

**PERCEPTION OF BRANDED NOODLES AMONGST
DELHI RESIDENTS- BEFORE AND AFTER
MAGGI CONTROVERSY**

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ABSTRACT

The instant noodles market in India is reeling under an unprecedented crisis with the banning of the country's favourite 2 minute snack : Nestle's Maggi . The reports of food regulators have confirmed the presence of lead and MSG in excess in Maggi. Maggi enjoys a fan following like no other and with the company claiming the noodles safe for consumption, there is a need to know whether decades old association with any brand changes consumers' perception after discovery of health risk and has the perception of Maggi brand changed significantly after the controversy. Also, it is important to know what is the effect of Maggi controversy on its closest competitor's consumer perception : ITC's Yippee noodles. The findings show that consumer perception about Maggi has gone from good (before controversy) to bad (after controversy). There has also been a significant dent on the perception of substitute noodles : Yippee.

1. INTRODUCTION

Maggi is the flagship product of Nestle- a Swiss multinational with presence in more than 130 countries, selling more than 1 billion products every day. Nestle merged with Maggi -an international brand of seasonings, instant soups and noodles in 1947 and has been its top performing products ever since especially in Malaysia and India.

Nestle's Maggi noodles has been an ultimate success story in India-it is a product embraced by kids, teenagers and parents alike. Maggi's association with India dates back to 1982 when instant food was something unheard of. With its entry, Maggi created an entirely different product line -instant noodles and has seen unprecedented success in a diverse market.

According to the World Instant Noodles Association, India consumed 5,340 million cups or bags of instant noodles through 2014. It counts among the fastest growing markets in the world for the snack, having almost doubled in size since 2010 when it accounted for 2,940 million units. Maggi is estimated to have a 70 per cent share of the market, and contributes nearly 30 per cent to its parent's company Nestle's annual turnover.[1]

For nearly three decades, Indians have shared an emotional bond with this product that goes beyond brand loyalty. It is solution to hunger at any time of day or night. Thus our country was more than in a bit of a shock when UP's

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Food Safety and Drug Administration proved beyond doubt that Maggi contained more than permissible levels of lead – a highly poisonous substance and MSG (monosodium glutamate). This was a serious blow to the brand which was one of the top 5 trusted brand according to survey by Brand Equity in 2014. What followed was ban on Maggi in several states, dropping of Maggi from the shelves of big retailers and Army issuing an advisory to its canteens against stocking the product.

The company's response to the controversy can be best described as too little too late. The company issued a standardized statement reiterating that the noodles are safe for consumption and the samples have been verified at independent labs. However, the country's apex food regulator FSSAI, ordered Nestle to recall all types of Maggi noodles from the market and imposed ban on its sale.

The Maggi controversy has been a watershed moment in packaged food industry and snowballed into FSSAI being extra cautious and denying approvals to a variety of products.

Though controversies related to packaged food is not new – this controversy has redefined the instant noodles market and is likely to change consumer's perception towards all packaged foods per se.

2. LITERATURE REVIEW

Consumer Perception is a process by which a consumer senses the surroundings, analyses the information and assigns meaning to it. The information retained defines the ways to meet the needs and wants of consumers. Consumer Perception is relevant for marketers as consumers base their decision on perception rather than facts. All the marketing strategies revolve around creating a favorable perception of the product in the minds of the consumers.

Controversies surrounding food products and beverages are not new to India.

Pepsi and Coke Fiasco

On August 5th 2003, The Centre for Science and Environment (CSE), an NGO in India issued a press release stating: "12 major cold drink brands sold in and around Delhi contain a deadly cocktail of pesticide residues". [2]. As an aftermath, the government verified these claims through independent testing and banned the sale of these soft drinks. A Survey of Consumer's opinion about the government's decision to ban the soft drinks revealed that most of the consumers were comfortable with the ban and wouldn't risk their health till the companies made amends.[2]

Cadbury Fiasco

In the same year, In October 2003, testing of Cadbury's chocolates in Mumbai revealed the presence of worms. Cadbury which commanded a

giant 70% share of the chocolate market in India suffered a big blow as the consumer sentiment was already on the downside due to recent soft drinks controversy. Though the reason behind the infestation was storage problems ,yet the consumer trust was shaken up and sales were hit by almost 30 % in the festive season.

