

**A STUDY ON CONSUMER SHIFT AND CONSUMER BUYING BEHAVIOUR AMONG YOUTH TOWARDS
MAGGI NOODLES AFTER ITS RELAUNCH**

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ABSTRACT

The goal of this research is to comprehend the influence of ban of Maggi noodles over consumer behavior and consumer shift. Maggie was banned in 2015 due to abnormal amounts of monosodium glutamate, and also up to 17 times lead that is safe for consumption and returned to market five months later. In this paper, the authors identify the response of consumers towards the re-launch of Maggi by developing hypothesis and using statistical tools . Findings of the study indicated that ban had a significant negative influence on consumer buying behavior and a major influence on consumer shift. Taste, quality and price are the most prominent factors that affect purchase decision according to this study. This study gives the significant discoveries of a survey led among several customers of Maggie to discover their state of mind towards its re-launch after the major controversies.

KEYWORDS

Ban,Consumer behaviour,Maggi,Noodles, SPSS.

INTRODUCTION

In this 21st century, nobody has enough time in his or her busy schedule, and he or she cannot afford traditional cooking, and hence many fast food items have flooded the market. Life today has gone to a point where everybody is inclined towards the easy method for getting things done, be it instant money, instant energy or fast food. Here comes the role of Noodles, which occupy a powerful place in the day to day life of the households. Maggi stands out among the instant noodles in India. However, these instant noodles are a constant catalyst for many health issues. Today, healthy and delicious "mom made cooking" has already been replaced by such food, regardless of the enormous side effects they possess. Nestle India Limited (NIL) announced the Maggi brand to Indian market when it introduced Maggi "2-minute noodles", a fast food product in 1982.Although it was not accepted initially by traditional Indians having conservative food habits several promotional campaigns and marketing strategy by Nestle had it become one of the most successful products in the market. On its success journey, a pause came in 2015, where Maggie was taken out of the market due to ban due to an excessive amount of lead and MSG (Monosodium Glutamate) present in Maggie beyond the permissible limit. After a 5-month ban, Nestle India relaunched Maggi noodles in the Indian market.

Our study aims to explore the influence of ban over consumer purchase decision even after it's relaunch and also study the consumer shift to alternate noodles. The study is also attempted to know the current perception of Maggi and the changing behavior of the buyers after the ban of Maggi brand in India.

Significance of the Study

Fast food styles are catching up quickly because of more number of working couples, domestic fuel crisis, non-availability of faithful servants and disintegration of a large family system to a nuclear family. People have no time or patience to cook the ingredients and food as a whole in the house itself and this account for a dramatic increase in the demand for Maggi noodles products. However, it was banned for a brief period in India and was labeled hazardous and unsafe for consumption. Though it re-launched soon after, Maggi was inefficient to capture the market as it was before. This study gives light into consumer attitude towards Maggi noodles.

Youth are an important pillar of our country, and their health is crucial for any country's progress. "Healthy Mind resides in Healthy Body, " and hence it is necessary to consume food with better

nutritional values. They should be extremely aware of healthy food available in the market & must also be able to differentiate Healthy food and not- healthy food. This research study attempted to find out the consumer perception towards Maggie noodles after its re-launch from ban due to health concerns.

LITERATURE REVIEW

In the early 19th century, people were conservative, and the concept of ready to cook food was alien to Indian market food was alien to the Indian market. Despite the unfavorable circumstances, Swiss giant Nestle with its brand Maggi took the challenge and launched itself in 1983. The brand's appropriate realization of the target segment, effective positioning and effective promotion and sales made Maggi the most-loved noodle brand in India. Maggie Noodles became the market leader with 80 % market share in Noodles Market, and Maggie Sauces and Ketchup is the leader with 37 % market share, As of 2005 Maggie brand worth was 3.7 billion (Sajan et al.,2016)

