

Perception and Behaviour of Consumers towards the Direct Selling Companies

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The main aim of this study is to find out the perception and behaviour of consumers while purchasing products of various direct selling companies. The survey for this study was conducted on 150 respondents. The study is descriptive in nature. The primary data was collected from respondents with the help of a structured questionnaire. Area sampling design technique is used for the study. The data collected has been analyzed with the help of percentage analysis tool. The study has revealed that the consumers are satisfied with the customer facilities, price and the quality of the products provided by the various direct selling companies. The consumers are also aware about the various products of these companies. Thus, they are overall happy to buy from these companies.

As Direct Marketing has become a highly popular and successful component of marketing in today's time. India been a major hub for most of the direct selling companies in the world and going to be one of the biggest markets in coming future. The study makes a significant contribution to the consumers of the society and to

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the overall growth and success of the various direct selling companies which depends upon its consumers perception and behaviour towards the products that a company launches. The study due to limited time span was conducted on a small area. The future researchers can conduct the same study in different areas also so as to see the perception and behaviour of the consumer respondents of those areas towards the various direct selling companies. The study was conducted in a small geographical area with a small sample. The limitations of time, cost, sample size and possible bias of some respondents in answering the questions might have affected the findings.

[**Keywords** : Consumer behaviour, Consumer perception, Product branding, Direct selling companies]

1. Introduction

In India, direct selling companies hold an important position in the daily lives of consumers. Increasing number of working women, changing lifestyles, high purchasing powers, increased use of media and internet and less availability of time due to hectic schedules have made the consumers move towards the purchasing of goods and services from the various direct selling companies as it saves both time and money. Let's understand this more. Why do consumers buy? What goes inside a consumers mind before, during and after a purchase? How do buyers choose? What are the hidden influences? How do consumers process information? Unlocking these secrets will open the doors to a detailed understanding. Consumers purchasing characteristics vary from one situation to another. In today's time span all are aware about the products provided by the various companies and their importance to the companies. Therefore, they have high expectations and choose a company which provides them with the best products and services. Price, quality and functionality are not only the factors to make a consumer loyal towards a company, but today it's also, the consumers experience and their interactions with the brand ambassadors/sellers. Any kind of bad experience can damage the image of a company/brand in the eyes of the consumers. In India individuals love to spend on various cosmetics, personal care and wellness products. But along with being brand conscious, consumers value their spent also. Indian Markets have always been price sensitive and mass market constitutes the major part of cosmetics, personal care and wellness industry. Many direct selling companies are now having a hold on the overall market area and also increasing their importance and value among the consumers who are actually the core segment of our economy. All

products launched by any company holds its own importance but the products do differ according to their brand and their parent company. Direct selling is the marketing and selling of products directly to consumers away from fixed retail location with the help of consultants and distributors that are appointed by the company. It consists of two main business models : (a) Single Level Marketing and (b) Multi Level Marketing. Consumer's are the largest economic group in any country and constitutes the pillars of the economy. They are the heart as well as the controller of marketing functions. Study on consumer behaviour enables any company to understand and predict the way a consumer will behave with regard to a particular product available for his use. Thus, a consumer is an individual who is a final user and make decisions regarding the purchase of products and services generated to them by the various direct selling companies, influenced by company offers, marketing strategies and consultant skills. The consumer defines value with quality. If a product has good quality, sustainability, longevity, etc it is considered as valuable. Perception is a cognitive process of selecting, organizing, interpreting and attaching meaning to the events happening in the environment, also defined as a process by which individual organize their sensory impression thus giving a meaning to their environment. Thus, an idea came to my mind of writing my research paper on "Perception and behaviour of consumers towards the direct selling company products" with the aim of gaining knowledge of how these direct selling companies in today's competitive world are able to satisfy the consumers with their products and how much preference the consumers are giving to the various products of the company.

2. Literature Review

Barnowe and David (1992) attempted to study the consumers experience with products and attributes towards direct selling methods. The study pointed out that women make more purchases through direct selling than men do and consumers complained about pushy, untrustworthy, salesperson and about the inconvenience of some direct selling encounters. The study also pointed out that, consumers also criticized the poor quality of products and services.

According to Kotler and Keller (2012), it is worth noting that consumer buying behaviour is studied as a part of the marketing and its main objective is to learn the way how the individuals, groups or

organizations choose, buy use and dispose the goods and the factors such as their previous experience, taste, price and branding on which consumers base their purchasing decisions.

Sirfaz et al. (2014) proved that there is a significant influence on the quality of product on the customer attitude. In addition to the research of product quality perception on the customer attitude, there is another study that examined the direct relationship between the perception of product quality and the sale volume.

Hamil and Priyadharshini (2016) made a study on “Buyers preference on Amway products in Thirunelveli”. The main objective of the study was to find out the factors influencing customer preference towards Amway products and to measure the level of opinion towards Amway. For this purpose data were collected from 70 respondents by using structured questionnaire. The study concluded that the consumer preference towards the Amway products was there and they are mainly motivated by the quality of the products.

