



Autonomous

NAGINDAS KHANDWALA COLLEGE OF COMMERCE,
ARTS & MANAGEMENET STUDIES
MALAD (WEST), MUMBAI-400064

BACHELOR OF MANAGEMENT STUDIES

PROJECT REPORT ON:

JOURNEY OF MAGGI OVER THE YEARS

T.Y.BMS DIV – B (MARKETING)
SEMESTER VI

PRESENTED BY DHAIRYA NAYAN JOSHI

ROLL NO
5028

PROJECT GUIDE
DR. MONA MEHTA

UNIVERSITY OF MUMBAI ACADEMIC
YEAR 2023-2024

e-mail : nagindaskhandwalac@hotmail.com/ancyjose@vsnl.net
website: www.khandwalacollege.ac.in

Tel. : 2807 2262 / 2808 5424
2801 3433 / 2808 6427
Telefax : 2865 0461

MALAD KANDIVLI EDUCATION SOCIETY'S

NAGINDAS KHANDWALA COLLEGE OF COMMERCE, ARTS & MANAGEMENT STUDIES

AND SHANTABEN NAGINDAS KHANDWALA COLLEGE OF SCIENCE

RE-ACCREDITED BY NAAC WITH 'A' GRADE

ISO 9001 : 2015 CERTIFIED

Bhavishya Bharat Campus, S. V. Road. Malad (W), Mumbai - 400 064.

DECLARATION

I DHAIRYA NAYAN JOSHI student of Nagindas Khandwala College Semester VI hereby declare that I have completed this project on JOURNEY OF MAGGI OVER THE YEARS in the Academic Year 2023-24

The information submitted is true and original to the best of my knowledge.

Signature of Student

CERTIFICATE

I DR. MONA MEHTA hereby certify that DHAIRYA NAYAN JOSHI

of TYBMS B Semester VI of Nagindas Khandwala College

has completed project on JOURNEY OF MAGGI OVER THE YEARS

in the academic year 2023-24

The information submitted is true and original to the best of my knowledge.

Project Co-ordinator

External Examiner

Principal

N.K. COLLEGE OF COMM. ARTS & MGMT. STUDIES & SCIENCE
S.N.K. COLLEGE OF SCIENCE
MALAD, MUMBAI 400 064

EXECUTIVE SUMMARY

The prime important concept in marketing is 'buying behavior' and it has evolved over the years. The understanding of consumer buying behavior is very important as it will help to understand the sale and purchase of the product and specially for knowing about the product which was banned and then relaunched again.

The report deals with the study of brand Maggi noodles that was launched in India in 1983, by Nestle India Ltd. This research is based on the findings of consumer buying behavior before and after the ban of Maggi noodles.

Our very own, Maggi noodles, has been an instant solution to every time we felt hungry and needed something quick and healthy to eat. Maggi noodles had captured almost every Indian kitchen due to its fast-cooking properties also known as '2- minute' cooking properties. Maggi noodles has consumer of almost all the category of people, of any age, and gender, it was loved by all of them. The most demanded noodle of all time.

This study will help us know about the consumer purchasing habits and its perception towards Maggi noodles and all the changes caused after the ban of Maggi noodles.

ACKNOWLEDGEMENT

I feel great pleasure in expressing my regards and profound sense of gratitude to the people who have extended their help in every possible way so that I can complete this project. Help is a voluntary fulfillment of duty, which, all the people mentioned below have performed it to their maximum, in a way giving me & my research the utmost important.

I take this opportunity to thank the University of Mumbai for giving me chance to do this project.

I am highly indebted to my faculty guide **DR. MONA MEHTA** for her guidance and constant supervision as well as for providing necessary information regarding the project & also for his support in completing the project. She has taken pain to go through the project and make necessary correction as and when needed.

At the onset, I wish to express my gratitude to **DR. ANCY JOSE**, Principal and **DR. MONA MEHTA**, Vice Principal, for their support. I would also like to thank my college for providing me with all necessary amenities like well-equipped library which was very helpful as well as the non-teaching staff members for their support without whom this project would have been a distant reality. I also extend my heartfelt thanks to my family, peers, and well-wishers.

DHAIRYA JOSHI

JOURNEY OF MAGGI OVER THE YEARS



TABLE OF CONTENT

SR NO.	CONTENT	PAGE NO
CHAPTER 1	**INTRODUCTION** 1.1) Nestle story 1.2) History of Maggi noodles 1.3) History of Maggi in India 1.4) Objectives of research 1.5) Research methodology 1.6) Scope of study 1.7) Limitations of study	
CHAPTER 2	**NESTLE MAGGI INDIA STRATEGY** 2.1) Nestle's aims and objectives 2.2) Maggi's aims and objectives 2.3) Nestle SWOC analysis 2.4) Maggi SWOC analysis	
CHAPTER 3	**MAGGI CONTROVERSY**	
CHAPTER 4	**CSR ACTIVITES BY NESTLE**	
CHAPTER 5	**MAGGI MARKETING CAMPAIGN**	
CHAPTER 6	**EXTENSIVE LITERATURE REVIEW**	
CHAPTER 7	**DATA ANALYSIS AND INTERPRETATION**	
CHAPTER 8	**CONCLUSION**	
CHAPTER 9	**RECOMMENDATION**	
CHAPTER 10	**BIBLIOGRAPHY**	
CHAPTER 11	**ANNEXURE**	

CHAPTER 1: INTRODUCTION AND METHODOLOGY



Nestlé Good Food, Good Life

1.1.THE NESTLE STORY

Nestle: 'GOOD FOOD, GOOD LIFE', is one of the world's biggest and leading company in nutrition, health, and wellness. Nestle has a great share in market and has completed 150 years.

Nestle's history began in 1866, when two Swiss enterprises were formed and founded, that would later become Nestle's integral core. Charles page and George page, brothers based in Lee County, Illinois, USA, established the Anglo-Swiss Company based in condensed milk in Cham, Switzerland.

In 1867, Henry Nestle developed a milk- based baby food in Vevey, Switzerland, and began marketing it. It combines wheat flour, cow's milk, sugar for consumption by infants who cannot be breastfed. He also starts using the now iconic 'Nest' logo.

In 1875, Henry Nestle, German born pharmacist, employed chemists and skilled workers to expand production and sales of its 'Farine Lactee' (flour with milk).

Following with the seven years of work perfecting the milk chocolate manufacturing process, Daniel Peter saw Nestle as the crucial co-operation needed to solve the problem of removing all the water from the milk added to his chocolate and thus preventing the product.

Nestle and Anglo-Swiss got into a heated competition in 1877–1878. Both of them started selling copies of the original products made by their separate companies. Condensed was added to the repertoire of Nestle, and milk-based baby foods were added to the product offering of Anglo47-Swiss. This made the businesses

In 1882, Anglo-Swiss expands its sales and productions in the US but due to unfortunate and sudden death of George Page, the plans were disturbed. This led to a lot of challenges faced by the Anglo-Swiss. In 1902, Nestle sells its operations and thus opening the possibility and a way for merger with Nestle company.

In 1904, Nestle began selling chocolates for the first time when it took over export sales for Peter and Kohler. Francois-Louis Cailler, Charles Amedee Kohler, Daniel Peter and Henri Nestle participated in creating, developing, and marketing the first Swiss chocolate – milk Nestle.

In 1905, Anglo-Swiss Condensed Milk Company and Nestle merged. The company has two head offices, Vevey and Cham, and one in London to drive dairy export sales. The company expanded its range to include unsweetened condensed milk and sterilized milk. The name 'Nestle Alimentana SA' was taken due to acquisition of Fabrique de Products Maggi SA. Maggi was a major manufacturer of soup mixes and related foodstuff. The name of the company was adopted in 1977. The company was expanded its factories in United States, The United Kingdom, Germany, and Spain. The demand for dairy products was

created in the First World War in the form of government contracts, and, by the end of the war, Nestle's production had more than doubled.

In 1915, Nestle canned milk products were issued by the British army to the soldiers in their emergency rations. The company's milk refineries started working flat out due to the strong demand of the product. Nestle and Anglo Swiss acquired a dairy company Egron - a spray drying process for producing milk powder. Due to shortages of milk in Switzerland, to help people town and cities, the company had to surrender fresh milk supplies. To meet the demand, company acquired and sign supply agreements with Australian companies.

In 1921-22, due to high stock levels and falling prices, the company faced first ever financial loss. Banker Louis Dapples, encouraged to appoint professional managers for the first time. The research was consolidated, and the administration was centralized in one laboratory at Vevey, Switzerland. Nestle experienced the effect of the Second World War right away. Profit decreased from $20 million in 1938 up to $6 million in 1939 factories were built in emerging nations mainly in Latin America.

