



# Buying Behavior of Instant Noodles Consumer

**Prepared For:**

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INTERNSHIP REPORT

## Letter of Transmittal

To  
Ms Iffat Tarannum  
Lecturer  
BRAC University  
December 18, 2016

Dear Ms Iffat Tarannum,

Enclosed is a copy of my internship report prepared as a requirement as the closure of my Bachelor's Degree in Business Administration (BBA) at BRAC University, titled '**Buying Behavior of Noodles Shoppers**' ensued throughout my internship tenancy at Nestlé Bangladesh, composed from both primary and secondary sources. Entailing the comprehensive documentation of the projects assigned to me the report and the central aim of the survey conducted, I earnestly hope the report has done adequate justice to your valuable guidance. For further clarification of any grey areas, I am accessible at your convenience.

Sincerely

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Fariha Zafor Rima  
ID: 13304132

## Acknowledgement

This report signifies the conclusion of my bachelors program in Business Administration. During the course of the degree, I have had the opportunity to learn from some very knowledgeable instructors who imparted in me priceless lessons of the business arena. Hence, I would like to express my unsullied gratefulness to all my teachers who made me enough resourceful to complete such a comprehensive report.

I feel immensely indebted to all those who facilitated the successful completion of this report. Firstly, I extend my gratefulness to Ms Iffat Tarannum, lecturer of BRAC Business School, to provide me with her continuous guidance on the format and ensuring the credibility of the content within.

Secondly, my sincere appreciation goes to Mr. Tausif Rahman, Brand Executive of MAGGI and my supervisor to trust me with the crucial project of customer research on instant noodles scenario in Dhaka city. Working under him offered me a rare opportunity to practically witness the leadership qualities I had read about in books. Finally, I am obligated to the numerous shoppers who have given their precious time to respond to the survey and help establish a fair result.

Finally, I convey my appreciation to my friends, family and everyone else for their constant direct or passive contribution in facilitating my learning as a student.

## Abstract

This report encloses the objective and outline of the research on instant noodles shoppers and their buying behavior of Noodles Shoppers in prominent areas of Dhaka city. Nestlé and MAGGI as a team aims to augment the brand equity with its endeavors in the form of the effective promotional activities. The organization is operating in internationally as a close resemblance of the operations of the foundation in Bangladesh. The activities of the MAGGI brand are housed under three pillars- Taste, Brand Name and Family Preference- and include in-depth understanding of the consumers of their brand and that of the competitors. Despite the intensive competition with against numerous local and multinational rivals, MAGGI as an instant noodles have been ruling over the peoples hearts for many years; which is why an 'lead crisis' surely had shaken the brand but could not mark a crack on it. Nestle Bangladesh Limited and MAGGI Brand have been created to mitigate the bottlenecks of traditional marketing.

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## 1.0 Introduction

### *1.1 Background:*

The report titled ***‘Buying Behavior of Noodles Shoppers’*** has been prepared by Fariha Zafor Rima as the qualification for the completion of the ‘Bachelors in Business Administration’ degree at BRAC University. The 4 months internship phase is part of the university course for the abovementioned program and is worth 4 credits. Appointed as an intern in the Brands department at Nestlé Bangladesh Limited, the author has arranged this report outlining the project corporate research conduction that was handed over to her. The report aims to present the survey conducted to understand the consumer behavior for instant noodles market in combination with real projects that have been a taken place of the brand image.

### *1.2 Objective:*

The primary objective of the report is to give an in depth insight into the way consumers of instant noodles behave; their pre-purchase and post-purchase situation along with the effective ways of communicating and motivating purchaser. Enclosed in this report is the objective of MAGGI behind the continuously giving out more free premiums promotions rather than any other form of promotion. Secondly, the report analyzes the effect of such promotional activation and advertisements based on the findings of a survey. We also figure out the leading noodles companies of Dhaka market based on ‘sample generalizability’.