3. Objectives

The main objectives of this research paper are :

1. To investigate the consumers behaviour and perception towards the direct selling company products.
2. To find out the various factors consumers keep in mind at the time of purchases.
3. To study which company has gain more importance among the consumers.

4. Research Methodology

Research methodology is a systematically solving way for various research problems. Research is a science which is studied scientifically. It actually comprises of defining and redefining of problem, formulating hypothesis, data collection, evaluation, detecting and reaching conclusions.

Research Problem : Perception and behaviour of consumers towards the direct selling companies.

Research Design : Descriptive research design is adopted for the present research which basically includes surveys and facts finding enquiry of different kinds. The major purpose of descriptive research is description of the state of affairs, as it exists at present.

Sampling Design : Area sampling design technique has been used to collect the information from the consumers.

The particulars of sample design are :

a) Type of Universe : Finite

b) Sampling Unit : Consumers who purchase products of various direct selling companies

c) Sample Size : The sampling population of proposed research will include approximately 150 consumer respondents.

Data Collection/Data Analysis : The proposed study will consist of both primary and secondary data.

a) Primary Data : The primary data will be collected from the consumer respondents by administering a structured questionnaire.

b) Secondary Data : Apart from primary data, the secondary data will be collected from research publications, standard journals and annual sales reports of the direct selling companies. The secondary data will support the primary data as and when required.

Research Instrumentation : Structured Questionnaire

Research Approach : Survey Approach

Statistical Tools : The data collected has been analysed with the help of percentage analysis tool.

5. Findings and Analysis

First of all, an attempt has been made to find out the background of sampled respondents. It is depicted in the following table :

Table-1 : Socio-economic Attributes/Variables of the Selected Sample

Attribute/Variable	No. of Respondents	Percentage
Age Group		
18-23	25	17.0
24-30	25	17.0
31-40	50	33.0
40 and above	50	33.0
Total	150	100.0
Gender		
Male	50	33.0
Female	100	67.0
Total	150	100.0

Occupation		
Business	30	20·0
Service	30	20·0
Student	20	13·0
Housewife	70	47·0
Total	150	100·0
Financial Status		
Dependent	70	47·0
Independent	80	53·0
Total	150	100·0
If Independent (Income Per Month)		
₹ 10,000 - 30,000	10	12·5
₹ 31,000 - 50,000	20	25·0
₹ 51,000 - 80,000	30	37·5
₹ 81,000 and above	20	25·0
Total	80	100·0
Family Type		
Joint	50	33·0
Nuclear	100	67·0
Total	150	100·0

Data presented in the table above shows the following characteristics of the sample :

1. Almost two-third consumers are in the age group of 31-40 years and above, remaining one-third consumers fall in the age group of 18 to 30 years in this study.
2. Two-third consumers are females and remaining one-third males.
3. A little less than half of the consumers are housewives, followed by one-fifth from service and business class each and the remaining still pursuing their studies.
4. In case of financial status, a little more than half of the consumers are independent, whereas, the remaining little less than half still dependent.
5. As regards the income range, more than one-third fall in income bracket between ₹ 51,000 to 80,000, one-fourth each in

the range ₹ 31,000 to 50,000 and ₹ 81,000 and above, whereas, the remaining one-eighth between ₹ 10,000 to 30,000.

6. Almost two-third consumers belong to nuclear families and remaining one-third from joint families.

Now, we take up the issue of spending on cosmetics, personal care and wellness products by the consumers. The following table depicts responses of selected sample according to the amount spent :

Table- 2 : In a typical month, how much do you usually spend on Cosmetics, Personal Care and Wellness Products

Amount Spent	Number of Respondents	Percentage
₹ 2,000 - 5,000	50	33.0
₹ 5,000 - 8,000	40	27.0
₹ 8,000 - 10,000	40	27.0
₹ 10,000 and above	20	13.0
Total	150	100.0

It is evident from the data presented above that one-third of the consumers spend ₹2,000 to 5,000 monthly on cosmetics, personal care and wellness products followed by more than one-fourth consumers spending ₹5,000 to 8,000. Same proportion, i.e. more than one-fourth of consumers spend ₹8,000 to Rs 10,000. Remaining nearly one-seventh are found to spend ₹10,000 and above per month.

The following table depicts responses of selected sample on their favourite direct selling company/brand :

Table-3 : Which is your favourite direct selling company

Brand/Company	Number of Respondents	Percentage
Oriflame	40	27.0
Amway	40	27.0
Vestige	20	13.0
Forever Living Products	5	3.0
Herbalife Nutrition	5	3.0
Modicare	25	17.0
Tupperware	15	10.0
Total	150	100.0

It may be observed that a little more than one-fourth each find Oriflame and Amway as their favourite direct selling company/

brand. They were followed by nearly one-sixth consumers who seem to prefer Modicare and one-tenth Tupperware. Remaining few prefer other direct selling companies.