Paradoxically the company's most recent offerings NESCAFE was introduced at that time and it quickly became a favorite beverage.

The World WAR II ending led to beginning of a game changing phase for Nestle. There was enormous growth and numerous companies were acquired by Nestle and where merged with Maggi in 1947. L'oreal bought in diversification as shareholding partner with Nestle in 1947. By acquiring Alcon Laboratories Inc in 1997 Nestle made its second venture outside the food industry.

In December 2005, the Greek company Delta Ice-cream was bought for 240 million by Nestle. In January 2006, with a 17.5% market share it became the world's largest ice cream maker by taking full ownership of Dreyer's.

In February 2007, inauguration of a factory in Feira de Santana (Bahia) was done by the Brazilian president, Lula da Silva. The first half of the 1990s proved to be favorable for Nestle.

In December 2014, nestle had a smooth journey. Nestle's 29.23% of sales was earned by Maggi.



1.2. HISTORY OF MAGGI NOODLES

The brand 'Maggi' was originated in Switzerland. To make good-tasting and nutritious food accessible to working and busy families Maggi was founded by Julius Maggi in 1884. The purpose was to provide easy to prepare and nutritious food for busy women who did not have time to prepare healthy meals.

In 1863, a formula was created to add taste to meals which opened a road for Maggi and other easy to make food products by Julius Maggi. It brought protein rich legume meal to the market for the first time ever which was then followed by readymade soup in 1886.

By 1900, Julius had registered various signature and names for his product in various countries. In Switzerland, 18 different names were registered from Magique to Maggi. Later, Maggi name was finalized by Julius and officially registered. However, in India it was launched in 1980s by Nestle group of companies. Maggi has been well known in India, New Zealand, Australia, Malaysia, Nigeria, Singapore.

In 1947, the brand Maggi was acquired by Nestle. Two years later, invention of ready-to-use soups and liquid seasoning was followed Maggi's acquisition. Maggi came up with a variety of instant noodles, soups stocks, bullion, sauces, and seasoning. The brand is popular in several countries, also known as 'Maggi mee' (mee is Indonesian, Malay, Hokkien for noodles). Maggi noodles – part of Maggi family has faced numerous challenges over their advertising of the noodles, making misleading claims in developing countries where regulations permit it.

False claims were made by the advertisement that the noodles would 'help to build muscles, bones and hair'. The advertisement did not follow the new EU consumer protection legislation, by which the advertisers must provide the proof of health claims.

Maggi 2-minutes noodles claims to have hydrolyzed groundnut protein. It contains MSG (Monosodium glutamate) – flavor enhancer derived from glutamic acid. The packaging states that there is 'NO ADDED MSG' but the hydrolyzed vegetable can contain high levels of glutamate, which is misleading to consumers, as hydrolyzed protein converts to MSG after cooking.

Maggi tried to expand its product line by bringing in the market various products like sauces, masala, sauces, soups. Maggi noodles is a hit among all the various

products that were launched and has largest share of market compared to the other products.

The various Maggi products are:

- Maggi Pazzta
- Maggi Magic cubes
- Maggi bhuna masala
- Maggi healthy soups
- Maggi masala e-magic
- Maggi Sauces
- Maggi Pichkoo
- Maggi coconut milk powder
- Maggi HotHeads noodles

Maggi noodles first came into the market in India, in 1983, and acquired 90% of the instant noodle market over next 25 years. The share has dropped recently due to various competition and introduction of different brands like Top Ramen, Wai Wai and Yippee. Maggi was stated as the 'third staple' of Indian food after wheat and rice by advertising expert Kiran Khalap. India is Maggi's largest market by far.

Noodles have been a part of the urban Indian diet due to which Maggi was accepted in China and Nepal.



Figure 1: Maggi Production and Manufacturing in 1947

1.3. HISTORY OF MAGGI NOODLES IN INDIA

Maggi noodles was launched in India in 1982. Packaged and canned food was not preferred by the Indian consumers at that time as they would rather eat traditional Indian dishes. The earlier days for Maggi were difficult as consumers were not accepting the instant noodle idea. Initially, the company's target audience was working woman on the base that Maggi noodles was easy to cook, healthy food but this approach did not seem to work, and the sales of Maggi noodles was heavily affected. Despite of heavy media advertising, the sales were not rising which led to digging in to get to the root of the problem.

The research revealed that the taste of Maggi noodles was preferred and liked more by children rather than working woman. Considering that children were the largest consumers of the product, the focus was shifted from the working woman to children and their mothers through various marketing campaigns.

The product was positioned as 'fun' product for children and as a 'convenience product' for mothers by NIL. The tagline of Maggi noodles 'Fast to Cook, Good

to Eat' was also keeping in with this positioning. Free samples, gifts on return of empty packets were distributed as a promotion activity for making consumers aware about Maggi. Advertisements also played a major role in communicating the products benefit.



Figure 2: Maggi Advertisement

Maggi's advertisement popularized the image of 'Maggi Mom' in reference to a mother caring for her child and providing healthy and nutritious snack to her child. The 'two - minute concept' was popularized as it was not time consuming and healthy. Flavors specially tailored to the Indian market like 'masala flavor' were released by Maggi to cater to the Indian market. The masala flavor – spice packet used for seasoning in Maggi became very popular in India, which is now used in any and every possible dish.

Maggi has come up with various ad campaigns that have worked and increased the sales of the brand. In 2008, for the brand's 25th anniversary, Maggi introduced

a new ad campaign titled 'Me and Meri Maggi' where personal stories from Maggi eaters were recreated for a series of ads and aired across the country. Different stories were filmed to show the sentiments of the consumers towards Maggi such as a bride eating a bowl of Maggi in her wedding dress, a guy carrying bowl of Maggi for people stuck and stranded in car during 2005 Mumbai floods and a kid eating Maggi on a camping trip.

Another ad campaign showed how a mother was preparing her teenage son who is going to a hostel to become independent. The concept of 'First Cook' is introduced in this campaign where the son is encouraged by her mother to cook a bowl of Maggi as she gives instruction over the phone. This campaign how cooking Maggi can be a powerful life lesson too.

Maggi used to belong to working woman and kids but today it is a staple of college kids, young professionals, and bachelors. Maggi has become a go-to food for kids living in hostel. This leads to Maggi catering to all kinds of consumers and thus Maggi noodles have become very popular even in their 35th year of sustaining in the market. They have sales in the noodle market going higher.

1.4. OBJECTIVE OF THE RESEARCH

- To understand the consumer perception about Maggi Noodles.
- To understand the strategy of Maggi Noodles as a brand on consumer mind set.
- To know about consumer perception towards Maggi Noodles before and after its ban.
- To know the improvement aspect of Maggi noodles after the re-launch.
- To find the quality of Maggi noodles before and after the ban.
- To evaluate changes in the taste of Maggi noodles after the re-launch.

1.5. METHODOLOGY

STATEMENT OF RESEARCH: JOURNEY OF THE BRAND MAGGI BEFORE AND AFTER BAN.

1.5.1. FORMULATING THE RESEARCH PROBLEM

Maggi has been the favorite instant noodle brand for consumers since a very long time. Maggi noodles has about 80% of the share of instant noodle market. However, due to the ban of Maggi in 2015, the perception of consumers towards Maggi has changed a little. Maggi requires more efforts to regain its value. Thus, the study analysis how there is a change in consumer behavior towards Maggi in terms of Attitude, preferences, and decisions.

1.5.2. RESEARCH DESIGN

This is a descriptive kind of a research as it studies the behavior of consumer towards Maggi before and after the ban. It is formal and structured. The data analysis in this type of research is quantitative. In this research type, survey method is used to collect data. It can answer what, when, and how questions but not why questions.

1.5.3. SAMPLE DESIGN

- Research instrument: Questionnaire
- Sample Area: Mumbai
- Sample size:
- Sample population: People of all age group but specifically teenagers. • Sample type: Nonprobability sampling.

1.5.4. SOURCES OF DATA

Primary Data:

- The primary data collection was done by preparing a questionnaire with limited questions that covered the questions related to consumer buying behavior towards Maggi before and after the ban.
- The main target for questionnaire was teenagers in general.
- The survey was conducted to know the preferences of the consumers towards Maggi noodles.
- The questionnaire prepared was structured and designed for statistical analysis of the responses.

Secondary Data:

- The data collected was from websites like Wikipedia, Times of India, Nestle, Economic Times, etc.
- The final conclusions were made by taking into consideration both primary and secondary data.

