

Effect of Brand Image in Revamping its Market Sustainability- Nestle Maggi

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Abstract: Maggi is a global brand of instant foods, it was among the most prevalent brands until it was prohibited by the (Food Safety and Standards Authority of India) FSSAI in mid-2015. This paper manages to determine how the brand image of the product helps to regain its market. The paper portrays the difficulties experienced by Maggi and the strategies used to win back the trust of Indian clients to recover its position in the market. This paper also deals with the marketing and crisis strategies that Nestle took to evoke its market share in India.

Keywords: Maggi, Instant foods, Marketing strategies, Promotion strategies, Crisis strategies.

1. INTRODUCTION

Interest for instant food items is expanding because of the expanded urbanization and change in way of life. Maggi is among the most prominent brand for instant noodles and soups. Its 2-minute noodles was a standout amongst the most adored nourishments until Food Safety Regulators from Uttar Pradesh announced that examples of Maggi had abnormal amounts of monosodium glutamate and lead past as far as possible in May 2015. On June 2015, the FSSAI recommended that these items are risky and unsafe for human utilization. This was trailed by the restriction on across the country offers of Maggi by the Central Government of India for an uncertain period. A portion of India's greatest retailers including Big Bazaar forced an across the country prohibition on Maggi.

Maggi dependably demanded that their items are ok for utilization yet was constrained to review the stock. This brought about the 80% loss of its market share. This adversely affected the brand picture made in the customer's heart. Purchasers remained over from purchasing Maggi as they thought that it was unsafe to wellbeing.

Nestle relaunched Maggi in November 2015. This investigation proposes to comprehend the procedures and advancements utilized by Maggi to reconquer 57% of the piece of the pie in one year. What's more, the investigation additionally considers its achievement in recovering the trust of buyers and its promoting and marketing strategies to win back the market.

Objectives:

1. To determine how the brand image of Nestle helped Maggi to re-launch in India.
2. To find the emotional responses from consumers, employees towards the ban and re-launch of Maggi.
3. To analyse the crisis strategies used by Nestle to gain consumers trust.

2. LITERATURE REVIEW

Chinomona and sandada (2013) Suggests that marketers need to find effective ways to appeal to potential consumers in order to develop positive perceptions about their products or services. The business leaders develop strategies to promote and distribute their product line using diverse approaches. Marketing is a strategic concept and the strategies must be developed, analysed and tested to attain results. This paper throws light on market leaders that have successfully utilised effective marketing strategies in company which would inevitably become a tool for entrepreneurial development.

Okoroafo and Torkornoo (1995) The purpose of this paper is to examine how market leaders use marketing strategies to maintain strong performance in their respective sectors within different economic contexts in both developed and emerging developing economies. For any strategy, to be effective it needs to be well turned both to the needs and requirements of the customers and market conditions in which it is implemented, and also the resources and capabilities of the firm seeking it to implement.

Bhushan and rasul (2013) This paper suggests that what strategy should nestle develop to succeed with the new products and how to retain their loyal customers in their market for longer term. And it also helps the company to decide how the company should shorten its response time and make it effective in the face of media in future to revamp its business line. It also presents that Maggi has enjoyed a leadership position in the Indian market about 63 per cent market share with sales of over 20 billion in recent times.

Nkamnebe (2006) Does a speculative analysis of Nestlé's business strategies and its impact on its customers to identify their growth, satisfaction level and to formalize their performance in their respective sectors in order to resource their streamlining processes and avoiding duplications leading to cost cut downs and organization performance enhancements and this paper helps to examine how marketing strategies have been used by market leaders in an sustainable and emerging economy.

JV Advani (2005) This article mainly focus on the impact of marketing strategies on consumer behaviour towards nestle India and it clearly explains on how the FMCG companies develop their marketing strategies to attract the consumer towards their product and to enhance the growth of the organization. Forecasting the strategies of the organization is more important before implementing into the organization. While planning for these strategies the FMCG companies give more important to the "PRODUCT INNOVATION".

L De Chernatony (2001) From this article we can interpret that most selling product of Nestle India is Maggi and other than innovation consumer also focus on quality of the brand even though the product lacks innovation more than 40% of the consumers continues to buy the same product because they consider quality of the brand is more than the innovation in the product .The different schemes adopted by the FMCG companies have a great impact on the purchasing behaviour of the consumer and many FMCG companies increase the price of the product by the promotion technique .

Okazaki and Taylor (2013) This article clearly deals with the importance of social media marketing for a brand and impact of it on building the brand and how it changes the market in the corporate world. Social media marketing is very helpful in connecting millions and millions of people together throughout the world. In the social media marketing the power gradually interchanged from company to the customers. A person can easily get into any brand in the social media by a one single click, so this platform is one of the very important marketing strategies according to the trend. It plays very imperative role in the enhancing the brand image of the product.

