

Essay on maggi



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Background – Maggi Noodles

“ In the last 20 years we have just asked 2 minutes of your time”. The Brand which clearly comes to mind on first recall is Maggi Noodles. Maggi Noodles is manufactured by Nestle under instant noodles portfolio. It was introduced with Maggi 2 Minute Noodles in India in 1982 when the only place to get noodles was Chinese restaurants. Maggi has undoubtedly has been the lifeline of many teenagers when in home or away from home. Maggi, as a brand, has seen many competitions in its Lifecycle. The brand has also diversified itself with launch of product ranges like soups, tomato sauce, seasoning, cup noodles, various flavours of maggi noodles like atta, rice, mized grains etc. Nestle remains its market leader position with 59. 84% of retail sales in India, 2009 (Source: Euromonitor International). But its market share is constantly eroded by new entrants like GlaxoSmithKline Consumer

Health with Foodles, Capital Foods with Smith&Jones Instant noodles, HUL launching its Soupy Noodles under Knorr Brand umbrella.

Brand Identity – Kapferers Model

Picture of Sender

Physique –Yellow Coloured Pack, 2 minute Noodles, fast to cook good to eat, Maggi Logo, Healthy Snack between meals

Relationship –Taste bhi Health Bhi, providing convenient food within 2 minutes with health and hygiene factor, caring and nurturing

Reflection –Health Conscious individual who is Hard pressed for time, Young and Fun loving, living with family

Personality –Enthusiastic, simple, uncomplicated, easily accessible, Fun loving, carefree, On the move, busy schedule

Culture –Reliable, Innovative, Aspirant Lifestyle for rural areas, Sharing happiness, responsible

Self-Image –Young, trendy, fun loving, Independent, Healthy inspite of Sedentary Urban Lifestyle

Picture of Recipient

Stages in PLC

Maggi Noodles is currently in growth stage after passing through maturity stage for brief period in mid 1990s.

Introductory and Initial Growth Stage

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Maggi Noodles brand was in introductory and growth stage in 1982 - 1990s. Maggi took advantage of its early movers advantage in closed economy scenario prevalent in India during 1980s. The brand faced less competition due to few similar products available in the market. Brand Maggi made best use of the time to increase its brand awareness by focussing on product advertisement. The communication which was initially mis-directed towards women was shifted rightly towards children <16 years age group. Strong brand identity was created through iconic Yellow packaging. The pictorial representation of noodles with added vegetables helped strengthen the health factor. Umbrella brand Nestle provided the hygiene factor assurance.

Maggi Noodles sponsored ' Hum Log', India's first indigenous soap opera which began telecast on July 7, 1984. Maggi was launched with total advertisement slots of just 5 minutes during the breaks of serial which ran for over 156 episodes. This helped Maggi to establish as a popular breakfast and snack food across the country. This was also one the first instances of introduction of Fast Food in India.

Growth Stage

Maggi Noodles brand was in their growth stage in 1990s till late 2006 with brief period of declining sales due to faulty product innovation and formulae change from conventional maggi noodles in the form of launch of Dal Atta Maggi Noodles to noodles similar to TopRamen Noodles, noodles from stable of IndoNissinFoodLtd. Maggi was quick to revert back the original formulae to minimize damage.

Product:

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New Product Variants like Atta Noodles, Mixed Grain Noodles and Rice Mania were introduced

Source: http://www.maggi.in/maggi_multigrainz_noodles.aspx

There was change in packaging for different variants of the noodles and launch of new variants

Image Source: http://www.maggi.in/two_minutes_maggi_noodles.aspx

Image Source: http://www.maggi.in/vegetables_atta_noodles.aspx

Price

Price was kept competitive with other launches in the market like Nissin's Top Ramen

Promotion

Maggi was launched in different packages of 50 and 100 gms to increase the consumer base and attract the first time consumers

Variants like Cuppa mania was launched to cater to mobile population, office goers

Source: <http://www.maggi.in/cuppamania.aspx>

Offering freebies like collectible foreign stamps, other freebies with maggi packs

Maturity Stage

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Post 2009, there has been host of new entrants in the instant noodles market in India. ITC Launched its instant noodles under Sunfeast brand.