1.5.5. COLLECTION OF DATA

- The questionnaire was prepared for all the consumers.
- The research on consumer behavior was done by using the survey method.

1.6. SCOPE OF STUDY

In this research problem, the major focus is on the after-ban effects on the Maggi noodles. This study has been conducted to know the preferences of consumer and the purchasing habits of consumer before and after the ban. The study focuses on the mindset of the consumer during the ban of Maggi noodles due to MSG lead. It also focuses on whether the ban of Maggi noodles affected the consumption of it and changed the perception of Maggi.

For future purposes, the scope is that after going through this study one will get a detailed knowledge about the aftereffects of ban and how it affected consumer buying behavior once the Maggi Noodles was relaunched.

1.7. LIMITATION OF STUDY

- **Geographical locations:** The survey was conducted amongst the consumers of Mumbai city only.

- **Secondary data can be influenced:** As a lot of secondary data was taken from newspapers, articles, and websites. There is a possibility that the data was influenced by the concerned companies for publicity and the same may reflect on this study.

- **Tools used for analysis are basic:** The used for analysis of the data are basic. So better analytical methods are not used because of lack of technology.

CHAPTER 2: NESTLE'S MAGGI INDIA STRATEGY

2.1. NESTLE'S AIMS AND OBJECTIVES

- To ensure relentless improvement of nestles performance related to environment.
- To build trust with costumers, business partners and governmental authorities.
- To achieve compatibility with international voluntary standards on environmental management systems
- To establish the practice for good business.
- To employ new technologies and processing.
- Measuring the cost and benefits of its activities to business.
- Audit results.
- Monitor progress.

2.2. MAGGI'S AIMS AND OBJECTIVES

- To find out the safety of Maggi.
- To find how will Maggi regain its position in the market.
- To study the marketing methods of Maggi.
- To study the position of Maggi in the market.

2.4. SWOC ANALYSIS OF MAGGI

1.STRENGTH

- The food products are provided in different categories under the name 'Maggi' which is a great edge over the competitors.
- There are variety of products, and all are relatable to the consumer.
- The company has no financial problems and has a rick history.
- The company has well established distribution channel, which can help the company to provide.
- The Maggi products are used in various restaurants, roadside stalls and in the canteens, which contributes to the success of the brand.

2.WEAKNESS

- The product Maggi has some ill-effects, and it can affect its sale in the market.
- The consumers are knowledgeable and can know about the ill effects and the sales of the product Maggi can go down in the market.
- The company must take the risk of dependency over Maggi noodles as most of the revenue is generated from this food.
- The company must face various competitors due to the ban of the product.

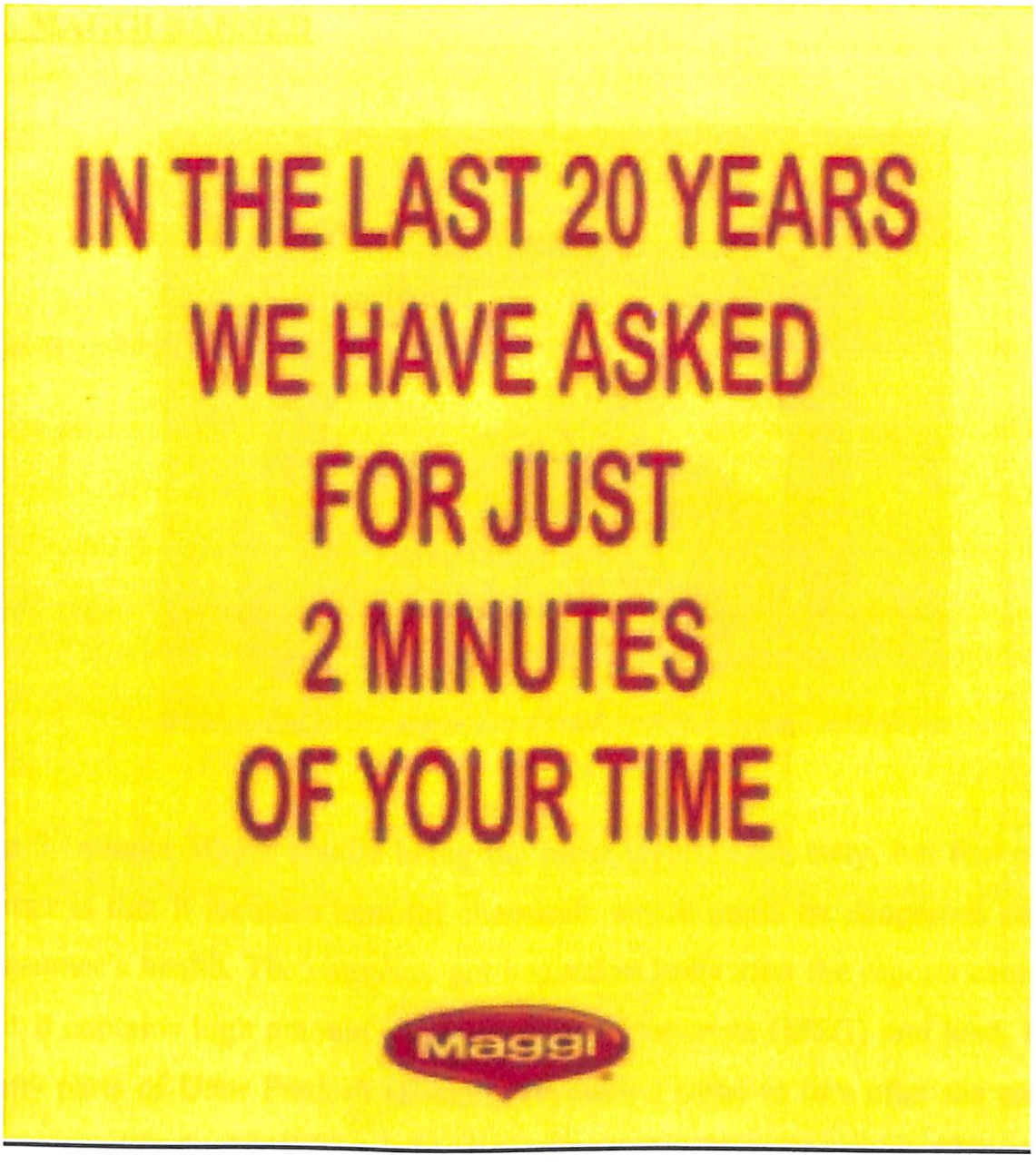
3.OPPORTUNITIES

- The extension of food products in the market with the introduction of chips, various flavors, can bring more opportunities for the brand.
- To extend the shelf life of the product as a lot of consumers like to use this food product in their meal.
- The company is targeting big restaurant chains with the customized or special offerings.

4.CHALLENGES

- The company is facing a competitive edge as there are a lot of national and local competitors launching similar products in the market.
- The reputation of Maggi can be deteriorated if consumers become aware about the ill effects in the good products and this will cause a major damage to the company.




IN THE LAST 20 YEARS
WE HAVE ASKED
FOR JUST
2 MINUTES
OF YOUR TIME
Maggi

CHAPTER 3: MAGGI CONTROVERSY

3.1. MAGGI BANNED



The 2- minute Maggi noodle being the most favorite and tasty, but fact of the matter is that it includes harmful chemicals which could be dangerous for the consumer's health. The company got banned in India after the reports came out that it contains high amount of monosodium glutamate (MSG) and lead. From many parts of Uttar Pradesh shocking revelation came to fore after the sample were tested in the lab Where it has been found that Maggi contains 17 parts per million leads, while the limit is only 0.01 ppm. Lucknow food safety and drug administration had written to the Food Safety and standard authority of India. (FSSAI), urging to act against the company. FSSAI has been requested to collect sample from all over India to check the quality of the product. Various samples

were tested, and the test result claimed that there are added MSG and excess of lead.

3.2. WHAT IS MONOSODIUM GLUTAMATE (MSG)?

MSG is an amino acid used as a food additive to enhance flavor and mainly used in Chinese food, canned vegetables, soups, and processed meats.

3.3. HARMFUL EFFECTS

Experts state that the chemical often used is very harmful for children and adults. It could cause liver inflammation, brain damage, weight gain and other serious health implications.

3.4. ALLEGATIONS ON MAGGI

Now days, the noodle market is very competitive. This industry is facing serious concerned issues. Maggi was banned by FSSAI in June 2015 for containing lead and MSG beyond the permissible limits which forced Nestle India to withdraw all the products from the market. These allegations had a cascading effect on the entire instant noodles market, which is of the order Rs.4,000 crore. Maggi, which is almost generic to the noodles market, has a 70% market share. (Times of India,2015).