'Ina survey carried out in 2013 by TUV SUD , a global testing and certification company, amongst a total of 1,063 customers and 116 businesses in India, it was found that Indian consumers accorded higher importance to safety aspect of the product rather that brand loyalty.

According to the said survey, around 90 % of the consumers were willing to pay extra for safety assurance. [5]

3. NEED OF THE STUDY

Maggi has been the staple food our country and in the light of the recent controversy, it is pertinent to know whether the perception of the consumers towards the company and the product has changed and whether there has been a change in the consumption pattern of consumers. Our country had embraced this product like no other, so it is important to determine whether there has been a change in the loyalty of the consumer base and to what extent the sales of other instant noodles been affected by a ban on the country's favourite snack. There is a section of consumers who are vocalizing their support in the form of videos and jokes and there are some who feel this is just a publicity stunt by the company to come into the limelight. With differing opinion on the controversy, the authors are interested in knowing whether decades of trust can be impaired by allegations of harmful substances in the product consumed and whether these allegations spill over to the competitors and affect consumers' perception of the related products.

4. OBJECTIVES OF THE STUDY

The following were the objectives of the study:

1. To study the perception about Maggi pre - post controversy.
2. To study the substitution effect of Maggi controversy.
3. To find the reasons for change in perception of Maggi post controversy

5. RESEARCH HYPOTHESIS

1. Perception about Maggi is equal in the pre-post controversy.
2. There is no significant difference between Maggi noodles & Yippee Noodles with respect to perception of the consumer pre-controversy.
3. There is no significant difference between Maggi Noodles & Yippee Noodles with respect to perception of the consumer after controversy.

6. DATA AND METHODOLOGY

A total of 64 samples were selected from different demographic profiles such as students, professionals, and non-working groups across genders. A larger proportion of targeted respondents were of young age as they are the largest buyers of instant noodles. The focus was on students and service class people who have paucity of time and would be more interested in easy and fast cooking.

People who have been consuming noodles were better able to answer the questions regarding the taste, price, image, brand & the reasons for their consumption & purchase.

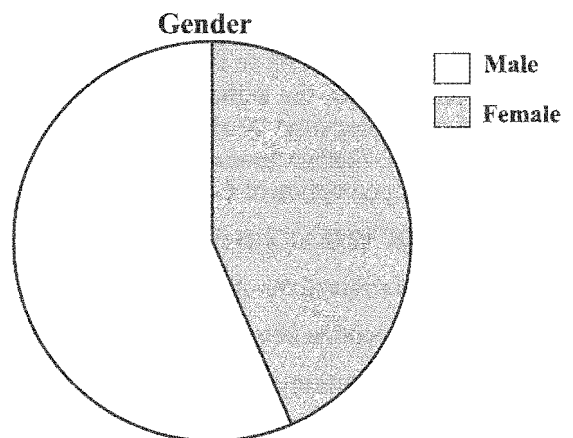
Our study was divided into two samples that were found as follows:

Sample 1: (Male)

Sample 2: (Female)

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	29	45.3	45.3	45.3
	Female	35	54.7	54.7	100.0
	Total	64	100.0	100.0	



Secondly population was divided into four samples that were found as follows:

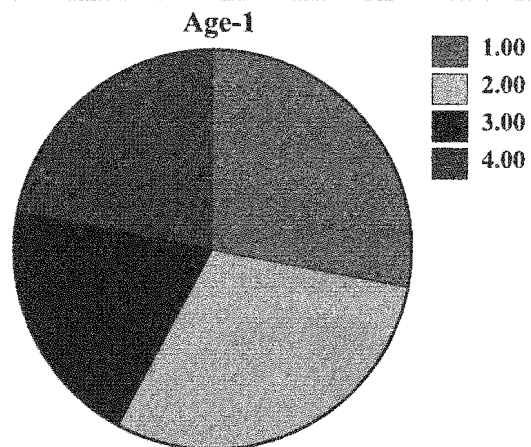
Sample 1: (≤ 20 Years)

Sample 2: (21-30)

Sample 3: (31-40)

