

A Study on the Customers Attitude towards the Re- launch of Maggie Noodles in Ernakulam

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Abstract

Fast food is a type of food that is prepared and served very quickly and is normally unhealthy, first popularized in the 1950s in the United States. Nestle' India is one of the leading companies in the FMCG space in India. Fast to cook, good to eat - MAGGI 2-MINUTE NOODLES were launched with local production in 1992 and in doing so Nestle' pioneered the category of instant noodles in India. In May 2015, Food Safety Regulators from Barabanki, a district of Uttar Pradesh, India reported that samples of Maggie 2 Minute

Noodles had unexpectedly high levels of monosodium glutamate, as well as up to 17 times the permissible limit of lead.

Maggie has always insisted that its noodles are safe. This study gives the major findings of a pilot survey conducted among many consumers of Maggie to find out their attitude towards its re=launch after the major controversies.

Key Words : *Attitude , Perception , Buying Behavior, Consumption Level , Brand Switching*

INTRODUCTION

Fast food is a type of food that is prepared and served very quickly and is normally unhealthy, first popularized in the 1950s in the United States. While any meal with low preparation time can be considered fast food, typically the term refers to food sold in a restaurant or store with preheated or precooked ingredients, and served to the customer in a packaged form for take-out/take-away. Fast food restaurants are traditionally distinguished by their ability to serve food via a drive-through.

INSTANT NOODLE INDUSTRY IN INDIA

Nestle India Limited is the market leader in Indian Noodle Market with its Maggie Brand of Noodles which was pioneer brand launched in 1983 in the packaged food market of India. Maggie Noodles is the market leader with 80 % market share in Noodles Market and Maggie Sauces and Ketchup is leader with 37 % market share. The products are producing cash for the company consistently. The Market is growing by 15 % in the Product Category of Noodles. They have a large variety of products in different flavors and styles, tempting to the palate of all ages.

MAGGIE NOODLES - INDIA

Maggie in Indian market considered to be conservative and typical about food consumption. It appropriate realization of target segment, effective positioning and effective promotion and sales made Maggie to Noodles in India as Xerox it to photocopier. Maggi also became successful in sauces, ketchups and soups Market in India. Though NIL tried to extend to other ready to eat products like pickles, cooking aids and paste, it was unsuccessful so dumped those products. Maggie Brand of products sustained recession in 2000 and 2001 in India by introducing economy packets.

Maggie Noodle had till 2005 five product line on noodles with four variant in Maggie 2 Minutes Noodle. In 2005 Maggie brand worth was 3.7 billion from 1.7 billion market worth in 1.7 billion in 2003. Maggie Noodle is Market leader with around 80% market share in Noodles/Pasta and Maggie Sauce is market leader with almost 37% of market share in 2005 in 1.8 billion market of India. Knor has taken over Maggie in Soup market recently.

AFTER BAN

Maggie has always insisted that its noodles are safe. Maggie had to pull stock worth nearly Rs 320 crore from the shelves and had to pay 20 crore to a cement factory to burn the product. In addition Corporate Affairs Ministry imposed Rs 640 crore fine on Nestle' India, for finding MSG and lead beyond the permissible limit. The court stated that proper procedure was not followed in issuing the ban and called into question the test results, as the samples were not tested at authorized laboratories accredited to the National Accreditation Board for Testing and Calibration Laboratories (NABL). Received test results from all three laboratories mandated by the Honorable Bombay High Court to test MAGGI Noodles samples. All the 90

samples, covering 6 variants, tested by these laboratories are clear with lead much below the permissible limits. Jithin J.Maniyal (2015) in his research paper has concluded that Nestle' will have to work hard to build up the faith among the people and it may take a long time might be several years to up bring its brand again.

Nestlé India has conducted over 3500 tests representing over 200 million packs in both national as well as international accredited laboratories and all reports are clear. In addition to these, various countries including USA, UK, Singapore, Australia and others have found MAGGI Noodles manufactured in India safe for consumption. These tests, representing more than 200 million packets of noodles in total, have found Maggie noodles safe for consumption

Nestle' committed to reintroduce the most beloved MAGGI Noodles at the earliest. Nestle' received results from all three NABL (National Accreditation Board for Testing and Calibration Laboratories) accredited laboratories mandated by the Honorable Bombay High Court to test newly manufactured MAGGI Noodles samples. All the samples of the MAGGI Noodles Masala have been cleared with lead much below permissible limits.

RELAUNCH OF MAGGIE

On 30 November 2015 popular instant noodles Maggie is back on the shelves in select markets five months after it was banned for allegedly containing lead beyond the permissible limit, with Nestle' India preparing a staggered roll out except in eight states where it is still not allowed. The company, which has suffered a damage of 70-85 million Swiss Francs nearly Rs 530 crores due to the ban, has also not ruled out a suit against food safety regulator, FSSAI. Maggie has been re-launched in 100 towns through 300-odd distributors and will be rolled out in many more areas in the coming days

STATEMENT OF THE PROBLEM

Nestle' India has relaunched Maggie Noodles in the market after five months ban. In this study, an effort has been made to analyze the attitude of consumers towards the relaunch of the Maggie noodles.