GlaxoSmithKline consumer health and HUL also introduced instant noodles in 2010. The communication from Maggi has shifted from 2 minute noodles to Taste bhi Health bhi through introduction of variation in instant noodles.

The competition has led to gradual fall in market share vis-a-vis other new entrants. New players are innovating in product packaging like launching noodles in circular shape so as to enable users to enjoy their noodles in full length.

Market Scenario/Challenges

Major challenge is to maintain the market leadership of Brand Maggi in increasing market with varied new entrants having strong market presence in other product variants.

To be increasingly viewed as the most preferred snack by new generation

Strategy to increase Rural market share through launch of Maggi Rasile

Chow targeting low income population

Change of consumer taste from taste to health conscious

Masala Flavour is the leading flavour in instant noodles in India

All new players have also introduced masala flavour in their brand

Chicken is the second favoured flavour followed by vegetable and tomato

Horlicks Foodles claim to provide five essential vitamins in their noodles which forces the major market players to stress heavily on the health factor associated with their brands

HUL Knorr Soupy Noodles claim to be healthy snack between meal for children

Need for elaborate Market research for Maggi Brand on attributes like Brand Image, Preferred Price, Taste, packaging, Health, Availability, Ingredients, product variety etc.

Steps taken at different stages

Extensive media advertising to increase the consumer's familiarity with new product launches

Wider flavours/varients being offered to cater to wide range of consumers

Increased product penetration through availability in supermarkets, hypermarkets and kirana stores

Product line extensions and repositioned products launched to engage new and changing consumer demographics

Market Research was conducted to understand the

General promotional strategies were implemented to increase brand visibility

Events – Online Maggi recipe Challenge, innovative entries were compiled into e-cookbook

Launch of ' Me and Meri Maggi' Campaign – enable consumers to share their experience with Maggi and creating a nostalgic effect by letting them share their moments with Maggi .

Launching Maggi goodies like Computer Wallpapers and ScreenSavers to increase Brand recall , Website- [http://www. maggi. in/](http://www.maggi.in/)

Preity Zinta was roped in for brand endorsement. Maggi was tried to position it as lively brand with zing

Summary

The Brand Maggi is strongly established as a Family Brand with crisp brand equity in Indian market. The brand has always been known to have the first movers advantage in the portfolios like noodles, ketchups, soups, sauce, etc. The parent brand Nestle has been the strong symbol of family, shelter and warmth which brand Maggi has innovatively capitalized.

Evolution in communication

Brand Maggi has changed its communication from convenience factors ie “ Bas 2 Minute” to “ Taste Bhi Health Bhi” to stress on health factors along with taste and convenience.

There was a shift from TG from women to children as their consumers.

To increase the Point of Purchase Sales, Maggi innovated in Shelf placing by placing Maggi in lower shelves to increase the visibility by Kids who accompany their mothers to shopping.

Maggi has launched Chota Maggi worth Rs 5/- to increase product trail.

Maggi was positioned as "snacks for between meals" to boost sales and attract new customers without changing their conservative food habits during meal time.

Maggi also introduced contests for posting best recipes to be made with Maggi.

The future of noodles sectors seem good with growth in retail sales of 19% in 2010 in value terms and forecasted to grow at 12% CAGR over next few years. Being a sector with low entry barrier, the segment share is vulnerable to new entrants like in-house brands of BigBazaar retail chains of Future group, More of Birla Group, Star Bazaar from TataGroup etc. and host of foreign players entering the market lately.

Major Noodles manufacturing firm's market share: (Source: Euromonitor International Report)

Figure : Market Forecast for Noodles market in India

Recommendations for Brand Maggi

Proliferation into untapped rural markets through strong distribution channel available in India

Product line extension with variants for varied markets

Innovation in Product, packaging and pricing of Maggi Noodles through investment in Market Research

Launching health awareness campaigns, publish health information, sponsor health camps etc. to educate the customers about benefits of health foods

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To engage customers more through evolving mediums like social networking sites etc. This would enable the Maggi Brand Managers to listen to reviews from their customers and improvise any other suggestions if needed.