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## Maggi Noodles: The Rise and Stumble Saga of the Two-Minute Delicacy

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### **Abstract:**

*A renowned comfort snack, a common household item, perfect synonym for noodles recently lost its sheen and pride it held among the other entire noodles brand. The favorite of all age groups has started facing ban from government authorities all over India. This paper is an attempt to analyze the truth behind the 'Taste bhi, Health bhi' commitment of the brand.*

**Keywords:** Maggi, MSG, Nestle Company, Noodles

### **1. Introduction**

The long term success of any company can be effectively measured in terms of brand value it creates in the market place, but more than that it is the brand image in the consumer's heart which matters the most. The unique selling proposition of a particular product has to be the impact on environmental, social and human health criteria's. Today, organizations are operating not only by fulfilling the government regulations, but are partnering for the sustainability and responding to the increased concerns from the consumers and society about human health impact of the products, operations and resources depletion. The company that moves beyond the self interest and operate selflessly for the betterment of all sectors it affects can actually secure self interested achievements in the end. Food products industries have to be even more responsive as intake of bad quality product can cause irremediable harm to the health of the consumer and sometimes become the cause of death too. The Nestle India controversy these days have become an eye opener for many on one hand it shows that we Indians easily believe on what is said and not on what the reality is, it is very easy to befool innocent consumers and make millions and billions of money. Many literate consumers also do not bother to read the ingredients except the expiry date or price on the pack which is their prime concern and it results because of the blind-folded faith in the brand. Even for the past more than 25 years our government, its officials were least bothered about the Indian masses. Till today the things have turned against Nestle India, which has landed the company to its dismal fate, the Indian government has filed case on the company to pay damages, the first case in India of this kind on the other hand company has firm opinion that the product is safe but the future of Maggi's return is unpredictable.

### **2. Objectives of the Study**

The whole paper revolves around the case of Maggi noodles hence the main focus of the paper was to know about the brand.

The other objectives include:

- To study the history of Nestle and its beginning in India.
- To find out the strategies adopted by the Maggi noodles brand.
- To analyse the reasons behind the stumble of a giant food player in India.

### **3. Research Methodology**

To Study the case of Maggi noodles descriptive research design has been used. The data used for this study is secondary in nature. The data was searched in on line journals and websites of news channels and newspapers. Television channels debating about the issue and responses of the consumers interviewed by them also proved helpful for this paper.

### **4. Timeline of Historical Perspective of Noodles and Maggi**

- Noodles originated from China as early as 5000 BC.
- Noodles were also available in the Indian menu since times immemorial better known as 'sevian'.
- In the year 1872, in Switzerland, Julius Michael Johannes Maggi inherited his family business and made a revolution by producing appliances producing powdered flour from dried and roasted legumes. The purpose behind it was to provide nutritional instant food solutions to the poor worker families. He also gave a revolutionary recipe that changed of flavours, which proved a great success. Maggi was the first to bring protein-rich legume meal to the market, and followed up with a

ready-made soup based on legume meal in 1886. In 1897, Julius Maggi founded the company Maggi GmbH in the German town of Singen..

- In the year 1947 Maggi Company merged with its holding company, Nestle, founded by Henry Nestle in 1866 in Vevey in Switzerland, and formed Nestle S.A.
- Instant noodles were invented by Taiwanese-Japanese inventor Momofuku Ando in Japan and were first marketed on 25 August 1958, by Ando's company, Nissin, under the brand name 'Chikin Ramen'.
- In 1982 Nestle Global introduces Maggi brand in India through Nestle India Limited.
- In 1983 Maggi instant noodles were launched with Maggi two minutes noodles concept in masala, chicken and curry flavours, which had a complete sweep over Indian market.
- In 1990 sales of Maggi declined as Top Ramen, noodles brand of Indo Nissin group entered India.
- In 1997 to meet the increased competition from other noodles brand in the market Maggi changed its formulation, i.e. taste and flavour of ingredients, the biggest folly committed by the company. It led to further declining of sales.
- In 1999 Maggi returned to the original formulation which helped in reviving the declining sales.
- In 2000 Nestle India took up the Health Mantra as the main focus area and started developing health and wellness products, even the punch-line became 'Taste bhi, Health bhi' in synonym with Nestle Global company motto of 'Good Food, Good Life'; to further promote the health caring concerns of the company.
- In 2006 Maggi introduced Maggi Vegetable Atta noodles as a health product containing protein supplement. It later also introduced other versions of indigenous flavour like dal atta noodles but were not much successful as masala flavour.
- In 2009 Nestle India launched Maggi Rasile Chow gravy noodles keeping in mind the low income group consumers like Dharavi slum dwellers, and the micronutrient malnutrition in India, just for rupees four per pack.
- By the year 2010 Maggi noodles was fully surrounded by the various opponents giving tough competition like Yippee noodles of ITC's Sunfeast, Foodles of GlaxoSmithKline's Horlicks, Knor soupy noodles of Hindustan Unilever and Tasty Treat noodles of Big Bazaar. Later Capital Foods launched Smith & Jones instant noodles and Chings also entered the market.

