

Analysis of Marketing Strategies of Nestle Maggi

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Abstract:

Nestlé India is a division of the Swiss company Nestle S.A. with six factories and several co-packers. The thriving company Nestle India is dedicated to long-term sustainable growth and shareholder pleasure while offering customers in India products of international calibre. In the categories of Prepared Dishes & Cooking Aids, Chocolates & Confectionary, and Milk Products & Nutrition, the firm is well-known for its brand. With a market share of 79.3%, Nestlé dominates the value sales of noodles in India. The fact that among all of Nestle's global offices, India accounts for the company's top level of volume sales for its instant noodles brand Maggi is evidence of the company's dominance over the sales of plain noodles. Using Maggi as a case study demonstrates the value of cultivating a following of devoted customers. What should be taken into consideration has been concluded based on the case study.

Introduction:

One of the nation's top-ranking fast-food companies, Nestle India, is the owner of the Maggi brand. Instant soups, sauces, stocks, and noodles are some of the several Maggi items. Maggi's top selling items include 2-Minute Noodles, Maggi Masala-Ae-Magic, Maggi Sauces, Maggi Rice Mania, and Maggi Magic Cubes. It is made by Nestlé India, a branch of the Swiss-based Nestle corporation. The various Maggi products are made in seven Nestle India factories, which are spread across Tamil Nadu, Punjab, Karnataka, Goa, Uttarakhand, and Himachal Pradesh. These factories are among the most technologically advanced in the world. With the addition of iron, Maggi 2-Minute Masala Noodles may now meet 15% of a person's daily needs for the mineral.

An appropriate carrier of iron fortification and a way to help close the iron deficiency gap is MAGGI NOODLES, which is consumed by more than 2.5% of people annually and accounts for roughly 70% of urban families in India. Maggi included Goodness of Iron in every package with this goal in mind.

The quality of packaged food is judged by its brand in India, a young but significant market. Furthermore, who hasn't heard of the 2 minute Maggi?

Given that many Indians also refer to noodles by the name Maggi, it is easy to see why Maggi is so popular in this country. But, Maggi has decided to stop selling 27,420 tonnes of Maggi after the FCCI prohibition and the ban in many Indian states. When Nestle had to remove a product off the market in such a significant amount, it was the largest setback in the more than 100-year history of the Swiss corporation.

Maggi's terrible days, dubbed "Two Minute Noodles," started in May.

As samples of Maggi were discovered to have more lead than allowed, the ban was enacted in Uttar Pradesh in late May. Following this, successively more states outlawed Maggi. On June 5, Maggi became forbidden across the whole nation.

It was claimed that the amount of lead in Maggi was higher than allowed. By describing Maggi as having "No Added MSG," Nestle, the product's maker, has deceived consumers.

Also, Nestle was charged with illegally marketing Maggi Oats Masala Noodles with Tastemaker.

The prohibition cost Maggi almost Rs 320 crore in lost revenue. The potential that Maggi may get back to its former glory is increased by the fact that the FSSAI-accredited Central Food Technological Research Institute (CFTRI) determined that Maggi complied with the nation's food safety regulations.

Five samples from the Goa Food and Drug Agency (FDA) were forwarded to CFTRI for analysis. , the director of the Goa FDA, had stated at the time that the results of the CFTRI examination showed that the samples supplied complied with the 2011 Food Safety and Standards Regulations.

On that report, the federal government had stated, however, that Maggi had not yet received a clean bill of health. Nestle India has removed Maggi from stores and shops following the ban on the noodles. Maggi noodles were likewise outlawed by the FSSAI after being deemed "unsafe and hazardous."

Review of Literature:

According to earlier research on Maggi, the company has never betrayed its consumers' confidence and is consistently manufacturing and supplying them with high-quality goods (before crisis). The history and expansion of Maggi have been detailed in works on the subject by several scholars. Yet everyone who has researched Maggi has come to various findings and hypotheses. "Maggi sauces manufactured from best ingredients," wrote Salleh, Sabariah in his research of Maggi on June 30, 2003. Nestle had a number of other options when it came to developing Maggi Instant Noodles in 1982, including marketing the product as Chinese takeout, a TV supper, or a small meal. The target market was the in-home part of the very large snack category, and the business determined through consumer research that the most lucrative position would be "tasty, quick snack manufactured at home." Once Nestle India Ltd. withdrew its stocks and Maggi Noodles was outlawed nationwide, we had the chance to conduct a survey to examine the effects of Maggi Noodles on youth and other related issues. This survey investigates how often Maggi Noodles are consumed, how it was consumed during the prohibition, and how it will impact sales once Maggi Noodles are re-launched. Could "Maggi" be a hit? Straightforward communication has a distinct brand positioning. Positioning: "2 Minute Noodles," or quick-to-prepare noodles that are calcium and protein-rich and make a terrific evening snack for kids. As time went on, its positioning evolved to "Taste Bhi Health Bhi" in an effort to persuade the rising number of health-conscious mothers who desire to prevent offering junk food to their children.

