

Customer Preferences Regarding Maggi Before and After Ban

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Abstract-

Maggi is a brand of instant noodles owned by nestle since 1947. It came to Indian market in 1983 and captured Indian market since then. Maggi had a good market share in India before 2015. Suddenly there was a drop in the sale because it was claimed that the product had health hazardous ingredients like lead and monosodium glutamate but it made a comeback in the market in November 2015 along with Nestlé's advertising campaign. This research paper is an attempt to find the perception of customers towards Maggi instant noodles. Research was conducted in the city of Indore through survey conducting method. Also secondary data was collected from various websites like website of DNA, Nestle India Ltd., FDA, etc. also from various newspapers like The Times of India, Business Standard, Economic Times, Financial Express, The Tribune, etc were used. Using this information a comparative study of customer preferences before and after ban of maggi instant noodles is studied in this research paper.

Keywords- Maggi, Nestle, FSSAI, Customer preference, Lead, Monosodium glutamate.

I. INTRODUCTION

NESTLE is one of the world's largest food and beverages company with the tagline "GOOD FOOD GOOD LIFE". Nestle India is manufacturing many products like Maggi, milkmaid. Nestle India in 1984 launched the product Maggi. It was an entirely new product and it was the most difficult task for Nestle to establish an alien brand in the country. They used the tagline 'mummy bhoklagi – bs 2 minute' and 2 minute instant noodles captured the market and became the highest sold noodles in India with the market share of 60 percent. (As per the 2010 report). Maggi survived recession by introducing its economy packets. Maggi over the years targeted every segment right from kids to working women who do not have time to cook.

Product variants of Maggi includes noodles, sauces, soups etc.

A. Ban Of Maggi

On June 5 2015 FSSAI (food and security agency of India) banned the further sale of Maggi. There were allegations on the product that it had high lead content and monosodium glutamate that was permissible. Maggi instant noodles had unexpectedly high levels of monosodium glutamate, as well as up to 17 times the permissible limit of lead. (reports of The Times of India). Also fine of Rs 640 crores were imposed on Maggi noodles by Corporate Affairs Ministry. Maggi had to destroy the existing stock which included 30,000 tons of Maggi instant noodles. But then the court stated that proper procedure was not followed in issuing the ban and questioned the test results, as the samples were not tested at authorized laboratories accredited to the National Accreditation Board for Testing and Calibration Laboratories (NABL). It was mandated by the honorable supreme court of India to test the newly manufactured maggi noodles by NABL (National Accreditation Board for Testing and Calibration Laboratories) accredited laboratories and all the samples of the MAGGI Noodles have been cleared with lead and monosodium glutamate much below permissible limits.

B. Relaunch Of Maggi In The Market-

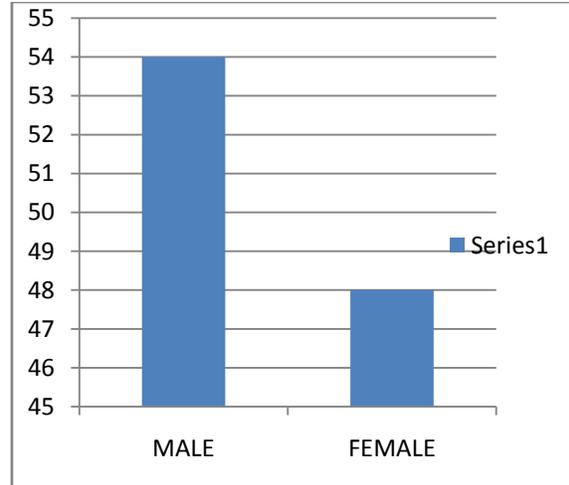
Maggi instant noodles were back in the market on 30 November 2015 after the ban of 5 months. Maggie focused more on the health benefits by the market but received tough competition in the market. Main competitors of Maggi in the market are 1. ITC Sunfeast Yippee 2. Top Ramen 3. Patanjali Aata noodles etc.

II. LITERATURE REVIEW

- 1.1 Ayushi Jain (2016)-the author compared Maggi and Patanjali aata noodle. According to research done growth of patanjali aata noodles increased immensely during the ban. There were 100 respondents and were restricted to Delhi region. But the Research conducted shows that consumer has accepted Maggi whole heartedly after its ban.
- 1.2 Dr. Ramesh Sardar (July 2015) - The study compared Maggi at international market and Indian market. Study is based on secondary data which

shows the maggi is preferred more in international market than in Indian market.

- 1.3 Dr. GOMATHI.D (Jan 2016) -The research has taken an overview of the status of Maggi before and after ban in the market. Paper has highlighted scenario of Maggi in general .However the specific period and the preferences of consumer is out of the scope of this study.
- 1.4 NehaGarg(July 2015) – Author took secondary source of data for the study. Research paper studies the root cause of the Maggi row. However the paper is based on secondary data hence consumer preferences are not studied in this study.
- 1.5 Ataman and Ulengin (2003)- According to them the strength of the relationship between the consumer and the brand will reflect in the customer’s mind.



III. RESEARCH METHADODOLOGY

The data for this research paper was mainly obtained from two sources –

A. Primary data

It was obtained by preparing a questionnaire and conducting a study amongst 110 people. Questionnaire contained 13 questions to each of which the respondents answered. Interaction and interviews will also conducted to obtain the necessary information. The researchers are chosen on a random basis. The research will be carried out in a form of survey in the region of INDORE.