Due to the Maggi ban, the instant noodle market has gone down and affected Nestle heavily as it was totally dependent on Maggi noodle for its sale.



While maggi was out of stock and banned, all the competitors were eyeing to gain that space. Especially, Sunfeast Yippee Noodles, currently second largest is trying to take up that space with everything that they have got. The instant noodle market is expanding heavily with arrival of various competitors. From the Maggi fiasco, nestle had to twist speedily to make the amends meet so that Maggi can keep its hold in the Indian noodle market. The company must re-establish the consumer trust on instant noodles.

Various tests were conducted as an effort by the Maggi brand in order to regain themselves, but the brand image was already affected, and the matter was taken into account by FSSAI and the ban was declared which led to companies like ITC take advantage of the situation. Such allegations affected Nestle's brand heavily.

CHAPTER 4: CSR ACTVITY BY NESTLE

- Maggie Nestle is committed to having a positive influence on individuals, families and communities as a worldwide renowned business that practices social responsibility. They concentrate on three pillars – nutrition, water and rural development to promote common ideas in line with this healthy kids (NHK) and knowledge sharing (KNHK) programs are set up in rural areas nestle promotes nutrition education and physical activities among school children.
- Nestle also implemented a program called 'Amra Korbo Joy' to improve the livelihood of street vendors and they trained farmers as well. They organized a nutrition training program for women and traditional birth attendance. The commitment to creating shared value, compliance is non-negotiable for Nestle.

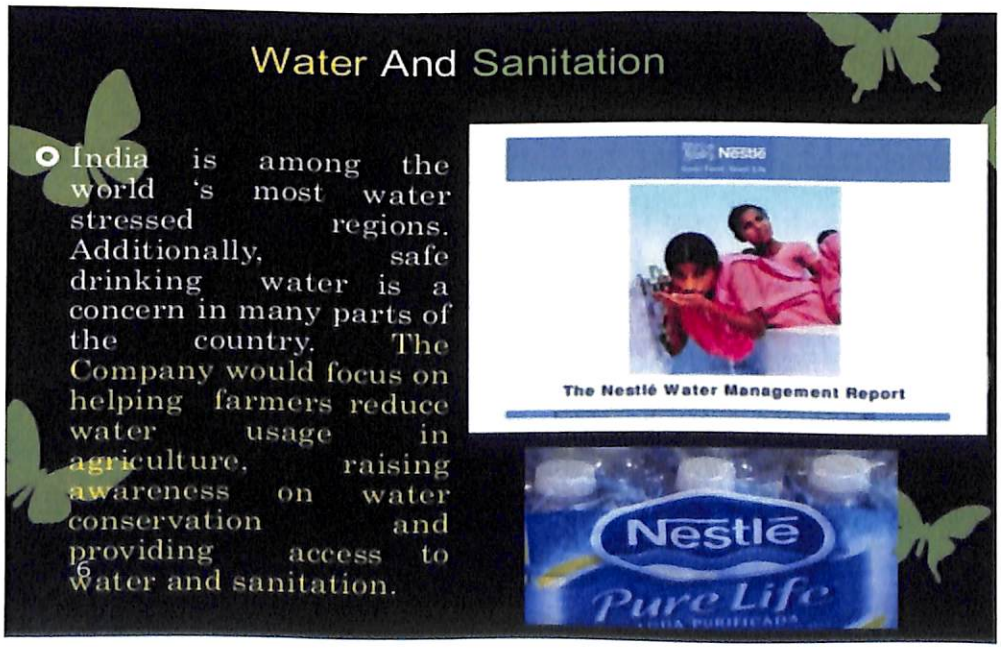


Figure 3: CSR Activity by Nestle

CHAPTER 5: MAGGI MARKETING STRATEGIES



5.1. BAN LIFT STRATEGY

Ban on nine variants of Nestle Maggi's instant noodle was put aside by the Bombay High Court, stating that the national food regulator had acted in an arbitrary manner and the principles were not followed by them while banning the product.

However, fresh safety tests were done on the products in order to ensure its safety before the relaunching of the product. The Food Safety and Standards Authority of India (FSSAI) and the Maharashtra Food and Drug Authority (FDA) gave a similar order of directing Maggi to withdraw all the varieties of noodles as it had the presence of excessive lead.

While setting aside the ban, Nestle had to send five samples of the noodles in its possession for tests before it was relaunched in the market, stated by Justice V M Kanade and B P Colabawalla.

Maggi sample testing: Apex court seeks Centre's response on Nestle India plea.

Maggi row: Supreme court issues notice to Nestle India on FSSAI's appeal.

FSSAI challenges Bombay HC order in Maggi noodles case.

Gujarat government lifts ban on sale of Maggi.

Nestle stated that, it will comply with high court order to undertake the fresh tests after the Maggi ban was revoked.

Maggi ban: the Bombay High Court ordered testing of the samples in consultation with food regulators.

The court said it was still concerned about public health and their interest. The court stated that even though it is a two-minute noodle, it took the court a lot of time after setting aside the ban.

The National Accreditation Board and Calibration Laboratories (NABL) carried out tests at three centres within six weeks at Vimta Labs-Hyderabad, Punjab Biotechnology, CEG Test House and Research Centre Pvt Ltd, Jaipur.

Nestle undertook the order and welcomed the decision by taking fresh tests of a Maggi noodles.

The high court observed, referring to the ban: "(The) principles of natural justice have not been followed before passing the impugned order and on that ground alone impugned orders are liable to be set aside, particularly when the petitioner (Nestle India), one day prior to the impugned order, had given a press release that it had recalled the product till the authorities were satisfied about the safety of the product."

The court also stated that the food labs engaged by FSSAI, were not authorised and accredited under the FSS Act and Regulations. Therefore, the results could not be relied upon where excessive lead was found in Maggi noodles. Besides,

the court also stated that the compulsory procedure of giving a notice prior under the provision of sampling and analysis was not followed.

During the arguments, FSSAI put allegations on Nestle India that they claimed false information and tried to suppress facts and also attempted to destroy the evidence. However, the High court did not consider this line.

The court was negative about the fact that whether FSSAI could impose ban on Maggi noodles on the grounds of finding excessive lead in the tests of what the product approval application – it was below the maximum permissible limit.

As to the question whether the FSSAI had unfettered discretion to decide on standards to be maintained by Nestle India which manufactures proprietary food or non-standardised food, the court's response was no to that.

The lab reports obtained by the company from its labs and other accredited labs were observed by the court and could not be considered.

Soon after the order was passed by the High Court, FSSAI and FDA sought a stay. However, as Nestle India had already said that the company was neither going to manufacture nor sell the product so the court refused the two agencies to oblige. Maggi was also allowed to seek approval for its tenth variant Maggi Oats Masala Noodles by the court. The company had earlier argued that the CEO of FSSAI had acted in a drastic fashion while raising doubts over his jurisdiction, during passing the orders.

Nestle claimed that it has been operating in India for about 30 years and has a global footprint. The company also argued that before ordering a ban, the food regulator had not served any notice before the ban and that it was inappropriate.



A suit had been filed against Nestle India seeking for Rs.640 crores in damages for alleged unfair trade practices, false labelling and misleading advertisements by the government.

"Nestle India respects the decision made on August 13 by the Bombay High Court to revoke the ban order passed by the FSSAI and FDA, Maharashtra, on Maggi noodles and will comply with the order to undertake fresh tests", the company said.


Meri Masala
Maggi
2-Minute noodles
Nestlé

5.2. MAGGI'S COME BACK STRATEGY

Nestle India's popular instant noodle Maggi made a comeback. The company was banned from selling the product in India for containing excessive lead and five months after the company was banned, it came back and this time it will not leverage brand ambassadors such as Amitabh Bachchan, Madhuri Dixit to reconnect with the crowd.

Suresh Narayanan, chairman and managing director, Nestle India, said, "Our promotional strategy will be across three platforms. We will use traditional media to reassure our consumers regarding the safety of our product. We will connect digitally with our target group. Besides, there will be a lot of events for brand activation."

Maggi Now: Nestle India will support celebs if they face a problem.

Maggi Now: FSSAI to tests other brands such as Wai Wai, Yippee, Pasta on the radar too.

When asked about Nestle India's contracts with brand ambassadors Amitabh Bachchan and Madhuri Dixit for promoting Maggi, Narayanan said, "The earlier contract has lapsed. We have not reached fresh agreements. We are not ruling it out forever but as of now we do not plan to use brand ambassadors for promoting the product."