Competitors Of Nestle Maggi:

1. Sunfeast YiPPee
2. Wai Wai Noodles
3. Top Ramen Curry

4. Knorr Soupy Noodles
5. Nongshim Ramyun Instant Noodle
6. Ching's Secret noodles
7. Patanjali Atta Noodles

Objectives:

1. TO STUDY THE MARKETING MIX OF NESTLE MAGGI.
2. TO STUDY THE DIFFERENT STRATEGIES USED BY NESTLE .
3. TO STUDY THE MARKET CAMPAIGNS USED BY NESTLE MAGGI.

Research methodology:

Primary data:

The research will be carried out in the form of a survey which will be done in areas near to Noida . The population has been segmented on the basis of salary Group and Age Group.

Secondary data:

From various websites, books etc.. by studying them the research paper is being carried out.

Marketing Mix of Maggi:

The term "marketing mix" describes a business foundation model whose primary emphasis on the 4Ps, or product, price, place, and promotion.

1. Product Strategy:

A well-known food brand from Nestlé is Maggi. For each nation, a diverse choice of items are available. Also, customers purchase their goods due to their inexpensive cost and accessibility to practically everyone. According to the requirements and preferences of its customers, it has released many items on the market. Noodles, soups, and spices make up the bulk of its product categories. These goods have surpassed consumers' expectations and taken the place of their all-time favourites. Maggi's label aids in product promotion by using eye-catching images. They provide the following information on the labels of their products: the logo, the weight of each package, the product components, the expiration date, the cooking directions, the consumer services number, the manufacturer's information, and the nutritional facts. In the shape of 2-in-1 packs and 4-in-1 packs, Maggi debuted "money saving multi-packs." They offer a service that enables customers to test their products in order to receive feedback from actual customers.

2. Pricing Technique

In order to compete in various markets throughout the world, Maggi adopts cost-based pricing techniques. It demonstrates that the two key determinants of its pricing approach for the marketing mix are competition and cost. In order to maximise market share through low price and good quality, Nestlé has a defined pricing policy and has maintained it from the company's inception. Maggi has cut the

amount rather than the price to adapt to the shifting economic conditions. Also, Maggi provides consumers with middle-class and low-income income levels with packets of various sizes and costs so that everyone may purchase according to their budget. Based on the goal of "Maximizing Market Share," pricing strategy for the current product versions. The prices of these variations are reasonable. Due to its great price sensitivity, every change in price prompts an immediate price check response from the rival. If faced with fierce competition, Nestlé sought to survive. To stay in the business, they made an effort to cover both variable and fixed costs. It modifies prices using approaches for promotional pricing. For instance, they provide "Buy One Get One Free" deals during the big sales period. Segmented pricing is also implied by Nestlé. Several pricing ranges for Maggi products are available for various geographies and flavours.

3. Place and Distribution Strategy:

Because to Nestlé's significant market share, Maggi's goods are readily accessible. To ensure that the product is supplied appropriately, it operates the chain of distribution systems from Distributor to Retailer to Consumer.

Nestlé has decentralised its manufacturing system such that each factory is in charge of its own output. It distributes via a two-fold route. In the first, the item is available at every neighbourhood store, while in the second, every mall and shopping centre has the supply.

Distributor - The firm provides a 6% margin that is unambiguous to its distributors. With this plan, the distributor pays the business upfront but distributes the goods to the merchants' credit.

Retailer - The merchant receives a margin of 15% on promotional items and a 10 % on normal products.

4. Promotion and Advertising Strategy:

When parent firm Nestlé made the decision to introduce Maggi in India, they utilised their advertising as a key promotional technique to raise awareness of and boost brand recall for the product. It started off concentrating on kids and working mothers who don't have a lot of time to cook. Along with gifting packs of noodles, they also provided toys and utensils, which attracted customers.

Boosting Sales

Everyone can witness sample techniques like dry sampling and wet sampling in the store. Consumers are always given packages of Maggi noodles, including both dried and wet samples (cooked noodles). The Nestlé website allows customers to purchase products that are advertised during specific months.