### ***1.3 Scope:***

This report addresses the following:

- i. **Organizational Overview:** This includes the history of Nestlé as a whole and Nestlé Bangladesh Limited, its product offerings, organizational structure and vision and mission statements of the company.
- ii. **Job Description:** This segment entails the tasks assigned to the author, the nature of the job, the lessons learnt, the limitations faced and the observation made about attained corporate experience.
- iii. **History of MAGGI Brand:** Projects undertaken since inception and outcomes are briefly summarized in the report.
- iv. **Findings, Analysis, Conclusion and the author's Recommendations** on the effectiveness of consumer promotion activations taken up by MAGGI.

### ***1.4 Methodology:***

The information used to prepare this report was derived from both primary and secondary sources. The detail of the project was obtained from a series of meetings and discussions with the project supervisors during the internship tenure of the author. Secondary information has been composed from Nestlé website, Nestlé intranets and other related web sites and journals.

## 2.0 Organization Overview

### 2.1 History:

Through sales of CHF 88.8 billion in 2015, Nestlé is the world's top nutrition, health and wellness company. Nestlé S.A. is the major food company in the world, positioned 72 on the Fortune Global 500 in 2014. It is a Swiss transcontinental food and beverage (F&B) company headquartered in Vevey, Vaud, Switzerland. The global journey of Nestlé S.A is detailed in Figure 1.



*Figure 1: Global journey of Nestlé S.A*

Thus, in today's international arena, Nestlé aims to offer products, which develop nutrition, health and wellness while abiding by strict business principles and a promise to consistent quality. Consequentially, it goes lengths to eliminate the negative associations that other global FMCG companies possess, and rather embodies itself as the symbol of trust, reliability and quality among its consumers worldwide. The company's purpose and intentions are summed up in its simple tagline, "Good Food, Good Life".

## 2.2 Nestlé Bangladesh Limited:

Nestlé Bangladesh became a fully owned subsidiary of Nestlé S.A in 1988, and commenced its first commercial production in Bangladesh in 1994. The company's vision is to be recognized as the leading Nutrition Health & Wellness (NHW) Company in Bangladesh, generating sustainable, profitable growth and relentlessly improving results to become a billion CHF Company. The company's factory is located at Sreepur, 55 km north of Dhaka and produces instant noodles, infant cereals and seasoning. It also repacks milk, soups, and powdered beverages.

## 2.3 10 Business Principles:

| Consumers                        |                                        |                          | Human rights The environment and labour practices | Our People                               |
|----------------------------------|----------------------------------------|--------------------------|---------------------------------------------------|------------------------------------------|
| 1 Nutrition, Health and Wellness | 2 Quality assurance and product safety | 3 Consumer communication | 4 Human rights in our business activities         | 5 Leadership and personal responsibility |

| Our people                  | Suppliers and customers           |                                     | The environment                |          |
|-----------------------------|-----------------------------------|-------------------------------------|--------------------------------|----------|
| 6 Safety and health at work | 7 Supplier and customer relations | 8 Agriculture and rural development | 9 Environmental sustainability | 10 Water |

Figure 2: 10 Business Principles

## 2.4 Vision:

Nestlé Bangladesh's vision is to build Nestlé as the respected and trustworthy leading Food, Beverage, Nutrition, Health and Wellness Company in Bangladesh ensuring long term sustainable and profitable growth. The company is very much focused to ensure that the vision is implemented in every aspect.

### 2.5 Mission:

"Good Food, Good Life" – slogan of Nestlé. Good Food is the only source of good health for life. Nestlé believes that research can help them make better food, which provides optimal nutrition to meet psychological needs. Nestlé also focused on making quality food with taste.

### 2.6 Product Timeline:

Nestlé has often been called "the multinational among multinationals" which is headquartered in Vevey. Only about 1.5 per cent of its sales are created in its home country, and all but 10 of its factories are laid abroad.