Sample 4: (≥ 41)

Age 1	Frequency	Percent	Valid Percent	Cumulative Percent
1.00	18	28.1	28.1	28.1
2.00	19	29.7	29.7	57.8
3.00	13	20.3	20.3	78.1
4.00	14	21.9	21.9	100.0
Total	64	100.0	100.0	

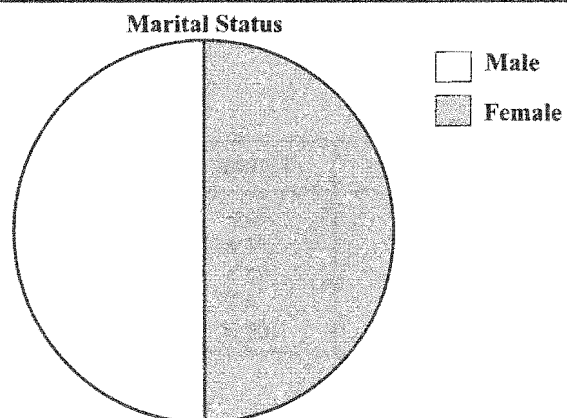


In next part population was divided into two samples that were found as follows:

- Sample 1: (Single)
- Sample 2: (Married)

Marital Status

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	32	50.0	50.0	50.0
Valid Female	32	50.0	50.0	100.0
Total	64	100.0	100.0	



In next part study population was divided into three samples that were found as follows:

Sample 1: (Students)

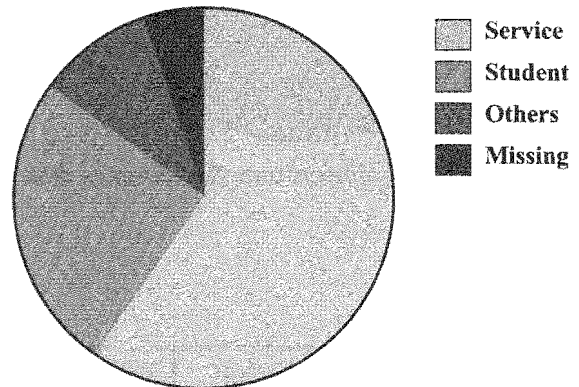
Sample 2: (Service)

Sample 3: (Others)

Occupation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Service	37	57.8	59.7	59.7
	Student	20	31.3	32.3	91.9
	Others	5	7.8	8.1	100.0
	Total	62	96.9	100.0	
Missing	System	2	3.1		
Total		64	100.0		

Occupation



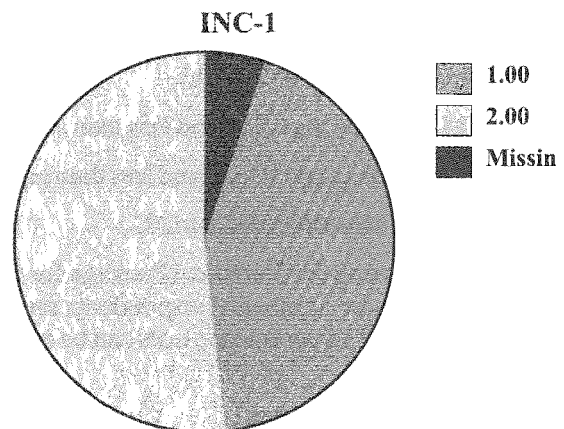
In next this study population was divided into two samples that were found as follows:

Sample 1: (less than equal to 50000 monthly family incomes)

Sample 2: (More than 50000 monthly family income)

INC-1

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	28	43.8	45.9	45.9
	2.00	33	51.6	54.1	100.0
	Total	61	95.3	100.0	
Missing	System	3	4.7		
Total		64	100.0		



Some questionnaires were distributed to respondents and some questionnaires were administered through face to face interview.

Pretesting

It was pretested (self-administered tests) on a sample of 15 respondents who were chosen as a result of judgment sampling and their feedback was considered in finalizing the questionnaire.

Results of Pretesting

Cronbach's Alpha was computed to know the reliability of the data. Cronbach's Alpha for internal consistency was 0.741 which shows that there is reliability and internal consistency.