Strategies Adopted By Nestle Maggi:

1. Strong Consumer Relations:

Nestlé's campaign for Maggi's silver jubilee aims to improve the brand's strong customer connection through print, television, and the internet.

The television campaign gives the jingle a lot of airtime. The biggest food business in India, Nestlé, has chosen not to cover the sky with billboards for the event. The advertisements will instead appeal to

memory. Customers who tried the brand for the first time as children now control houses. The effort aims to make the association stronger. Customers will therefore be encouraged to share their favourite "Maggi moments" with the business. If the business loves the way you make Maggi, you could see your picture on Maggi packages.

Convenience was the key factor in good packaging and strong dealer vendor relations: Maggi's unique selling pitch when it first debuted 25 years ago. Consumers received something that was hygienically packaged and simple to prepare for the first time. It was also India's first attempt at cuisine fusion.

2. Innovation in continuous processes:

Instant noodles were a completely new category in the nation, yet they had an Indian influence.

Maggi was available in four flavours: chicken, sweet & sour, capsicum, and masala. Just two of these have persisted: masala and chicken, which is mostly sold in the eastern states.

As a result of the product's repositioning as a healthy snack,:

"it is no longer an aspirational product for any socioeconomic segment of customers, claims Hegde Nestlé was likewise in the process of rebranding itself as a health and wellness firm at that time. Maggi began participating in competitions for mental and physical health at the local level, along with other similar activities. Nestlé was able to introduce more items under the Maggi brand because to this positioning. Maggi soups, sauces, and coconut milk were already available on the market, but due to the brand's great equity, Nestlé was able to expand it to additional categories. As a result, fried masala paste was recently released. Maggi Bhuna Masala and Maggi Cuppa Mania Instant Noodles were two brand extensions released in 2008.

3. Pricing Incentives:

The corporation is expanding its distribution to smaller towns and cities since it isn't willing to take any chances. The most extensively sold brand in the nation for Nestlé is Maggi. Hegde claims that it reaches the communities where the corporation has no presence through independent routes. This is also the period when Maggi's value-for-money box, which costs Rs 5, is anticipated to be useful. (The usual package costs Rs. 10).

4. Gaining a New Customer Base:

Maggi recognised that one of the factors contributing to its low market share in Gujarat was the fact that the majority of people there do not consume onions or garlic. As a result, Maggi developed and marketed a special product specifically for Gujarat that does not contain either of those ingredients like Jain Maggi. This enabled them to gain an entirely unconquered territory. noodle market for Jains.

One well-known brand of Nestle is Maggi, which places a lot of emphasis on creating and carrying out digital and social media efforts. The company has a smart engagement approach across all of its social media platforms, capitalising on each one's advantages to spread its message and control user interaction.

The brand is aggressively using social media channels and developing a strong online presence to support the MAGGI brand. Together with TV, the business interacts with customers on Twitter and Facebook. Their strategy for creating their brand places a lot of emphasis on digital and social media.

Maggi Campaign was created by the brand's digital acceleration team. We miss you too, we say. To help with client issues, it has also established a 24-hour toll-free customer support line. The concept for the Maggi welcome package originated from a partnership between Maggi and Snapdeal, one of the most well-known e-commerce sites.

Digital Marketing Campaigns:







YOUR MAGGI® IS SAFE, HAS ALWAYS BEEN.

For more information, Write to us at WeCare@in.nestle.com



Why do we say so?

Your MAGGI® Noodles' safety has been confirmed and reaffirmed many times through rigorous testing by laboratories accredited by NABL (National Accreditation Board for Testing and Calibration Laboratories).

Facts about lead

- ✓ We do not add lead to MAGGI® noodles in any form at any stage.
- ✓ Lead occurs naturally in the Earth's crust (present in the air, soil, water, grains and other materials.)
- ✓ To ensure food is safe, Food Regulations specify safe-limits for several elements including lead. Your MAGGI® noodles has consistently cleared these tests.

SO GO AHEAD, ENJOY YOUR MAGGI®, LOVED AND TRUSTED FOR 35 YEARS.

■ MAGGI® Noodles is a light meal to be enjoyed as part of a diversified balanced diet. Consume along with fruits and milk.



