

CHAPTER 1

INTRODUCTION

1.1. Background of the Study

The World Health Organization (WHO) defines health as “a state of complete physical, mental, and social well-being, not the absence of disease.” (WHO. org: 2007 online). Medical research has shown that several diseases can be prevented simply with a healthy diet; such as diet consists of low in fat, saturated fat, cholesterol, and sodium, with a healthy diet; such as diet consists of low in fat, saturated fat, cholesterol, and sodium, with a healthy proportion of plant-based ingredients.

In addition, people involved in medication area have paid more attention in alternative medicines or preventing diseases through the use of supplementary vitamins and minerals that are naturally extracted from plants. This alternative medication helps people to reduce their expenditures in medicines in a long term (Herb medication.2004: Online). People are concerning more about prevention instead of cure.

The importance of nutrition and the benefits of dietary supplements to health promotion and disease prevention have been documented increasingly in scientific studies. Dietary supplements become popular all over the world because of health concerns.

The dietary supplements industry is now among the world’s fastest growing economic sectors. Consumers’ spending have nearly doubled from 1994 to 2000, and it continues to grow more than 10% each year (Food and Drug Administration. 2002: Online).

In 2006, Thai View research showed that 51% of people in Bangkok are saying that they will consume products derived from naturally extracted ingredients, and 37% will increase the consumption of dietary supplement (Thai View. 2006: 45). The competitive market of dietary supplement will increase accordingly to the rising consumer’ demand.

The wellness industry market in developed countries is now one of the leading markets around the world; however, Thailand has only just adopted this health concern over the last few years. This can be seen from the consumer products available in the market; many leading companies in wellness industry have developed their products more along the better health line such as green tea extract, omega 3, collagen, and etc.

The dietary supplement market in Thailand is growing exponentially; and with this growth, one of the major leading companies in nutritional supplement is Amway Global (Thailand) Ltd.

Amway has a large share of the Thai consumer market; last year, the company sales volume was approximately over \$ 9.2 million (Amway reports 2010: Online). In addition, in USA, Amway global International Inc. Has joined los Angeles Stock Exchange in 2009, which certifies the reliability of the company.

Whereas around the world, the wellness industry is just now taking off, already approximately a \$200 billion business, with most of its revenue coming from vitamin sales and health club memberships. In just ten years, and additional \$1 trillion of the U.S. economy will be devoted to providing healthy people products and services to maintain their health (Pilzer. 2002: 7).

Amway Thailand Ltd. sells Nutrilite by Amway products through the use of marketing mix. Customers come from the internet advertising by the use of banners which are advertised in the selected websites.

However, the banner has to be something that when the customers see for the first time are interested in it. This is achieved by a well-known presenter who is always in good shape and good health. Another point is that the banner is planted on approximately 200 websites; therefore internet users are bound to see them sometime.

After they have accessed the website through the banner and are interested in the products, they are required to give their contact number. Afterwards, they are invited to a "Nutrition Seminar" to be educated about health care and how to lose weight safely.

This seminar is set up after work once a week, and the information on the Nutrilite products only appears in the last five minutes of the seminar. This makes it a lot easier to get them to become customers, and then they can buy more with after-sales services, personal coach, health information magazines and etc

The researcher chose this company to conduct her study focusing on dietary supplement food because Amway Thailand Ltd. is a company that represents a healthy lifestyle through the use of Nutrilite by

Amway. The company was formed by a group of independent distributors, by working as a team. They share mutual benefits of both monetary and relationship.

The company becomes successful in only 3 years. Furthermore, the sales have barely doubled each year. Therefore, the researcher has a great interest in how the company creates their strategies to achieve such growth.

This study will take a disintegrate look into one of the leading companies specialized in nutritional products to see how the company has developed its strategic movement in the market have affected both direct and indirect customers' decisions in purchasing dietary supplement products.

1.2 Objectives of the Study

1.2.1 To explore factors that affect the buying decision of the customers towards Nutrilite dietary supplement food products.

1.2.2 To explore the factors influencing customer to buy dietary supplement products available in the market.

1.3 Scope of the study

This study aims to explore factors affecting the customers' buying decision towards Nutrilite dietary supplement food products as well as other dietary supplement food products.

