



INTERNATIONAL JOURNAL OF ADVANCE RESEARCH, IDEAS AND INNOVATIONS IN TECHNOLOGY

ISSN: 2454-132X

Impact Factor: 6.078

(Volume 8, Issue 5 - V8I5-1202)

Available online at: <https://www.ijariit.com>

Maggi out of a “big soup”

Aaren Panikar

aarenpanikar@gmail.com

ATLAS SkillTech University, Mumbai, Maharashtra

Noor Fatima Moolji

noormoolji17@gmail.com

ATLAS SkillTech University, Mumbai, Maharashtra

Sana Sidhu

sidhusana23@gmail.com

ATLAS SkillTech University, Mumbai, Maharashtra

Dr. Varsha Agarwal

varsha.agarwal@atlasuniversity.edu.in

ATLAS SkillTech University, Mumbai, Maharashtra

ABSTRACT

Maggi as a word, is one that each Indian recognises and maggi as a brand, is one that each Indian loves. Over the years, Maggi Noodles has become an emotion rather than a brand. Bringing back nostalgic memories of childhood and solving instant food problems for all social classes; Maggi Noodles has always been the go to solution. After being the household-favourites for over 32 years, in 2015 was a ban imposed on Nestle's Maggi Noodles. Combating a long fight was not easy for Maggi, especially as it was in constant public light and there were people protesting. Till date, questions still arise about the health hazards of Maggi and this research has been conducted to understand just how much these questions have impacted consumer buying choices. We have done so by creating a survey asking various questions about the subject's relationship with Maggi, gathering these responses and analysing them. Some of the questions asked were 'How often do you consume Maggi noodles?', 'Did you crave Maggi during the Maggi ban?', 'Is Maggi a synonym for noodles to you?' etc. Through this extensive research, we found the answers to our questions and came to realise that even though Maggi has had its fair share of setbacks, it is still the leading instant noodle brand in India and loved by people of all ages alike (Ray, 2016).

Keywords- Household-favourite, 2-minute Maggi Advertisement, Lead and Connecting Families.

1. INTRODUCTION

Maggi is an international brand headquartered in Switzerland and founded in 1886. The Maggi company was acquired by Nestle in 1947. (Dugar, 2022) Young dreamer Julius Maggi had a brilliant idea: he wanted to create a product that would help busy families cook healthy meals in no time. The main goal he wanted to achieve is to make the product as popular as salt (Naveen, 2020).

Dr. Fridolin Schuler thought there was a link between newborn mortality, high illness rates, and malnutrition. The working man could not buy nutritious meat, but he believed pulses were the answer to this issue, this led to his first invention was powdered pea soup and the famous Maggi Liquid Seasoning sauce and Maggi Bouillon cubes. These products soon spread all over the world because they were one of a kind and prompted him to establish branches in the UK, US, etc. He was radical because he registered different versions of his brand name and signature in other nations to deter imposters. Bright red and yellow, the brand colours of Maggi, were also easily recognisable. He was also among the first to run customer loyalty programmes (Shah, 2022).

For a country like India where slowly and carefully prepared home cooked meals was the culture, an instant noodles brand to become such a hit was highly unlikely however, Maggi managed to do exactly that by defying expectations. The portrayal of the 'Maggi Mom' helped liberate women and showed how, by simply rethinking our idea of what a meal is, juggling workplace and personal lives could be so much easier for women. It helped women to not feel any guilt in feeding their families with an instant meal as it would not take away from her capabilities as a homemaker. With three generations of Indians growing up with it, Maggi was able to transcend all age and economic divides and was actually so popular that it was the reason for many sole entrepreneurship ventures- with many stalls selling different flavours of maggi, popping up in India (Yadav, 2022).

The marketing strategy of maggi to target children was a genius one as they were the ones who would readily pick a tasty and quick option of food. Also, the children that they targeted at their initial stage would without a doubt become loyal customers as they grew older. As of 2022, maggi still commands over nearly 60 percent of the instant noodle market share in India. Maggi branded itself to reach these heights by using the STPD analysis. They have Segmented the market based on the lifestyles of urban families, They

Targeted children and working women, Positioned themselves in the 'snacks' category as they knew that Indians would not consider 'ready in 2 minutes' instant noodles as a meal. Finally, they Differentiated themselves with their unique flavour and packaging (Awasthi, 2022).