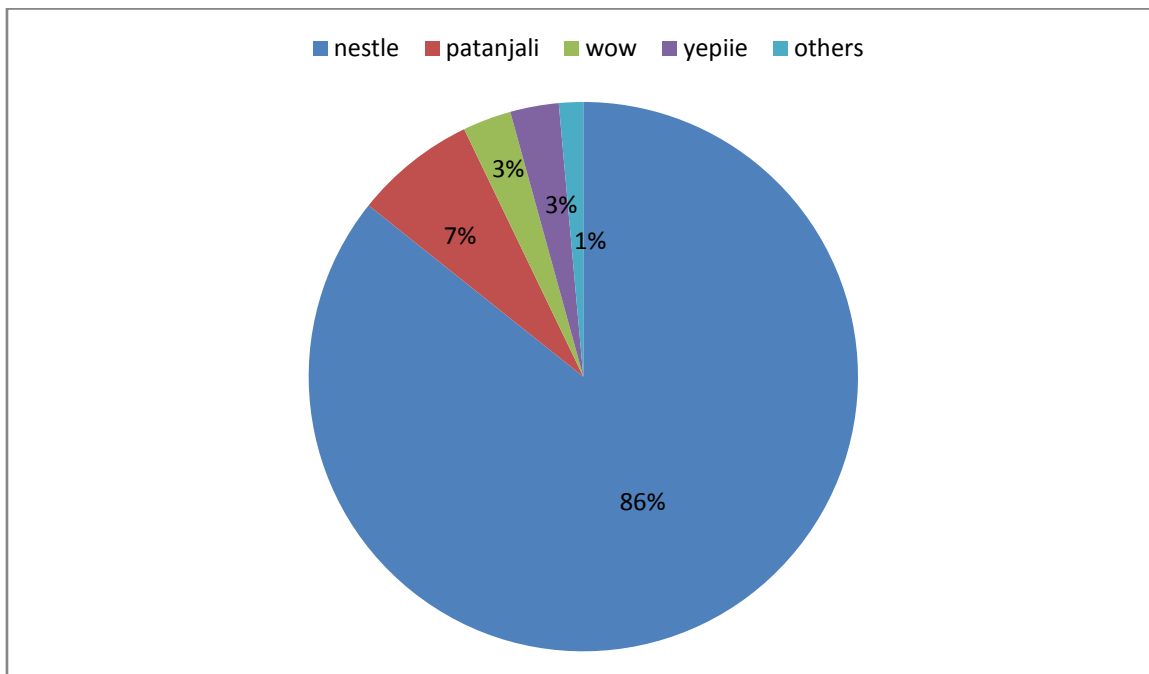


Results And Interpretation:

There was an survey done by questionnaire of 70 people in which 30 were men and 40 were women.

Question 1. Which company maggi/ noddels do they prefer?

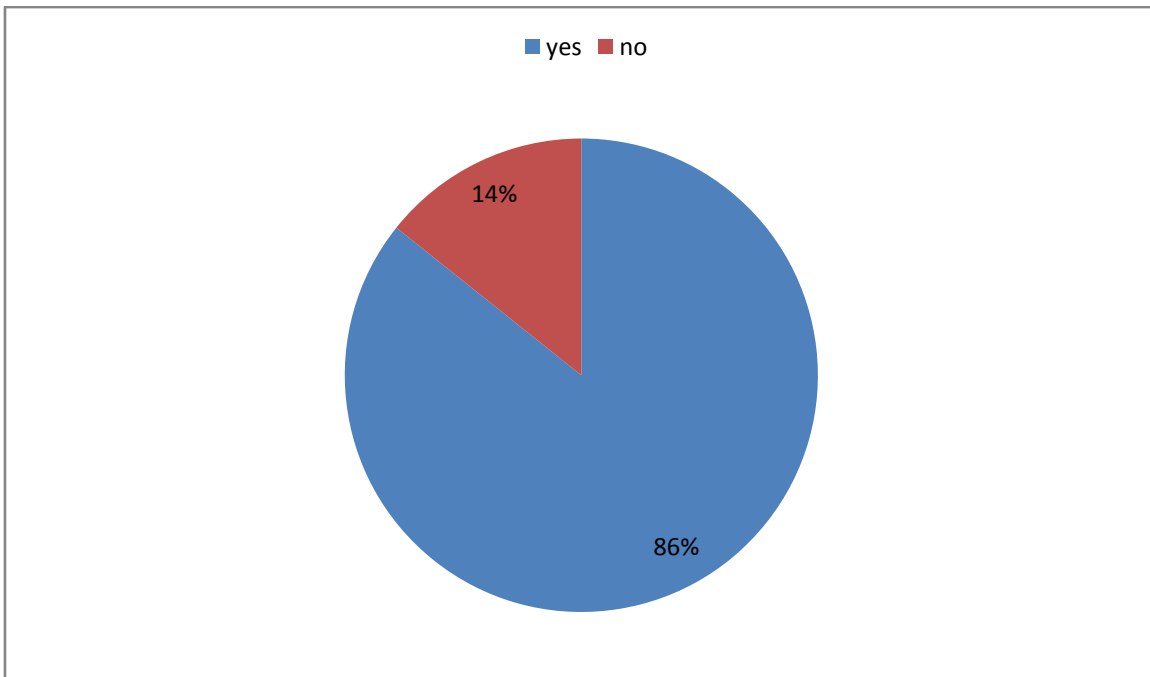
Statement	No of respondents
Nestle	60
Patanjali	5
Wow	2
Yepiie	2
others	1