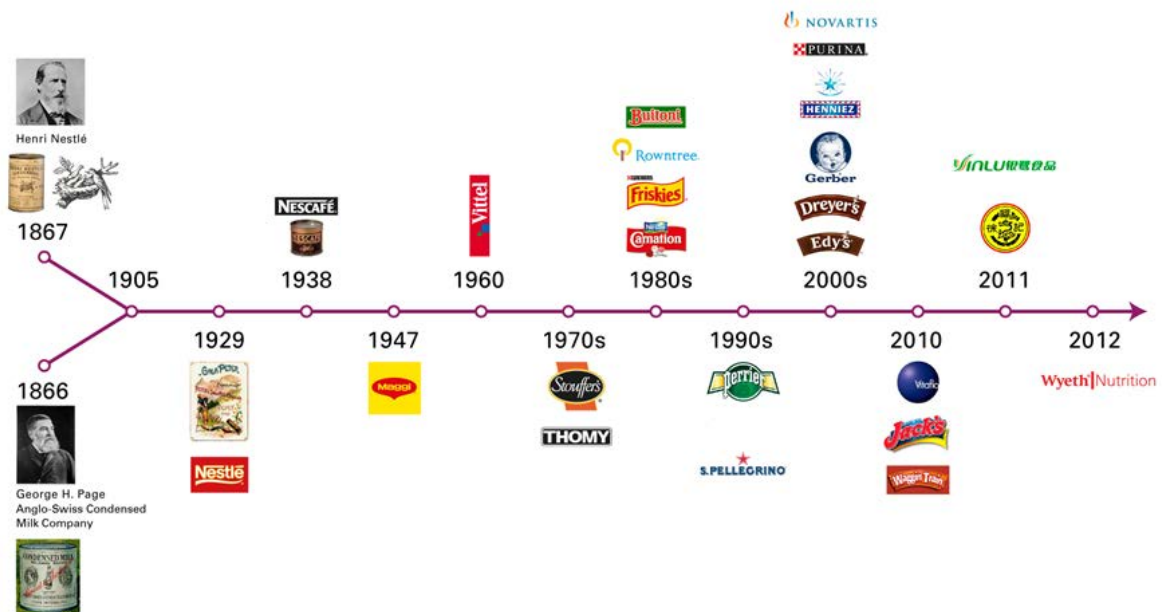


Figure 3: Nestlé Product Timeline

### 2.7 Products:

| Food & Beverage                 |                                                                    |
|---------------------------------|--------------------------------------------------------------------|
| Shelf stable dairy & creamers   | Nido, Growing up milk, Coffee-Mate                                 |
| Breakfast cereals               | Corn Flakes, Koko Krunch                                           |
| Powdered beverage               | NESTEA,                                                            |
| Soluble coffee/ NESCAFÉ systems | NESCAFÉ classic (Jar, Sachet, Pouch), vending premix, 3-in-1 mixes |
| Culinary products               | Maggi Noodles, Seasoning, soups, Sauces                            |
| Nutrition                       |                                                                    |
| Baby food                       | Cerelac, Ceremeal,                                                 |
| Infant Formula                  | Lactogen, Nan, Pre-Lactogen,                                       |
| Speciality Products             | Baby and Me                                                        |

*Table 1: Nestlé Bangladesh Limited Products*

List of Nestle Products from Nestle Bangladesh are as follows: Maggi noodles and soups; Breakfast Cereal such as Milo, Koko Krunch and Cornflakes; Nescafé; Coffee Mate; Infant Food such as NAN, Cerelac and Lactogen; Milk and Dairy Products such as NIDO. Today Nestlé Bangladesh Ltd. is a pungently positioned organization that continues to grow through its policy of constant innovation and renovation. Engaged on their Leadership Framework and their commitment to quality, the company aims to provide the finest quality products to the people of Bangladesh. The company engages over 335,000 people and has 436 factories located in 86 countries. Nestlé products are sold in 197 countries.