The responses of selected sample on most important feature taken into consideration while purchasing the products are shown in the following table :

Table-4 : Which is the most important feature you take into consideration when you purchase the products from the direct selling companies

Category	Number of Respondents	Percentage
Quality	50	33.0
Quantity	30	20.0
Price	50	33.0
Company/Brand	20	14.0
Total	150	100.0

It may be seen that one-third each take into consideration quality and price while purchasing the product from the direct selling companies. One-fifth considered quantity, while nearly one-seventh company/brand name.

The following table depicts responses of selected sample on their feeling comfortable while buying any product through direct selling companies :

Table-5 : Are you comfortable buying through direct selling companies

Category	Number of Respondents	Percentage
Yes	100	67.0
No	50	33.0
Total	150	100.0

The findings show that two-third consumers feel comfortable while buying through direct selling companies now-a-days. Remaining one-third did not feel comfortable while buying from the direct selling companies.

The responses of selected sample on becoming an independent consultant to earn an extra income are shown in Table-6, which clearly shows that only one-third consumers are interested to become independent consultant, while remaining two-third are willing to become the consultants for earning an extra income.

Table-6 : Would you be interested in becoming an independent consultant for the various direct selling companies and sell, earn and consult in order to earn an extra income

Category	Number of Respondents	Percentage
Yes	50	33.0
No	100	67.0
Total	150	100.0

Products bought and the communication channel heard about various direct selling companies are shown the Tables-7 & 8 below :

Table-7 : Which all products have you bought from the various direct selling companies

Category	Number of Respondents	Percentage
Cosmetics	50	33.0
Personal Care	40	27.0
Hair Care	5	3.0
Fragrances	21	14.0
Wellness Range	4	3.0
Accessories	30	20.0
Total	150	100.0

Table-8 : Through which communication channel have you heard about the various direct selling companies

Category	Number of Respondents	Percentage
Online (via Internet, website etc)	20	13.0
Cosmetic and Skin Care Centres	10	7.0
Independent Consultants	100	67.0
Electronic Media	18	12.0
Any Other	2	1.0
Total	150	100.0

One-third consumers bought cosmetic products followed by a little more than one-fourth personal care product, one-seventh fragrances and remaining few hair care and wellness product range. It is also clear that two-third consumers have heard about the various direct selling companies from the independent consultants.

The following table depicts responses of selected sample on frequency of using direct selling company products :

Table-9 : How often do you use direct selling company products

Category	Number of Respondents	Percentage
Regularly	60	40.0
Often	30	20.0
Occasionally	40	27.0
Rarely	20	13.0
Total	150	100.0

It is clear that four out of every ten consumers use the various direct selling company products regularly, a little more than one-fourth occasionally, one-fifth often and nearly one-eighth rarely.

Views of selected consumers about price of the direct selling companies are shown in the following table :

Table-10 : How do you consider the price of the direct selling companies

Category	Number of Respondents	Percentage
Expensive	100	67.0
Moderate	50	33.0
Total	150	100.0

Data presented above show that two-third consumers considered the price of the various products of the direct selling companies expensive, while remaining one-third found it moderate.

The following table depicts responses of selected consumers about their opinion about various direct selling companies products :

Table-11 : What is your opinion about various direct selling companies products

Category	Number of Respondents	Percentage
Best	100	67.0
Good	40	27.0
Better	9	6.0
Worse/Bad	0	0.0
Total	150	100.0

It was found that two-third consumers considered the products of various direct selling companies as the best, followed by little more than one-fourth consumers who considered the products as good. Remaining considered the products better. It may be noted that none of the selected consumer found the products worse/bad.

Lastly, an attempt was made to find out the views of selected respondents on consultant care service of direct selling companies. The following table depicts their responses on their rating about this issue :

Table 12 : Rating on consultant care service of direct selling companies by the consumers

Category	Number of Respondents	Percentage
Strongly Agree	40	27.0
Agree	45	30.0
Neutral	5	3.0
Disagree	30	20.0
Strongly Disagree	30	20.0
Total	150	100.0

It is quite clear that a little more than one-fourth selected consumers strongly agreed that the consultant care service of direct selling companies is satisfactory for many reasons, while a little less than one-third showed their agreement. Put together, more than half rated positively the consultant care service of direct selling companies by the consumers as they said that they were satisfied and they thought that its worth full buying from the direct selling companies. Not only this, it is time saving, more options are available for the consumers to choose from, consumer can get their queries cleared before buying the products and the consumer can get the skin care products according to their skin types and there are other benefits also which the consumers realized are beneficial in buying from the direct selling companies. However, four out of every ten either disagreed or strongly disagreed with the benefits of consultant care service of direct selling companies.

6. Conclusion

The direct selling companies have been in India since a very long time, so the present study reveals the consumers perception and

behaviour towards these companies' products. Based on my research survey it was concluded that the consumers are satisfied with the overall customer facilities provided by these companies. The main perception of consumer while buying products of these companies are quality and price and also they are affected by the overall behaviour and customer dealing of these companies. The study also concluded that most of the consumers are now aware about the various direct selling companies and their products. They are happy to buy from the direct selling companies. It can also be said based on my survey that in coming future these direct selling companies will gain more and more success with the overall support of their consumers.

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