INTERPRETATION: Among 70 respondents 60 of them said they prefer nestle maggi. Rest 10 of them prefer other company products such as patanjali, wow, yeppiie etc..

Question 2. Are they a customer of nestle maggi?

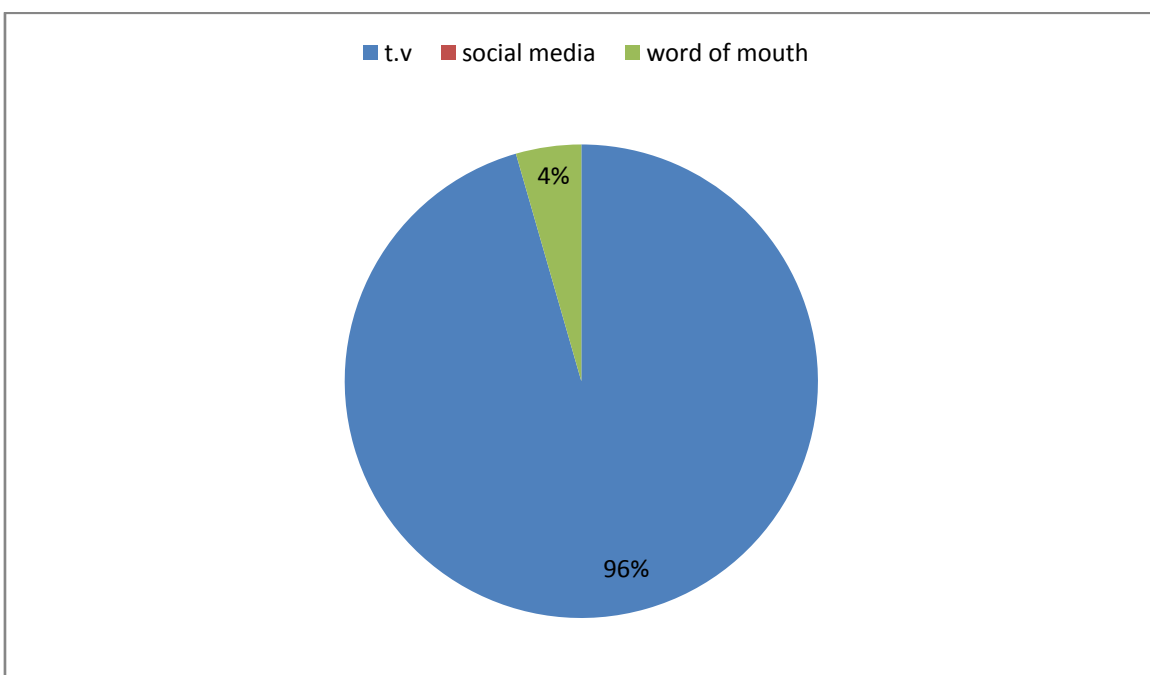
statement	No of respondents
Yes	60
No	10



INTERPRETATION: when the question arises whether they are the customer of nestle maggi the 60 respondents told that they are customer of nestle maggi and rest 10 of them were not.

QUESTION 3. They came to know" about Maggi from?