Dependent and Independent variables

Perception of the product has been identified as the dependent variable in this study. It consists of seven dimensions before and after the recent Maggi controversy.

1. The first aspect is Quality (By quality we mean the taste).
2. The second aspect Price (Value for money).
3. The third aspect is Outlook towards Advertisement.
4. The fourth aspect is Reputation of Company.
5. The fifth aspect is Brand Image.
6. The sixth aspect is Proper Disclosure of Product content.
7. The seventh aspect is Involvement with consumers.

Data Analysis Method

There were 14 questions in questionnaire and each question had 5 options (1=Very bad, 2=Bad, 3=neither, 4=Good, 5=Very good). The questions were combined into one summated scale on which the tests were performed

which is :

Very bad perception = Less than equal to 13,

Bad perception = More than equal to 14 and less than equal to 20,

Good perception = More than equal to 22 and less than equal to 27,

Very Good perception = More than equal to 28,

All data were analyzed using the Statistical Package for the Social Sciences (SPSS) 20.0 software. As the number of respondents are more than 30, data is normally distributed and all parametric tests can be applied (Central Limit Theorem).

7. STATISTICAL TOOLS USED

1. Co-efficient of Reliability
2. Paired, t'-test
3. Test of Homogeneity of Variances
4. Arithmetic mean and median
5. Regression analysis

8. RESULTS AND DISCUSSION

In this research, internal consistency analysis was conducted to assess the reliability of this constructed measurement for perception of noodles.

Case Processing Summary

		N	%
Cases	Valid	38	59.4
	Excluded ^a	26	40.6
	Total	64	100.0

- a. List wise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.865	.864	28

Perception about Maggi Pre-Post controversy

As in our study, we want to capture perception about Maggi Pre-Post controversy so Paired "T" test is applied. According to our scale, Mean score of Pre- controversy perception about Maggi is 27.4074 and Standard Deviation is 4.4953. This means Pre- controversy perception about Maggi is very good. Mean score of Post- controversy perception about Maggi is 16.4815 and Standard Deviation is 6.39204. This means Post- controversy perception about Maggi is bad.

Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Per_Maggi_BC	27.4074	54	4.49536	.61174
	Per_Maggi_AC	16.4815	54	6.39204	.86985

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	Per_Maggi_BC Per_Maggi_AC	10.925	6.8428	.93119	9.0581	12.79366	11.733	53	.000

At significance level of 1%, Paired t-test result shows p value is less than 1%. We can say that there is statistically significant difference in perception about Maggi before and after the controversy at a significance level of 1%.

Substitution effect of Maggi controversy

We have seen that effect of Maggi controversy on perception of consumers is negative. Maggi controversy also has also affected its close competitor, Yippee noodles – a product of ITC.

At significance level of 1%, Paired t-test result shows p value is less than 1%. We can say there is statistically significant difference in Perception of Yippee Pre & post Maggi controversy.

On the basis of mean value of Perception of Yippee we can say that before the Maggi controversy, perception of Yippee was good. After Maggi controversy, perception of Substitute i.e Yippee is still good but less than what it was before Maggi controversy.

Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Per_Yippee_BC	23.0526	38	3.63874	.59028
	Per_Yippee_AC	21.1579	38	4.01030	.65056

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	Per_Yippee_BC Per_Yippee_AC	1.89474	4.29198	.69625	.48400	3.30547	2.721	37	.010

Pre-Post Maggi controversy - Maggi vs Yippee

In this part of study we want to capture Pre-controversy Perception level of Maggi and Yippee. So Paired "T" test is applied. According to our scale, Mean score of Pre-controversy perception about Maggi is 27.2381 and Standard Deviation is 4.03527. This means Pre-controversy perception about Maggi is good. Mean score of Pre-controversy perception about Yippee is 23.2143 and Standard Deviation is 3.59224. This means Pre-controversy perception about Yippee is also good.

Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Per_Maggi_BC	27.2381	42	4.03527	.62266
	Per_Yippee_AC	23.2143	42	3.59224	.55429

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	Per_Maggi_BC	4.0238	3.53718	.54580	2.92155	5.12607	7.372	41	.000
	Per_Yippee_AC								

At significance level of 1%, Paired t-test result shows p value is less than 1%. We can say there is statistically significant difference in Pre-controversy perception about Yippee and Pre-controversy perception about Maggi. On the bases of mean value we can conclude that Pre-controversy perception about Yippee is less than Pre-controversy perception about Maggi.