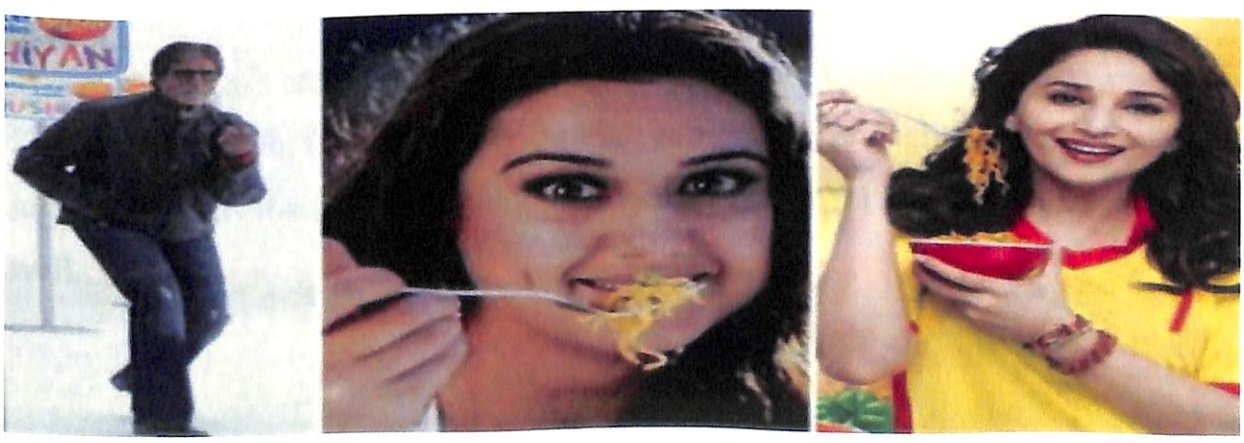


Figure 4: Brand Ambassadors of Maggi

A court case was filed against the brand ambassadors for promoting the product, in June when the food regulators were testing the product. Narayanan said there will be more spending done in marketing and promotional activities in order to bring back the mindsets of the customers and to regain the customers those were lost due to crisis.

Nestle India launched Maggi through 300-odd distributors on Monday in 100 towns and then the product was rolled out in many more cities in the coming days. Before the ban, Maggi sold its products in all across the country except in Bihar, Punjab, Odisha, Uttarakhand and Himachal Pradesh. After the relaunch of the product, Maggi noodles is available only in one variant that is Masala Maggi at the same prices as of June 2015. The other formats were introduced gradually. Narayanan said that as the company had been through a lot of losses in the past months, they had to regain the identity of the company which is why their main focus this time is the quantity, safety and credentials as the Maggi is reintroduced selectively.

Nestle India states that there is no change in Maggi noodles even after the relaunch, they are giving the consumers what they have loved for about 32 years and only changes that has been made is in the packaging. The packaging only has changes based on the content and assurance on the quality of the product so that the consumers can trust the brand.

The company has started manufacturing its products in various locations such as Karnataka, Punjab, Goa, Mumbai, and the company is engaging with authorities in order to start the production and add more units in various other locations as well.

Maggi noodles is trying to focus mainly on advertising its products through whichever marketing medium possible and to regain the confidence and the trust that the consumer had on the company before the relaunch.

The Bombay High Court had ordered to undergo through tests before commencing the relaunch, in laboratories such as Jaipur, Hyderabad, Mohali so as to make sure about the product before its final relaunch in the market.

The Swiss food major also partnered with online marketplace Snapdeal for selling Maggi. Nestle India also stated that, the company will focus on product diversification with their focus on dairy, coffee and beverages, chocolates and confectioneries.



CHAPTER 6: LITERATURE REVIEW

AUTHOR – DR. MOLOY GHOSHAL

Maggi samples sent for tests [TNN | May 31, 2015, 02:54 AM IST]

NOIDA: Maggi samples were taken from four different shops in Noida on a Saturday by the food safety department to check its quality during the routine quality check drive. The UP health department gave an order to S N Singh Yadav, district food safety officer, to conduct a quality check on food items. They picked up one Maggi sample from Vishal Mega Mart in Bhangel and the officials at the retail outlet informed that the product was brought from a distributor in sector 7. Three more samples were picked for checking from the distributor. The samples were sent to Lucknow for testing of quality in a government lab and the reports will be available next month. Nestle India will be heading over legal trouble over Maggi noodles.

Samples of Maggi will be tested again [TNN | Oct 14, 2015, 06:47 AM IST]

BENGALURU: Nestle Maggi noodle's controversy was too adamant to die down in Karnataka. A week after health minister UT Khader said the government is thinking of sending the noodles again for testing and the lifting of the ban will take place. The lead and MSG levels were within the permissible limit when tested in the NABC- approved lab in Bengaluru, the results from Central Food Technological Research Institute, Kolkata, showed that the lead content in the samples sent by Karnataka is 0.01% higher.

The samples were sent for the third time by the government on Tuesday to another state for another round of testing. Only on the directions of Centre and the Food Safety and Standards Authority of India was the product ban in Karnataka as one of the samples got wrong and it needed to be looked upon.

Ban lifted, Maggi- lovers rejoice on net [TNN | NOV 11, 2015, 02:46 AM IST]

LUDHIANA: The revival or the relaunch of Maggi let to a lot of customers celebrating. After almost six months ban, Ludhiana residents were eagerly waiting for the time when their favourite noodles will be available in the city. Some citizens even used social media as their way to convey their excitement and express their happiness about returning of Maggi noodles.

Nestle's Maggi noodles food safe by government approved lab [PTI | AUG 05, 2015, 19:17 PM IST]

NEW DELHI: Central Food Technological Research Institute (CFTRI) is an approved laboratory approved by FSSAI that has found Maggi noodles to be in compliance with the country's food safety standards.

CFTRI tested five samples sent by Goa Food and Drug Administration (FDA) when Maggi was banned in June in UP and other states where the lead was found beyond permissible limits. Goa FDA had sent the Maggi noodles samples to Mysore based CFTRI for re-testing of the safety of noodles after the questions about safety of the product arose on FDA's initial report.

FSSAI also said that Maggi noodles was ban as government labelled it as unsafe and hazardous for human consumption. Even though so many labels and names were called, Maggi was still adamant on its good quality serving product and made sure that it would re-enter the market.

Nestle India's new chief Suresh Narayanan had said that bringing the instant noodles brand back to the market is his top priority.

AUTHOR – DHIRAJ NAYYAR

Maggi is considered to be an unusual case of market failure and government failure all at once as it destroyed the reputation of one of India's favourite fast foods. Maggi is considered to be the only consumer product not adhering to stated norms. India's market economy is still evolving and regulation is either nonexistent or weak. But Maggi, got caught for too much lead and MSG in its noodles which is dangerous for health of the consumers.

Nestle's products are consumed by populations across the globe and due to this mishap consumers do not trust the brand anymore. People think twice before even buying the product and its relaunch has caused even more doubts for consumers as to whether it will be safe for consumption or not.

The company has a lot of competitors emerging as it operates in a competitive market. Despite of so many competitors, the reason why it sells so widely is because its goods are associated with high standard and quality. As the reputation of Maggi is stooping low, it will be killed by the consumers who will no longer buy it in the marketplace no matter what Nestle says or does. Nestle slipped up in India despite of trying every possible tactic to avoid the scenario just to stay in business.

The logic of a competitive market dictates that a company like Nestle would do everything to avoid that scenario just to stay in business but, at least in India, Nestle slipped up.

Or did it? Could it be that the company simply didn't bother to set stringent enough standards in the first place because regulation by the Indian government is so lax? Was the food safety regulator, the impressively-acronymed FSSAI, ever testing any product before giving it stamp of approval? If it was doing regular tests, Nestle and other companies would surely have been more careful.

Clearly, the regulators at the government-controlled FSSAI failed to do their job A lot of consumer has been focussed on the many celebrities who have endorse d Maggi. It should instead be focussed on the FSSAI. Perhaps celebrities ought not to have promoted Maggi as a 'health' food, but there is absolutely no way they could have known about the excess lead or MSG. They would take the FSSAI's word (or, should one say, stamp of approval) for it. And here is why all of us should have been worried about the FSSAI much before Maggi ban.

Regulators function best when they operate at arm's length from the government The FSSAI reports to the Ministry of Health and Family Welfare, which has not exactly been a beacon of efficiency under any government. Ideally, a body like the FSSAI, whose work is technical, should be headed by a specialist, a scientist perhaps.