Statement	No of respodents
T .v	30
Social media	10
Word of mouth	30

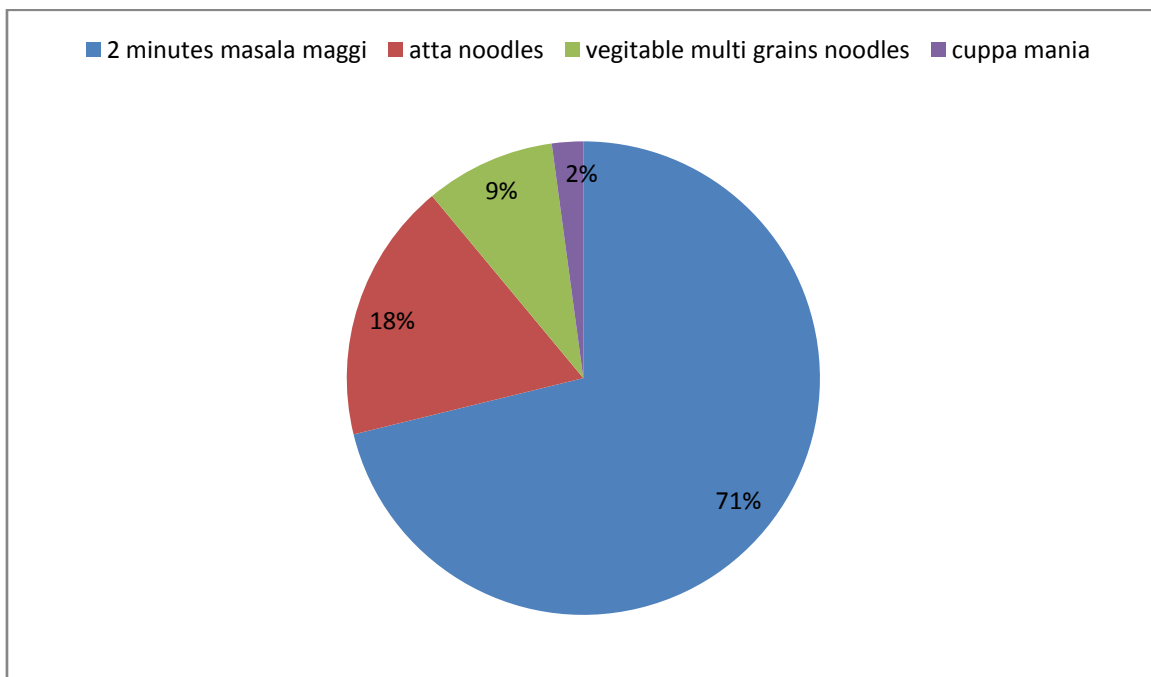


INTERPRETATION:

When we asked them about where they have heard about the word maggi 30 of them told that they have heard through television ads and 10 of them through social media and 30 of them through word of mouth.

QUESTION 4. Which of the following maggi variants do you prefer?

statement	No of respondents
2 minutes masala maggi	40
Atta noodles	10
Vegitable multi grain noddles	5
Cuppa mania	15