According to our scale, Mean score of Post-controversy perception about Maggi is 16.0526 and Standard Deviation is 6.79406. This means Post-controversy perception about Maggi is bad. Mean score of Post-controversy perception about Yippee is 21.1579 and Standard Deviation is 4.0103. This means Pre-controversy perception about Yippee is still good.

Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Per_Maggi_AC	16.0526	38	6.79406	1.10214
	Per_Yippee_AC	21.1579	38	4.01030	.65056

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	Per_Maggi_AC Per_Yippee_AC	-5.10526	6.93908	1.12567	-7.38608	-2.82445	-4.535	37	.000

At significance level of 1%, Paired t-test result shows p value is less than 1%. We can say there is statically significant difference in Post-controversy perception about Yippee and Post-controversy perception about Maggi. On the bases of mean value we can conclude that Post-controversy, perception about Yippee is more than Post-controversy perception about Maggi

On the basis of above result we can say controversy in a particular product category does impact the Perception of substitute goods in that product category.

Table-1: Reason of association with Maggi before Controversy

		Reason of association with Maggi Before Controversy w.r.t								
		Easy to Cook	Variety	High Quality	Lack of substitutes	Adver-tisement	Taste	Easy Avail-ability	Healthy Food	Brand Loyalty
N	Valid	59	59	59	58	57	58	58	59	58
	Missing	5	5	5	6	7	6	6	5	6
	Mean	4.6102	3.7288	3.7797	3.3793	3.7895	4.0690	4.3793	2.9492	3.7414
	Median	5.0000	4.0000	4.0000	3.0000	4.0000	4.0000	5.0000	3.0000	4.0000
	Mode	5.00	4.00	4.00	2.00*	4.00	4.00	5.00	3.00	4.00

Multiple modes exist. The smallest value is shown

Table 2

		Reason of association with Maggi Before Controversy w.r.t								
		Easy to Cook	Variety	High Quality	Lack of substitutes	Adver-tisement	Taste	Easy Avail-ability	Healthy Food	Brand Loyalty
N	Valid	55	55	56	54	53	54	54	56	55
	Missing	9	9	8	10	11	10	10	8	9
	Mean	4.2909	3.2182	2.4286	3.0000	2.5472	3.2963	2.8704	1.8571	2.2545
	Median	5.0000	3.0000	2.0000	3.0000	2.0000	3.0000	3.0000	1.0000	2.0000
	Mode	5.00	3.00	2.00*	3.00	2.00	4.00*	1.00	1.00	1.00

Multiple modes exist. The smallest value is shown

On the basis of mode value result in Table 1 , there were various reasons why consumers associated with Maggi like ease of cooking Variants, quality, taste, health benefits, brand royalty, easy availability etc.

On the basis of mode value result showing in table 2, there are various reasons why they don't want to associate with Maggi like Quality: After knowing the news related to lead content in Maggi they feel Quality is very low. Secondly, Lack of substitutes: Consumers feel that the kind of satisfaction offered by Maggi is not replaceable so they haven't substituted it . Thirdly , before controversy people felt good after watching Maggi advertisement but now they are not so comfortable with the same. Fourthly after controversy people also find low availability of Maggi which is due to the ban imposed on its sale. People no longer found it healthy given the alleged presence of harmful substances.Lastly, in the light of controversy, brand loyalty has disappeared.

9. CONCLUSION

The research confirms the unfavorable general consumer sentiment about instant noodles. Overall the perception of Maggi as a brand has gone from very good to bad which indicates that product safety matters more than years of loyal brand association. The downfall of the most trusted brand of noodles hasn't spared its competitors and research shows that perception of image of Yippee noodles- a product of ITC conglomerate has also been affected and is not that good as it was before Maggi controversy. This shows that consumers have become suspicious of the entire instant noodles food market.

10. LIMITATIONS OF THE STUDY

The sample size is small and the study is restricted to Delhi residents so the results can't be said to mirror national sentiment.

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