Instead, it is almost always headed by a retired Indian Administrative Service officer, someone usually associated with the Ministry of Health and who has been rewarded with a post-retirement sinecure. There is also reason to be concerned about the focus of the agency. The last time it was in the news some months ago, it had held up large consignments of imported goods (probably certified by superior food regulators) for want of 'proper' labelling.

The FSSAI's actions stank of an old-style inspector Raj. Shouldn't they have been concentrating on detecting problems in foods made in India instead? The gross failure of the food safety regulator on something as widely consumed as Maggi should scare India.

It should serve as a call to press for more fundamental reforms of the administrat ive and regulatory structures that are meant to protect consumer interests. There is no other option because the market can and does sometimes fail. In that case, government failure is an unacceptable and dangerous follow up.

The only regulators who had some success in India are the ones who are genuine independent, staffed by people of reasonable expertise, and backed by new legislation which is up to date with global standards. The Securities and Exchange Board of India and Competition Commission of India have done a reasonably good job because they have satisfied those standards.

Others bodies such as the Forwards Market Commission and the Petroleum and Natural Gas Regulatory Board have not done so well because they have not met those exacting standards. It is time food safety was accorded as high a priority as stock markets, competition, telecom and civil aviation.

While consumers need protection across the board in any market economy, food is particularly vital because it is a matter of health, life and death. Let something positive come out of Maggi's fall - a new law and a new independent, specialist regulator for food safety.

AUTHOR – RAHI GAIKWAD

BOMBAY HIGH COURT FILES BAN ON MAGGI:

Ruling in favour of Nestle India the Bombay High Court on Thursday lifted the ban on Maggi noodles by setting aside the orders of food authorities. A Division Bench of Justices V.M.Kanade and B.P.Colabawalla deemed the orders of Food Safety and Standards Authority of India (FSSAI) "arbitrary, unjust and violation of Article 14 of the Constitution."

RETESTING WITHIN SIX WEEKS [TOI, MARCH 2015]

The Court directed re-testing of Maggi samples within six weeks in three Accredited labs in Punjab, Andhra Pradesh and Jaipur. "After examining rivals contentions, we have come to the conclusion that principles of natural justice

was not followed and on that ground alone the petition is allowed, particularly when the petitioner had given a press release a day before the ban that it had recalled the products," the court observed.

The Bench held that labs in which the samples were earlier tested, were not auth orised to test for lead and the mandatory testing procedures were not followed.

PUBLIC HEALTH CONCERN [TOI, JANUARY 2015]

The court remarked that though it was setting aside the ban order, it was " still concerned about public interest and public health." Therefore, it ordered fresh tests.

In June, Nestle India had filed petitioned to the court seeking revocation of the ban on Maggi noodle and quashing of the order of FSSAI which had declared the product unsafe for consumption. FSSAI contended that it can take action against food manufacturers on the basis of mere suspicion about the quality of their food products. Maggi products were deemed unsafe due to major violations, such as misleading labelling on MSG (monosodium glutamate), presence of lead in excess and launching of oats tastemaker without assessment.

The Maharashtra govt. argued that the company had not followed the due procedures under the Act Food Safety and Standards Act, 2006.

Nestle India, on the other hand, sought to discredit the entire testing procedures saying that the labs testing Maggi samples were not accredited to test for lead content and there was wide variation in the results in different States. In its petition, Nestle had said that the orders passed by the food regulators and State were illegal, arbitrary and violated the principles of natural justice.

The company contested the results of excess lead in the noodles & tastemaker claiming that the testing laboratories were not accredited.

The authorities, on the other hand, argued that Nestle had not followed due procedures as per the Food Safety Act.

Following the ban, Nestle started to recall Maggi products from the market. The company destroyed over 25,000 tonnes of Maggi.

AUTHOR - TABASSUM BARNAGARWALA

Maggi is back, stores see rapid sales after re- launch

Diwali was already here for a lot of the city's grocery establishments and customers. The phrase "Maggi is returning" was prominently displayed on the entry gates of department stores throughout Mumbai on Monday in a special display. By day's end, several small-time food store owners admitted that their entire stock had been sold out as word spread around the neighbourhood. Nestlé has teamed up with online retailer Snapdeal to take orders for Maggi noodles to be delivered to homes starting on Tuesday, in addition to reintroducing Maggi noodles to the market in a special launch. Tuesday is when we'll start taking orders. Yet a Nestlé spokesman told The Indian Express that delivery will happen after Diwali.

When customers saw Maggi back on the shelves, according to Devilal Gayeri, manager of Roman store in Yari Road, Versova, there was a tangible sense of enthusiasm among the shoppers. "We already sold fifteen to twenty packs.

The entire region will now hear about it, he predicted.

Gayeri noted that he had been getting inquiries regarding the projected Maggi relaunch date frequently from loyal customers. After Maggi was outlawed, "while we did manage to sell other brands, our sales decreased dramatically," he claimed. Kids spent the most money at his store on Monday, buying the most

packets. Three cartons of Maggi noodles were purchased from The Society Stores in Lokhandwala. Less than a dozen people remained at 8 o'clock.

Today, every customer who came in bought a package, according to Manan Gade, who works the counter.

To introduce the noodles, the business had made special arrangements. "We used stickers to decorate the shelf. There were posters everywhere that read, "We are back," Gade continued.

While some stores were able to get the product on the first day of its debut, many stores were told to wait because of the overwhelming demand. Big Bazaar and Star Bazaar, two department store chains, hadn't yet put the item on the shelves.

"We placed an order for all of our Mumbai-based locations. On November 16, however, the delivery will take place, according to Suresh from Great Home Stores in Andheri West.

New Delhi: The Indian government's ban on Maggi noodles in the country due to alleged high content of lead in the Nestle's product could make it to Harvard for a case study as per a report. According to a report in the Economic Times, the case of the Maggi ban in India could make it to the Harvard Business School for a case study. Food regulator Food Standard and Security Authority of India (FSSAI) had put a nationwide ban on the Maggi noodles on June 5 alleging high content of lead. A day earlier, Nestle India had withdrawn the products on reports of the content of lead over the permissible limit.

The food regulator had also cited mislabeling of monosodium glutamate (MSG) content and that the company had sold Maggi oat noodles without approval.

As per the report in the ET, the case study by the Indian Research Centre of the HBS, which will be largely on the missteps that led to the withdrawal of the products, will be put on a fast-tract and could be completed in about a month. It normally takes about nine months or more to complete such studies.

However, Nestle India is reported to have denied being approached for a case study.

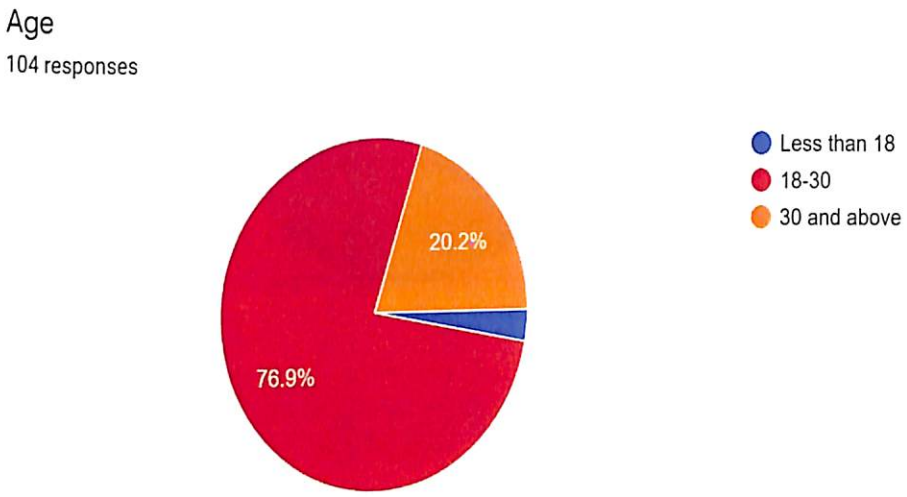
"We have not been contacted by Harvard Business School," a spokesperson of Nestle was quoted by the ET. HBS also declined to comment on the case study.

The ET also quoted Brian Kenny, HBS chief marketing and communication officer as saying, "As a matter of policy and in fairness to the companies that work with us, we do not comment on cases until they are officially published and entered into the Harvard Business SchooSl case collection."

However, ET claims that as per information available with it, HBS has approached key stakeholders and top food companies for their views on the issue.

Post the ban, Nestle said it incurred a loss of Rs 320 crore due to the recall. Besides this, the government has also asked the Swiss company to pay a penalty of Rs 640 crore in damages.