Founded in 1886, Maggi entered the Indian markets in 1983. With its "bas 2 minute" advertisement campaign it became extremely popular amongst Indians and soon became a household favourite. Known for instant food, it brought awareness to the middle class citizens (especially women) about instant noodles, which made cooking easier. Although in 2015, Maggi Noodles was banned across several states in the Nation of India. This was due to an exorbitant amount of lead found in the noodles. Apart from showing excessive amounts of lead tests also declared alleged mislabelling over flavour enhancer MSG. It gave Nestle negative publicity and caused a loss of 2.2 billion in brand value. Maggi also had to destroy \$50 million worth of noodles as they were labelled as 'dangerous and hazardous' to consume (Narasimhan, 2022).

This controversy not only impacted the profits but also the revenue of the firm. During the quarter, Nestle India reported a 20.1% fall in net total sales. This was a major setback for the company, which in the most recent quarters posted record profits. This was also not the first time Nestle was in the news for being socially irresponsible, Kitkat was boycotted due to its usage of palm oil which lead to the eradication of orangutan habitats in Indonesia (Kazim & Abraham, 2017).

After being termed "unsafe and hazardous for human consumption" The Bombay High Court in August of 2015, overturned the Government's ban and in November of 2015 Maggi was relaunched after court-mandated tests. After this there was no looking back for Maggi noodles. Customers enjoyed their favourite 2 minute noodles and Maggi proved to the entire nation, making a stronger and bolder statement - that they were and still are the nation's first choice of instant noodles (The Quint, 2017)

2. REVIEW OF LITERATURE

This paper discusses how Maggi has been a household item for customers in India since the past 2 decades. They also claimed in their advertisements "Taste bhi, Health bhi" but because of this controversy their image was shattered. This paper explains in-depth how the consumers behaviour was pre and post ban. The research was conducted in Nashik and showed both young and old people are equally loyal towards Maggi post-ban but their perception towards the brand has changed. It also discussed how consumer behaviour towards Maggi is not age or gender biased (Vaibhav, 2022).

This paper mainly focuses on consumer behaviour and how important customer loyalty and customer relationships are for a brand. It discusses how customers are influenced by their environment, culture and media. Limitation in customer knowledge and awareness is extremely harmful for a brand especially when it is surrounded by a grave controversy. It also stresses how customer experience is extremely vital (Podile, 2021).

This article talks about a long epoch of Maggi where they segregated their advertisements and only catered them to a particular segment of individuals. Upper caste, non working women, were the central theme of advertisements and absolutely no signs of men cooking ever. Maggi then began pragmatic endeavours when it came to marketing, after the 2015 ban and regulatory changes made due to the Indian food regulator. Through this, their advertisements did not only cater to a particular segment of audiences but now we can see; men cook, Maggi being served on streets and irrespective of social class - Maggi was eaten by all (Sankar, 2022).

This case study discusses Maggi's downfall in 2015 and the timeline of subsequent events. The industry trends and Maggi's Swot analysis are included. This case discusses Maggi's strong brand rebirth and the marketing tactics the company used, including emotional appeal, television ads, and limited availability (Rathee, Rupa & Rajain, Pallavi, 2019).

This case study discusses how maggi has identified customer needs and wants and met them through very clever marketing strategies. It talks about how culture, social class, word of mouth, personal factors and lifestyle, psychological factors etc. influences a person's buying choice. It also provides data on purchase of maggi over the years based on age category (Podile, Venkateswararao 2021).

This case study gives us great insight on the opinions of customers as it compiles data collected from one hundred and twenty five nestle maggi noodles customers, picked from random retail shops and tells us the consumer preferences in maggi noodles with majority of the people liking Maggi 2 minute noodles the best and maggi vegetable multi-grain noodles coming in at a close second. One of the major lessons in this study was the finding that 'there is a significant relationship between media and purchase decision' which was discovered through a survey of how the consumers discovered maggi- with a strikingly high number answering television (Rajanbabu R. & S Ganesan, 2022).

