

# **Project Dissertation on Marketing and Consumer Perception Of Maggi Noodles**

Submitted By:

Piyush Raj Gandhi  
(2K20/EMBA/28)

**Under the Guidance of:**

Dr. Deep Shree

Assistant Professor



**DELHI SCHOOL OF MANAGEMENT**

**Delhi Technological University**

**Bawana Road Delhi 110042**

## **CERTIFICATE**

This is to certify that the dissertation report titled “**Marketing and Consumer Perception of Maggi Noodles**” is a bonafide work carried out by **Mr. Piyush Raj Gandhi** of **EMBA 2020-22** and submitted to Delhi School of Management, Delhi Technological University, Bawana Road, Delhi-42 in partial fulfillment of the requirement for the award of the Degree of Masters of Business Administration.

**Signature of Guide**

**Signature of Head (DSM)**

**Seal of Head**

**Place:**

**Date:**

## DECLARATION

I, Piyush Raj Gandhi student of **EMBA 2020-22** of Delhi School of Management, Delhi Technological University, Bawana Road, Delhi – 42, hereby declare that the dissertation report “**Marketing and Consumer Perception of Maggi Noodles**” submitted in partial fulfillment of Degree of Masters of Business Administration is the original work conducted by me.

The information and data given in the report is authentic to the best of my knowledge.

This report is not being submitted to any other University, for award of any other Degree, Diploma or Fellowship.

Piyush Raj Gandhi

Place:

Date:

## **ACKNOWLEDGEMENT**

I would like to express my sincere gratitude towards my Guide, Mrs. Deep Shree (Assistant Professor, Delhi School of Management, and DTU) for her support and valuable guidance throughout the duration of the project. I thank her for the constant encouragement and support at every stage.

My sincere gratitude goes out to my colleagues whose participation in the project gave many valuable inputs for its completion.

## **Executive Summary**

Maggi has been more like a revolution in the country for years. It's one of the few brands that is equally favored, loved and trusted by teenagers, Adults as well as Octogenarians. This edible quick fix has been a solution of working class as well as hostellers for many decades and with its USP of getting ready in 2-5 minutes with minimum kitchen equipment required, Maggi noodles are one of the staples of the current generations and surely for generations to come.

But this household name of India at one stage was in a dire state and had to face lot of backlash due to its controversy related to high lead content and presence of flavor enhancer both of which are harmful for human consumption. The controversy lead to a worldwide ban and effects on intangible elements like image, perception, trust etc.

The intent of this project is to carry out a study on Maggi Noodles and effects on the brand image and consumer perception before and after this controversy. This project involves carrying out a consumer survey and studying the results of the survey. During the survey the population were asked questions about their preferred brand in Instant Noodle segment and how they perceived the ban on and Maggi in 2015 and how did it affect them and are they ready or started using the brand again. The project will also focus on the branding and rebranding done by Nestle in order to regain the lost numero uno position.

## Table of Contents

### Contents

1. INTRODUCTION .....	8
2. LITERATURE REVIEW .....	11
3. RESEARCH METHODOLOGY .....	12
4. CASE STUDY.....	13
5. CONSUMER PERCEPTION.....	30
6. CONCLUSION .....	37
6.1 Reference.....	41
6.2 Annexure .....	42

### Table of Figures

Figure 4.1:Brand Cues - Source: thestrategystory.com.....	17
Figure 4.2: Trending Content, Source: Maggi Instagram .....	18
Figure 4.3: Collab with Influencers, Source: Maggi Instagram page.....	18
Figure 4.4: Multi-Linguistic Advertisement, Source: Maggi Instagram page.....	19
Figure 4.5: Same Theme, Different Story, Source: Maggi Instagram page.....	20
Figure 4.6: Test results by various firms, Source: Analytical study on Consumer behavior by Mr Rahul & M.Mhabde .....	24
Figure 4.7: Revival of Maggi, Source: Movie add's YouTube Channel.....	26
Figure 4.8: Revival of Maggi, Source: Movie add's YouTube Channel.....	26
Figure 4.9: Revival of Maggi, Source: Movie add's YouTube Channel .....	27
Figure 4.10: Revival of Maggi, Source: <a href="https://www.indiatvnews.com">https://www.indiatvnews.com</a> .....	27
Figure 4.11: Revival of Maggi, Source: <a href="https://www.indiatvnews.com">https://www.indiatvnews.com</a> .....	28
Figure 4.12: Revival of Maggi, Source: <a href="https://twitter.com/MaggiIndia">https://twitter.com/MaggiIndia</a> .....	28
Figure 4.13: Revival of Maggi, Source: <a href="https://www.nestle.in/aboutus/ask-nestle">https://www.nestle.in/aboutus/ask-nestle</a> .....	29
Figure 5.1: Survey, Own Analysis .....	30

Figure 5.2: Survey, Own Analysis .....	31
Figure 5.3: Survey, Own Analysis .....	31
Figure 5.4: Survey, Own Analysis .....	32
Figure 5.5: Survey, Own Analysis .....	32
Figure 5.6: Survey, Own Analysis .....	33
Figure 5.7: Survey, Own Analysis .....	33
Figure 5.8: Survey, Own Analysis .....	34
Figure 5.9: Survey, Own Analysis .....	34
Figure 5.10: Survey, Own Analysis .....	35
Figure 5.11: Survey, Own Analysis .....	35
Figure 5.12: Survey, Own Analysis .....	36
Figure 6: Sales of Maggi, Source: <a href="https://www.statista.com/">https://www.statista.com/</a> .....	37
Figure 6.1 : Sales of Maggi after ban, Source: news18.com .....	37
Figure 6.2 : Maggi Vs Top Ramen vs Yippee, Source: news18.com .....	38
Figure 6.3 : Instant Noodle Market Share, Source: Bloomberg .....	38
Figure 6.4 : Plagiarism Report .....	42

## **1. INTRODUCTION**

Maggi has been a revolution in the country, only brand in the world that is equally favored, loved and trusted by teenagers, Adults, Octogenarians. This edible quick fix is solution of working class for more than centuries and with its properties of getting ready in 2-5 minutes Maggi noodles are one of the staples foods of the current generations and generations to come.

Going down the memory lane, Maggi was invented by Julius Maggi from Switzerland, during the industrial revolution when women too were busy working and didn't have time to cook food, to curb the situation Julius Maggi came with the idea which was easy, simple, fulfilling for the stomach and could be cooked within few minutes.

For Indians Maggi is a Nestle brand, as Nestle acquired the rights of Maggi in 1947 and had to market the product heavily to convince the customers. The hard work by Nestle paid off, as the 90% of the market share of Maggi was from India before the nationwide ban by the Food Safety and Standards Authority of India due to which the market share plummeted to 53%.

In our case study we attempt to study the marketing strategies employed by Maggi before and after the ban and the change in consumer perception.

In the year 1983, Maggi was launched by Nestle in India for the working women and Indians were reluctant to try out the concept of Instant noodles, considering the fact the whole India was hooked to rice and wheat products. Initially Nestlé's Maggi was a dud in the Indian market as no one paid heed to the concept of Instant noodles and Nestle had to think of something else to penetrate into the market. After extensive observation Nestle was able to find a suitable timing where they can fit-in the product and can position it accordingly. The time of evening snacks in between lunch and dinner, when kids are returning from school, the traditional Indian snacks take a longer time to get cooked and in such crisis situation Maggi can be handy. This formula actually worked and not only kids, teenagers, adolescents, younger generations, adults all got hooked to Maggi's taste and thus Maggi was able to establish their brand in the contemporary India.



## **1.1 Background**

Maggi has been in the instant food segment for over 75 years and was ruling the roost till 2015 when a major controversy hit Nestle and the controversy tarnished the image of the Nestle. At that time the damage seemed to be permanent with Maggi's product being recalled and losses were in crores with shelves cost being 3200 crores and 1270 crores indevaluation the controversy was related to excessive traces of MSG (Monosodium Glutamate), a flavor enhancer that should not been added in the food item made for children aged 12years and below. Initially the company denied the tracer of MSG however the results from Gorakhpur and Kolkata test labs confirmed the traces of MSG in amount of 17.2PPM. Such reports lead to a ban on Maggi in New Delhi and Gujarat for 15days and on 6<sup>th</sup> June, 2015 a ban of indefinite period was imposed on Maggi. However there were strings of results from United Kingdom, United States of America, Australia , Canada , Singapore conducted tests on Maggi being sold in India, and it was reported the lead content found are within permissible level and met most of the country's standard and is fine for human consumption. Later it was revealed that Gorakhpur and Kolkata test were not NABL-National Accrediation Board Testing and Calibration Laboratory. Post the upliftement of the ban there was lot of work that was to be done to regain the lost confidence. Although manufacturing started in all 5 plants but the Maggi's image was totally tarnished, Maggi had to rectify their image by rebranding themselves. In coming months a series of advertisements commercials were released by Maggi targeting the consumers' sentiments, using the nostalgic sense to persuade them to move back to their first love, showed them who is the OG in the instant noodles section, and using "We miss you Maggi" with involvement of the good old days spent with Maggi and usage of taglines like Maggi has always been safe. All such controversy happened in year 2015 and Maggi with its effective marketing and advertising skills were able to regain their position which they never lost.