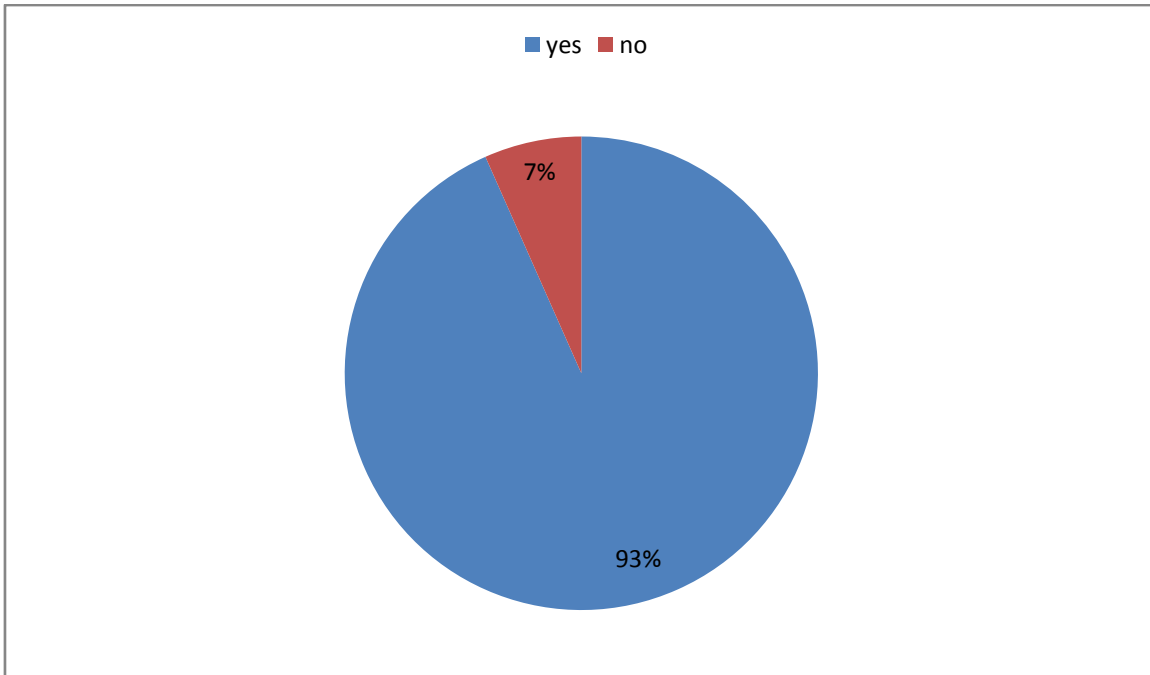


INTERPRETATION:

40 of the respondents said that 2 minutes masala maggi variants they relish and other 30 on other variants of maggi such as atta noodles, vegetable multigrain noodles, and cuppa mania.

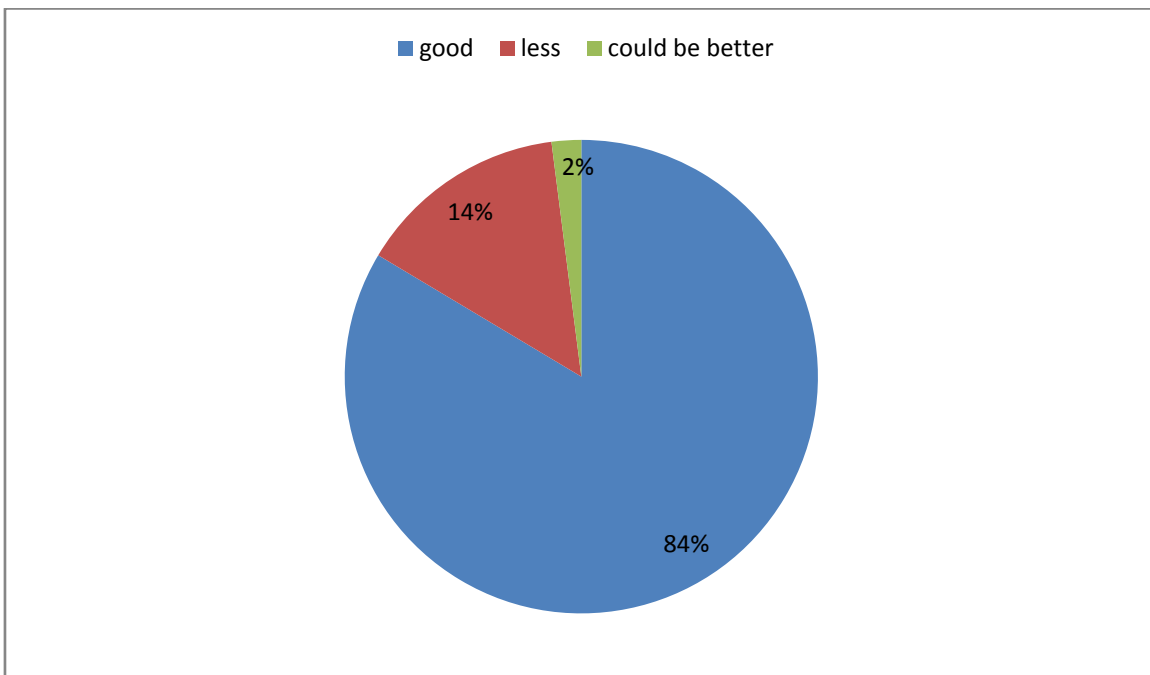
Question 5: Did they remember any celebrity endorsement promote buying nestle maggi?

statement	No .of respondents
Yes	45
no	25



Question 6. What do they think about the price range of nestle maggi?