This case study sheds light on how Nestle handled the maggi ban, more importantly, how it was a bad show of leadership. After everything went down, Nestle issued the 'silent treatment' hoping that the situation would blow over on its own but this was almost like a betrayal to its consumers- people who had consumed maggi with faith and mothers who had fed it to their children without any worries. The study talks about how this was a big mistake as it came across as an admission of guilt. The study also asked the question: "Automated Response is better than No Response?" and said that the key was transparency and responsibility (Balakrishnan & Bapna, 2022).

This article highlights the importance of marketing for Indian's favourite Nestle Maggi Noodles. After Maggi was not available for customers to purchase, in several states of the country, coming back after 5 months may be a challenge for Nestle. The consumption of India's favourite instant noodles may or may not be accepted by customers after the ban by the Government, due to unacceptable

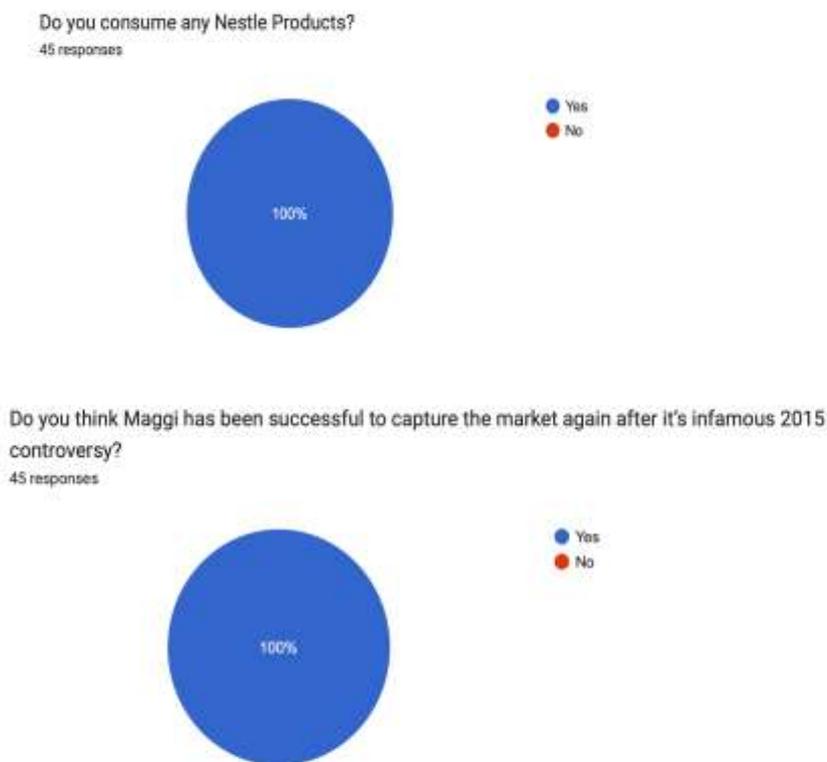
amounts of lead found in the product. Nestle will also have to keep note of the competitors' advertising campaigns as they were in full swing while Maggi Noodles were banned. Nestle now has to form a strategy in order to once again capture the market they once "lead". The demand and supply of Maggi earlier may not be the same as, when they were market leaders (Mishra, 2022).

