# A Study on Consumers Satisfaction Towards Herbalife Product With Special Reference to Coimbatore city

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**ABSTRACT** *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 customers satisfaction and it also helps to identify the factors influencing the customers to choose Herbalife product. An attempt is made to study the factors influencing the customers to select Herbalife product and also the problems faced by customers.*

**Introduction:**

Herbalife International is a multi-level marketing company that sells nutrition, weight management and skin-care products. The company was founded in 1980, and it employs around 6,200 people worldwide. Herbalife reported net sales of US$ 4.072 billion in 2012, an 18% increase over 2011, and net income of $477.19 million, a 16% increase over 2011. Incorporated in the Cayman Islands, its corporate headquarters are in Los Angeles, California, United States.

The company distributes its products in 88 countries through a network of approximately 3.2 million independent distributors, some of whom earn profit on product sales and additional commission from a multi-level marketing (MLM) compensation structure.Marketing Herbalife products through multilevel marketing can be very challenging. Multi-level marketing is a system for selling goods or services through a network or distributors. The success of marketing the products with the acceptable quality depends on the methodology adopted in taking the products to the ultimate user, where in multilevel marketing, adopts the methods of direct selling. Multi-level marketing is also called network marketing, relationships marketing and multi level direct selling.

**Objective of the study:**

To analyse the factors influencing the respondents in selecting Herbalife product.

To find out the problem faced by the respondents on using the Herbalife product.

**Research methodology:**

The present study is based on both primary as well as secondary data. The primary data were collected through questionnaires.

**FRAME WORK OF ANALYSIS**

The data collected from primary sources were arranged in an orderly form to frame simple tables. The data distributed in these tables were systematically analysed with the aim of some statistical techniques. The following statistical tools have been used to analyse the data with reference to the selected objectives of the study:

1 Simple percentage analysis

2 Kendall's Co-efficient of concordance (W)
2 ANOVA

**LIMITATIONS OF THE STUDY**

- The study is confined only to customers of Herbalife products.
- The sample is limited to customer satisfaction of herbalife product towards Coimbatore city .

The respondents' responses may be biased.

Table No: 1
**Percentage Analysis**

| | | No of respondents | Percentage (%) |
|---|---|---|---|
| Age | Below 20 yrs | 0 | 0 |
| | 20-30 yrs | 14 | 33.3 |
| | 31-40 yrs | 6 | 14.3 |
| | 41-50 yrs | 12 | 28.6 |
| | Above 50 yrs | 10 | 23.8 |
| Gender | Male | 20 | 47.6 |
| | Female | 22 | 52.4 |
| Educational qualification | No formal education | 1 | 2.4 |
| | School level | 4 | 9.5 |
| | Graduate | 20 | 47.6 |
| | Post graduate | 14 | 33.3 |
| | Others | 3 | 7.1 |
| Occupation | Student | 5 | 11.9 |
| | Business | 18 | 42.9 |
| | Professional employment | 8 | 19.0 |
| | Others | 11 | 26.2 |
| Family monthly income | Below Rs.20,000 | 4 | 9.5 |
| | Rs.20,000 – Rs.30,000 | 8 | 19.0 |
| | Rs.30,001 – Rs.40,000 | 11 | 26.2 |
| | Above Rs.40,000 | 19 | 45.2 |
| Nature of the family | Joint | 18 | 42.9 |
| | Nuclear | 24 | 57.1 |
| Year of experience using the product | Less than I year | 5 | 11.9 |
| | 1-2 years | 26 | 61.9 |
| | 3-4 years | 9 | 21.4 |
| | More than 4 years | 2 | 4.8 |

- 33.3% of respondents are in the age group of 20-30 years.
- 52.4% of the respondents are female.
- 47.6% of the respondents are Graduates.
- 42.9% of the respondents are business persons.
- 45.2% of the respondents have a family monthly income of above Rs. 400000.
- 57.1% of the respondents live in a nuclear family.
- 61.9% of customers are having an experience of using Herbalife products for 1-2 years.