The emergency that hit Maggi in 2015 in India has been depicted as one of the most exceedingly bad debates related with the Food Category. Nourishment is thought to be an extremely touchy issue and gave rise to fear and insecurity in people about Maggi consumption. Maggie has always claimed that its noodles are safe. However, Maggie had to take out stock that cost them around Rs 320 crore and had to pay additional 20 crores to a cement factory to burn the product. Also, Corporate Affairs Ministry imposed Rs 640 crore fine on Nestle' India, for finding MSG and lead beyond the permissible limit.(Sardar,2015) .The presence of lead in Maggi is highly dangerous due to its high toxicity especially in children as it may lead to several mental and physical disorders. Further, the court stated improper procedure in issuing the ban and ordered to test the samples in accredited laboratories such as the National Accreditation Board for Testing and Calibration Laboratories (NABL).Nestle' received results from all three NABL (National Accreditation Board for Testing and Calibration Laboratories) that the MAGGI Noodles Masala samples were cleared with lead much below permissible limits. 30 November 2015, witnessed the return of instant noodles Maggie after a five months ban.

However, the return of Maggi was not very welcoming by the consumers.JithinJ.Maniyal(2015) in his research paper has concluded that Nestle' will have to work hard to build up the trust among the people and it may take a long time might be several years to up -bring its brand again. In the crisis, communication is the best key to managing it. Kanteti(2015) said that – "The enormous calamity of Maggi is not a result of lead, not as a result of MSG, it is a direct consequence of "No communication." The Maggi officials acted promptly in managing the crisis by spreading awareness at all levels, within the organisation and outside organization keeping the media, staff, customers and suppliers informed.(H.Sing et al.,2016).DebashishSakunia(2016) in his research paper reviews the marketing techniques used by Nestle's Maggi in overcoming the crisis. Some of the measures were Emotional and Nostalgic campaigns such as #WeMissYouToo campaigns, Partnering with Snapdeal to connect with the customers during Diwali and Digital Marketing.Furthermore, S.Jaggi (2017) in his study recommend the company to admit what went wrong and communicate to the people that what is being done about it.

In the research conducted by Binoo Gupta (2015) during the period of the ban, she established that consumers felt deceived when they came to know that their dearest Maggi noodles are not safe for consumption. She specifies that Maggi hurt the consumers emotionally and left them upset. Booshan et al. ,2016 in his study concluded that market share of Maggi Noodles in its target audience group of 18 to 24 years in India would be less than 75% when it re-launches. The ban has influenced not only the consumers but also the staffs, Maggi's representatives, suppliers, shareholders and competitors (Garg,2015).Several studies were conducted after the ban to study the consumer behavior(Sethuraman et al.,2016), consumer awareness (Umadevi et al.,2015)on this aspect. The consumer perception on Maggi has declined, and service class and high-income class are more affected according to study by Nigam et al.,2016

Maggi controversy has led to increased alertness among consumers for better understanding the product impact rather than blindly believing false claims put forth in the

advertisements.(Korde,2016).Health concern has gained much importance among the consumers after the ban of Maggi instant noodles.(Shareena,2016).Our study primarily focuses on consumer behavior and consumer shift in youth towards Maggi noodles in Vellore.

OBJECTIVES

1. To find the demographic profile of the respondents
2. To study the influence of ban over consumer buying behavior
3. To understand the perception of consumers towards Maggi noodles after it's relaunch
4. To evaluate the satisfaction of customers towards Maggi noodles.
5. To know the consumer shift and brand loyalty under the influence of ban

HYPOTHESIS

- HO1. There is no significant difference in consumer purchase before and after the ban of Maggie.
 HO2. There is no association between awareness of ban and preference of Maggi to children.
 HO3. There is no relationship between awareness of ban and consumer shift.