3. RESEARCH METHODOLOGY

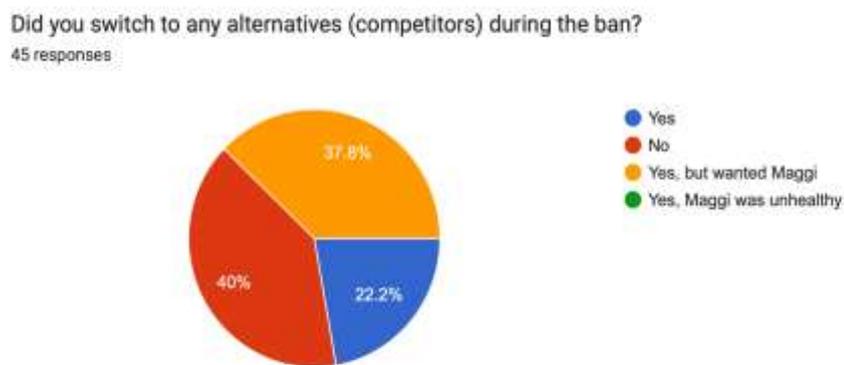
The main aim of this research paper is to concentrate on the Controversy and the Come-back of Maggi in the Indian Market. It talks about how it relaunched itself into the market and how it drastically changed the perception in the minds of the Indian Customers. This research is a qualitative and quantitative research study. Primary data was collected from the respondents by sending them a detailed and structured questionnaire on a google form. The data was gathered from a total of 45 respondents of various ages and gender so that the data is free from any bias. The respondents belonged to an age group of 18-40 and above. This age group was targeted because maggi, being such a diverse brand, is well loved by people of all ages. The questionnaire had 13 questions which ranged from finding out the respondent's general liking of maggi and how frequently they consume it, to learning their reaction to the maggi ban in 2015 and how that incident affected and impacted their view of maggi along with how quickly they accepted the product back into their diet.

4. ANALYSIS AND DISCUSSION

Given below is the analysis of the questions asked in the questionnaire, forwarded to 45 random participants. This analysis helps us understand the current public opinion towards maggi as a household name and also the impact that the 2015 maggi ban had on how people view maggi today.



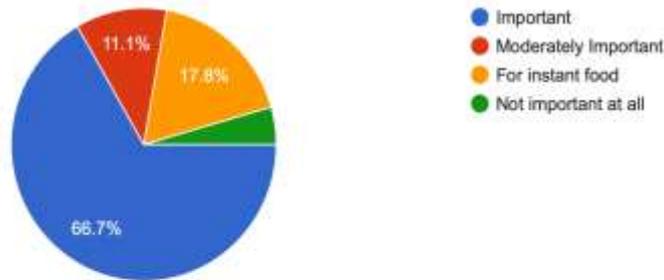
The graphs above have one similarity. The similarity being that each individual who filled in responses to the questionnaire, irrespective of their age or gender; consume Nestle products, have consumed Maggi noodles and help us with our research paper on the grounds of Maggi Noodles being successful in recapturing the market after their infamous 2015 ban. Out of 45 responses we can see a whopping 100% of them talk about how Maggi is such an integral part of their lives.



The pie chart above shows that 40% of the people who filled the questionnaire did not switch to a competitor even during the Maggi ban. This shows us the customer loyalty Maggi had created all the years they operated. It shows how they dominated the market and were the first customer preference. A close 37.8% of the voters did choose competitors, although due to compulsion. They chose alternatives but wanted Maggi back and only consumed other products as a substitute. A bare minimum of 22.2% of the individuals that answered the questionnaire; switched to substitutes, without any major problem.

How important is Maggi as a product in your house in terms of snacks or meals?

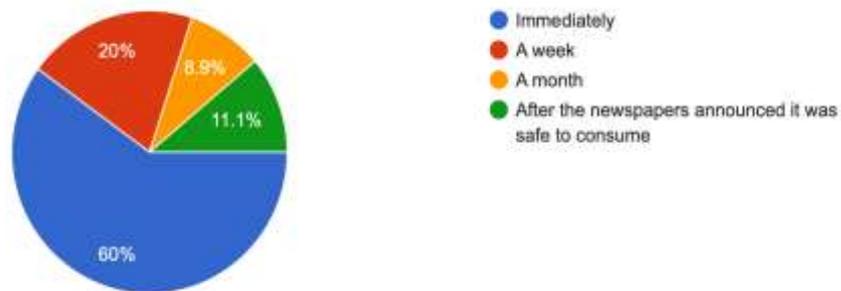
45 responses



This pie chart is a poetic description for the love of Maggi amongst the citizens of the country. Although this survey was conducted with only 45 individuals filling the form; it's a mass representation of the peoples' connection and daily household needs of people. A whopping 66.7% of voters voted for Maggi being an important product for their household. Followed by only a mere 4.4% voted for Maggi not being an important product in their household.

