perspectives of the consumer behavior research analyses buying behavior from the so-called "information processing perspective".

6. Research Gap

From the above discussion it is clear that, most of the studies made earlier focused on conspicuous consumption, managed situation, inclination, decision process relating to pre-purchase, post-purchase, consumer satisfaction, quality of consumer services, advertisement design, market product design, loyalty, values, consumer delight, successful competitive strategies and so forth. The studies were not made with reference to awareness, frequency of purchase factors influencing purchase of particular product. Further earlier studies were not made with particular reference to Amway products. The present study titled "A STUDY ON CONSUMER ATTITUDE TOWARDS AMWAY PRODUCTS AT ARUPPUKOTTAI" fills this research gap.

7. Findings

The frequency distribution of the profile of the respondent is shown in table 1.

Table: - 1 Profile of Respondents

| S.No. | Attribute | Description | % | Description | % |
|-------|---------------------------|----------------|-------|-----------------|-------|
| 1 | Gender | Male | 38% | Female | 62% |
| 2 | Age | 15 - 25 | 34.5% | 26 - 35 yrs | 32% |
| | | 36 - 45 yrs | 21% | 46 - 55 yrs | 8% |
| | | Above 55 yrs | | | 4.5% |
| 3 | Marital status | Married | 39% | Unmarried | 61% |
| 4 | Family Status | Nuclear | 51.5% | Joint | 48.5% |
| 5 | Educational Qualification | HSC | 27% | Degree Holder | 23% |
| | | Diploma Holder | 16% | Professional | 15% |
| | | Others | | | 19% |
| 6 | Number of Children | One | 28.5% | Two | 36% |
| | | Above two | | | 26% |
| 7 | Place of Residence | Center of Town | 49% | Amway from Town | 51% |
| 8 | Occupation | Private | 42.5% | Public | 28.5% |
| 9 | Monthly Income | Below 5000` | 10% | 5001-10000` | 44.5% |
| | | 10001-15000` | 31% | Above 15000` | 14.5% |

Source: Primary data

Linear Discriminant Analysis

It is a multivariate dependence type of statistical technique used for making classification. Discriminant analysis was made here to classify the respondents into two groups, namely, those who have need based of Amway products and others who have not need of Amway product. The two independent variables, namely, respondents' age and monthly income are considered to be the discriminating variables. Here discriminating analysis is made to demonstrate which independent variables are most important in distinguishing between the above two groups.

Procedure

One will build a discriminant function and find out,

1. The percentage of consumers that it is able to classify correctly.
2. Statistical significance of discriminating function.
3. Which variable is better in discriminating between those who have need and those who have not need of Amway products?
4. How to classify a new case (a new consumer) into the need or not need group?

In the input data, the code for consumer who has need is given as 1 and code for consumer who has not need is 2.

(INTERPRETATION)

TABLE 1
CLASSIFICATION OF MATRIX

| | | AMWAY PRODUCTS ARE NEED BASED | Predicted Group Membership | | Total |
|---|-------|-------------------------------|----------------------------|----------|-------|
| | | | NEED | NOT NEED | |
| Original | Count | NEED | 51 | 49 | 100 |
| | | NOT NEED | 38 | 62 | 100 |
| | % | NEED | 51.0 | 49.0 | 100.0 |
| | | NOT NEED | 38.0 | 62.0 | 100.0 |
| a. 59.5 % of original grouped cases correctly classified. | | | | | |

The classification table indicates that the discriminate function the present researcher obtained is able to classify approximately 60% of the grouped observations correctly. This table shows the classification accuracy level of the observations.

TABLE 2
WILKS' LAMBDA AND SIGNIFICANCE OF THE MODEL

| Test of Function(s) | Wilks' Lambda | Chi-square | df | Sig. |
|---------------------|---------------|------------|----|------|
| 1 | .971 | 5.859 | 2 | .043 |

TABLE 3
STANDARDIZED CANONICAL DISCRIMINANT FUNCTION
COEFFICIENTS

| | Function |
|----------------|----------|
| | 1 |
| AGE | .899 |
| MONTHLY INCOME | .468 |

There are ways of checking the validity of the model. It means how significant the discriminant functions are. This is answered by seeing the Wilks' lambda and probability value of the "F" test given in the above table 2. The value of Wilks' lambda shall be between 0 and 1, and low value is preferred. The value of Wilks' lambda is less than 1 and the probability value of F test indicates the discrimination between two groups is highly significant. This is because of p value is less than 0.05.

There are two independent variables age and monthly income to predict which variable is better to group the consumers who have need or not. This is answered by seeing the standardized coefficients. The output in table 3 shows that age is the best predictor, with the coefficient 0.899, followed by monthly income, with a coefficient of 0.468.

Predicting or classifying a new case into needed or not needed group:

TABLE 4
CANONICAL DISCRIMINANT FUNCTION
COEFFICIENTS

| | Function |
|----------------|----------|
| | 1 |
| AGE | .808 |
| MONTHLY INCOME | .547 |
| (Constant) | -3.109 |

Unstandardized canonical discriminant functions evaluated at group means

TABLE 5
FUNCTIONS AT GROUP CENTROIDS

| AMWAY PRODUCTS ARE NEED BASED | Function |
|-------------------------------|----------|
| | 1 |
| | |

Reference

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| | |
|----------|-------|
| NEED | .173 |
| NOT NEED | -.173 |

From the above Table 5, one can see that the means of canonical variables, give the new means for the transformed group centroids. The new mean for group 1 (needed) is .173, and the new mean for group2 (not needed) is -.173. This means that the midpoint of these two is 0.

Discriminant analysis can be used for predicting where a new object respondent has to be classified, if the independent variable values are known. The way to do this is to use the outputs in Table 4 and Table 5. By substituting the 'x' values of the new object in the unstandardized discriminant function, and calculate the value called the unstandardized canonical score. This is the discriminant score. From the above table, the unstandardized discriminant function derived is:

$$Y = -3.109 + \text{age} (0.808) + \text{monthly income} (0.547)$$

Assuming the age of respondents as 20, and monthly income as 5000 plugging these values into discriminant model, the discriminant score can be found.

$$\begin{aligned} &= -3.109 + 20 (0.808) + 5000(.0547) \\ &= -3.109 + 16.16 + 273.5 \\ &= -3.109 + 289.66 \\ &= 286.551 \end{aligned}$$

According to decision rule, any discriminant score to the right of the midpoint of 0 leads to a classification in the "needed" group. If the discriminant value falls to the left of the midpoint of 0 leads to a classification in the "not needed" group. Hence the new case falls into the needed group.

8. Conclusion

It is concluded that, Amway Products may concern about two discriminating variables such as needed and not needed of respondents for the promotion of need based of their products. The marketing manager of Amway Product could well seriously bounded over the attitude of these two segments of consumer towards the features of its products, for the better serving the two segments of the consumer.