## MEAN RANKING
### Table no: 2
**Problem faced by consumers by using the Herbalife product**

| PROBLEM | MEAN RANK | ACTUAL RANK |
|---|---|---|
| Price | 5.39 | VI |
| Availability | 3.51 | II |
| Problems of product replacement | 4.12 | III |
| Usage of product | 4.95 | IV |
| Package | 3.19 | I |
| Side effect of using the product | 5.88 | VII |
| Latest product information | 6.07 | VIII |
| Quantity | 5.07 | V |
| Less variety of Product | 6.81 | IX |

From the above mean rank table it is stated that problems faced by customers and hence they have rank it as number one (mean rank 3.19) followed by 'Package of the product' (mean rank 3.51) and 'Availability of the product' (mean rank 4.12) as rank two and three respectively. 'Usage of the product' is given fourth rank (mean rank 4.95), followed by 'Quantity of the product' (mean rank 5.07) and 'Price of the product' as sixth rank (mean rank 5.39). 'Side effect of using the product' (mean rank 5.88) is assigned as seventh rank, followed by 'Latest product information' (mean rank 6.07) and 'Less variety of product' (mean rank 6.81).

'Package of the product' has been assigned the first rank among the problems faced by the customers.

## KENDALL'S CO-EFFICIENT OF CONCORDANCE
Kendall's Co-efficient of concordance (W) has been applied to find the extent of similarity among the respondents in assigning the ranks to the given items. 'W' ranges between 0 and 1. Higher the value of W, more will be the similarity among the respondents.

**Kendall's co-efficient of concordance**

| Kendall's W | .198 |
|---|---|

The calculated value of W for the given items is 0.198. Hence, there is less similarity among the respondents in assigning ranks for the problems faced by the customers.

## ANOVA
ANOVA technique is used when multiple sample cases are involved. ANOVA is to test for differences among the means of the population by examining the customer satisfaction level of Herbalife.

$H^0$: There is no significant difference in customer satisfaction level of herbalife based on their age, educational qualification, occupation and family monthly income.

### Table No: 3
**Personal factors Vs. Customer satisfaction level of Herbalife**

| | | Customer satisfaction level of herbalife product | | | F | Table Value | Significant/ Not Significant |
|---|---|---|---|---|---|---|---|
| | | Mean | S.D. | No. | | | |
| Age | Below 20 yrs | 0 | 0 | 0 | 1.993 | 2.89 | NS |
| | 20-30 yrs | 3.8254 | 41737 | 14 | | | |
| | 31-40 yrs | 3.4259 | 19138 | 6 | | | |
| | 41-50 yrs | 3.7222 | 38050 | 12 | | | |
| | Above 50 yrs | 3.5889 | 32731 | 10 | | | |
| Educational qualification | No formal education | 3.8889 | .0 | 1 | .419 | 2.60 | NS |
| | School level | 3.5000 | .26450 | 4 | | | |
| | Graduate | 3.7167 | .38570 | 20 | | | |
| | Post graduate | 3.6984 | .43238 | 14 | | | |
| | Others | 3.5556 | .19245 | 3 | | | |
| Occupation | Student | 4.2000 | .28760 | 5 | 4.8 | 2.83 | S* |
| | Business | 3.6605 | .38201 | 18 | | | |
| | Professional employment | 3.5694 | .34343 | 8 | | | |
| | Others | 3.5657 | .23546 | 11 | | | |
| Family monthly income | Below Rs.20,000 | 4.2500 | .27778 | 4 | 6.242 | 4.31 | S** |
| income | Rs.20,000 – Rs.30,000 | 3.6250 | .29659 | 8 | | | |
| | Rs.30,001 – Rs.40,000 | 3.4545 | .27869 | 11 | | | |
| | Above Rs.40,000 | 3.7193 | .35403 | 19 | | | |

Source: Computed   NS-Not Significant   S*- Significant at 5% level  S** - Significant at 1% level

## INFERENCE

➢ It is inferred that personal factors such as age and educational qualification has no significant difference in customer satisfaction level of Herba Life. Hence, the null hypothesis is accepted at 5 per cent level of significance.

➢ With the F value it is concluded that there is a significant difference in the factors influencing the customers satisfaction level of Herba Life based on their occupation. Hence, the null hypothesis is rejected at 5 per cent level.

➢ It is concluded that there is significant difference in customer satisfaction level of Herba Life  based on their occupation. Hence, the null hypothesis is rejected at 5 per cent level.

➢ It is found that there is significant difference in customers satisfaction level of Herba Life based on their occupation. Hence, the null hypothesis is rejected at 1 per cent level.

## Suggestions:

➢ Customers are expecting for  more variety of product and high quantity for a normal price. Hence more variety of products and sachets should be introduced.

➢ Brief instruction regarding usage of product should be given.

➢ Product replacement guarantee should be given by the company, so that the customers are interest to buy the product.

## 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 availability of the product will increase. As availability of the product would increase the company will also try to satisfy those product 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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