When Maggi re-entered the market, after the ban, how long did it take you to eat Maggi Noodles?

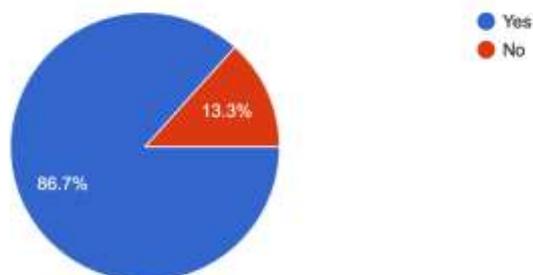
45 responses



The need of Maggi in people's lives is evidently depicted through the pie chart above. 60% of the individuals who filled the questionnaire told us that when Maggi was relaunched, after the ban, they immediately purchased and relished Maggi noodles. Another 20% of the voters told us that they purchased Maggi noodles within a week of the relaunch and 11.1% of them waited for verified newspaper articles to be published in order for them to purchase Maggi.

Did you see competitors promote their noodles more during the Maggi ban and try capture the noodle industry?

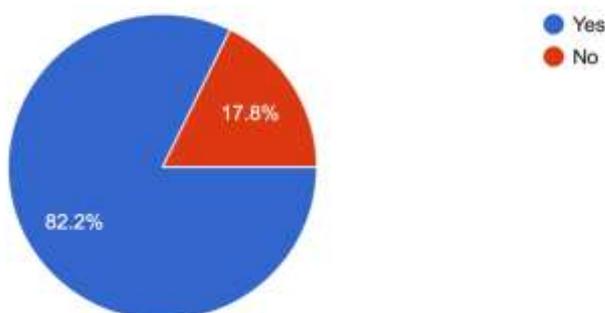
45 responses



What's interesting about the pie chart above is that 86.7% of those who filled the questionnaire noticed that competitor advertisements and promotions were much more prominent than before. So what we understand is that competitors tried to take over the noodle market and conquer it. Although after Maggi re-launched, other brands completely failed to do so.

Did your household stack up on Maggi noodles during the announcement of the 2015 Maggi Noodles ban?

45 responses



The pie chart above shows how much of a necessity Maggi is to households. 82.2% of the people filling the questionnaire voted for stacking up packets of Maggi when the ban of Maggi Noodles, in 2015, was announced. This depicts that be it a meal, a snack or something to eat for instant food; Maggi in most Indian households is a necessity.

5. CONCLUSION

This research paper helps us understand how Nestle's Maggi Noodles emerged victorious after an epoch of darkness due to their infamous 2015 crisis.

Maggi Noodles had dominated the noodle market with a whopping 80% market share. Maggi has become a synonym in Indian households for instant noodles. However, everything came to a standstill when Maggi was announced hazardous and was said to tamper with ingredients. Maggi noodles were reported to contain exuberant amounts of lead. Despite this, Nestle fought hard. In the month of August (2015) this ban was overturned by the Supreme Court and November of 2015 was when Nestle re-launched Maggi Noodles in India. Maggi has been successful to capture the noodle market again with a commendable 67%.

The love and nostalgia of Indians with Maggi noodles was unbeatable. Not Nestle but, India led victorious when Maggi was relaunched and celebrations were as though it was a festival. The citizens of the country were able to relish and reconnect to their glory days of childhood. Maggi might have rebranded themselves, but their cause still continues to remain the same - connecting families.