##### **5. Maggi Noodles brand Positioning and Re-positioning Strategies in India**

Carlo Donati brought instant noodles concept in India in form of Maggi noodles with the two minute cook mantra. Basically Nestle wanted to hit the working women market segment with quick food solution but the concept did not work out well. After conducting market researches Maggi noodles came in the market with children as the target and positioned it as a fun food for the children which mothers could prepare in no time. In media advertisement campaign 'School se aate jab chillate mummy bhok lagi, Bas do minute, inhe chaiye Maggi, Maggi Maggi.' This campaign was so successful that Maggi perfectly overtook to be a synonym of noodles in India as Maggi being a food 'Fast to cook and Good to eat'. LPG reforms opened more job avenues for women hence the need for convenience food increased. Packed ready to eat products like potato chips were also available but Maggi proved to be stomach filler and tastier hot dish compared to other options. To become the market leader Maggi faced severe competition from the home made dishes like pakoras, papads and other dishes. Moreover it had to tackle the Indian pschy of women to give their children food cooked at home by them. Maggi initiated tapping television media for its advertising and sponsored 'Hum Log', one of the most popular soap opera on Doordarshan, the only channel available at those times. It also attached itself with the kids program as sponsors. Nestle India distributed packets of noodles to school children and even offered gifts in exchange of empty packets of Maggi noodles. As the product had to be prepared at home and was not a ready to eat snack, slowly it tackled the psychological block of thinking of women preferring to give their kids home-made food. Nestle India tapped Indian market just the time when for eating Chinese special noodles one had to go to restaurants or hotels. They were costly for a common man's pocket but Nestle India brought it within the reach of everyone by pricing its product at very cheap rates ranging from rupees five to ten for one serving packet. In order to tap the bottom of pyramid section of the society Nestle India had launched its Chow noodles just rupees four per pack. Maggi noodles product penetration increased from just households to restaurants, hotels and slowly it became a street food too. Basically positioned in the market as a convenience food, a fun food became necessity of nuclear household families, of students living away from their homes for studying, of office goers. It was introduced as a leisure food to be taken in between meals but slowly it emerged as a quick breakfast option and was considered as best replacement of meals. If one does not want to have meals relishing Maggi noodles option was always exercised by the young or old. Top Ramen noodles gave tough completion on entry but peoples' love for Maggi noodles won again. Nestle India experimented with its flavour to offer new taste to consumers but suffered loss and understanding the consumer's negative response reverted back to the original flavour. Maggi noodles were launched in new packing with attractive colours. Even family packing's of four plate servings and six plate servings were launched apart from the double pack and the single plate serving pack. With the passage of time Nestle India neither increased the price of the packs nor compromised with the taste but has compromised with the quantity of the noodles. The weight of noodles in a pack has shown a decreasing trend. The company even did not change the shape of the packed noodles in all the years. To meet the tough competition Nestle India started giving more concessions to the retailers and started exploring Super-markets Malls, army canteen outlets. From 'Fast to Cook and Good to Eat' slogan the company shifted to 'Taste bhi Health bhi' positioning in the market. Today Nestle India Noodles family comprises of : Maggi 2-Minute Noodle (Masala, Chicken, Curry and Tomato flavours, Maggi Dal Atta Noodles(Sambhar taste), vegetables Atta Maggi Noodles, Maggi Rice Noodles available in Lemon Masala, Chilly Chow and Shahi Pulao flavours, Maggi oat noodles a perfect breakfast and Maggi Cuppa mania available in Masala yo, Chilli chow yo flavours. To commemorate 25 yeas of Maggi in India a

