International Journal of Innovative Research in Management Studies (IJIRMS)
ISSN (Online): 2455-7188
Volume 1 | Issue 4 | May 2016

CUSTOMER ACCEPTANCE OF MAGGI BRAND: A SURVEY IN CHENNAI REGION

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ABSTRACT

Nestle India Ltd (NIL), the Indian subsidiary of the global FMCG major, introduced the Maggi brand in India in 1982, and with its launch of Maggi 2 minutes noodles, an instant noodles product. Because of its first mover advantage, NIL successfully managed to retain its leadership in the instant noodles category. Sometimes back Food Safety and DAdministration (FDA) of Uttar Pradesh found monosodium glucomate (MSG) and excessively high quantity of lead in sample testing. So Maggi was banned from the market. After almost 6 months of struggle, NIL got clearance from foreign countries and Indian Government that Maggi noodles comply with all food safety measures, Maggi relaunched its product in November 2015. The study of Customer acceptance of Maggi brand – A survey in Chennai region was done during the period of March to April 2016, in the Chennai region. The primary focus of this study is to analyse the consumption frequency before and after the ban and to analyze whether the Maggi brand is welcomed again by the people in Chennai after the relaunch. This study will also analyze whether the repositioning strategies adopted by NIL is successful. The sample for this study included 200 respondents including children, working women, bachelors, mothers, students etc, in the Chennai region. From the analysis of data the reliability Cronbach alpha value is (0.85). Percentage analysis, ANOVAs, Correlation co-efficient were used to analyse the data obtained. Maggi, the leader in instant noodles category lost its position after the ban, but now slowly started picking up sales after the re-launch. Brand loyalty towards Maggi is high because of greater impact on youth and children but elders are hesitant towards the brand even after the re-launch. So, Maggi with its repositioning strategies, Advertisements and Marketing campaigns started picking up sales and to regain its position.

Key words: Maggi, monosodium glucomate, 2 minutes noodles, relaunch

INTRODUCTION

Nestlé India Ltd. (NIL), the Indian subsidiary of the global FMCG major, Nestlé SA, introduced the Maggi brand in India in 1982, with its launch of Maggi 2 Minute Noodles, an instant noodles product.With the launch of Maggi noodles, NIL created an entirely new food category - instant noodles - in the Indian packaged food market. Because of its first-mover advantage, NIL successfully managed to retain its leadership in the instant noodles category even until the early 2000s.

Over the years, NIL extended the Maggi brand to a variety of culinary products like soups, sauces and ketchups, and cooking aids among others. However, these product extensions were not as successful as the instant noodles. In 2005, NIL started offering a range of new 'healthy' products under the Maggi brand, in a bid to attract health- conscious consumers.

2. REVIEW OF LITERATURE

Sengupta, S. (2005) In 1982 when Nestle considered launching Maggi Instant Noodles, the ~~company had several alterna~~tive positions of launching as Chinese dishes at home or as a TV dinner or as a mini meal. Through consumer research the company felt that the most profitable position would be "tasty, instant snack made at home" and the target market was the in-home segment of the very substantial snack category. **Ghosh, A. (2010).** Nestlé’s Maggi Noodles is a market leader in the Indian noodle market. Maggi's brand value was Rs.370 crores vis-a-vis Rs.170 crores in 2003. It is competing with Top Ramaen, Sunfeast Pasta and a few private labels such s Tasty treat. Maggi has become the favourite snack with children of all ages. After 25 years it is now popular with many adults who have been grown up eating Maggi during childhood. Maniyal**, N.J & Munshi.M.M (2015**) After Maggi Noodles was banned across the country and Nestle India Ltd withdrew stocks, it gave us an opportunity to study what is the impact of Maggi Noodles on the youth, and study various different factors connected to it through a survey. This Survey studies the consumption frequency, its consumption after the ban and will it affect the sales once Maggi Noodles is Re – launched. **Muntwiler, M., & Shelton, R. M. (2000)** In June 1999, the Salvation Army Agricultural Development Program conducted a baseline nutrition survey to study the protein intake of 73 families in six areas Eastern Highlands Province, PNG. This study was part of a project aimed at increasing the intake of dietary protein in the targeted population of about 5000 families. The results indicated that: • most people eat a meal only twice a day; people eat Maggi as a snack for evening meal. **Balaji Sathya Narayanan, B. (2012)** How “Maggi” could succeed? Simple it is communication positioned the brand clearly. Positioning - “2 minutes

Noodles" i.e., it can be prepared in just 2 minutes and as a good, evening-snack for the children, which contains proteins and calcium. As time went on, its positioning changed as "Taste Bhi Health Bhi" to convince the growing health conscious moms who wants to avoid junk foods to be offered to their kids.