## 2.8 Organogram:

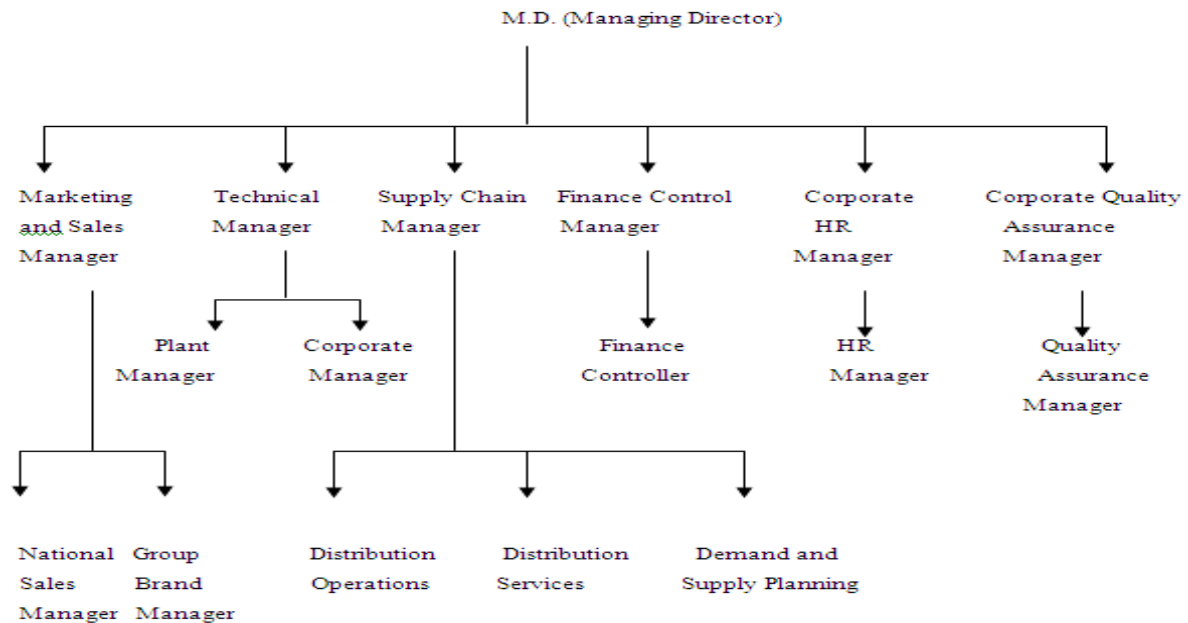


Figure 4: Company Organogram

Nestlé's General Management consists of all the Executive Vice Presidents and deputy Executive Vice Presidents. The Chief Executive Officer Paul Bulcke chairs it. Nestlé is a truly public company with over 250'000 shareholders of which around one third are Swiss. No single shareholder owns more than 3% of the stock.

As the world's top nutrition, health and wellness company, Nestlé is the worldwide leader in product categories such as soluble coffee, infant nutrition, bottled water, condensed and evaporated milk, ice cream, as well as chocolate and malt drinks, and culinary. The Group is also a co-leader in petcare.

The Company is committed to delivering shareholder value through sustainable, capital efficient and profitable long-term growth. Over the past years it has concentrated on furthering organic growth and performance improvement.

### 3.0 Job

#### 3.1 Job Description:

The nature of the job as an intern obligated the author to support the project in charge prepare thorough and edited documents, presentations in addition with engendering ideas for the various campaigns to be commenced during the internship period. As a marketing intern, my prime duty was to keep the MIS of the organization updated of my product SKUs and coordinate with the vendor Marketing agency. Besides these I worked in devising & executing projects, some of which are outlined below:

#### 3.2 Job Responsibilities:

- Updating sales information: One of the major responsibilities of my job is to keep the record of sales of Maggi in every region nationwide. I have to keep the MIS of the organization updated, which is DISHARI.COM with the sales information of MAGGI noodles, soups and seasonings. I am often asked to create a sales report whenever any sales related meeting is held
- Taking Creative Decisions: My main responsibility is to coordinate with the creative agency-Protishabda” of MAGGI, by providing creative & content brief to the key account manager & ensure timely delivery of the brand collaterals through continuous follow-up.
- Market Visits: The highest learning for me lied in the greatest teacher of them all: market. Market visits were interesting and crucial part of my job description. Keenly observing the markets, consumers’ attitude during purchase situation, positioning of MAGGI versus that of the competitors, point of sales activities, offers given out by competitors in the markets were basic works I needed to report on to my line manager.