Facinelli (2009) This paper suggests that one of the important principles is IMC (Integrated Marketing Communication) which helps to determine the target audience and helps to find how to connect and how to do business with them. It mainly concentrated on building the good relationship with the customers, now they become the brand ambassador of many brands by the social media people tend to share their views and their experience about the product. When these reviews become positive the brand will be popular without any advertising. It reduces the huge gap between the consumer and the company. The world has just begun to advance around this train of online life and organizations need to bounce on board this train and use it towards the best bearings to make an enduring positive effect on the consumers.

Narayana (2015) This article studies the steps taken by Nestle to keep its product alive within the consumers even after its temporary ban. They adopt different strategies in order to revamp its business again in the market in order manage its business position among different competitors, and it helps in building marketing and advertising strategies to revive the sales of Maggi in the market.

Kumar (2015), describes the important role of children in consumer environment. The paper conducts a study on how the wide range of food choices available has affected the food purchase decisions of children. The changing lifestyle and urbanization have resulted in the growth of restaurant market in India. The consumers expect the fast food chains to introduce more healthy food items.

Pai (2016) describes the challenges faced by MNC's in the emerging market with the support of a study on the nestle experience. Maggi was the most popular instant noodles brand in India. The brand had a dominant position until it was banned by the national food regulator FSSAI (Food Safety and Standards Authority of India) followed by several state governments in mid-2015. This turned out to be a boon for other competitors like yippee. Nestle faced criticism for its slow response and on its failure in engaging with the people and regulator in a continuous basis. This paper depicts the struggles faced by nestle to win back the trust of their consumers. The only way found to regain control was to relaunch Maggi. Even after the launch the consumers were confused and disappointed and the regulators were shocked by the fall of Maggi from its grace. The paper, in short, describes the challenges faced by Maggi to regain its position in the market.

Bhuta (2017), takes up the story of 'Maggi' in India for a study in crisis management. After its introduction in 1983 it was a smooth sailing for Maggi for three decades. But it came under the scanner for the presence of lead and monosodium glutamate (MSG) beyond the permissible limit. Nestle was challenged by the ban and had to work on confidence building measures. The paper depicts on the challenges faced by Maggi and the mechanisms taken for maintaining customer relationships. Mr. Suresh Narayanan considered this opportunity to re-establish the brand and win the hearts of the consumer. The paper reinforces on the idea of enduring customer relationship as the key to brand management. It takes from Nestle the lessons of regulation of performance, quality for credibility and performance for profitability.

Lazarus and Folkman (1991) The study highlights emotional responses from consumers via social media towards company decision to recall Maggi product from the market. And to understand the strategy for the crisis and how crisis managers were able to re-establish emotional equilibrium among the consumers post re-launch of the same product.

Hulberg (2006) We can understand the perception of employees in Nestle Company towards their brand, logo, name and strategy. Majority of employees believe that Nestle can help any struggling brands just by adding the Nestle logo. This shows branding strategy is more effective than a pricing strategy.

Financial Express (2016) Maggi accepted to withdraw all the products in return of money from all the retailers. They also made a statement that the product will launch in the market after the research. This paper deals with how the maggi regained all its customer confidence and trust after the issue. After the controversy all the other instant noodles brands tried to capture the market even though after the relaunch maggi attained its market share it had before the ban. This paper also suggests how other brands failed in the market at the first attempt and regained its position after the relaunch.

Bhuta A (2016) Maggi at the earlier stage started to target middle class women who were working, and they were not having enough time to manage both the personal and professional work, but children became their primary target later. This paper deals with the crisis management strategies made by Nestle India to repair the damage. This paper also analyses the reason behind the ban and the market share of maggi before and after the ban and how maggi bring back the trust among the consumers by social media marketing.

Arual (2013) This article describes that India is the biggest market for maggi in the world, despite the challenges mounted on the brand by the competitor top ramen in 1990's, and it also suggests that maggi has managed to enter Indian homes to change the traditional food habits of Indian children on its promise of convenience. This article also suggests the ways to improve its product quality after its ban in India in order to regain its customers trust and loyalty.

Business insider (2017) this Paper suggests the ways to improve the nutrient profile of nestle products and proactively helps in reducing sodium and trans-fats in different product segments in order to ensure high quality and helps in detecting the unhealthy substances in the maggi noodles to revamp its business and gain popularity among other competitors in the food market.

Carroll (1991) This case study gives the complete information of Nestles product 'Maggi' – The challenges, competitors and its growth in Indian market. However, they have highlighted the importance of CSR activities and ethical practice in an organisation. And how it can impact the company when stake holders show negligence on the ethical practice in an organisation.

Garg, N (2015) The MSG controversy made a big impact on their consumers. Most of the maggi lovers lost their trust on their favourite Maggi...The brand value of Maggi attains big back drop. The Nestle thought that people will forget the issue and the controversy will buried but unfortunately their expectations was ruined. By mid-august 2015, Nestle planned to rebuild its trust and its brand image and loyalty among the customers. So, it used social media as a weapon it started to post a video with a tagline #wemissyoutoo in all its advertisements in television, Facebook, Instagram. This video touched the emotions of the consumers. These advertisements brought back the trust again.