3. OBJECTIVE OF THE STUDY

- To analyze whether the Maggi brand is welcomed again by the people in Chennai.
- To find out the repositioning strategies adopted by NIL will be successful

4. NEED FOR THE STUDY

Some time back, Food Safety and Drug Administration (FDA) of Uttar Pradesh found monosodium glutamate (MSG) and excessively high quantity of lead in sample testing. MSG, which is used as a flavor enhancer can cause headache, nausea. The lead amount was 7 times that of permitted. FDA claims that they tested two dozen packets of Maggi for this. Maggie in its defense has categorically and out rightly denied the presence of excess MSG and lead in its composition and rather has contended that the presence of MSG and lead is natural phenomenon. So Maggi was banned from the market.

5. ANALYSIS AND DISCUSSIONS:

Primary data were collected through questionnaire and the same were analysed using the Statistical tools like Correlation, Anova which were interpreted in the following tables.

Table 1

Percentage analysis

Age (in years)	Number of respondents	Percentage to total	Gender	Number of respondents	Percentage to total
15-25	89	44.5	Male	118	59.0
26-35	76	38.0	Female	82	41.0
36-45	35	17.5	Total	200	100.0
Total	200	100.0	**Spending**	**no. of respondents**	**percentage**
Income	**no. of respondents**	**percentage**	100-200	32	16.0
10000-20000	54	27.0	200-300	72	36.0
20000-30000	90	45.0	300-500	79	39.5
30000-40000	39	19.5	above 500	17	8.5

Above 40000	3	1.5	Total	200	100.0
not applicable	14	7.0			
Total	200	100.0			

Majority of respondents are Male (59%), Majority of respondents are in the age group of 15-25. (45%), Majority of respondents are in the income group of 20000-30000 (45%), the Majority of respondents are in the spending group of 300-500 (40%).

Table 2

Maggi as breakfast	**no. of respondents**	**percentage**	**Maggi as lunch**	**no. of respondents**	**percentage**
agree	70	35.0	strongly agree	7	3.5
neutral	23	11.5	Agree	1	.5
disagree	2	1.0	Neutral	22	11.0
Total	200	100.0	Disagree	110	55.0
Maggi as snack	**no. of respondents**	**percentage**	strongly disagree	60	30.0
strongly agree	88	44.0	Total	200	100.0
agree	77	38.5	**Maggi good for health**	**no. of respondents**	**percentage**
neutral	31	15.5	strongly agree	11	5.5
disagree	4	2.0	Agree	40	20.0
Total	200	100.0	Neutral	87	43.5
maggi preferred by children	**no. of respondents**	**percentage**	Disagree	48	24.0
strongly agree	65	32.5	strongly disagree	14	7.0
Agree	82	41.0	Total	200	100.0
Neutral	47	23.5	**Maggi preferred by teenagers**	**no. of respondents**	**percentage**
Disagree	6	3.0	strongly agree	79	39.5
Total	200	100.0	Agree	65	32.5
Maggi	**no. of**	**percentage**	Neutral	44	22.0

preferred by adults	**respondents**				
strongly agree	6	3.0	Disagree	12	6.0
Agree	56	28.0	Total	200	100.0
Neutral	78	39.0	**Buy single pack**	**no. of respondents**	**percentage**
Disagree	43	21.5	strongly agree	6	3.0
strongly disagree	17	8.5	agree	103	51.5
Total	200	100.0	neutral	71	35.5
buy family pack	**no. of respondents**	**percentage**	disagree	20	10.0
strongly agree	6	3.0	Total	200	100.0
Agree	37	18.5	**Awareness by television**	**no. of respondents**	**percentage**
Neutral	55	27.5	strongly agree	30	15.0
Disagree	36	18.0	Agree	53	26.5
strongly disagree	66	33.0	Neutral	102	51.0
Total	200	100.0	Disagree	15	7.5
Awareness by social media	**no. of respondents**	**percentage**	Total	200	100.0
strongly agree	7	3.5			
agree	73	36.5			
neutral	98	49.0			
disagree	22	11.0			
Total	200	100.0			

Majority of respondents (35%) agree that they take Maggi as breakfast, (55%) of respondents disagree that they take Maggi as lunch, (82%) of respondents agree that they take Maggi as snack. Majority of respondents 44% neither agree nor disagree that Maggi is good for health. Majority of respondents (73%) agreed that Maggi is preferred by children, (72%) of respondents agree that Maggi is preferred by teenagers, (39%) neither agree nor disagree that Maggi is preferred by adults.