6. REFERENCES

- [1] (PDF) *consumer behaviour and brand preference of Nestle Maggi noodles ...* (n.d.). Retrieved October 20, 2022, from https://www.researchgate.net/publication/340296107_CONSUMER_BEHAVIOUR_AND_BRAND_PREFERENCE_OF_NESTLE_MAGGI_NOODLES_-_AN_EMPIRICAL_STUDY_WITH_REFERENCE_TO_TRICHY_TAMIL_NADU
- [2] (PDF) *maggi noodles: Ban and revival - researchgate.* (n.d.). Retrieved October 20, 2022, from https://www.researchgate.net/publication/351139444_Maggi_Noodles_Ban_and_Revival
- [3] *#maggiinasoup: A case study of how not to handle a crisis.* The Economic Times. (n.d.). Retrieved October 20, 2022, from <https://economictimes.indiatimes.com/maggiinasoup-a-case-study-of-how-not-to-handle-a-crisis/articleshow/47599502.cms>
- [4] *Branding strategies of Noodle Companies: A case study of recovery of Maggi.* (n.d.). Retrieved October 20, 2022, from https://www.researchgate.net/publication/357923321_Branding_Strategies_of_Noodle_Companies_A_Case_Study_of_Recovery_of_Maggi
- [5] *Deciphering two-minute magic: Men, women and children in Maggi ...* (n.d.). Retrieved October 20, 2022, from https://www.researchgate.net/publication/360710665_Deciphering_Two-minute_Magic_Men_Women_and_Children_in_Maggi_Advertisements_Aired_in_Indian_Television
- [6] Dugar, H. (2021, April 8). *Product life cycle of Maggi.* Super Heuristics. Retrieved October 20, 2022, from <https://www.superheuristics.com/product-life-cycle-of-maggi/>
- [7] *Find and share research.* ResearchGate. (n.d.). Retrieved October 20, 2022, from <https://www.researchgate.net/>
- [8] *How maggi noodles became an iconic Indian snack.* Sutta Chai Bar. (n.d.). Retrieved October 20, 2022, from <https://suttachai.com/how-maggi-noodles-became-an-iconic-indian-snack/>
- [9] *Importance of consumer behavior -A case study of Maggi Noodle, Nestle India.* (n.d.). Retrieved October 20, 2022, from https://www.researchgate.net/publication/356977757_Importance_of_Consumer_Behavior_-_A_Case_Study_of_Maggi_Noodle_Nestle_India
- [10] *Importance of consumer behavior -A case study of Maggi Noodle, Nestle India.* (n.d.). Retrieved October 20, 2022, from https://www.researchgate.net/publication/356977757_Importance_of_Consumer_Behavior_-_A_Case_Study_of_Maggi_Noodle_Nestle_India

- [11] Info@ituscapi.com. (2021, May 25). *Maggi and its origins*. ITUS Capital. Retrieved October 20, 2022, from https://ituscapi.com/long_and_short/maggi-and-its-origins/
- [12] Narasimhan, T. E. (2015, June 17). *Maggi to lose \$200 MN in Brand Value*. Business Standard News. Retrieved October 20, 2022, from https://www.business-standard.com/article/companies/maggi-to-lose-200-mn-in-brand-value-115061700125_1.html
- [13] Ray, S. (2016, September 4). *There is so much marketing to learn from Maggi*. YourStory.com. Retrieved October 19, 2022, from <https://yourstory.com/2016/09/marketing-lessons-maggi/amp>
- [14] Reddy, S. (2020, November 8). *The story of maggi: How it became iconic brand in India*. LinkedIn. Retrieved October 20, 2022, from <https://www.linkedin.com/pulse/story-maggi-how-became-iconic-brand-india-sainath-reddy/>
- [15] Shah, K. (2021, October 28). *What do so many global cuisines have in common? A bright yellow package of Maggi Magic*. The Washington Post. Retrieved October 20, 2022, from <https://www.washingtonpost.com/news/voraciously/wp/2019/03/15/what-do-so-many-global-cuisines-have-in-common-a-bright-yellow-package-of-maggi-magic/>
- [16] Syed Kazim and Ajai Thomas Abraham, (2017) *The return of Maggi: A case study* Retrieved 19 October 2022, from <https://www.allresearchjournal.com/archives/?year=2017&vol=3&issue=8&part=H&ArticleId=4299>
- [17] The Quint. (2017, September 9). *Excerpts: How nestle overcame the 2015 Maggi Crisis*. <https://www.thequint.com/amp/story/lifestyle/books/excerpts-how-nestle-overcame-the-2015-maggi-crisis>
- [18] Vikas Awasthi Follow Agile Coach. (n.d.). *Maggi marketing strategy*. Share and Discover Knowledge on SlideShare. Retrieved October 20, 2022, from <https://www.slideshare.net/VikasAwasthiPMP/maggi-marketing-strategy-102576435>