OBJECTIVES OF THE STUDY

1. To understand the response of consumers in Ernakulam District towards the ban on Nestle' Maggie noodles.
2. To evaluate their attitude towards the product on its re-launch.

3. To identify the consumption level among consumers of “Maggie instant noodles” before and after the ban and compare them.

4. To identify whether the ban has made the consumers shift from “Maggie” to other instant noodle brands.

5. To identify whether the ban has affected the consumers trust on other products under the brand “Maggie” and other products by Nestle Ltd

RESEARCH METHODOLOGY

Sources of data:

- Primary data

The study was conducted on a sample of 100 respondents chosen on convenient random sampling method. A questionnaire consisting of fifteen questions was distributed to these respondents and the information provided by them was analyzed using Percentage Method. Interview schedule was also adopted to gather the necessary information.

The area of study is confined to Ernakulam district in Kerala.

- Secondary data

For the purpose of study, secondary data was collected from published materials like journals, newspaper articles and also from the official website of Nestle’ India.

LIMITATIONS OF THE STUDY

- The study is limited to the consumers in Ernakulam district due to time constraints.
- Time was a limiting factor while distributing and collecting data through questionnaires.
- Respondents may be biased.
- Sample may not be representative of the interest of the entire population.

MAJOR FINDINGS OF THE STUDY

- 1) Most of the respondents (63%) belong to the age group of 15-20 years.
- 2) Majority of the respondents (90%) have used Nestle’ Maggie noodles.
- 3) With regard to the usage of products of Maggie, 40% of the respondents have consumed Maggi noodles.
- 4) 50% of the respondents have consumed less than 5 packets of Maggie noodles in a week.

- 5) 40% of the respondents are highly satisfied with the products of Maggie.
- 6) Regarding the preference of Maggie Products, 35% of the consumer prefers Maggie due to its flavor and two-minute preparation.
- 7) About 40% of the consumers feel that the prices of Maggie Noodles are reasonable.
- 8) Regarding the favorite flavor of Maggie Noodles, 30% of the respondents like tomato and cheese flavor.
- 9) It is observed that 64% of the respondents are excited to find out new flavors and the remaining 36% are not much excited.
- 10) It is observed that 45% of the respondents prefer Maggie due to its flavor.
- 11) It is observed that in a family, 40% of Children prefer Maggie, 20% by husband, 30% by wife, and the remaining 10% by elderly people.
- 12) It is observed that 90% of the respondents are aware of the recent controversy about the Maggie Noodles.
- 13) It is observed that 50% of the respondents believe in the controversy against Maggie Noodles.
- 14) It is observed that 40% of the respondents believe that Maggie Noodles have been re-launched slightly well
- 15) It is observed that 40% of the respondents believe that innovative advertisements on Maggie Noodles might be useful in retaining customers.
- 16) It is observed that 35% of the respondents substitute Maggie Noodles with Yippie in its absence.
- 17) It is observed that 20% of the respondents prefer and shall buy the product (Maggie Noodles) in spite of its controversies.
- 18) It is observed that 30% of the respondents are attracted

towards the product due to its celebrity endorsement.

certificates showing to customer will improve the customers trust.

SUGGESTIONS

- With a brand that has 70% market share and one of the most trusted product in the middle-class Indian households, the trouble Lead issue has created for Nestle is much bigger. The main buying point from consumer point of view was healthy promise from Nestle which established the trust and made it big. they lose their market due to the high lead content so they have to regain their market share by promising food safety to all consumers

- This issue has mainly affected this trust in majority of households, though it's young consumer base (students, bachelors, elders). There is still be reluctance even after it shows some positive results. Given this situation, can Nestle launch a Maggie come back with a big bang trust winning campaign or has the instant food giant lost it's ground to more healthy substitute products .The advertisements with the FSSAI

- The company is likely to focus more on the labeling issue, in order to make sure that it does not violate the food safety standards “Labels such as 'No added MSG' could be removed from the new packs,".

CONCLUSION

The Swiss brand MAGGI owned by Nestle’ makes a variety of products, including bouillon cubes, various Asian-type sauces, and powdered soups, but in India the word is essentially synonymous with “2-Minute Noodles.” In May 2015, Food Safety Regulators from Barabanki, a district of Uttar Pradesh, India reported that samples of Maggie 2Minute Noodles had unexpectedly high levels of monosodium glutamate, as well as up to 17 times the permissible limit of lead. On 3rd June 2015, the New Delhi Government banned the sale of Maggie in New Delhi stores for 15 days due to these findings. On 4th June 2015, the Gujarat FDA banned the noodles for 30 days after 27 out of 39 samples were detected with

objectionable levels of metallic lead, among other things.

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