## **1.2 Problem Statement**

Maggi is owned by Nestle since 1947 and is the most revenue generating brand of Nestle. Nestle started Maggi in India in the year 1983 and in initial stages faced hiccups due to rice and wheat eating habit of Indians and relaunched Maggi in different segment and with different set of positioning which instantly capture market the market and came to be known as instant noodle segment. The target consumer

was children and mothers. With its 25 years, it has reached 90% of instant noodle market. Maggi is the great revenue contributor for Nestle however in the year 2015 Nestle faced sudden drop in sales due to negative publicity and actions due all wrong reason like presence of hazardous content which has shaken the trust of Consumer. In this study we tried comparing the pre and post ban advertising and consumer behavior scenario.

### **1.3 Objectives of the study**

- The study how consumer behavior has changed before and after the ban on Maggi noodles.
- The study how the new techniques employed changed the consumer perception.

### **1.4 Scope of the study**

The study carried out in the project is limited to convenient sampling where a survey was done and based on the responses inference has been drawn. The survey will be limited to around 60 numbers of respondents most of them falling under 19-40 years of age. The respondents will be asked certain questions related, unrelated to Nestlé's Maggi and the inference drawn will be irrespective of the gender of the respondents.

## **2. LITERATURE REVIEW**

Mr. Rahul .M.Mhabde, Mrs. Rajeshri Soni research highlights how the consumer's perception changed after the ban imposed on Maggi. The research was done more with the primary data, with information being collected from various respondents in the form of survey and responses were then analyzed. In the study researched has highlighted the consumption has gone down to once in a month frequency. The survey has been done in such a way the gender of the respondent is not highlighted or used to make out any inference and evaluation of Maggi and rise of its competitors has been done during the ban on Maggi.

Rupa Rathee the author of Maggi Noodles: Ban and Revival highlights the prevailing trends in the ready to eat market segment and what are the changes to be expected in the segments as per the changing lifestyle. The research explains about the pre ban era of Maggi noodles and a timeline of during and post ban era of Maggi noodles and how Maggi revived themselves from the jolt and way forward for the Nestlé's iconic brand.

### **3. RESEARCH METHODOLOGY**

Regaining the lost confidence isn't easy and same is the case has happened with Maggi, after enjoying a dream run with its customers suddenly Nestlé's iconic product found itself in the lowest point. In the case study we tried finding out what exactly is customers' perception after the Maggi was banned and what were their thoughts and how they perceive the product in today's time.

#### **3.1 Primary Data**

Sample Size- 50

Sampling Technique: Convenience Sampling

Research Methodology- Survey

#### **3.2 Secondary Data**

Secondary Data has been collected from various sources available on internet like research papers, newspaper articles, and published reports on Maggi product, books.

## **4. CASE STUDY**

### **4.1 Maggi's 7Ps of Marketing**

- **Product** – Maggi is one of the leading noodles brands of the country and to counter its competitors has launched numerous sub noodles brand ranging from instant-2minutes noodles, Vegetable noodles, Atta Noodles, Multi Grain Noodles, Chicken, Cuppa Noodles Oats etc. Maggi Soups are quite popular amongst the masses. The variety of products being offered by Maggi is itself is a marketing pitch and helps them in sustaining their business.
- **Price** – Maggi pricing strategy is cost based pricing strategy, with rising pricings of the raw materials and associated products, Maggi ingeniously reduced the quantity of the products keeping the pricing intact. Another factor that is worth considering under pricing segment is, Maggi Noodles packaging comes under a variety of options as per the requirements of the consumer.
- **Place** – Maggi noodles as per experience, are widely available to each part of India. The penetration into the rural and hilly areas of India and effective distribution strategy made this possible.
- **Promotion** – The promotional strategies of Maggi noodles have evolved over the years and this really kept the brand going and rejuvenated the brand from the controversy that hit the brand in 2015 and made the brand to hit the rock bottom. Earlier the target customers were kids and teenagers which eventually evolved to working women, old aged persons. The marketing strategies have been on point for instance free goodies, samples, celebrity endorsements and “Miss You Maggi” when Maggi was making a comeback.
- **People** – Maggi attained the numero Uno position because of the employees inside and outside of the organization. The outside the organizations were the onus involved in the distribution strategies wholesalers, distributors which helped Maggi reached to every geographical corner of the country. Inside of the organization employees are the ones who are major workforce right from the producing managing the system, marketing the product and devising the new strategies. Nestle worldwide employs approximately 273000 people.

- Process – Maggi is readily available due its strong presence and distribution strategy the network involves producers to distributors to wholesalers to retailers to consumers. Maggi has penetrated to such a micro level and that’s why it is readily available in rural market as well. Maggi products are directly taken from the factories which are independently managed agencies who then manage the whole process first they store in their own warehouses and from there they pass on to the wholesalers according to their demanded received from them. The network doesn’t end here, the wholesalers distributes large quantities in bulk to small retailers to end customer as well through various means like super market, individual shops, hypermarkets, other small business owners and to Maggi’s own kiosk. The retailers can be convenience stores or local supermarkets.
- Physical Evidence – The brand Maggi Noodles is a reliable and legitimate brand. Over the years it has been trusted by millions and millions of its consumers. The brand identity is legitimate, Whenever Maggi reverberates in the ears that round red bubble comes into the mind with “Maggi” in yellow, social media marketing and handle all are quite different and always keep themselves in the limelight. The product branding itself drives out the nostalgia amongst the youth and elderly people and starts to imbibe that feeling in younger ones by keeping that yellow and red branding intact for years and years to come.

#### **4.2 SWOT- Strength, Weakness, opportunities and Threats**

- Strengths
  1. Century old brand, trusted by all generations of the society.
  2. Market leader, even after the controversy Maggi still leads the charts in noodles segment.
  3. First Mover advantage still going strong, Maggi was the pioneer in the instant noodles segment and till date they are leading in the business and no one came close
  4. Variety – unmatched variety and innovative products. From soup to wide range of instant noodles offering .This also includes availability of single product in variety of price segments for all income class.

5. Maggi has been able to keep their image strong and visible thorough the year, with various marketing techniques Maggi has been able to keep themselves popular among the masses.
6. Maggi enjoys a loyal fan base, the amount of customer retention makes Maggi a strong contender in this segment.
7. Maggi has a well networked distribution channel and is the key to their success.

- Weakness

1. Ill effects- the ill effects of instant food is gaining momentum , more and more forums are opening up Maggi's detrimental effects on human health which can tarnish the image of Maggi.
2. Too much dependency- Nestle is heavily dependent upon the revenue generated from Maggi Noodles, if anything happens to the Maggi brand , it will be a bit difficult for Nestle to run their other products.

- Opportunities

1. Northeast States- The Northeastern states of India like Sikkim, Manipal, and Darjeeling generally uses brands like Top Ramen, Yippie etc. Maggi can work on it and try to expand their network in north-eastern states as well.
2. Rural Market – Maggi is yet to exploit the rural market of India, they can plan for innovative activities and penetrate into the rural market.
3. India's population is majority in its Youth, Nestle can use this opportunity to their benefit and promote Maggi amongst the youth.
4. NESTLE can increase the sales through the big retail chains like Big Bazar etc and can also promote its products.

- Threats

1. Maggi has just suffered from a controversy which accused Maggi of high lead content although Maggi had to rebrand themselves and came out after numerous marketing and advertising. Such controversy can be revived and can severely hurt Maggi again this time the impact will be even more severe.

2. Negative word of mouth- with the advent of social media, various online forums and social media platforms can criticize the ill effects of Maggi. This can affect the brand as whole.
3. Tough completion from local and national players.
4. Maggi being instant food gets rotten within few minutes, thus Maggi is generally not sold on online delivery platforms like Zomato, Swiggy thus one usually goes for an alternate. This is something inevitable and makers needs to modify the properties.