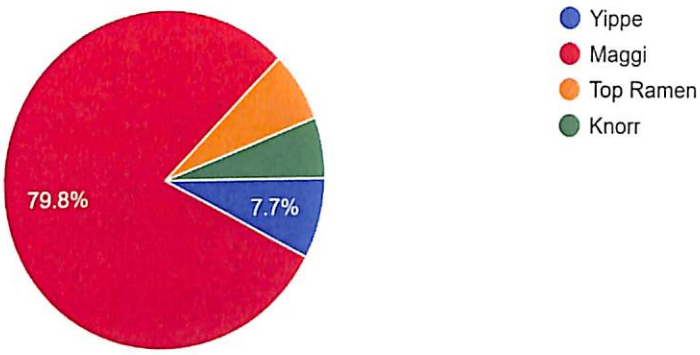
CHAPTER 7: DATA ANALYSIS AND INTERPRETATION



The above pie chart shows that 76.9% of people belong to the age group of 1830 years who are majorly teenagers and 20.2% are people who belong to the above 30 age group that is adults, and remaining 2.9% are below 18 years. This shows that the sample from whom this data was collected has majority of teenagers and consumers till age of 30.

Which brand of noodle do you prefer to consume the most

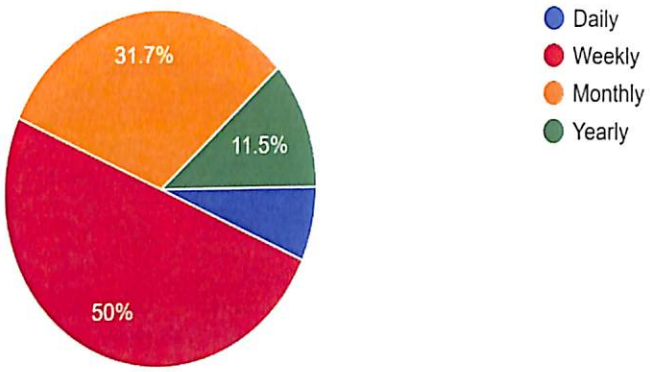
104 responses



According to the above pie chart, 79.8% consumers prefer to consume Maggi the most and 7.7% of the consumers prefer having Yippee noodles. Top Ramen is only considered by 6.7% of the consumers and 5.8% consume Knorr. Maggi is considered to be preferred the most by the consumers.

How often do you consume Maggi?

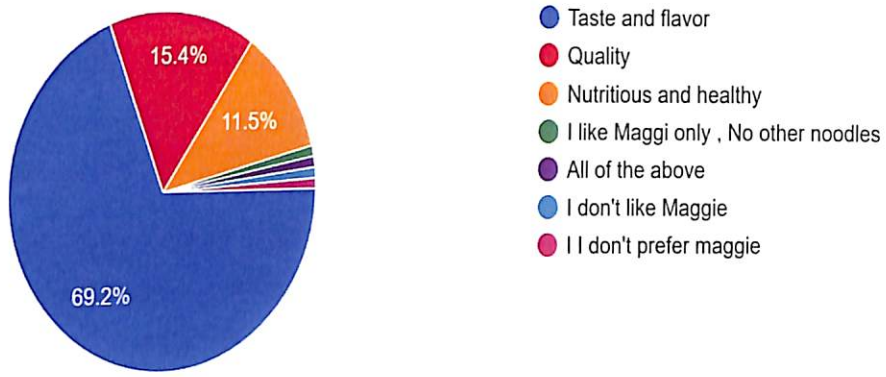
104 responses



This pie chart states that out of 104 responses, 50% consumers prefer consumption of Maggi weekly, 31.7% show interest in monthly consumption and 11.5% also show a rare case. There are very less number of people who prefer Maggi on a daily basis according to the pie chart given above.

Why do you prefer Maggi noodle over other instant noodles?

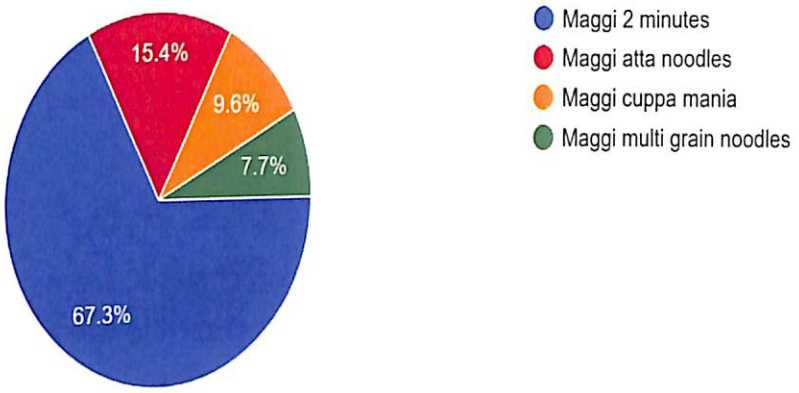
104 responses



When questioned about why do consumers prefer Maggi noodles, Taste and flavour topped the list with about 69.2% and then people liked the quality of the product Maggi noodles which led to 15.4% people preferring Maggi. 11.5% consumers preferred it because it is nutritious and healthy.

Which of the Maggi varieties do you prefer?

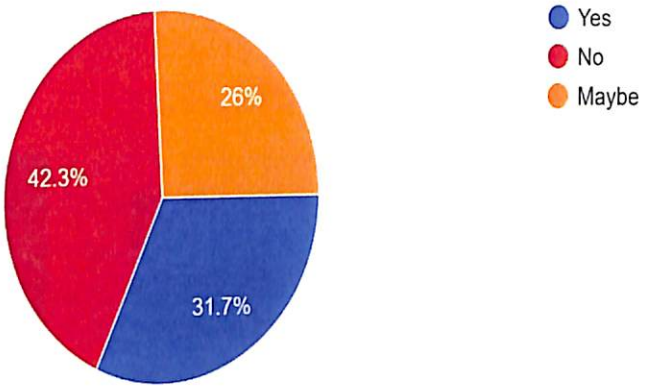
104 responses



Most demanded Maggi variant amongst all of them is Maggi 2 minutes with 67.3% and the second preferred variant is Maggi Atta noodles with 15.4% liking it over other Maggi varieties and after that 9.6% of all the 104 responses like Maggi cuppa noodles and the rest like Maggi multi grain noodles the least out of all.

Did the ban of Maggi noodle affect your consumption?

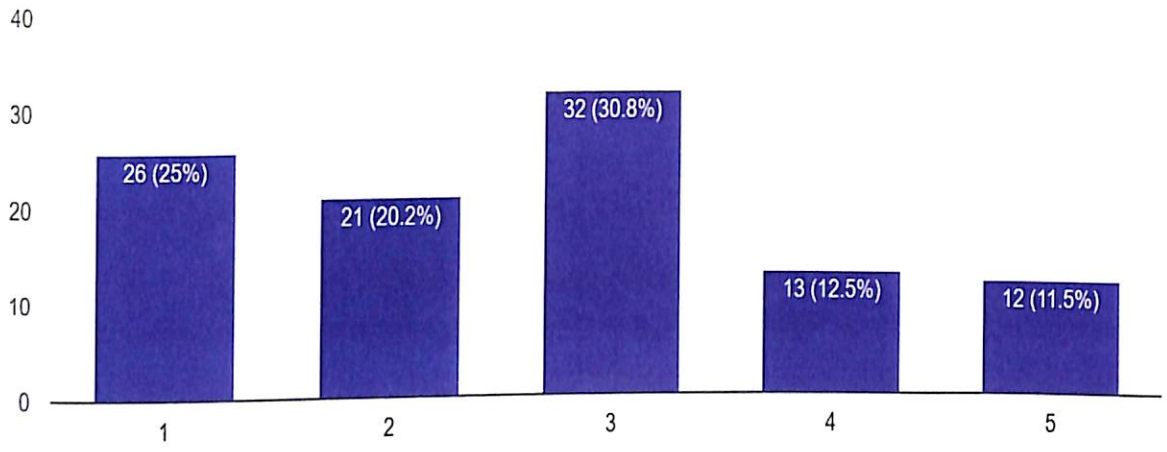
104 responses



Out of 104 respondents, buying behaviour of the majority people did not affect their consumption due to ban of Maggi noodle, 31.7% were affected by the ban and 26% were not sure about the ban affecting their consumption.

