

# Maggi repositioning essay

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It's a brand of instant noodles made by Nestle India Ltd. It was found by the nestle family based in Switzerland in the 19th century.

Maggi noodles is a brand of instant noodles made by Nestle. The brand is popular in Australia, India, Malaysia, New Zealand, Nepal, South Africa, and Singapore. MAGGI 2-MINUTE Noodles is one of the largest snack food brands in the country and defines the Instant Noodles category in the country.

MAGGI 2-MINUTE Noodles has been renovated to provide 20% of the RDA\* of Calcium and Protein for the core target group. It is available in 4 flavors: Masala, Chicken, Tomato and Curry.

Nestle launched Maggi 2minute noodles in India in year 1982. Nestle wanted to explore the potential for instant food among the Indian consumer. It took several years and lots of money for Nestle to establish its Noodles brand in India. Introductory stage there was no competition but a very high failure rates. The production cost was so high with the high marketing in different media and newspaper. The promotion focused on awareness and information to the schools and advertising strategies main focusing on kids. Nestle India (Nestle) launched a ' new, improved,' formulation of its noodles brand, Maggi (a snack food cooked in water along with a flavoring agent called the ' tastemaker. ') This change was the first since the brand's launch in India in the 1980s.

The new formulation had thinner noodles and a different flavor which was not health conscious for kids and all the parents were against maggi because kids started taking maggi as there breakfast, lunch and dinner and suffering from stomach problem. The company reportedly wanted to infuse fresh life

into the brand to deal with stagnating sales. Nestle was in for a major shock. Maggi lovers all over the country rejected the new formulation. Sales started declining alarmingly and even maintaining the previous year's sales level of 13, 000 tonnes seemed very difficult. Around the same time, Maggi Macaroni, launched in mid-1997 with a Rs 10 million<sup>1</sup> ad spend, was also faring badly. Against a target of 1000 tonnes, it managed to sell only 300 tonnes for the year 1997.

Reportedly, many shops had stopped carrying the product. To add to the company's woes, Maggi lost its leadership status in the soup segment to a new entrant, Knorr, in the same year. Knorr cornered a 55% market share of the 425 tonne soup market -around 75% of which came by eating into the customer base of Maggi soups.

Competition had intensified in the ketchup segment as well. In March 1999, Nestle reintroduced the old formulation with vegetable atta noodles as a health conscious product after which the sales revived. Over the year, Nestle also introduced several other products like soups and cooking aids under Maggi, and today Maggi is one of the favorites of kids as well as youngsters and now its enjoying a 90% market share in this segments.