### **4.3 Initial Branding and Advertising**

#### 4.31.1 STP- Segmentation, Targeting and Positioning

- Segmentation: Maggi noodles basically comes under lifestyle and eating habits of the consumers under it often considered segmented under psychographic.
- Targeting - Maggi targets kids, youth, working professional who generally favor convenience-savvy time misers looking to get something in a jiffy that too nutritious and stomach filling and yet good for health.
- Positioning Maggi Noodles positioned themselves as instant food item that can be considered in snack category as Indians have a habit of taking Rice and Wheat in their meals and hence Indians didn't react too much when Maggi was positioned as meal. Therefore Maggi Noodles created a brand image of instant food product with statements such as "2 minute Noodles", "Happiness in 2 minutes," "Easy to cook, good to eat". But in the recent times as it has established very well in its segment and far beyond the approach for any competitor, it's slowly trying to enter into the MEAL category.

#### 4.3.2 Marketing & Advertising Strategies

- Brand Cues- Brand cues are mixture of visuals, messages and text that affects the buying behavior of a consumer. Maggi built its own brand cues to reach its iconic mark. Maggi utilized the sharp brand cues i.e.:



1. Usage of bright colors like red and yellow , some studies have suggested that red colors incites passion and yellow makes a person hungry so when someone encounters red and yellow he/she becomes passionately hungry.

2. Impactful Jingle – Since its inception Maggi has been called as “2 minutes noodles” which makes it easier to sell and creates a sense of convenience in the mindset of the consumers which propels the consumer to buy it based on the convenience involved in making this product i.e. it is a two-minute product.

- Brand cues are mixture of visuals, messages and text that affects the buying behavior of a consumer. Maggi built its own brand cues to reach its iconic mark. Maggi utilized the sharp brand cues like



Figure 4.1: Brand Cues - Source: thestrategystory.com

3. With early 2000s consumer started to become more educated and aware of the possible health issues with the instant food and Maggi realized this issue that might crop in the near future and launched the Maggi Atta Noodles. The product was launched to take away the negative vibes that are being surrounded in the market and also positioned as “taste bhi, health bhi”.

4. Roping in actors like Madhuri Dixit and Amitabh Bachan as brand ambassador for the product helped a lot in solidifying the product’s position in new generations mind. Both the actors have massive stardom and people considered them to be genuine and perfect fit for the promotion as they were the rising stars.

5. In the current times Maggi has always followed with the current trends and also reinvented their marketing techniques which always keeps the consumers engaged and the such reinvention positions the product in such a way that consumer is aware of only such product. Such is an impact of Maggi that,

Nestle opted to have a separate social media handle for Maggi. There are several instances where Maggi nailed their marketing skills.

Maggi social media platforms has been known for its effective content and usually take the advantage of the current trending topics. Below are some of the excerpt taken from Maggi's official Social Media Handle:

Banking on the trending topics, Indian premier league and Indian women hockey team, Nestle promoted their own brand using the trending topics:



Figure 4.2: Trending Content, Source: Maggi Instagram

Marketing with the help of Food bloggers and Influencers – With the rise of social media platforms, influencers too started coming, who can influence consumer's purchasing decision. Maggi collaborated with various food bloggers for different dishes that can be made with their own Maggi and influencers marketing were done to develop a sense of nostalgia about how Maggi has been used by everyone in their childhood and still most favored snack of all time.



Figure 4.3: Collab with Influencers, Source: Maggi Instagram page

Mutli-Lingustic Advertisements- Sharing multi linguistics advertisements are something that are planned in the marketing stage itself, once you area balke to decide the target market, you may want to penetrate to the very minute level, and one such way of doing is launching multi-linguistic advertisements based upon the regions. Maggi has recently launched a TVC which is multi-linguistic as well contains the current youth icons that can appeal to the consumers about the product and language can communicate their ideas /product in much more better way.



Figure 4.4: Multi-Linguistic Advertisement, Source: Maggi Instagram page

The mother child relationship has been a hit in the Maggi's commercial and Maggi always try to hit this sweet sport every time they are in talks of launching a new product or want to revive some old product. The marketing teams always have a plan as how can the product be advertised and what product can fit in proposed story line. The mother child relationship has been shown number of time in Maggi's commercial each one being equally well written, placed and advertised as well.



Figure 4.5: Same Theme, Different Story, Source: Maggi Instagram page

#### **4.4 PESTEL Analysis**

PESTEL analysis is for the marketers and planners to analyse the impact of macro environment factors (external marketing environment) that can impact the organization, industry. The factors that are modified and analyzed in PESTEL analysis are - Political, Economic, Social, Technological, Environmental and Legal. Following are the PESTEL factors that need to be considered to affect Maggi's progress.

4.4.1. Political – There are several political factors that can and/or affect Maggi's operations, the tax levied on the product, inflation rate and trade policies affect the operations and sales of the products. With current ongoing trade wars between various countries like Russia –Ukraine, trade wars between USA & China, Brexit etc. will affect Nestlé's operations. Political factors influence the industry's operations

4.4.2. Economic – Often political factors influence Economic factor as well. Issues like Suez Canal, Trade wars raise economic tensions and affect the brand and product. Issues like global recession, Suez Canal issues when supply chain was disrupted, downfall of pound due to Brexit all such issues affect the brand economically and firms need to be ready with a backup plan for emergencies like these. Pandemic too had affected brands economically however in Maggi's case it has had a positive effect as the brand's sales shoot up by 25%.

4.4.3. Social – Social factors include the cultural values and norms, Since Maggi is an edible product, cultural values and norms too come into picture based upon the country in which it is being operated. Maggi launched Aata noodles to adapt to the Indian conditions. With the recent ban, Maggi had to adapt to norms that edible shall be free of unacceptable elements and should be fit for human consumption

4.4.4. Technological – Technology is advancing at a rapid pace and FMCG industry is no different, Nestlé too has been affected by technological advancement in a positive way. Technological advancement in the manufacturing departments helps in maintaining precision, supply chain and helps the brand in meeting up the orders and market expectations. Similarly in the field of advertising and marketing, firms are able to target the specific category on a much more minute level. Maggi is able to promote themselves and resolve customer queries on social media platforms, all such ease are because of technological advancements.

#### 4.4.5 – Environmental Factors-

Food industry always demands high level of hygiene production techniques. So Maggi has got to specialize in these factors while producing the food items. Public awareness about health issues also influences more to offer extra specialize in environmental dynamics. The noodles and other seasoning it produces should be nutritionally fine in order that these issues cannot effect the business operations to make bad image of the corporate within the minds of the customers and make then loyal ones.

4.4.6 - Legal Factors- FMCG industry is always under scanner and Maggi has come out of a ban recently the ban was imposed due to excessive lead content and flavor enhancer was found in certain samples. This led to a band on Maggi in entire India before Maggi had to prove their products again. A firm needs to fulfill the legal requirements in order to have smoother operation.

#### **4.5 The Ban on Maggi**

Nestlé's flagship brand or the most important brand under its flagship Maggi Noodles had over Rs 2000 crore sales prior to its ban. The recall of Maggi from the retail shelves and those in the process of reaching the shelves costed the brand around Rs 3200 crore and brand devaluation of Nestle has accounted another loss of Rs 1,270 crore. An officer hailing from Uttar Pradesh of FSDA (Food Safety and Drug Administration) once noticed the word MSG on the pack of Maggi and sent dozens of Maggi instant noodles for the lab testing to find out about the MSG contents in Maggi. The test was conducted in Uttar Pradesh and similar test was conducted in Kolkata to cross check which is a referral lab. The Gorakhpur lab tested for Monosodium Glutamate in the Maggi, although Nestle claimed their product is free of both MSG and Lead. —however , both the test conducted found MSG in the samples and in addition the Kolkata lab found very high quantities of lead in the sample roughly 17.2 parts per million. Based on the findings, a complaint was filed against Nestle Maggi by UP FDA (Food and Drug Administration) in Barabanki Court. On 8 June 2015, Union Food Minister addressed the statutory regulator, Food Safety and Standards Authority of India (FSSAI), to conduct nationwide tests on Maggi according to Food Safety and Standards Rules, 2011, MSG is a flavor enhancer that should not be added in any food item that is made for

infants below 12 months of age, for example cerelac which is another product of Nestle made for infants. (Chatterjee, 2015)

The series of events that took place before the ban are as follows:

21<sup>st</sup> May, 2015

MSG and Lead was found in Maggi Noodles samples tested by FSSAI authorities in Barabanki, a district of Uttar Pradesh (UP).

