

## A study of direct marketing with special reference to Amway

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### ABSTRACT

The use of consumer-direct channels to reach and deliver goods and services to consumers without using marketing middlemen is termed as direct marketing. The field survey has shown that most of Amway distributors were in between the age of 25-45 years, majority being male with an earning of Rs. 5,000 to 10,000 monthly. It was observed that nutrition and wellness products were commonly preferred by the customers. There was no relationship between age and the level of satisfaction of distributors. The idea of direct selling is actually the result of socio-economic development so the direct selling companies are growing very fast in India both in size and in number.

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The use of consumer-direct channels to reach and deliver goods and services to customers without using marketing middlemen is termed as direct marketing (Edward, 1992). These channels include direct mail, catalogs, telemarketing, interactive TV, kiosks, web sites, and mobile devices. Direct marketing is one of the fastest growing media for serving customers (Smith and Taylor, 2005).

Customer order is a measurable response of direct marketing; therefore it is also called direct-order marketing. Today, many direct marketers use direct marketing to build a long-term relationship with the customer. They send birthday cards, information materials, or small premiums to select customer. Airlines, hotels and other businesses build strong customer relationships through frequency award programme and club programme (Bose, 2007).

### The growth of direct marketing:

Sales produced through traditional direct marketing channels (*i.e.* catalogs, direct mail, and telemarketing) have been growing rapidly. Whereas U.S. retail sales grow around 3 per cent annually, catalog and direct mail sales grow at about double the rate. Direct sales include sales to the consumer market (53%), B2B (27%), and fund raising by charitable institutions (20%). Total media

spending for all direct marketing in 2000 (including direct mail, telephone, broadcast, internet, newspaper, magazine, etc.) was over \$421 billion.

The fast growth of direct marketing can be attributed to many factors. Higher costs of driving, traffic congestion, parking headaches, lack of time, a shortage of retail sales help, and lines at checkout counters, all encourage at home shopping. Consumers appreciate direct marketers' toll free phone numbers available 24 hours a day, 7 days a week, and their commitment to customer service (Henry, 2008).

### Objectives of the study:

- To know the history and development of the direct marketing.
- To study the marketing practices of Amway distributors for Marathwada region.
- To study and gauge the problems faced by the Amway distributors.
- To analyze the factors influencing customers' attitude towards Amway products.

### Hypotheses tested:

- There is no relationship between the age and income of the Amway distributors.
- The age of distributors and purpose of his joining Amway business are independent.

### METHODOLOGY

The present study is based on the primary data collected from the distributors of the company spread

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