METHODOLOGY

The study depends on primary data collected from consumers through questionnaires. The questions were prepared based on literature review which found to have high readability and good validity. A total of 150 samples were collected from the colleague of Vellore district of Tamil Nadu. This locality is chosen as it is convenient for the researcher and can be applicable to a broad spectrum. The main demographic targeted were the youth as they are more aware of the brand and highly likely to use easy cooking methods. Convenience sampling method is used to gather data wherein 150 respondents were chosen by mere convenience to the researcher. Anonymity and confidentiality were assured to participants.

Data was analyzed using the "Statistical Package for the Social Sciences."Major statistical tools applied are Descriptive statistics such as frequency, percentage, weighted average and mean, Chi-square test and Paired T test.

RESEARCH FINDING AND DISCUSSION

Variables		No of respondents	Percentage
Gender	Male	94	62.7
	Female	56	37.3
Age	19	32	21.3
	20	54	36
	21	43	28.7
	22	15	10
	23	6	4
Nationality	Indian	149	99.3
	Others	1	0.7

Table 1. Demographic profile of the respondent

The above table depicts that the target group is narrowed to youth age group. Among the respondents, 63% are male and 37% are Female. 99.3% of them are Indian and hence this survey is relevant. To find the influence of ban over consumer purchase paired t-test was performed using consumer purchase before and after the ban.

Paired Samples Statistics

	Mean	N	Std. Deviation	Std. Error Mean
Pair 1 Purchase after ban	1.11	150	1.136	.093
Purchase before ban	2.30	150	1.437	.117

Table 2. Paired T Test on consumer purchase before and after ban

Paired Samples Test

	Paired Differences					t	df	Sig. (2-tailed)
	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
				Lower	Upper			
Pair 1 Purchase after ban - Purchase before ban	-1.193	1.478	.121	-1.432	-.955	-9.890	149	.000

At significance level of 5%, Paired t-test result shows p-value is less than 5% ($p < 0.05$). We can conclude that there is, in fact, a statistically significant difference in the purchase of Maggi Pre-Post ban. Hence, H_0 was to be rejected. This showed that the ban had influence over consumer purchase of Maggi. From mean value, we can conclude that respondents consumed more Maggi before the ban (2.3 times a week) than after ban (1.1 times a week.). Ban significantly reduced the consumption of Maggi by 1.2 times that of what was before.

Descriptive Statistics

	N	Sum
I trust nestle brand	150	488
Maggie is unhealthy for consumption	150	503
Despite dangerous I am ready to consume	150	442
Maggie should never be banned	150	282
I think twice before consuming Maggi	150	610
Valid N (list wise)	150	

Table 3. Consumer perceptions towards Maggie after relaunch

To study the consumer perception among people at present the above questions were asked and scored on a Likert scale. A score below 150 indicates highly disagree, 150-300 indicates disagree, 300-450 neutral, 450-600 agree and above 600 highly agree. From the above data, it is observed that Majority of consumers trust Nestle as a brand, they also agree that Maggie may not be healthy for consumption. They have a neutral attitude as to consuming Maggie despite knowing its ill effects. They disagree that Maggie should never be banned and strongly agree that they think twice before consuming Maggie. The weighted average method has been used to analyze the factors influencing consumer purchase decision. It was observed that while purchasing Maggie, consumers mainly prioritize taste of the product

followed by quality as major factors that affect their purchase decision. The price and brand value are also considered by consumers occupying third and fourth rank respectively. Safety is least of their priority while decision making to buy Maggi.

Variables	1	2	3	4	5	Weighted score	Rank
Quality	3	3(6)	22(66)	44(176)	78(390)	641	II
Price	1	5(10)	30(90)	43(172)	71(355)	628	III
Brand value	5	1(2)	25(75)	59(236)	60(300)	618	IV
Safety	0	14(28)	26(78)	44(176)	66(330)	612	V
Taste	2	11(22)	11(33)	40(160)	86(430)	647	I

Table 4 .Factors affecting purchase decision

To further evaluate consumer behavior we studied whether awareness of ban affected preference of Maggi to children using chi-square test. From the below table it was observed at 5 % significance level Pearson chi-square test showed a significant value of 0.197 (>0.05). The results showed that there was no significant relationship between awareness of ban and preference of Maggi to children. Hence, H02 fail to be rejected. Therefore we can infer that there is no much evidence to suggest the relationship between awareness of ban and preference of Maggi to children.