The questionnaires concerning factors affecting buying decision were distributed to fifty customers, who bought Nutrilite products in September, 2014

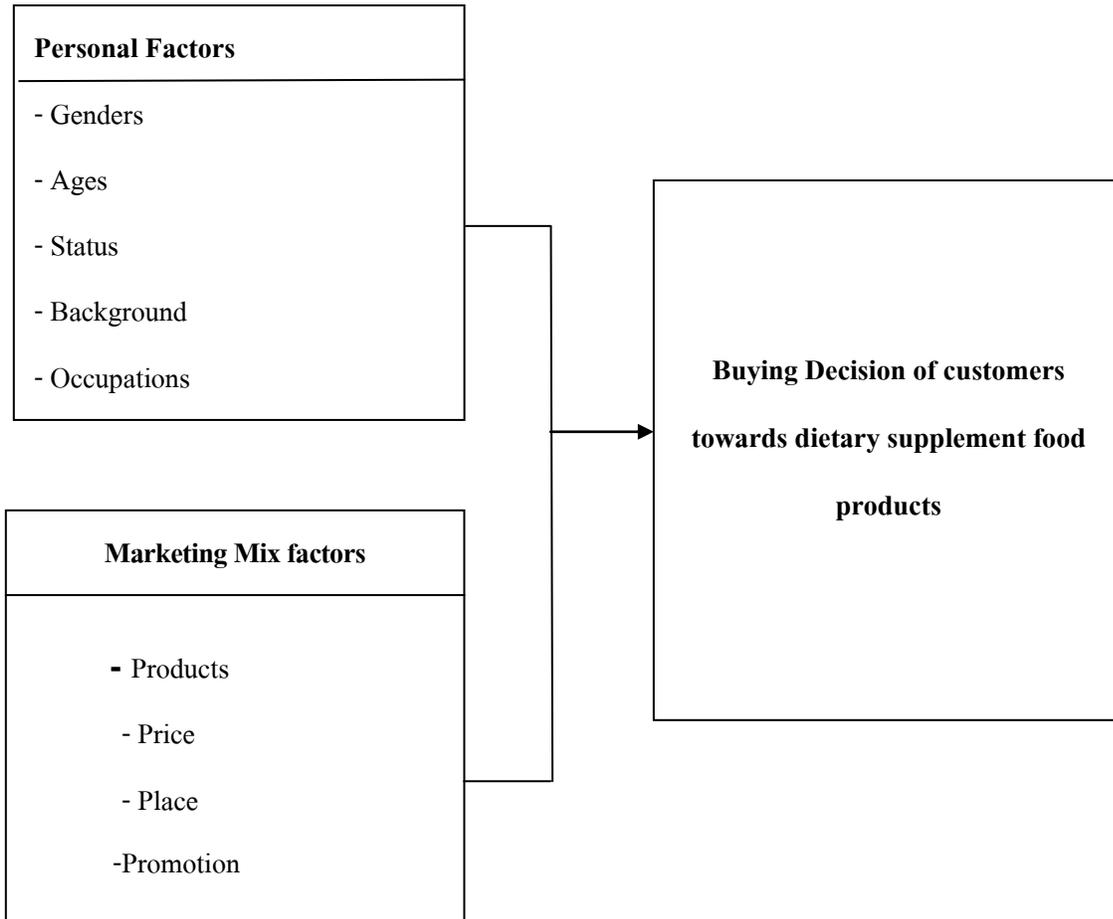
Scope of populations

This study research purposive sampling and convenience sampling 50 sampling

1.4 Conceptual Framework

(Independent Variables)

(Dependent Variables)



Picture 1 Concepts in aesthetics framework

1.5 Definition of Terms

1.5.1 Dietary Supplement

This diet supplement refers to a food product that contains a “dietary ingredient” intended to supplement the diet. The “dietary ingredients” in these products may include: vitamins, minerals, herbs or other botanicals, amino acids, and substances such as enzymes, organ tissues, glandular, and metabolites. Dietary supplements can also be extracts or concentrates, and may be found in many forms such as tablets, capsules, softgels, gencaps, liquids, or powders.

1.5.2 Customers

Customer in this study is people who buy products from Bangkok Nutrition Academy

1.5.3 Marketing Mix (4 Ps)

The marketing mix is generally accepted as the use and specification of the 4 Ps; Product, Price, Place, and Promotion describing the strategic position of a product the marketplace.

1.5.4 Marketing mix (7 Ps)

7 Ps is the same original 4 Ps. Although some marketers have added other Ps which are People, Process, and Physical Evidence.

1.6 Expected Results

1.6.1 The study revealed factors that affected the buying decision of the consumers towards dietary supplement food products. The advantages of the dietary supplement food products that affected the customers' buying decision were also explored and analyzed.

1.6.2 The findings of the study would be useful for people who wanted to start a new business on dietary supplement food products and for the owners of the dietary supplement food product companies to improve and enhance their business strategies to urge the customers to buy the products.