new marketing campaign with the slogan 'Me and Meri Maggi'. The purpose was to cherish the emotional binding created by the product with all the age groups. The consumers had to send their Maggi related memorable stories to Nestle India and the best were shown on the television in the form of advertisements. The photograph of the sender on the Maggi noodles pack and now Nestle India started with the theme 'Maggi se bani aapki kahaniyan, aur ab aapki kahaniyon se bane Maggi.'" Hence three flavours 'Thrillin' Curry', 'Tricky Tomato' and 'Romantica Capsica' came into being. Thrillin' Curry was based on the story of three girls lost in Laddakh and find help with the help of Maggi. Tricky tomato was based on the story of a mother who managed to trick her son and eat the bowl of Maggi herself. This story showed a mother whose Maggi was the childhood love. Romantica Capsica was based on the story of an elderly man trying to charm his wife with Maggi. This campaign was very successful as company received response from more than 30000 consumers. The firm recently introduced new varieties of its noodles, for example 'No MSG', 'Less Salt', and 'No Trans fat' to cater to the health conscious. During this time period Maggi heavily focussed on television advertising with soothing jingles but paid less importance to the print media advertising. Maggi noodles connotes a sense of pride, something special, message was shown in the advertisement a daughter complaining her mother why she named her Rajkumari', it tells about the opinion of a common family how special they feel in consuming Maggi. Many heart favourites' bollywood actors Like Amitabh Bachchan, Priety Zinta Madhuri Dixit have endorsed Maggi noodles. Till 2014 everything was going well for Maggi noodles, consumers of all age groups were happy, company was gaining market share Maggi had penetrated in all urban, rural, semi-rural areas, competitors were being defeated but Alas! Something changed the whole scenario that situation turned unfavourable for Maggi noodles that on 5<sup>th</sup> June 2015 it was announced by the CEO Nestle Global Paul Bulcke that they are withdrawing all the products from India.

### 6. Maggi's Big Stumble: Causes and Consequences

The tough phase of Maggi started when in 2014 on March 10, in UttarPradesh an officer of Food Safety and Drug Administration (FSDA) started with routine checking of Maggi noodles pack sample taken from a retailer in Barabanki. Tests conducted in Government Regional Public Analyst Labortary in Gorakhpur on the sample reported that it contained MSG (Monosodium glutamate) as per the permissible limits but it was the Central Food Labortary, Kolkata that confirmed the presence of MSG as well as lead beyond the permissible limits. The report said that Maggi samples contained 17 parts per million against the permissible lead content of 0.01 parts per million MSG, is a form of concentrated salt added to foods to enhance the flavour. This salt version of glutamic acid is an amino acid the body can produce on its own but the processed MSG found in the processed food products can cause many adverse reactions, including skin rashes, itching, hives, nausea, vomiting, migraine headaches, asthma, heart irregularities, and depression. Maggi 2-minute noodles in India contains hydrolysed groundnut protein, It contains MSG used as a flavour enhancer, which is made using Bactosoytone, itself made from soy protein using a catalyst enzyme porcine (taken from intestine of Pig). Hydrolysed vegetable protein can contain high levels of glutamate, but the company still mentioned "NO ADDED MSG" on the pack. The after effects came naturally with media fully spreading the message in no time in whole country which spread shock waves among Maggi lovers. Delhi, and the states of Kerela, Uttrakhandand Tamil Nadu, Jammu & Kashmir for, Bihar and Telengana imposed ban on Maggi noodles. Indian Army declared not to sell Maggi noodles in army canteen outlets and asked army personnel to avoid eating it. Many schools in India banned Maggi noodles. The Food Safety & Standards Authority of India (FSAI) said that Maggi noodles had excessive lead content and the pack was mislabelled not giving information of the metals found in the product though Nestle Global Chief Executive asserted that the product was safe as the tests conducted by them did not confirm to the results reported by FSSAI. But as the consumer faith on the product was completely shaken hence the company took the major historic step of recalling all the Nestle noodles Maggie nine variants back, and to return after sometime to gain back the customers trust and confidence which the company enjoyed for 25 years in India.

### 7. Facts and Findings

- Nestle a major food player in India ruled for 25 years.
- Maggi noodles entered the household as fun food but captured Indian palate even in breakfast and other meal times.
- Maggi noodles became synonym for noodles in India.
- In majority of households Maggi noodles was the first preparation which was independently made by the kids in the kitchen, whether girl or boy.
- It became omnipresent, available at reharis to hotels, hilly areas to islands, high-tech cities to underdeveloped villages.
- Maggi noodles were all time favourite of all age groups.
- Maggi products include apart from noodles ketchups, sauces, tastemakers and soups. In mid nineties it experimented to bring in macroni and pickles too but proved a failure. Hence these products were withdrawn.
- The price of the noodles pack was always kept affordable ranging from rupees five to ten for a small one serving pack. With the passage of time Maggi kept the range ten only but compromised with the quantity in one serving pack.
- Over the years consumers developed emotional bonding with the product and it was the essential ingredient of any household kitchen.
- Nestle India, as claimed by the apex food regulatory body FSSAI cleverly cheated Indian consumers. It reported that lead was present beyond the permissible limits, MSG was added in product even if 'No MSG' message was depicted on the pack and lastly the company launched it Maggi oats masala noodles without the risk assessment and grant of approval of the product.

