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Purchase Scenario of Maggi before and after ban

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Nestle introduced the brand a Maggi (instant noodles) in 1983 in Indian market. Indian market has accepted the maggi which has increased a market share. Suddenly in 2015 the market share of maggi drops down as it was stated that product contains elements like lead and monosodium glutamate that are hazardous to the health. Maggi has made come back in November, 2015. Maggi used the tool of advertisement to come back in market. This research paper studies the purchase scenario of maggi before and after ban. The survey was conducted at Nasik with the sample of 200. The Cronbach's Alpha is .553 which is good when a number of questions are less. With the help of SPSS various statistical are applied like Correlation, Regression to analyses the hypothesis. Research stated that people still have same perception of the Maggi. The purchase and consume Maggi more even after the ban. The consumption of maggi depends upon various factors like Age, Occupation, taste and preference, price etc. Maggi has created a trust in the mind of the consumer. Hence Maggi is still giving a strong competition to the market players.

Key Words: Maggi, Nestle, Customer preference, Lead, Monosodium glutamate.

Introduction

Since 1947 Nestle has created a brand image by offering wide range of product. Nestle work on the concept of covering every segment of the customer. It has a customer of age group 2 to 3 to age group of 60 and above. Nestle is the world's largest food and beverage company. It has a tagline like "Good food good life". Among the various products Maggie was launched in year 1984 with the new concept of noodles. Nestle find difficult in establishing the alien brand in the country. The innovative idea with the tagline "mummy bhoklagi- bs 2 minute" and that strategy captured the market. Maggie become by highest sold noodles in India and has grap the 60 percent market share. As per the report of 2010 Maggi was able to survive in recession market also by launching an economy pack. Maggi made themselves available for every segment from the kids to working women. The Maggie have seen fall in the sale year 2015. FSSAI banned the sale of

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Maggi as they found health hazardous ingredients like lead and monosodium glutamate. According to the report of Times of India Maggi has high level of monosodium glutamate at the same time it has 17 times more than a permissible lead. The Indian government has fined Rs 640 crore on Nestle. It has made Maggi to destroy the existing stock of instant noodles. A twist came when court stated that samples were not tested in the National Accreditation Board for Testing and Quality Assurance (NABL) authorized lab. When the sample was given again for the check it comes out to be below the level of lead and monosodium glutamate permitted. All the results came clear that false news has affected the brand name of the company and sale of product got reduced. This is the best time for the competitors to enter the market. Companies like ITC Sunfeast, Patanjali Aata noodles, Top Ramen entered into the market and Maggi faced a tough competition for coming back in market after a 15 months. Maggi sales reduced to half and almost gone out of the market. Maggi again used the most important tool advertisement to win the market share. A Tagline was changed and a new tagline was given "Maa apna ko hamesha acha deti hai". It targeted the mothers who buy and purchase Maggie for their children. It aimed to deliver a positive message to mothers that when a mother is providing to a child which means it's healthy for the health. It has tried to remove the image from the mind by saying that mother will never eat anything which is harmful for their

Literature Review

Jain, 2016 conducted a comparative study on Maggi and Patanjali atta noodles. Results showed that consumer has accepted Maggi with open heart after the ban too. They have trust and they are still consuming Maggi. Dr Ramesh Sardar in July 2015 stated that Maggi is more preferred in International

market than Indian market. The result was on the basis of secondary data available. In year 2016 Dr Gomathi.D studies the general scenario of the Maggi. It has checked the effect of pre and post of ban on Maggi. Neha Garg in year 2015 took the secondary data to study the root cause of the Maggi row. Ataman and Ulengin, 2003 showed the strength of the relationship between the consumer and the brand will reflect in the customer mind.

Objectives

The analyst frames the factors which affect the consumption of the Maggi and what is the difference in the consumption before and after the ban of Maggi. So the study was mounted to answer the following:

- To examine the relationship between consumer behavior and age, gender, profession.
- To study the factor influence the purchase decision.
- To examine the consumer buying behavior and its readiness to buy Maggie.
- What is the solution that should be used by the Maggi to increase their market share.

Hypothesis

- H1: Age has a positive association with the buying behavior of Maggi
- H2: Profession of the person has a positive impact on the consumption of the Maggi
- H3: Gender has a positive relation with the consumption of Maggi
- H4: Trust has a positive impact on the consumption of the Maggi
- H5: Advertisement affects the consumption of the Maggi
- H6: Price of the Maggi has an impact on the consumption.