B. Secondary Data

Secondary data was obtained through the official site of Nestle, various annual reports, brochures by Maggi and the various surveys conducted by the research scholars, magazines , Internet and various research books.

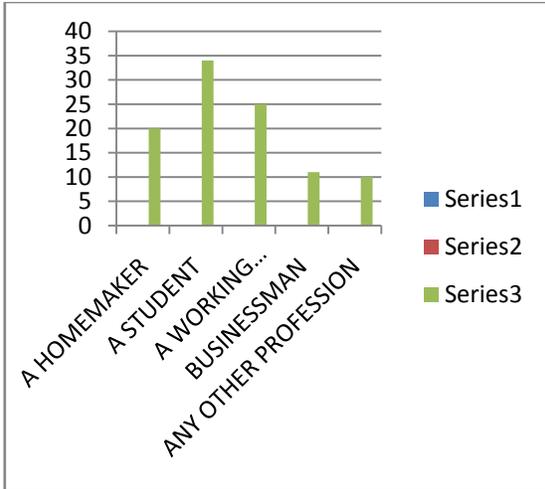
IV. FINDINGS AND DISCUSSIONS

1) Age group and the gender of the respondents-
GENDER -

AGE	PERCENTAGE
7-15	18%
16-20	20%
21-30	28%
31-50	15%
51& above	19%

2) PROFESSION

- a) A homemaker
- b) A student
- c) Working professional
- d) Businessman
- e) Any other profession



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5) Do you trust Maggi regarding its food safety?

Age of customer	PERCENTAGE
7 – 15	30%
16-20	25%
21-30	16%
31-50	21%
51 AND ABOVE	8%

3) How often did you consumed Maggi before ban-

- a) Once in a week
- b) Once in a month
- c) Twice a week
- d) Never

ONCE IN A WEEK	ONCE IN A MONTH	TWICE A WEEK	NEVER
35%	23%	42%	0%

6) Does advertisement regarding Maggi noodles influenced you?

- a) Yes
 - b) No
- YES- 74%
- NO – 26%

4) How often do you consume this product after ban?

- a) Once in a week
- b) Once in a month
- c) Twice a week
- d) Never

ONCE IN WEEK	ONCE IN A MONTH	TWICE A WEEK	NEVER
33%	20%	45%	2%

7) Is there any change in the taste of Maggi noodles after its ban?

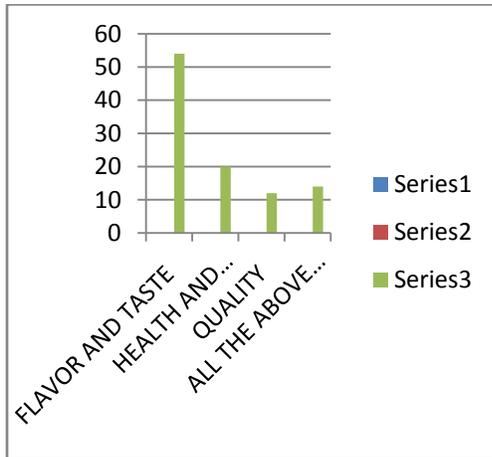
- a) Yes
 - b) No
- YES – 58%
- NO – 42%

8) Do you think Maggi was unhealthy before 2015?

- a) Yes
 - b) No
- YES – 26%
- NO - 74%

9) Why do you prefer Maggi over any other instant noodles?

- a) Flavor and taste
- b) Quality
- c) It is healthy and nutritious
- d) All the above factors



10) Do you find the product (Maggi) economic?

- a) Yes
- b) No

YES – 56%
NO - 44%

12) Did you tried any other brand of instant noodles during the ban-

- a) Yes
- b)No

YES-82%
NO – 18%

13) Were you satisfied by any other brand of instant noodles (if tried)?

- a) Yes
- b) No

YES – 22%
NO- 78%

V. CONCLUSION

- When asked about are you satisfied with any other brand of instant noodles 78% of the respondents said no while only 22% of the respondents said yes. . This shows the customers love and preference for maggi even after the ban.

- 33% of the respondents consumed maggi once in week and surprisingly 43% consumed it twice in a week after the ban. Some people have started consuming it more often .Somaggi as a brand has again created a good image in the mind of a consumer.
- 54% of the respondents said they prefer Maggi because it had different flavors and great taste. 20% people said ‘Health and Nutrition’ is an important factor so they prefer consuming Maggi instant Atta noodles.12% of the respondents said they prefer maggi instant noodles because of it’s good quality.14% of the respondents said all the above factors are the reason they prefer consuming maggi over other instant noodles. So maggi’s variety of flavor and good quality helped in retaining it’s customer.
- Mostly students and working professional preferred it because it can be cooked instantly.
- All the above points shows that Nestlemaggi after the ban has again created a good customer base and is still preferred over any other brand of instant noodles.

VI. SUGGESTIONS

- 1) Nestle Maggi should focus more on advertisements to grab youths attention because 74% of the respondents said advertisements influenced them.
- 2) Maggi still has competition from its competitors and should plan proper marketing strategies.
- 3) The brand should give more assurance to the customers regarding the safety of noodles.

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