Majority of respondents (54%) agreed that they but single pack, (55%) disagreed that they but family pack. Majority of respondents (51%) neither agree nor disagree that they gained awareness by television and (49%) neither agree nor disagree that they gained awareness by social media

Table 3

Correlation of Awareness and Brand Loyalty

Awareness and Brand Loyalty	R	Significance	Relationship
Awareness and Brand Loyalty	.734**	0.000	Positive

**. Correlation is significant at the 0.01 level (2-tailed).

There is a statistically significant positive correlation between Awareness and Brand Loyalty since r = .734** and P = 0.000 which means good Awareness by Newspaper, Bill boards, Television and social media would lead to Customer acceptance of Maggi.

Table 4

Correlation of Choice of package and Brand Loyalty

Choice of package and Brand Loyalty	R	Significance	Relationship
Choice of package and Brand Loyalty	.276**	0.000	Positive

**. Correlation is significant at the 0.01 level (2-tailed).

There is a statistically significant positive correlation between Choice of package and Brand Loyalty since r = .276** and P = 0.000 which means which means Single pack and Double pack leads to Brand Loyalty.

Table 5

Correlation of Segmentations and Brand Loyalty

Segmentations and Brand Loyalty	R	Significance	Relationship
Segmentations and Brand Loyalty	.585**	0.000	Positive

There is a statistically significant positive correlation between Segmentations and Brand Loyalty since r = .585** and P = 0.000 which means Maggi is preferred by all segments and it creates Brand Loyalty that would lead to Customer acceptance of Maggi.

Table 6

Correlation of Preferences and Brand Loyalty

Preferences and Brand Loyalty	R	Significance	Relationship
Preferences and Brand Loyalty	.465**	0.000	Positive

There is a statistically significant positive correlation between Preferences and Brand Loyalty since r = .465** and P = 0.000 which means Children, Teenagers, young adults influence Brand Loyalty leading to Customer acceptance of Maggi.

Table 7

Correlation of Reasons and Brand Loyalty

Reasons and Brand Loyalty	R	Significance	Relationship
Reasons and Brand Loyalty	.576**	0.000	Positive

There is a statistically significant positive correlation between Reasons and Brand Loyalty since r = .576** and P = 0.000 which means Taste of Maggi , Easy to make, its flavors influence Brand Loyalty would lead to Customer acceptance of Maggi.

Table 8

Correlation of Positioning and Brand Loyalty

Positioning and Brand Loyalty	R	Significance	Relationship
Positioning and Brand Loyalty	.312**	0.000	Positive

There is a statistically significant positive correlation between Positioning and Brand Loyalty since r = .312** and P = 0.000 which means Maggi Positioned as breakfast and snack food lead to better Customer acceptance of Maggi.

Table 9

Correlation of Consumption and Brand Loyalty

Consumption and Brand Loyalty	R	Significance	Relationship
Consumption and Brand Loyalty	.301**	0.000	Positive

There is a statistically significant positive correlation between consumption and Brand Loyalty since r = .301** and P = 0.000 which means Maggi is consumed frequently influencing Brand Loyalty leading to Customer acceptance of Maggi.

Table 10

Correlation of choice of package and Positioning

choice of package and Positioning	R	Significance	Relationship
choice of package and Positioning	-.022**	.752	Negative

There is a statistically significant negative correlation between choice of package and Positioning since r = -.022** and P = 0.752 which means single pack, double pack and family pack does not influence positioning.

Table 11

Correlation of Brand Loyalty and Positioning

Consumption and Brand Loyalty	R	Significance	Relationship
Consumption and Brand Loyalty	.312**	0.000	Positive

There is a statistically significant positive correlation between consumption and Brand Loyalty since r = .312** and P = 0.000 which means Maggi is preferred for breakfast and snack food over other noodles.

Table 12

Correlation of Segmentations and Positioning

Segmentations and Positioning	R	Significance	Relationship
Segmentations and Positioning	.445**	0.000	Positive

There is a statistically significant positive correlation between consumption and Brand Loyalty since r = .445** and P = 0.000 which means Maggi is taken as breakfast and snack food by all segments of people.

Table 13

Correlation of Preferences and Positioning

Preferences and Positioning	R	Significance	Relationship
Preferences and Positioning	.443**	0.000	Positive

There is a statistically significant positive correlation between consumption and Brand Loyalty since r = .443** and P = 0.000 which means Maggi is taken as Breakfast and snack food by children, teenagers and young adults.