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	6.035 ^a	4	.197
Likelihood Ratio	7.047	4	.133
Linear-by-Linear Association	.005	1	.944
N of Valid Cases	150		

Table 5. Chi square Test on Awareness of ban and its association with preference of Maggi to Children

Satisfaction of Maggi consumers on various aspects was measured on a Likert scale. A score less than 150 specifies very unsatisfied, 150-300 states unsatisfied, 300-450 means adequate, 450-600 indicates satisfied and above 600 specifies very satisfied. From the table, we can draw the conclusion that customers are highly satisfied by the product taste and satisfied by the overall product specification while they are neither satisfied nor dissatisfied by its uniqueness

Descriptive Statistics

	N	Sum
satisfaction by product specification	150	556.0
satisfaction by taste	150	632.0
satisfaction by uniqueness	150	441.0
Valid N (listwise)	150	

Table 6.Satisfaction of consumers towards Maggi

We also investigated the consumer shift under influence of ban using chi-square test. At 5 % significant level, Pearson chi-square shows a significant value of 0.05 (<0.05), hence null hypothesis was rejected. We can come to an inference that there exists a relationship between awareness of ban and consumer shift.

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	11.120 ^a	2	.004
Likelihood Ratio	11.101	2	.004
Linear-by-Linear Association	.799	1	.371
N of Valid Cases	150		

Table 7. Chi-square Test on association between awareness of ban and consumer shift

Consumers on awareness of ban of Maggi that was imposed, shift to other brands even after the ban lifted. Many of them (27%) shifted to Yippee noodles. 19% of the respondents chose Top Ramen followed by Chings Secret (11%). Few respondents (7%) shifted to Nissin cup noodles, and few others (5%) preferred other brands. However, 31% of the respondents did not shift to other brands and remain loyal to Maggi noodles.