3<sup>rd</sup> June, 2015

Maggi Noodle was banned in New Delhi as per the order of government for period of 15 days.

4<sup>th</sup> June, 2015

Later many other in India also banned Maggi. The first amongst them was Gujrat which had reported 27 out of 39 samples of high Lead content in the Maggi 2 Minute Noodles. Meanwhile Assam imposed ban on —Maggi's Extra-Delicious & Magic —AE- Masala Noodles variant for time period of one month. Many retail outlets like Big Bazaar and easy day also banned the sale of Maggi Noodles in their retail outlets. This was followed by series of bans in India of Maggi being banned for more than 5 states (States that have banned, 2015).

5<sup>th</sup> June, 2015

Delhi Authorities collected 13 samples for testing of lead content from Uttar Pradesh. Around 10 out of 13 samples were reported to containing a high percentage of lead content. It had 17.2 ppm of lead. Simultaneously, Andhra Pradesh banned Nestlé's Maggi Noodles in the entire state. Maggi was recalled from all over India (Booshan and Das, 2016).

6<sup>th</sup> June, 2015

Central Government of India imposes a ban on Nestle's Maggi for indefinite period.

4<sup>th</sup> August, 2015

The test report indicated no Lead content No unhealthy content was found in Maggi that was exported to US from India.

13<sup>th</sup> August, 2015

Ban over Maggi Noodles was removed temporarily by the Bombay High Court and inquired about the previously conducted test reports that resulted in country wide ban of the product. These tests were not done in the laboratories recognized by

—National Accreditation Board Testing & Calibration Laboratories (NABL)

19<sup>th</sup> October, 2015

It was revealed in a sting operation that was done by India today that FSSAI passes sample without testing in exchange for bribe.

20<sup>th</sup> October, 2015

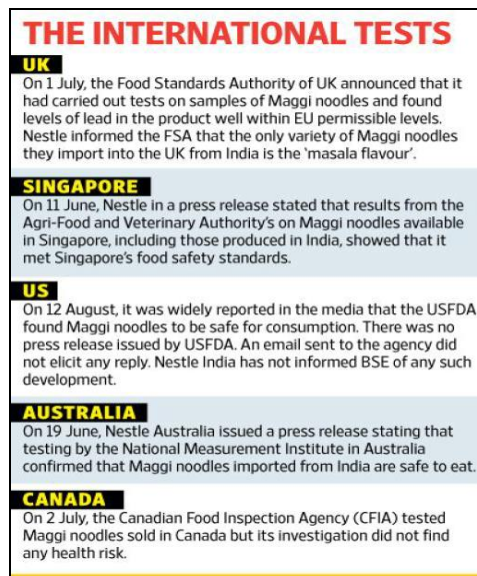
Ban was removed by Bombay HC.

9<sup>th</sup> November, 2015

From all over India ban was removed.

30<sup>th</sup> November, 2015

Manufacturing resumed in all five manufacturing units of Maggi



**Figure 4.6: Test results by various firms, Source: Analytical study on Consumer behavior by Mr Rahul & M.Mhabde**

Dent on the Brand Image

Maggi is expected to have eroded in brand value by at least 30-40 per cent, say brand specialists. Sales have dropped by at least 60-70 per cent with a loss of over Rs 1,000 crore, say retail analysts (Chandran, 2015). Nestle had said that growth of its Zone AOA (Asia, Oceania and Africa) region, at 0.5 per cent, was —seriously impacted by the Maggi noodles issue in India. It could take three years for Nestle to completely recover its India revenues following the impact of the Maggi episode as per conventional wisdom but the Swiss foods giant is looking to do it faster, its Asia head has said (Bhushan, 2016). The following section covers the events taking place during the revival of the brand.



## 4.6 Revival of Maggi

As said by Suresh Narayanan, —bringing the instant noodles brand back to the market is his top priority as he sought to strike a conciliatory note with authorities. There were many different strategies adopted for the revival of the brand in the Indian market. The entire episode can be seen as a positive reinforcement strategy that will help Maggi pull back its lost customers who went on to try other brands such as Yippee, Knorr and Wai Wai. This Maggi affair can surely help Nestle in reintroducing the brand with a stronger advertising appeal, this time an emotional one to connect and bond with their innumerable fans (Mitra, 2015).

### (a) Timeline of Events of Revival

13<sup>th</sup> August, 2015

The Bombay High Court overturns the government's ban on MAGGI Noodles, arguing that the move was arbitrary and that principles of natural justice were not followed. The court directed—Nestlé India can bring the product back to the market if fresh tests – conducted in three accredited laboratories on the existing samples and subsequently on the freshly manufactured product– find the product safe. (Nestle).

16<sup>th</sup> October, 2015

Test results from all three laboratories mandated by the Bombay High Court show MAGGI Noodles to be safe, with lead content well within the permissible limits.(Nestle).Manufacturing at Maggi plants resumes for again testing.

4<sup>th</sup> November, 2015

New Maggi samples were tested and reported safe to eat by laboratories (Nestle).

9<sup>th</sup> November, 2015

Maggi sales resumed once again (Nestle).

### 4.5.1. Revival of Maggi

During the revival of Maggi the segmentation of the brand remained the same, they segmented the under lifestyle and eating habit of consumers. However we could see some of the changes in the targeting and positioning of the brand.

Target- Earlier Maggi was targeting mother's, kids, youth, working professional who generally favor convenience-savvy time misers however more focus was given on the relationship between mother and kid so as to generate a homely

feeling between the two to depict the brand cares for your near and dear ones and is safe to consume. The earlier ads involved mother being the main protagonist you to make us believe that Maggi is safe for consumption.

- Positioning- Maggi earlier created a 2 minute snack , easy to cook snack, however they kept this positioning scheme however they tweaked the positioning a bit by mentioning it as “Maggi is Safe”, “Maggi is safe to consume” to make consumers believe that Maggi is safe for human consumption.

#### STRATEGIES TO REVIVE MAGGI

- (a) Effective Customer relationship management – Maggi during the ban utilized the power of social media and constantly gave an update to their customers how the Maggi status and in this way they were trying to be in contact with their customers who have always been loyal to them.



Figure 4.7: Revival of Maggi, Source: Movie add's YouTube Channel



Figure 4.8: Revival of Maggi, Source: Movie add's YouTube Channel



Figure 4.9: Revival of Maggi, Source: Movie add's YouTube Channel

Maggi launched a campaign for their consumers to interact and answer their queries, this was done on their social media to clear their doubts about against the hoax being circulated in the market.

(b) Emotional Touch-Maggi's advertisement campaigns always have emotional touch in it to attract its customers. This time as well for the revival of the brand Maggi chose the same path. Maggi's "We Miss You Too" campaign directly impacting the sentiments of the consumers attached with the brand and was widely received and made people Miss Maggi even more.



Figure 4.10: Revival of Maggi, Source: <https://www.indiatvnews.com>

(c) Television Commercials-Maggi's comeback campaign was supposed to be very big and impactful thus Nestle didn't mind spending whopping 525 crores in its sales and promotion. This was all done to get back their customer trust. A string of the commercials were released by Maggi citing how much the consumers miss them, the commercials also mentions about the good olds of the consumers

with Maggi thus targeting the Nostalgia , which always sells and sells really hard.



Figure 4.11: Revival of Maggi, Source: <https://www.indiatvnews.com>

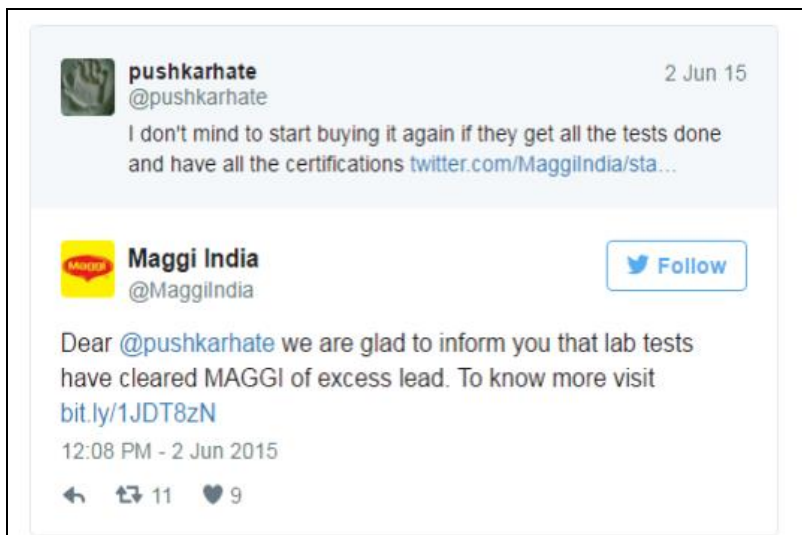


Figure 4.12: Revival of Maggi, Source: <https://twitter.com/MaggiIndia>

- (d) Exclusive Availability- Maggi made its Noodles available exclusively through Snapdeal to create curiosity and demand in the market. This was a very smart move by Maggi. This was a strategic move. Snapdeal was the only platform where Maggi was available until stock lasted and the stock lasted for few minutes as it was a time bound sale.