Statement	No of respondents
Good	58
Less	10
Could be better	2

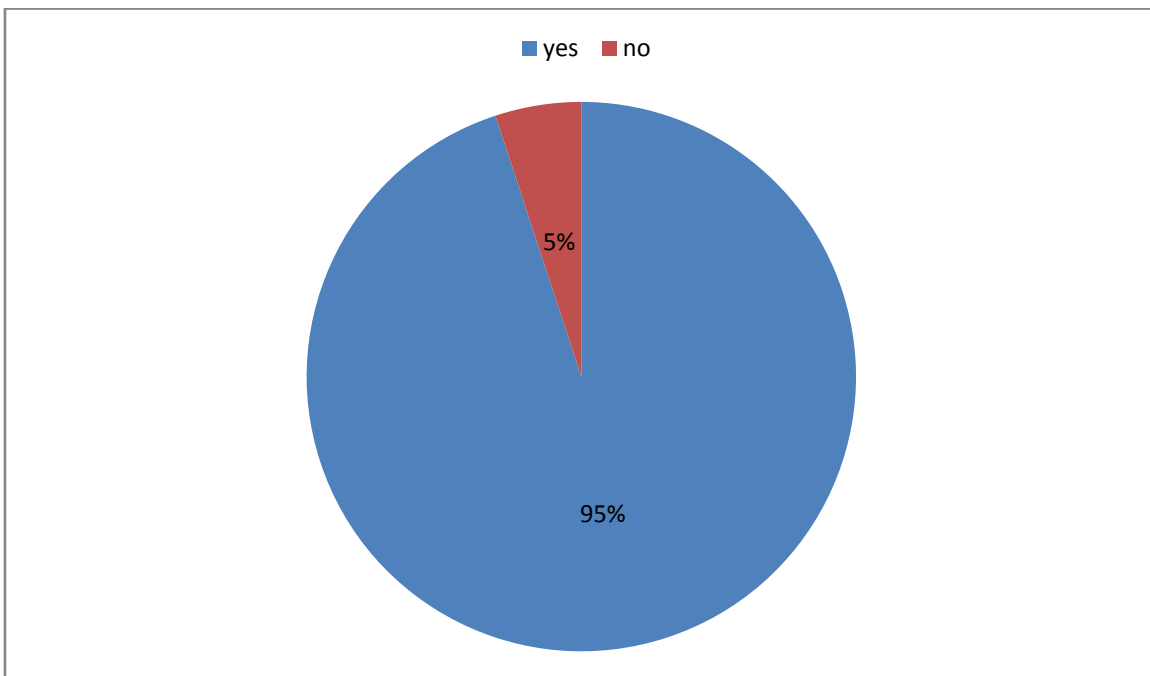


INTERPRETATION:

When we asked about the pricing strategy of nestle maggi they said that the pricing strategy of nestle maggi is good, 10 of them said that the pricing is less and 2 of them said that it could be better.

Question 7. Do you think that the marketing/ campaigns used by nestle maggi motivates you to buy their product instead they banned once?

Statement	No of respondents
Yes	60
no	10



INTERPRETATION:

When we asked about them buying of nestle products after knowing that they got banned once 60 of them said they will buy and 10 of the said that no it affect their buying.

Conclusion:

India's food processing industry is still in its infancy. Just 10% of the production is now processed and eaten in packaged form, emphasising the enormous potential for development and expansion.

Indians traditionally favour eating fresh foods over packaged or frozen ones, but the emerging fast food generation is progressively altering the perception. In the middle of the 1990s, Nestle India attempted to expand the Maggi brand to include a variety of items, including sauces, ketchups, pickles, soups, tastemakers, and macaroni. Sadly, the macaroni and pickles didn't go over as well as anticipated. The soups and sauces fared okay, generating sizable sales, and continuing to maintain a respectable presence

even now. Maggi Noodles "itself suffered a little of difficulties with regard to" flavour in the late 1990s, and it almost lost its standing in the eyes of Indian customers. A sizable portion of consumers were turned off when Nestle altered the recipe for the sinister package that accompanied Maggi Noodles, which resulted in a decline in sales.

Moreover, Top Ramen, Maggi's rival, seized the opportunity and launched a similar aggressive campaign to reduce Maggi's market share. Nevertheless, the corporation realised this very quickly and returned to using the original formula while also running a free sample campaign. Maggi increased their sales volume to regain its lost customers! Maggi

India dominated global Maggi sales in 2008, according to data. The brand is now worth an estimated Rs 160–170 crore and boosts Nestle India's revenue by at least 8–9%. All the same, some FMCG analysts feel that the brand has not done much to expand the noodles category.

Almost 25 years after its introduction, the market for instant noodles is still only worth Rs 300 crore. But yes, the parent company, Nestle India Limited has certainly encouraged the brand to enter into other culinary products.

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QUESTIONNAIRE:

1. Which company maggi/ noddels do they prefer?
2. Are they a customer of nestle maggi?
3. They came to know" about Maggi from?
4. Which of the following magi variants do you prefer?
5. What do they think about the price range of nestle maggi?
6. Did they remember any celebrity endorsement promote buying nestle maggi?
7. Do they think that the marketing/ campaigns used by nestle maggi motivates you to buy their product instead they banned once?