Table 14

Correlation of Reasons and Positioning

Reasons and Positioning	R	Significance	Relationship
Reasons and Positioning	.489**	0.000	Positive

There is a statistically significant positive correlation between consumption and Brand Loyalty since r = .489** and P = 0.000 which means reasons like Taste and easy to make Maggi makes Maggi to be preferred as breakfast and snack food.

Table 15

Correlation of Awareness and Positioning

choice of package and Positioning	R	Significance	Relationship
choice of package and Positioning	.065**	.363	Positive

There is a statistically significant positive correlation between choice of package and Positioning since r = .065** and P = 0.752 which means choice of package and Positioning does not influence.

Table 16

ANOVA: Relationship between Age and Consumption

		Mean	Std. Deviation	P value	Result
Eat Maggi	15-25	2.7191	.95333	0.739	
thrice a month	26-35	2.6579	1.01394		Accept
	36-45	2.5714	.88403		
	Total	2.6700	.96215		
Eat Maggi	15-25	3.1124	1.20074	.	Reject
twice a month	26-35	3.6447	1.04184	0.007	
	36-45	3.5429	1.03875		
	Total	3.3900	1.13770		
Eat Maggi	15-25	2.4045	.80790	0.067	
sometimes a	26-35	2.5395	.83970		
month					Accept
	36-45	2.1714	.45282		
	Total	2.4150	.77833		

Eat	Maggi	15-25	2.8764	.79516		Accept
rarely a month		26-35	2.9211	.79604	0.746	
		36-45	2.8000	.67737		
		Total	2.8800	.77369		

Source: Primary data (at 5% level of significance)

From the above table shows it is interpreted that there is no significant influence on eat Maggi thrice a month and age factor since p value is greater than 0.05,There is significant influence on Eat maggi twice a month and age factor since P value is lesser than 0.05, There is no significant influence on Eat maggi sometimes a month and age facto since p value is greater than 0.05, there is no significant influence on eat Maggi rarely a month and age factor since p value is greater than 0.05.

Table 17

ANOVA: Relationship between Income and choice of package

		N	Mean	Std. Deviation	sig	Result
buy single pack	10000-20000	54	2.5926	.71424		
	20000-30000	90	2.4333	.75028		
	30000-40000	39	2.7179	.64680		
						Accept
	Above 40000	3	2.3333	.57735	0.216	
	not applicable	14	2.3571	.63332		
	Total	200	2.5250	.71550		

buy double pack	10000-20000	54	2.4074	.76525		
	20000-30000	90	2.5111	.69094		
	30000-40000	39	2.4615	.64262	0.630	
						Accept
	Above 40000	3	3.0000	.00000		
	not applicable	14	2.4286	.51355		
	Total	200	2.4750	.68683		
buy family pack	10000-20000	54	3.5741	1.20693		
	20000-30000	90	3.6667	1.19925		
	30000-40000	39	3.6154	1.18356	0.741	
						Accept
	Above 40000	3	3.0000	1.73205		
	not applicable	14	1.32599			
	Total	200	1.20759			

Source: Primary data (at 5% level of significance)

The above table shows that P value is greater than 0.05 the null hypothesis is accepted. Therefore Income has no influence on choice of package- buy single pack, buy double pack, buy family pack.

6. RECOMMENDATIONS

Inspite of the setback Maggi has undergone due to ban of its noodles the brand image of Maggi continue to rule among different classes of customer. Though Maggi lost its market share after the ban and other players try to penetrate into market share of Maggi. It came back strongly after lifts of ban. This demonstrates brand resilience of Maggi. Iniatives taken by Maggi during its relaunch are worth mentioning it targeted audience through social media and also through print media highlighting legacy and quality of parent brand and reinforced strength of dependability of Maggi. Study has highlighted that Maggi is taken more as a snack food and breakfast food and that too many among children and youth. Maggi should encase this opportunity to position its brand strongly targeting those targeted audiences through promotional schemes to increase market share.

Brand loyalty among all segments of customer is very appreciable and slowly inching up again. Hence Maggi should immediately launch an aggressive market campaign with different packages, offer and also with different variations in flavors to increase the momentum. Maggi strength in packaging is in its single use and double use pack with attractive price packages for multiple single use packs.

7. CONCLUSION

To sum up Maggi as a brand, it's still retaining its flavor in spite of hiccups it has undergone. Due to its brand strength it has reemerged strongly as a market leader in noodles. This opportunity should be encashed by Maggi by launching a promotional campaign to keep the consumers tied up to the brand.

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