**Figure 4.13: Revival of Maggi, Source: <https://www.nestle.in/aboutus/ask-nestle>**

(e) While during the ban on Maggi, Nestle was quite quick in their response to any news surrounding Maggi, the team would quickly respond to the messages or respond in the tweet to clear the facts right away. Nestle also put up a FAQ on their website to answer the common queries that were based on the issues.

#### **ANALYSIS OF EFFECTS OF MEASURES FOR REVIVAL**

After Nestle India adopted several strategies for revival of Maggi noodles, some drastic changes were seen. Earlier, Nestle India used to spend only 4.2-4.8% of its total income on advertising and sales promotion but after 2015 the company spent Rs 525.21crore or approximately 6.42% of its total sales on promotions which is a significant increase. The company has also tried to cut down the complexities in its organizational structure by reducing layers in order to decrease the processing time by 30-40%, using strategies such as empowerment in decision making. Before the Maggi fiasco the company was very confident and this confidence turned into complacency. The Maggi crisis has changed their perspective and they have become more flexible with it becoming easy for others to do business with the company. Another major change that was seen was the company's entry into new product categories like coffee, pet care, healthcare and skincare. For example, the company entered in cereals market with Nestle Ceregrow. The company wants to tap middle class and working women in order to maintain its profitability.

## 5. CONSUMER PERCEPTION

In this fast paced life digital media is both a boon and bane for the society. As news spread like a fire in the forest and if it is a negative news it is next to impossible to stop such thing. Maggi has seen both the faces of digital media. The negative aspect was something which was jolting and penetrated the brand to the core. Maggi was at the receiving end when Uttar Pradesh Food Safety and Drug Administration ordered the recall of a batch of 200,000 Maggi noodle packs and found that Maggi is not healthy to consume due to which many states decided to randomly test samples and banning sales in the market as a result retailer removed Maggi from their shelf. The moment Maggi was banned in India, the sales, market share of Maggi hit 0. Maggi lost the 60% market share and for the first time in 17 years Nestle booked a loss. Thus through this survey an effort has been made to observe and analyze the consumer behavior towards Maggi before and after the ban.

### Analysis and Interpretation

Q1) - Please specify your gender

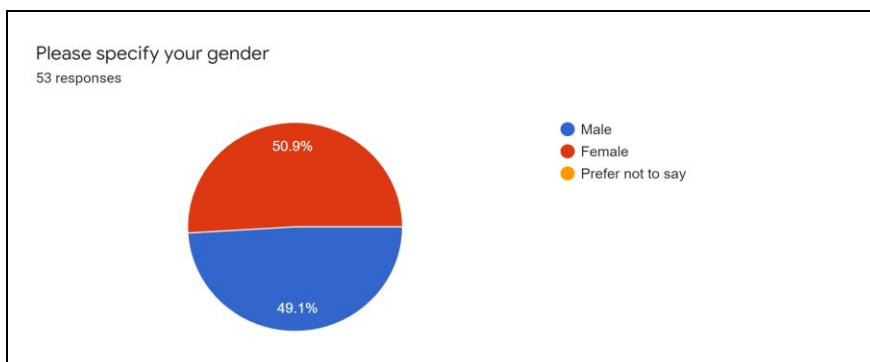


Figure 5.1: Survey, Own Analysis

Q2) - Please specify your age

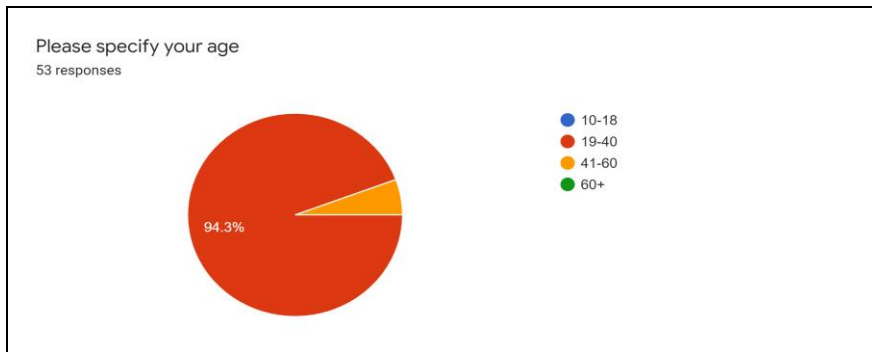


Figure 5.2: Survey, Own Analysis

Interpretation- From the above survey it can be analyzed that in survey the ratio of male and female were the same i.e. out 53 persons 27 were the females and 26 were male and all were falling under the category of 19-40 years of age.

Q3) How often do you consume Maggi Noodles?

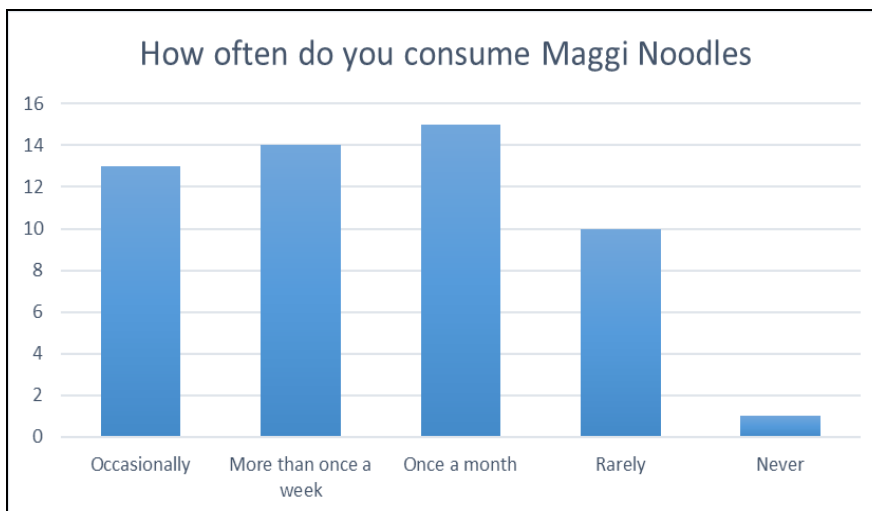


Figure 5.3: Survey, Own Analysis

Interpretation – Out of the responses received from 53 persons, 80 percent (43 persons) of the populations prefers to consume Maggi noodles this includes responses ranging from once a month to occasionally, remaining 20 percent comes under rarely and never. Thus this shows Maggi is preferable to both male and female of all age groups.

Q4) Are you aware of the controversy regarding Maggi Noodles?

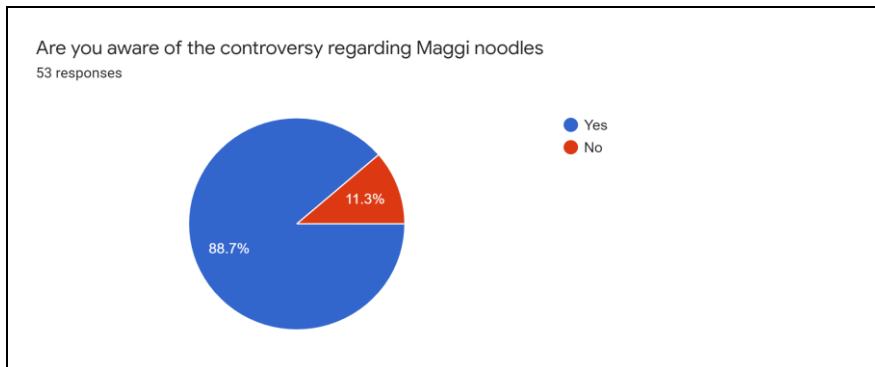


Figure 5.4: Survey, Own Analysis

Interpretation - Out of the 53 respondents 47 respondents have heard of the Maggi noodles controversy. The survey also depicts how penetrating and is the digital media today and how good is the reach of digital media. As stated in the beginning, negative news spread like a fire in the forest and Maggi controversy is no new and the survey depicts the same things.