Research Methodology

Sample Characteristic: A sample of 200 people were chosen from the population of Nasik within the age group 15 to 60 and above. A Factorial Analysis is done with the help of SPSS v24.

Gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Female	88	44.0	44.0	44.0
Male	112	56.0	56.0	100.0
Total	200	100.0	100.0	

Profession

	Frequency	Percent	Valid Percent	Cumulative Percent
Student	116	58.0	58.0	58.0
Working professional	40	20.0	20.0	78.0
Homemaker	15	7.5	7.5	85.5
Businessman	19	9.5	9.5	95.0
Any other profession	10	5.0	5.0	100.0
Total	200	100.0	100.0	

Age of the respondent

	Frequency	Percent	Valid Percent	Cumulative Percent
Below 20	55	27.5	27.5	27.5
20 -30	118	59.0	59.0	86.5
30 -40	13	6.5	6.5	93.0
40 -50	11	5.5	5.5	98.5
50 and above	3	1.5	1.5	100.0
Total	200	100.0	100.0	

Measures A self-administered questionnaire is being developed which include 15 questions which helped us to see the impact on consumption of maggi before and after ban. Various factors like trust, price of the product, advertisement influence the consumption of maggi. Analysis was applied on the primary data collected via questionnaire. The data was collected from the Nasik. A sample was selected on the basis of random sampling method. Further various statistic tools have been applied to check the hypothesis.

Analysis and Findings

To identify the variable which influences the consumption of the maggi a regression analysis was done but before that it is very important to check the overall reliability of the data. Reliability of the data is measured. According to recommendation of Nunnally 1967 the value of Cronbach's alpha estimate (≥ 0.50) in case when number of question are less. In our case the score is .553 which is close good.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.553	.578	8

As per the objective various factors which influence the consumption of the maggi were identified with the help of factor analysis:

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.466
Bartlett's Test of Sphericity	Approx. Chi-Square	27.281
	df	3
	Sig.	.000

The factor analysis result that 3 factors has an impact on consumption of maggi. Further regression model is applied.

Multiple Regression

		pre	gender	age	profession	trust	advertisement	Price of the product
Pearson Correlation	pre	1.000	.052	-.037	-.001	.195	.176	.156
	gender		1.000	.099	.021	-.056	.142	-.001
	age			1.000	.534	.023	.000	.094
	profession				1.000	.012	.042	.018
	trust					1.000	.245	.260
	advertisement						1.000	-.013
	Price of the product							1.000

Descriptive Statistics

	Mean	Std. Deviation	N
	2.0500	1.05502	200
gender	1.5600	.49763	200
age	1.9450	.83394	200
profession	1.8350	1.21041	200
trust	1.3450	.47656	200
advertisement	1.4550	.49922	200
Price of the product	1.1700	.37658	200

Model		Sum of Squares	df	Mean Square	F	Sig.
1		16.624	6	2.771	2.610	.019 ^b
	Residual	204.876	193	1.062		
	Total	221.500	199			

a. Dependent Variable: pre

b. Predictors: (Constant), economic, gender, profession, advertisement, trust, age

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.274 ^a	.075	.046	1.03031	.075	2.610	6	193	.019

a.. Predictors: (Constant), price of the product, gender, profession, advertisement, trust, age

ANOVAa

COEFFICIENTS

Model		Unstandardized s B	Coefficient Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	.790	.419		1.884	.061
	gender	.098	.150	.046	.650	.516
	age	-.089	.105	-.070	-.847	.398
	profession	.022	.072	.025	.310	.757
	trust	.292	.165	.132	1.770	.078
	advertisement	.291	.154	.138	1.893	.060
	Price of the product	.362	.202	.129	1.788	.075

Dependent variable: pre

The final Regression model with 3 independent factors (trust, advertisement and economic) entered because it has explained 46% of the variance for the positive impact on the consumption. Also the standard errors of the

estimate have been reduced to 1.03031 which means that at 95% level. The Anova analysis provides the statistical test for overall model fit in term of F ratio. The total sum of square (221.500) is the squared error that would accrue if the mean of consumption of Maggi (dependent variable).