- The whole scrutiny procedure of products ingredient started back in March 2014 but it came into limelight in last week of May 2015.
- Who could be made responsible for not declaring or making aware the public for more than one year regarding the fatal effects of the product?
- The innocent consumer consumed it for whole year even when the results of the test were out last year.
- FSSAI and Government both failed to check the product for more than 25 years and people were feeding poison to their kids unknowingly.
- The role of the sleeping scrutiny authorities should be checked.
- The faith of consumers shattered, people burnt Maggi noodles packets, and are now scared for the other packed food products too. May be this could make a return back to home-made recipes.
- Retailers have stopper displaying and selling Maggi noodles even the big stores such as Wal-Mart, Reliance Fresh and Big Bazaar have stopped the sale at its outlets.
- After facing ban from most of the states and Indian capital city, Nestle India has lost the faith of Nepal and Singapore too, as they have banned the import of Maggi noodles from India.
- Long time back even Coca-Cola Company faced a similar situation when pesticides were found to be present in the product. The Coca-Cola Indian higher authorities themselves came in the media and endorsed that the product is safe. Aamir Khan, bollywood superstar was joined in the campaign to promote that product was healthy. But nothing such happened in the case of Nestle India. Small press releases that the Maggi noodles are safe for consumption has not made any impact in the market. After the controversy Nestle India has also created on website of their company a section for the society to ask queries about the product. Nestle India has failed to understand that internet is not accessible to all its consumers. This move of the company did not help it either.
- Nestle motto 'Good Food, Good Life' will have to prove its credibility and put a lot of efforts again as it has ended up in scratch.
- The company officials have declined to respond to press reporters on a question regarding quantum of loss it will suffer but no doubt it is the greatest loss which any food processing industry has ever suffered.
- As per news in Dainik Bhaskar dated 7 th June 2015, daily newspaper, on survey of Jalandhar districts distributors of Maggi noodles they found that the whole Jalandhar city only consumed 1500 boxes of Maggi noodles, each box containing 10 kilogram of it. Going by the estimates then yearly consumption of Maggi is estimated 1800 tonnes which in rupee terms becomes a loss of 25 crores and 20 lakh. If this is the loss company would suffer in one city then to extrapolate the figures of whole India would mean a loss of multi billion business in India.
- The bollywood superstars who endorsed the brand are now facing the danger of FIR to be lodged against them under various Indian Penal Code sections which include section 420 charge for cheating consumers, section 270 charge for involving in the malignant act responsible for likely to spread diseases dangerous for human health and section 273 charge for getting involved in the promotion of sale of noxious food.
- The effected parties to the whole dismal show apart from Nestle India are the employees whose future with the company is unknown, the shareholders, the small neighbourhood rehriwallas whose whole sole income generated from sale of cooked Maggi and the pitiable consumers who felt it as best friend for all occasions.
- Some websites and discussion forums reveal that it not the problem with the product rather the way it is cooked even the company agrees to this but then question arises why such warning was not given on the packet.
- This controversy will surely lead to increased awareness among consumers for understanding the impact of any product before consumption rather than blindly believing on false claims in the advertisements.
- It will also pressurise the other food product giants to move cautiously by abiding the norms of Food and Safety regulatory norms.
- Some Maggi lovers opine that it is a political gimmick of BJP government to encourage the sales of Indian Tobacco Company's brand Sunfeast Yippee noodles or to encourage 'Make in India by Indians'. Baba Ramdev too has announced to introduce noodles product free from any harmful ingredient which he called Herbal Maggi.
- On social networking sites Maggi noodles has become a major issue but more are transmitting hilarious messages for it like 'the quantity of lead as depicted in government report is true then men who have consumed it till now must have turned into Natraj' and one of the other message says 'Maggi was the only female to get ready in two minutes but now she is no more'.

## 8. Conclusion

It is rightly said one can do anything but only if God and Time permits. Those who fail to analyse the happenings in the surroundings become losers and those who accommodate and adjust according to time rule the world. The controversy started igniting last year but no officials of Nestle India paid heed to do the necessary rectification resulting now a bad name and shame for the company. Health is of prime concern for everyone though taste also matters. It is very difficult to restore the faith lost because even the school going kids now say Maggi is bad. For Nestle Company only thing which could be said is 'Miles to go before they return, Miles to go before they return....' Repositioning their brand in India again is the major challenge before Nestle Global for which we have to wait and watch. But for sure in present 'Good Food, Good Life' has been beaten because 'Good hona important hai'.

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