Q4) Did you buy other brands of noodles before the ban on Maggi Noodles?

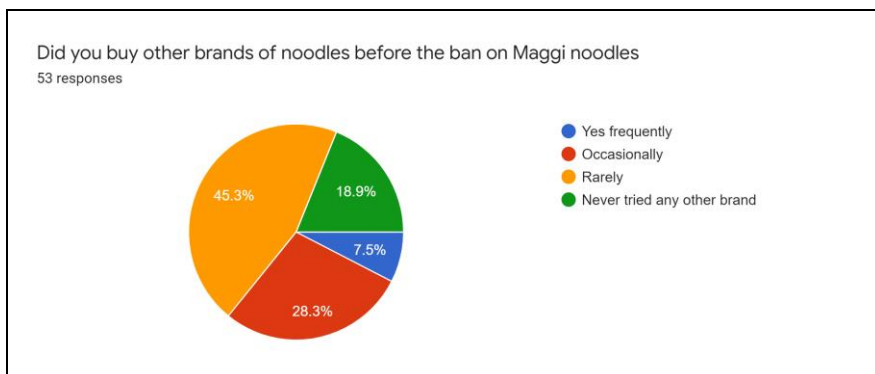


Figure 5.5: Survey, Own Analysis

The above chart shows the responses to the usage of Maggi before its ban. The responses shows the popularity of the Maggi had before the ban and how it used to dominate the instant food segment. The respondents with rarely and yes frequently are the once who consume the Maggi

Interpretation: it is observed that maximum respondents don't want to try any other brands apart from Maggi, this scenario is before the ban. i.e. 65 of the total population. This shows Maggi was quite popular among the masses before the ban and respondents are not ready to shift to any other brands other than Maggi.



Q5) Did you lose trust in Maggi after the controversy?

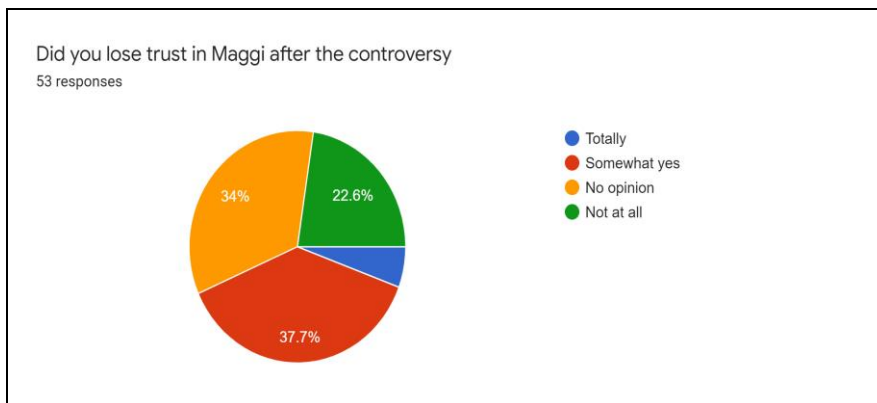


Figure 5.6: Survey, Own Analysis

Yes the consumers lost the trust in Maggi after the allegations were put on Maggi and except the 22 % of the population, even the slightest of the slightest doubt has been counted and shows the around 76% of the population lost the trust and shifted to other brands,

Q6) Did you try other brands after the ban on Maggi?

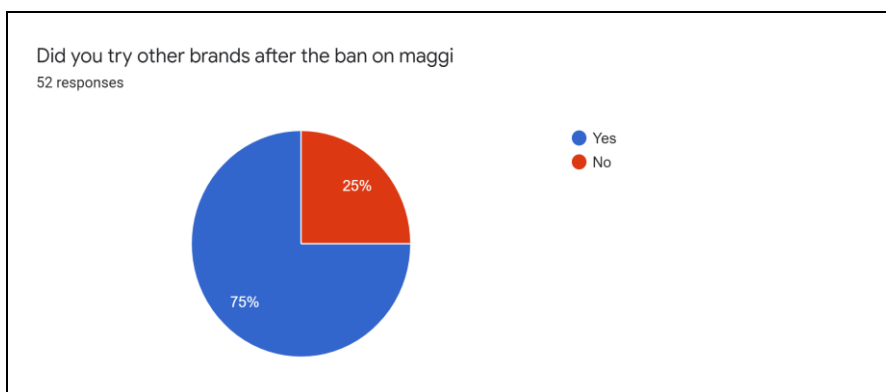


Figure 5.7: Survey, Own Analysis

As per the above results around 76% of the population lost the trust in Nestlé's Maggi and with trust issues all such consumers must have been moved on to the other brand and the above graph shows the same scenario, Around 80% of the respondents who found the taste of the Maggi to be good and excellent and now the same numbers have been reduced to mere 25% after the controversy. A total of 75% of the population shifted to the other brands. The other brands which the consumers have been shifted have been discussed in the subsequent survey. The above chart also depicts how much aware our Indian Consumers are and how Digital media has influenced the purchasing decision of the consumers.

Q7) Did you try other brands after the ban on Maggi?

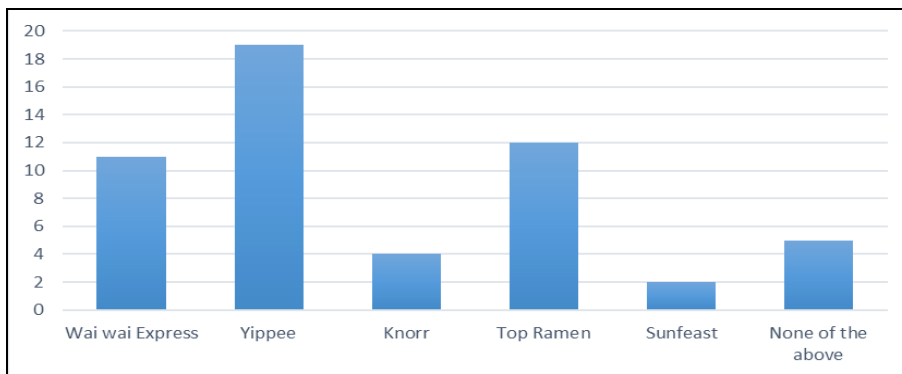


Figure 5.8: Survey, Own Analysis

The above chart shows the strong competition Maggi faces in the instant noodle segment and all these brands were able to satisfy the consumers when Maggi was banned from the market. The major player in this segment have been Yippee Noodles - 20 responses and Top Ramen had 12 votes. 5 respondents opted for none of the above which can some of the local brands which are sold in specific states and cities.

Interpretation: It is observed and concluded that during and post the ban on Maggi most of the consumers shifted to Yippee noodles and Top Ramen. These two brands where the amongst the biggest gainer.

Q8) Are you going to consume Maggi after all the controversy?

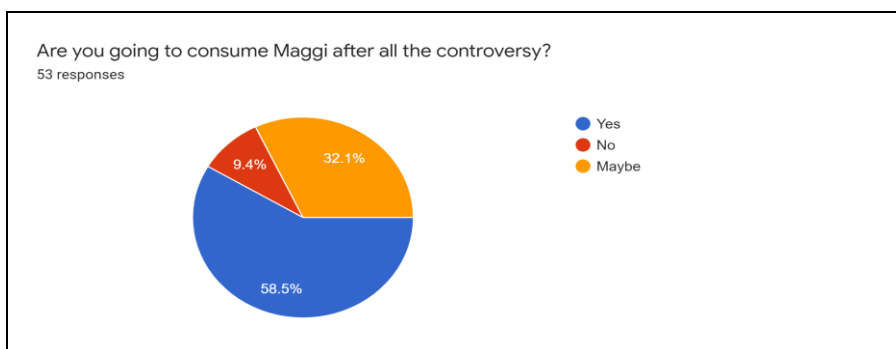


Figure 5.9: Survey, Own Analysis

Analysis: The response says it all the consumers are still consuming the Maggi brand and the faith has been restored by Nestle in Maggi brand and Nestle have been able to restore the consumer faith on the Maggi brand with the help of their effective advertising and marketing skills.

Q9) Have you permanently shifted to brands other than Maggi even after it's relaunch?