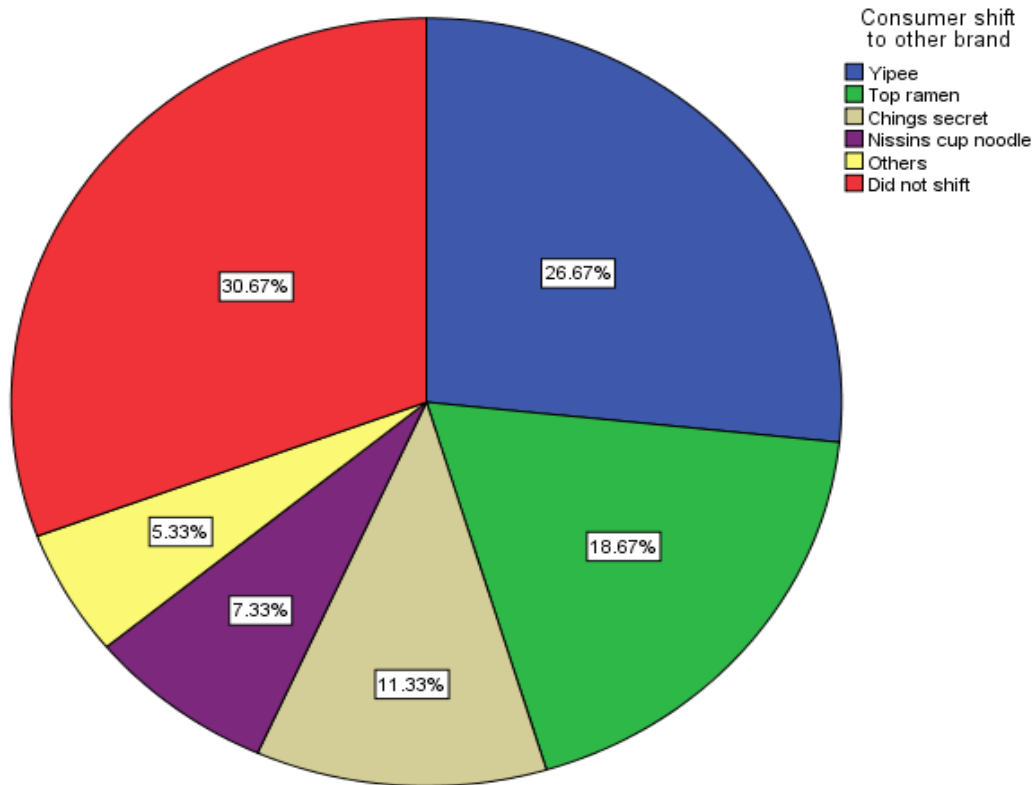


Fig 1. Pie chart depict Consumer Shift to Various brands in Noodle market

It was also observed that 62 % of the respondents were not the only purchaser of Maggie but also consumers of other products by Nestle and hence they trust and are loyal to the brand.

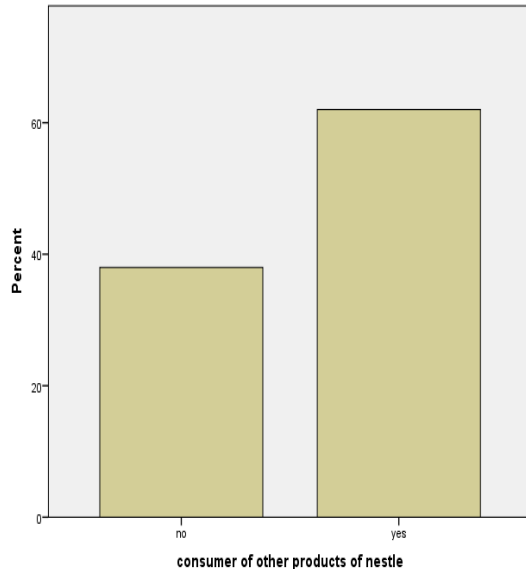


Fig 2. Bar graph representing consumers of other products of Nestle.

CONCLUSION AND RECOMMENDATION

The research confirms the unfavorable influence of ban over general consumer sentiment about Maggi noodles. People are in dilemma of purchasing Maggi and product safety matters more than years of loyal brand association.

There are few reasons why investigating on consumer behavior, and consumer shift is important. From the marketer's perspective, they will more understand the attitude of the consumers towards purchasing Maggi after the ban lifted and understand how ban affected the sale after its relaunch. From the result, they can know that enforcement of ban had a significant relationship with consumer purchase decision even after the ban was lifted. Besides that, they can also know that the factors influencing purchase decision and the other products in noodle market favored by the consumers. From the consumer's perspective, they will know the existing thoughts and perception of Maggi among the common population and also know the existing players of the noodle market. Last of all, this study is beneficial for the academicians as this study could serve as a reference and may provide guidance for the future investigators who choose to study on the similar topic.

Toxic foods have been pushed into the Indian market by firms due to lack of regulation in India. Consumers are willing to purchase anything in the market without being health conscious unless the government takes any action against the harmful products. Hence it becomes necessity for the government to impose laws and tighten food standards and enforces them without any exemptions. Maggi had a downfall due to ban enforced labeling them unhealthy for consumption and had a negative influence on sales. However, there is an enormous scope for such results to differ if Maggi enrolls in better marketing strategies. Maggi should involve and connect to target audience especially the youth. Maggi should promote awareness on the reason of ban and how they rectified the problem and reassured the consumers that Maggi is, in fact, healthy for consumption. Maggi has a high brand value, and the brand should exploit on this to reinstall the faith in the minds of its consumers.

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