Philippine's (2015) Nestle which is facing first quarter loss in 30 years and a ban on its popular product Maggi, consisting of 7200 employees across India, expressed optimism to find resolution to its crisis. With an unprecedented situation, expressing confidence to overcome the challenges and deployed all the employees who were involved in Maggi manufacturing to other operations.

3. THE ISSUE

Nestle has been enduring an onslaught in India since one provincial controller said on May 2105 that it had discovered proof of overabundance lead and monosodium glutamate (MSG) in a few bundles of Maggi instant noodles, a cheap and hugely popular snack.

In May 2015, food safety regulators from the Barabanki, Uttar Pradesh, India found that samples of Nestlé's leading noodles maggi had up to 17 times beyond permissible safe limits of lead in addition to monosodium glutamate. The initial tests found only a discrepancy between what was labelled on the food packaging (no MSG added) and the presence thereof.

On 3rd June 2015, New Delhi government banned the sale of maggi in New Delhi stores for 15 days because it found lead and monosodium glutamate in the eatable beyond permissible limit. The Gujarat FDA on June 4, 2015 banned the noodles for 30 days after 27 out of 39 samples were detected with objectionable levels of metallic lead, among other things. Some of India's biggest retailers like Future Group, Big Bazaar, Easy day and Nilgiris have imposed a nationwide ban on maggi. From that point different state experts in India found inadmissible measure of lead and it has been restricted in excess of 5 different states in India. On June 5, 2015, Food Safety and gauges expert of India (FSSAI) orders restricted each of the nine endorsed variations of maggi moment noodles from India, naming them "perilous and risky "for human utilization".

The Economic Impact of Nestle:

Immediately after the issue, the Nestle India's share value fell down drastically. It was felt important to study the trend of share values of nestle India over the period and the trends after this issue. For this share values for nestle India have been obtained from BSE India and the trends are observed the trends clearly depict that after the incident on 25th may 2015, the share values suddenly dropped down close to INR 5569 from the highest value of INR 7408 on 18th march 2015.

India's legislature has petitioned for harms from nutrition class, Nestle after a sustenance alarm including reports of abundance lead in maggi noodles constrained an across the nation review. The fall of share value after this incident not only affected the economy of the company but also the shareholders and employees of the company. One of the most important losses to the company is the damage to company's reputation and loss even for other product line. And moreover, the sales of noodle products of other competitive brands have also been affected adversely

Promotion strategies and marketing strategies:

Maggi is acquired by nestle on 1947 but till now it holds its place in all the shelves of households freely and overwhelmingly, informally. At first it focuses on mainly targeting all the mothers of the Indian households. But unfortunately even though it advertises at a maximum level still it was not attained the goal. Then nestle did the market survey in India as a result of that they found that Indian mothers are still orthodox and they were really very composed and they were not ready to feed their children with the fast foods. Then it started to change its target from mothers to children. That strategy became a huge hit. At the early stage it promoted the product by advertising in the kids channel with a very smart tagline of "2 MINUTE NOODLE" it became so popular among the customers till now. But it suffered a lot in the massive mishap when the MSG level is on the above acceptance level because of that maggi was removed by the government from all retail shops and in the social media many people started doing memes and tweets about the maggi and so many people felt bad that they can't taste maggi again. This news gave heartbreak to so many maggi lovers. But after five months it came back as a fireball and hits back the same customer percentage that it got pre-ban. One of the important strategies that maggi adopted is its promotion tactics. Their advertisements always made as a family based to drag many customers. Those advertisements always imposed like a nostalgic combo of mother and a child by doing that they emotionally catch the customer feelings and easily enter into their kitchens.

Pricing Strategy:

Maggi clearly have the vision for how to penetrate into the market because of its distinctive pricing strategy. At first while launching its target population is average middle-class families so that it always keeps its price as low as possible even though maggi has so many competitors in the market it still maintained the low cost by reducing the quantity of the product with the same quality. And also, it started to manufacture so many sizes of packets to acquire the low- class people.

After the Relaunch:

After the ban to regain the customers again Nestle planned to increase the investments on advertisements their ad growth value increased by 96%. Maggi also took the advantage of one of the most powerful advertisement platforms called SOCIAL MEDIA like facebook instagram etc. By using social media, they started to reduce the gap between their consumers and the company. Maggi smartly re launched its product by making a very good deal with the e-commerce

industry Snapdeal before launching it into the market it launched in snapdeal this move make the demand among the people for buying the product tremendously increased. At that time many people were ready to buy the product by paying more money also. This strategy made the maggi relaunch as a positive comeback.

4. CONCLUSION

Brand is the way all customers, employees, competitors perceive an organisation, products, services etc, every organization manages a problematic and unforeseen occasion that compromises the association or its stake holders. In 2015 Nestle India faced a ban on its product for unsafe levels of lead in Maggi, with 7200 employees across India and around 15 billion rupees turnover every year, Nestle India lost the market because of an unethical practice. With a unique strategy Nestle India re-launched maggi through an e-commerce platform, except in 8 states. A 2 minutes noodles which was famous across India was able to regain the trust of consumers. It is the set of beliefs held about the brand that helped Nestle India to relaunch Maggi.

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