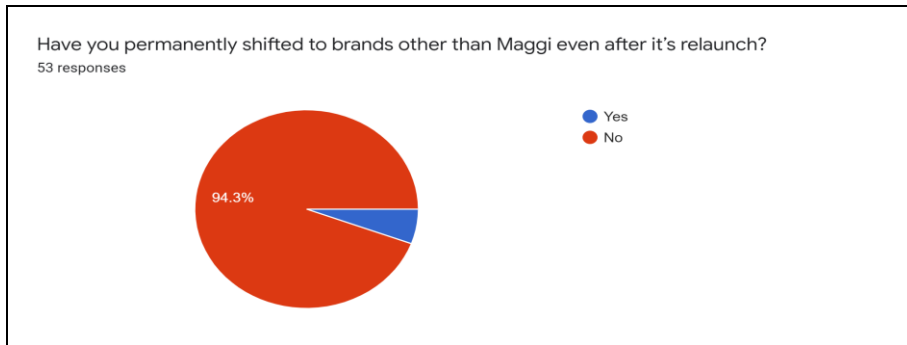


Figure 5.10: Survey, Own Analysis

Analysis: The response to this questions showed the consumers still have faith in the Maggi brand and have started consuming the brand after the relaunch of the same. Almost entire population have faith in the Maggi noodles and are still consuming the brand and shift was temporary and love is permanent.

Interpretation: it shows that Maggi is still choice of the consumer as maximum consumer consumed Maggi after it is back in market

Q10) Are you happy with Maggi's relaunch and rebranding?

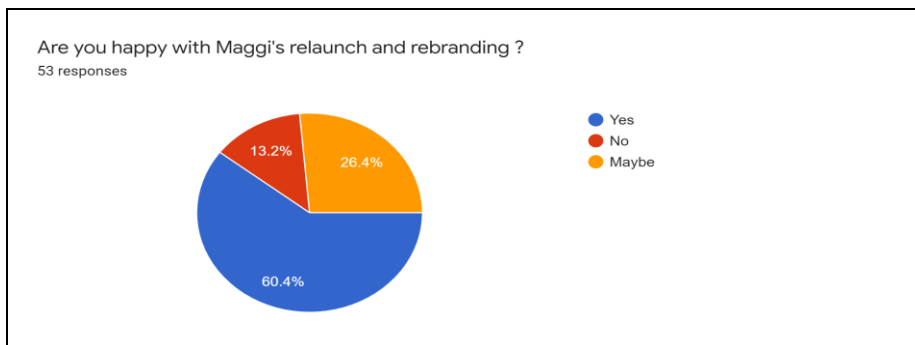
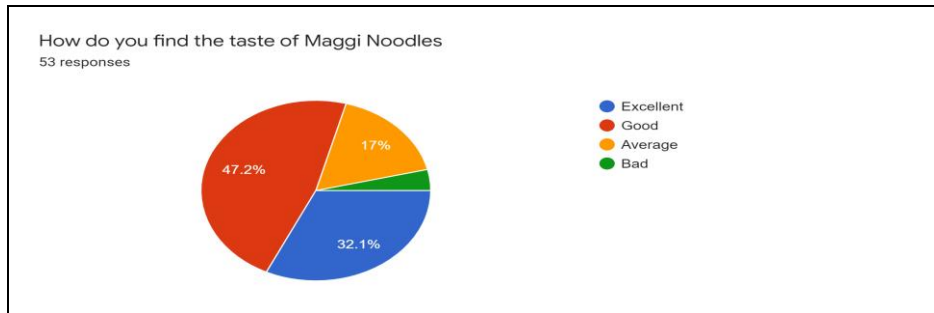


Figure 5.11: Survey, Own Analysis

Nestle is too much dependent on the Maggi brand and the Nestle had to revive the Maggi brand in order to regain the numero uno position. Thus efforts have been made in making Maggi brand great again. During the relaunch Maggi was quite active in rebranding and tried restoring the lost faith. The responses came out were quite positive as well, as 61% of the population were quite happy with the relaunch and rebranding of the Maggi and this has been major point as Maggi was well received and Maggi was relaunched targeting the sentiments of the consumers and

made them recall their favorite Maggi moments. We all know nostalgia sells very well and Maggi was able to convince the consumers that product has been relaunched with improvements.

Q10) how do you find the taste of Maggi Noodles?



**Figure 5.12: Survey, Own Analysis**

The real reason the rebranding was the success was the taste of Maggi Noodles. Considering the Good and Excellent responses, 80% of the population are fan of Maggi and in love with its taste. This has been quite evident in the entire survey, Consumers around 76-80% are the ones who trusted Maggi and in awe with the Maggi brand.

## 6. CONCLUSION

The graph below shows the net sales of the Nestlé's Maggi in India, it is quite evident Maggi has been the top grosser for the entire year except the one in 2015, the year in which Maggi's dream run got over and other brands tried to capture the market share. Even then Maggi made a comeback and successfully convinced their loyal customers about the safety of their product. With such marketing and on point advertising, Maggi sales sky rocketed in the subsequent year and during the pandemic year it broke all time record. Such has been the influence on the Maggi the moment it made a comeback every consumer started buying instant noodles.

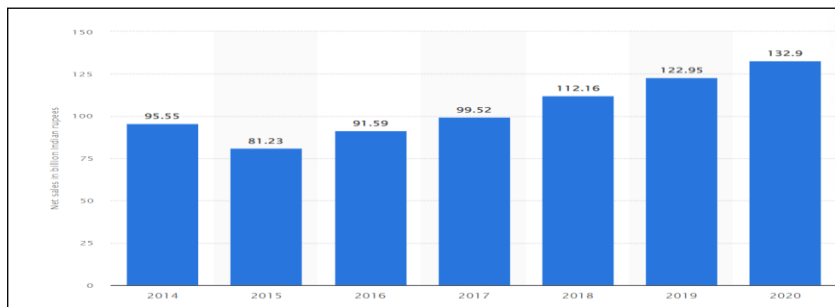
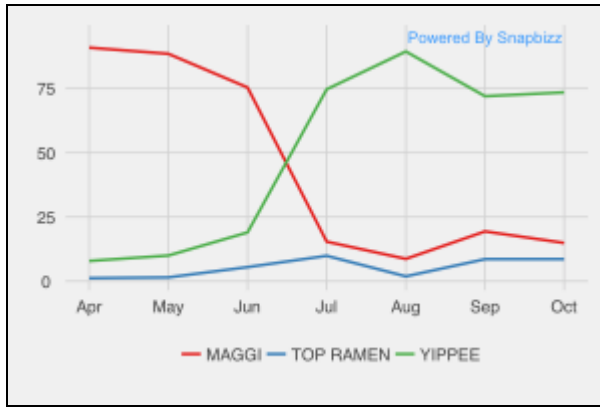


Figure 6: Sales of Maggi, Source: <https://www.statista.com/>

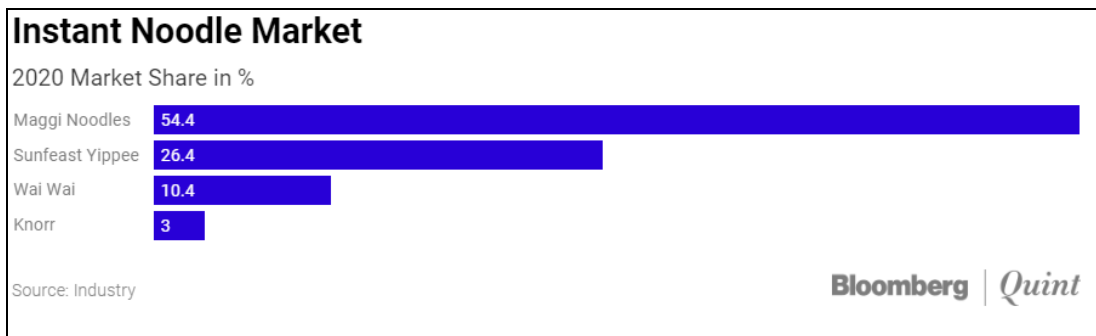


Figure 6.1 : Sales of Maggi after ban, Source: [news18.com](http://news18.com)

During the time when Maggi was banned and Nestlé was indulged in legal fights, the biggest gainer amongst all the brands was Yippie Noodles of ITC. Yippie noodles was the biggest gainer amongst all brand and brands like Top Ramen and Patanjali were still in the rudimentary stage which helped Yippie to capture the large market share. The graph states that Yippie was able to capture around 75% of the market share and still as last recorded in 2020 the largest market share has been with Maggi noodles of 57% percent which was regained by Nestlé within an year.