Various factors are studied to see the post effect of the ban on consumption and buying behavior of the Maggi

Correlations

		post	gender	age	profession	trust	advertise-ment	Price of the product
Pearson Correlation	post	1.000	.102	-.060	.006	.298	.081	.069
	gender		1.000	.099	.021	-.056	.142	-.001
	age			1.000	.534	.023	.000	.094
	profession				1.000	.012	.042	.018
	trust					1.000	.245	.260
	advertise ment						1.000	-.013
	Price of the product							1.000

Correlations

		post	gender	age	profession	trust	advertisement	Price of the product
Pearson Correlation	post	1.000						
	gender		1.000					
	age			1.000				
	profession				1.000			
	trust					1.000		
	advertisement						1.000	
	Price of the product							1.000

MODEL SUMMARY

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics			
					R Square Change	F Change	df1	df2
1	.335 ^a	.112	.084	1.09488	.112	4.059	6	193

a. Predictors: (Constant), price of the product, gender, profession, advertisement, trust, age

ANOVA

Model								
1	(Constant)	1.196				2.685	.008	
	gender	.302	.445	.131	1.895	.060		
	age	-.154	.159	-.112	-1.383	.168		
	profession	.057	.111					
	trust	.750	.076	.060	.749	.455		
	advertisement	-.038	.175	.312	4.275	.000		
	Price of the Product	-.009	.215	-.017	-.232	.817		

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	29.196	6	4.866	4.059	.001
	Residual	231.359	193	1.199		
	Total	260.555	199			

price of the product, gender, profession, advertisement, trust, age

COEFFICIENT

Model		Unstandardized B	Standard Error	Standardized B	t	Sig.
1	(Constant)	1.196	.445			
	gender	.302	.159	.131	1.895	.060
	age	-.154	.111	-.112	-1.383	.168
	profession	.057	.076	.060	.749	.455
	trust	.750	.175	.312	4.275	.000
	advertisement	-.038	.163	-.017	-.232	.817
	Price of the Product	-.009	.215	-.003	-.042	.967

Dependent variable: post

The final Regression model with 3 independent factors (trust, advertisement and economic) entered because it has explained 84% of the variance for the positive impact on the consumption. Also the standard errors of the estimate have been reduced to 1.094 which means that at 95% level. The Anova analysis provides the statistical test for overall model fit in term of F ratio. The total sum of square (260.55) is the squared error that would accrue if the mean of consumption of Maggi (dependent variable). When a comparison is made between pre and post effect on the consumption of the Maggie, it was found that the consumption of the Maggie is increased more after ban. The mean square before ban was 2.771 and after ban it was 4.866. The result showed that the trust and usage of the Maggi is not reduced. When we discuss the pre ban consumption it found that Age had a negative relation with the consumption. It states that as age increases the consumption of the maggi get reduced. The maggi is popular among the age group below 20 and 20 to 30 age. The youth consumes the Maggi for its taste and flavor. The hypothesis is rejected that age and profession has positive impact on consumption of the maggi. The profession has also shown a negative relationship. The maggi is more preferred by the student as they find maggi easy to make and doesn't required much efforts. Student also prefers maggi as they can have a tasty food in less time and in less cost. The taste

and comfort of making the tasty noodles have made Maggi a popular noodle. The consumption of Maggi after ban has given some interesting facts that profession has shown a positive relationship with the consumption of the maggi. Students are not at all conscious for the safety and health. They just want to have maggi as it take less time and is economic in nature. The advertisement of maggi after ban has proved that maggi is healthy food and will not harm their body. The advertisement has made an impact on the mind of the consumer which leads to increase in the number of maggi lovers. All the three hypothesis are proved over here that trust, price of the product and advertisement has a positive impact on consumption of the Maggi.

Conclusion

The research has stated that maggi is still having the demand in the market. A product maggi has gone through many up downs in the year 2015 still they are able to keep a position in the market. A trust of consumer on the product protects from a downfall. People have trust in the Maggi and that trust have made them to buy the product. A trust, price of the product and advertisement has a huge impact on the mind of the consumer. Maggi is consumed by people of every age group. Still Maggi is mainly preference by the student and working women. The punch line 2 min mea Maggi tayar is mainly to target the people who don't have much time. Maggi is food which has taste and flavors and can be cooked in 2 minutes. Maggi is able to hold the position in

ie market due to impact of the advertisement on
ie mind of the consumer as well as the price of
ie product. Price of the maggi is affordable by all
gments of people. Students can easily purchase
ie pack of Maggi in 5 Rs and 10 Rs. A maggi is
available in all size from big too small. The
nsumer can choose its product as per the need
id consumption. A consumption of the maggi
done by the students who are living in the
ostel. Maggi is the late night food which
idents have. The simple procedure of making
e maggi has also influenced the people to
nsumer maggi. Nestle should add more
avors to the maggi. It will give buying options
d will attract new consumer. Nestle should try
bring international flavors in the Maggi and at
e same time can enter into foreign market.
aggie should focus on the different target
stomer.

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