On a scale of 1-5 , do you think there is a change in taste of Maggi before and after the ban

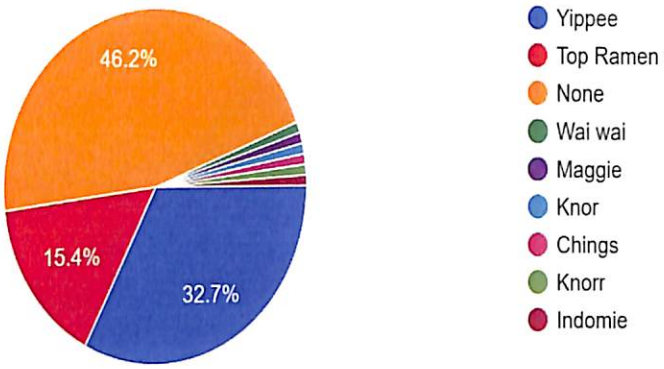
104 responses



This bar graph interprets that out of 104 respondents, 32 of them found the taste of the Maggi neutral i.e. not so good and not so bad. 12 of them did not like the taste of Maggi at all and 26 of them loved the taste of Maggi after the Re-launch.

During the ban, which noodle brand did you prefer?

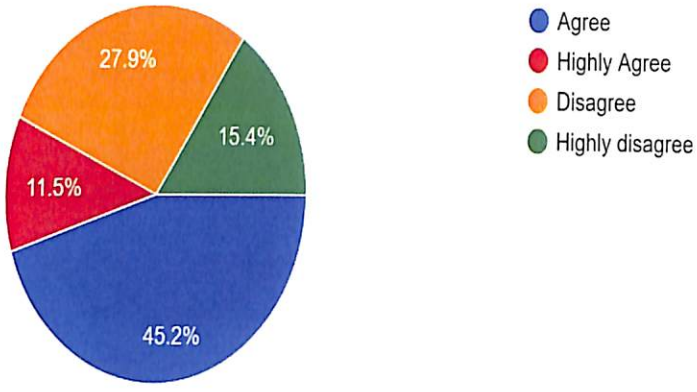
104 responses



As Maggi was favourite noodle brand amongst all the other brands, after its ban it became difficult for the people to consume any other brand. Even though 32.7% people opted for consuming Yippee and 15.4% consumed Top Ramen while the others did not consume much of the noodle brand other than Maggi.

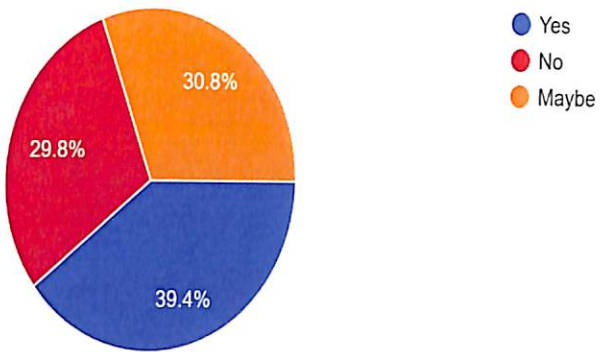
Does Maggi ban affect your buying behavior?

104 responses



The above pie chart states that 45.2 agree on the fact that Maggi ban did affect their buying behaviour and 15.4% of the consumers strongly disagree that Maggi ban did not affect their buying behaviour. This proves that Maggi ban had an impact on consumers and it affected their consumption as well.

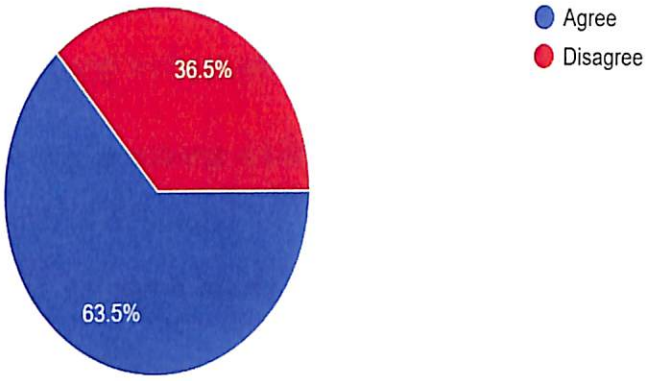
Will you recommend Maggi noodles to your friends and family as a healthy snack?
104 responses



In this pie chart 39.4% people consider Maggi noodles as a healthy snack and would recommend it to other people as well and 29.8% people did not like it after the relaunch to recommend it to their friends and family.

Does the advertisement of Maggi noodles influence your consumption behavior?

104 responses



After the Re-launch, the advertisements of Maggi being safe and 100% verified and assured by the government did affect the consumption of 63.5% of the consumers and it also helped in more sales of the product. However, 36.5% states that they were not influenced by the marketing and advertisements that Maggi noodles did for revival.

CHAPTER 8: CONCLUSION

The findings of this research show striking difference between consumers buying behaviour toward Maggi before and after the ban.

- Out of total Respondents 64.9% people did not find any improvement in taste and quality of Maggi and 35.1% felt change in taste of Maggi.
- According to research study, after the BAN people have lost their trust from Maggi noodle.
- During the crises, nestle stock also went 15-20% down
- Even people's perception and buying preferences have changed after the Maggi BAN.
- Nestle has also lost trust of many of its customers and rebuilding was a challenge but it is trying to recover the loss and regain the trust of the consumers.

  There is also an immense window opportunity for rival brands. Nestle is now close to 60% of market share in noodle segment.

CHAPTER 9: RECOMMENDATIONS

To gain the market share as it was before the controversy, the company should go for damage repairing activities:

- The best strategy is to regain the market share. Nestle should be educating customers rather than experimenting something else. Building brand trust should be the priority for the Maggi.
- Company should organize campaign in different parts of the country.
- Nestle should partner with international testing organizations, health organizations and the manufacturers of testing equipment to comment and validate the testing procedures and quality controls.
- Company should use recent reports and court's verdict to build the consumers trust and gain consumer confidence.

CHAPTER 10: BIBLIOGRAPHY

- https://economictimes.indiatimes.cocm/industry/consproducts/food/supre me-court-revives-government-case-in-ncdrc-against-nestleindia/articleshow/67363564.cms
- http://pezzottaitejournals.net/pezzottaite/images/ISSUES/V4N3/IJRRBP V4N320.pdf
- https://www.thehindu.com/opinion/editorial/a-ban-and-somequestions/article7541808.ece
- Times of India newspaper

CHAPTER 11: ANNEXURE

A. Age

1. Less than 18
2. 18-30
3. 30 and above

1. Which brand of noodle do you consume the most?
   a. Yippee
   b. Maggi
   c. Top Ramen
   d. Knorr
2. How often do you consume Maggi?
   a. Daily
   b. Weekly
   c. Monthly
   d. Yearly
3. Why do you prefer Maggi noodles over other instant noodles?
   a. Taste and flavour
   b. Quality
   c. Nutritious and healthy
   d. Other
4. Which of the Maggi varieties do you prefer?
   a. Maggi 2 minutes
   b. Maggi Atta noodles
   c. Maggi cuppa Mania
   d. Maggi multi grain noodles

5. Did the ban of Maggi noodle affect your consumption?
    a. Yes
    b. No
    c. Maybe
6. On a scale of 1-5, do you think there is a change in taste of Maggi before and after the ban?
    a. Highest
    b. Lowest
7. During the ban, which noodle brand did you prefer?
    a. Yippee
    b. Top Ramen
    c. None
    d. Other
8. Does Maggi ban affect your buying behavior?
    a. Agree
    b. Highly agree
    c. Disagree
    d. Highly disagree
9. Will you recommend Maggi noodles to your friends and family as a healthy snack?
    a. Yes
    b. No
10. Does the advertisement of Maggi noodles influence your consumption behavior?
    a. Agree
    b. Disagree

turnitin

Similarity Report ID: oid:27999:32493643

PAPER NAME

5028_JOURNEY OF MAGGI OVER THE YEARS

AUTHOR

DHAIRYA JOSHI

WORD COUNT

8863 Words

CHARACTER COUNT

44538 Characters

PAGE COUNT

61 Pages

FILE SIZE

3.3MB

SUBMISSION DATE

Mar 16, 2023 9:58 AM GMT+5:30

REPORT DATE

Mar 16, 2023 9:59 AM GMT+5:30

28% Overall Similarity

The combined total of all matches, including overlapping sources, for each database.

- 27% Internet database
- Crossref database
- 10% Submitted Works database
- 0% Publications database
- Crossref Posted Content database

Excluded from Similarity Report

- Bibliographic material
- Cited material
- Manually excluded text blocks
- Quoted material
- Small Matches (Less then 14 words)