**Figure 6.2 : Maggi Vs Top Ramen vs Yippee, Source: news18.com**



**Figure 6.3 : Instant Noodle Market Share, Source: Bloomberg**

The study helped in evaluating and analyzing following points from the available data

1. As per the above facts and figures, Maggi was able to reclaim their throne which they never lost in an year, during the time Maggi was banned, all the competitors tried selling their product as healthy , even patanjali launched their own set of noodles to compete in this instant food segment. The study makes us believe Maggi has loyal consumer base who are attached with the brands since many years. Maggi too made them believe their product is healthy and fit for consumptions through various means and modes which directly targetted the sentiments of the consumer and during the tough time hardly shifted to any other brands. As per the survey 95% of the population said Maggi is still their favourite and they havent't shifted to any other brand after the controversy.

2. The survey and inference taken from survey on Maggi was done irrespective of gender, and most of the consumers are the ones in the age group of 19-40 years.

3. Maggi is considered as the most preferred instant noodle brand as compared to other brands of instant noodles

4. The ban on Maggi severely affected Maggi's consumer base and many of them shifted to the other brands fearing the health issues. However the consumer base reshifted to Nestlé's Maggi the moment Maggi was relaunched

5. Maggi has maintained trust and confidence amongst the consumer even after post ban period due to its quality and test.

6. Through this project we were able to study different marketing techniques based on the outcome required from them, Maggi changes its advertising techniques depending upon the image to be projected to their customers. We also learned marketing techniques needs to be improvised based upon the consumer response subsequently the perception. Initially Maggi was planned as a meal for the Indian audience which failed to garner any audience, however with revised marketing technique Maggi was promoted as a snack and hence was repositioned as a meal in between lunch and dinner which can replace the contemporary Indian snacks.

7. Target audience based marketing and building an emotional connect with the consumers through advertising was something which Maggi did while they were entering into marketing or when they hit the rock bottom and need to revive their campaign. Maggi has been inspirational to others for their marketing thoughts and the way they executed, from carrying on the mother-kid relationship, to focusing on the nostalgia moments to rekindle the lost love. Maggi did all the right things to make the consumers believe that their first love is safe.

8. Different marketing techniques based upon the product life cycle- The product life cycle consist of introduction, growth, maturity and decline. During the introduction of Maggi in India, they repositioned and penetrated the market as a snack instead of meal. The target being the working class women, kids etc. During the growth and maturity stage when consumers started doubting the health quotient of Maggi, Nestle produced products like atta noodles and included taglines like "healthy bhi, tasty bhi" to give a sense of feeling that Maggi is safe to consume and thus ensuring the consumers of its health quotient and decline stage can be touted as the famous saga of Maggi controversy in 2015 where Nestlé's Maggi hit the rock bottom and had they sink deeper than this. During this time Nestle did a good PR job by answering the consumers responses on timely bases and keeping the consumers updated about the issues and they miss them as well and the moment they got cleared, Maggi came

out all guns blazing, started off with a mother explaining about the Maggi and then series of Maggi moment advertising full of nostalgia was enough to hit the sentiments of the consumers and this paved their back into the market and within 6 months they regained their position.

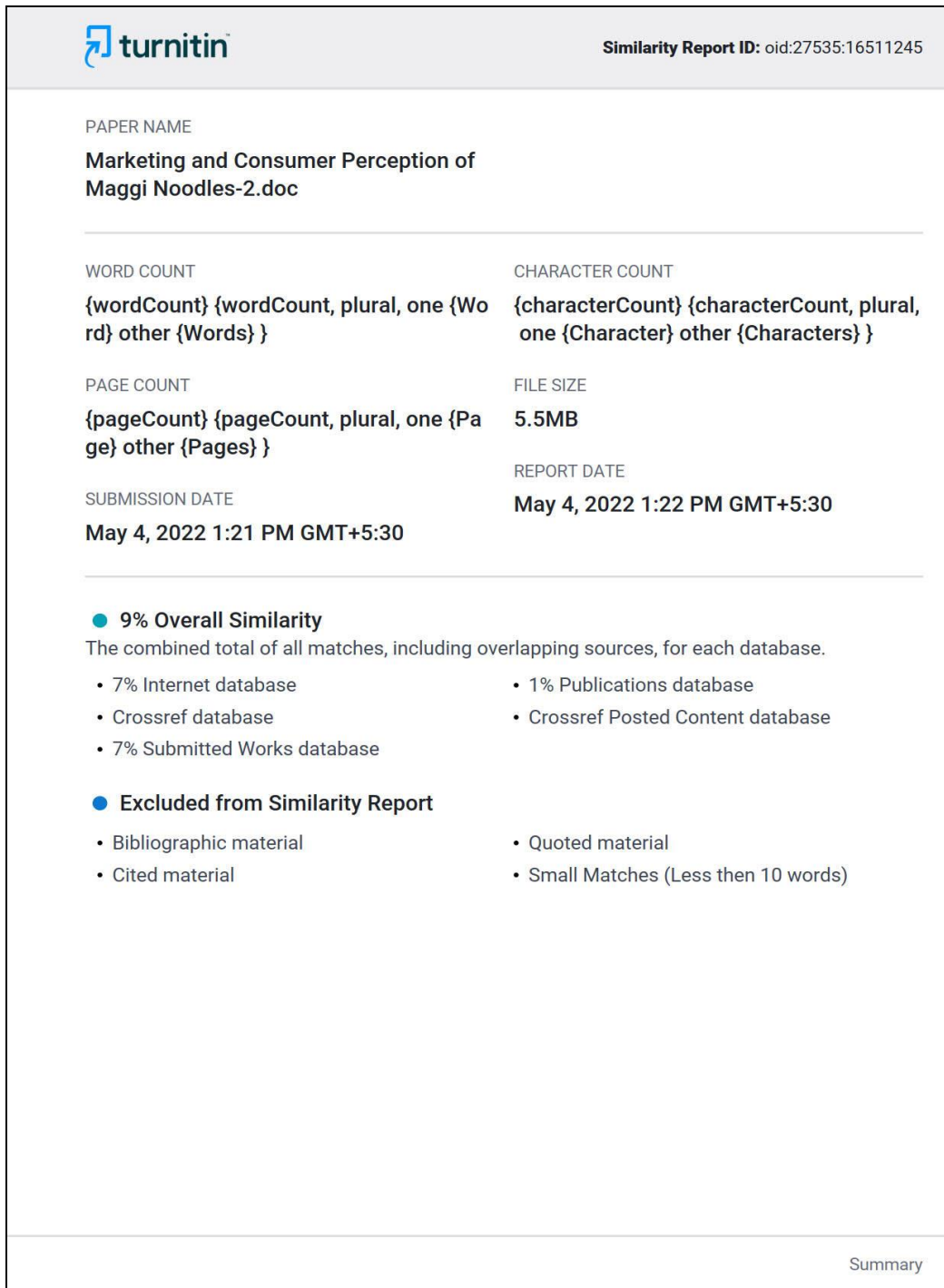
9. The impact of negative and positive advertising on consumer psychology – Although Nestle was victim of the negative advertising however Nestle was able to win back the consumers trust solely based upon the positive advertising alone. Although Nestle had to put in tones of extra efforts to supersede the negative publicity done against them and during this time brands like Yippie, Patanjali, Top Ramen too heavily pushed their products in the name of Good for Health. Thus, Nestle had a daunting task of clearing their image and overcoming the image created by their contemporaries and going by the responses we received from the survey it is quite evident that consumers did shifted to some other brands as they had negative perception about the product but that was a temporary effect and the moment Maggi was back they retorted back to it, during our survey some of the respondents messaged saying Maggi is our true love and we can't ditch them for this controversy , we had eaten worse than this in life but I am sure Maggi is still better than those.



## 6.1 Reference

- Mhabde & Soni , R&R. (2017). Analytical study on Consumer behavior towards “Maggi Instant noodle” in Mumbai –A post ban Scenario. Available at: <http://ijariie.com/>
- Haseeb.(2017). Pestel Analysis of Maggi. Available at [marketingdawn.com](http://marketingdawn.com)
- Johari.P.(2018).How Maggi can regain its Mojo. Available at <https://www.thehindubusinessline.com/>
- Baid,P.R,Singal, Subramanian. (A,R).2013- Brand Dossier on Maggi Noodles. Available at:[slideshare.net](http://slideshare.net)
- Bushan.R.2016-Maggi ban impact: Nestle India may take 3 years to recover. Available at:[economictimes.indiatimes.com](http://economictimes.indiatimes.com)

## 6.2 Annexure



**Figure 6.4 : Plagiarism Report**