

# [Maggi noodles essay sample](https://assignbuster.com/maggi-noodles-essay-sample/)

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1. Introduction   
Instant noodle, also known as instant ramen, has created a renaissance in the world food industry. Emerging from being just a quick and delicious alternative to pasta or rice to be consumed only on heady days, instant ramen has become a modern lifestyle trend symbolic of convenience, quality, and health. Many fast food items have flooded the markets but noodles remained as the most popular item of all of them, as it is cheaper, very easy to make and nutritious. Nestlé India Ltd (NIL) offered a variety of culinary products such as instant noodles, soups, sauces and ketchups, cooking aids (seasonings), etc., under the Maggi brand. Of these, instant noodles had been Nestlé’s main product category in the culinary segment since the launch of Maggi 2 Minute Noodles (Maggi noodles) in 1982. In fact, the word “ Maggi” has become a synonymous term for any brand of instant noodles in India. In this report we take a look at how evolution of Maggi Noodles took place, it’s positioning in the market, its issues and sustenance against global competitors, draw inferences and make recommendations. 2. Food Product Industry / FMCG (will discuss and decide)

3. Instant Noodle Industry   
4. 1 History:   
In 1958, Momofuku Ando invented “ CHICKEN RAMEN ™”, the world’s first instant noodle product. His achievement brought a revolution in culinary culture. In 1971, he developed “ CUP NOODLE ®”, the world’s first cup-type noodle product. That seed sown by Momofuku Ando has grown into an industry that supplies 91. 6 billion servings annually to consumers throughout the world. In the editorial in its January 9, 2007 edition, the New York Times expressed appreciation for the achievements of “ Mr. Noodles,” who it said deserved an eternal place in the pantheon of human achievement. Instant Noodle Industry is such an established industry that there’s been an association for it since 1997, World Instant Noodle Association.

The present day instant noodles symbolizes convenience, quality and health. Instant noodles market has undergone many innovations in recent years which have led to the introduction of multiple flavours of the product in the market suiting to local preferences. With widespread acceptance of the product, instant noodle has become a daily product in majority of the nations around the globe. Demand for the product is driven by convenience, low cost and product variety. However heath concerns related to consumption of instant noodles on a regular basis does pose challenge to its demand. The manufacturers have answered to this by coming up with nutritional variants of this ready to eat food. 4. 2 Global Demand for Instant Noodles:

The once humble ramen with its modest taste and flavour profile has now emerged as an haute multi-flavoured cuisine. Instant ramen consumption knows no border, and although Asia is the largest consumer of the product, the West, of late, is also raking in considerable demand, driven largely by the rapidly expanding Asian communities in the West, and the growing popularity of Asian gourmet food among non-Asians. With noodles being customized for each regional buyer all over the globe, the ubiquitous, and cheap rectangular cubes of flash dried and dehydrated noodles is today a global food. According to New Report by Global Industry Analysts Inc., the world market for Instant Noodles is forecast to exceed 154 billion packs by the year 2017, driven by factors such as minimal cooking time, wide variety of taste and flavour profiles, and low cost of instant noodle products.

Other factors such as food globalization, increasingly hectic lifestyles, lesser meal cooking time at home and increasing number of working women also bode well for the instant noodles market. Indonesians spend more than 70 percent of their disposable income on instant noodle products, trailed by Chinese consumers, who spend about 56 percent of their income. South Korean consumers spend 33. 2 percent, closely followed by Thai consumers with 30 percent. Mexicans and Indians, on the other hand, spend a very small percentage of their incomes on instant noodles partially due to the purchasing power parity and partially due to a vast difference in culinary cultures. Instant noodles sales cleared 100 billion units market last year and China alone accounts for 44 billion units sold. India is in 5th place in the top in the top 42 noodle-devouring countries. Its Global demand Estimated by World Instant Noodles Association (WINA) as on April 25 2013. Unit: 1 Million Packets (Bags/Cups)

\* | Country / Region| 2008| 2009| 2010| 2011| 2012| | Total| 92, 110| 92, 690| 96, 370| 98, 740| 101, 420|   
1| China / Hong Kong| 42, 530| 40, 860| 42, 300| 42, 470| 44, 030|   
2| Indonesia| 13, 700| 13, 930| 14, 400| 14, 530| 14, 100|   
3| Japan| 5, 100| 5, 340| 5, 290| 5, 510| 5, 410|   
4| Vietnam| 4, 070| 4, 300| 4, 820| 4, 900| 5, 060|   
5| India| 1, 480| 2, 280| 2, 940| 3, 530| 4, 360|   
6| USA| 4, 150| 4, 290| 4, 180| 4, 270| 4, 340|   
7| Republic of Korea| 3, 340| 3, 480| 3, 410| 3, 590| 3, 520|   
8| Thailand| 2, 170| 2, 350| 2, 710| 2, 880| 2, 960|   
9| Philippines| 2, 500| 2, 550| 2, 700| 2, 840| 2, 720|   
10| Brazil| 1, 690| 1, 870| 2, 000| 2, 140| 2, 320|

4. 3 Indian Market for Instant Noodles   
The instant noodles category in India was, in a sense, created by Nestlé with the introduction of their Maggi brand in mid-1980s. The concept of ‘ 2-minute noodles’, positioned as a quick snack option for children, found acceptance with both the children and their mothers as well. During the 1990s and 2000s, Maggi faced little competition. Despite the entry of players like Top Ramen (Indo Nissin Foods) in 1991, Ching’s Secret (Capital Foods) in 1996, Maggi continued to retain its dominant position. 4. Nestle