▪ Projects:

- i. Re-launch Program: I was assigned with devising a comprehensive plan to launch the project starting from laying out the communication plan for various POSMs to conceptualizing the packaging brief to be given to the respective agencies & vendors. I would also get approval from the assigned bodies for the same & ensure timely delivery of the final output after incorporation of the recommended revisions.
- ii. BPL and Consumer Promotion TVC: I have had the opportunity to work on a high-voltage 3D TVC that was aired during BPL 2016. The assignment required me to do the storyboarding for the advertisement, working in close association with the ad agency. When aired, I also calculated the ad outcome in terms of number of views & the incremental sales impact.
- iii. Factory Branding: Nestlé Bangladesh marked my learning with the fact that they do not only serve and market the out-of-house consumers but also the in-house consumers. I was made a part of this interesting concept of factory MAGGI branding through posters that have been created by the agency and abstracted by the Communication head.
- iv. Making the Promotional Tools: The 4 months tenure of my internship led me to coordinate the making of the promotional posters, danglers, Shelf talkers, Maggi Van, Gondola for the modern trade. I had to harmonize with the creative agency on how we visualize creative and communications. They presented us with the initial design that usually goes through intensive revamping when afterwards the final designs get approval from Brand, Legal < Regulatory, Wellness, Application group, Quality Assurance, Communication departments and Manufacturing director, Managing Director. My jobs also included gathering quotations from various vendors and selecting the lowest bidding vendors and forward them to my line manager. Then I need to contact the printing vendors and give them the contract to make those. Consumer Promotion) usually requires advertisements through posters, danglers, shelf-talkers, hangers and other promotional tools.

- v. Photo-shoot choreography: This was the most interesting part of my assignment when I had to organize photo-shoots for advertisements on various media where I would collect props & choreograph the photo-shoot, working together with models, photographers, Nestlé in-house cooking team and the agency.
- vi. Press Ads: I have to coordinate the press for the press ads. There were MAGGI Shaad-E-Magic recipes, which went in different newspapers and magazines during Ramadan. I have coordinated that. Besides that we have given some press-ads about our consumer promotion.

### *3.3 Aspects of Job Performance:*

- Learning: Most significantly the understanding has divulged in me the need to always be on the threshold, to learn and develop constantly, something I perceived even among the top level managers of Nestlé, and that there is no room for 'ambiguity' or 'predicament' in a corporate world for one needs to employ his inductive thought-process to land on the best coherent option.
- Limitations at work:
  - i. Being ascribed in the Brands department narrowed my horizon of assessment of other departments such as Digital Marketing, HR, Supply Chain and Customer Development.
  - ii. The managers at Nestlé are always on the run having meetings with line managers, visits outside office and strenuous work load for which it was often difficult for me to talk to them if I required any clarification of the tasks assigned to me.

## 4.0 Critical Observation & Recommendation

### 4.1 Critical Observation:

- i. As successful as it is in the FMCG industry, Nestlé never restricts to constantly endeavor for development, be it in its R&D or marketing mix. The brand managers are always observant of every tiniest change of the other players in the market and counter accordingly.
- ii. A project in its preliminary stage is reviewed several times with the line and category managers before being undertaken for execution. A manager of one brand often consults managers of other brands of the same category as well as continuous collaboration and communication of inter-departments and hence there exists a synergetic synchronicity – all guided towards a shared goal of excelling performance.

### 4.2 Recommendations:

- i. A transitional performance assessment of the interns to inspire virtuous performance and discuss inconsistencies in the probable and actual performance.
- ii. To verify standardization, there should be a prevailing workload, to be given to all the interns.

## 5.0 MAGGI Brand Story- the most loved noodles brand in Bangladesh!

MAGGI started its journey in Bangladesh in 1997. It was the key player to establish instant noodles as an all-family favorite in the homes of Bangladeshi consumers. Today MAGGI Noodles is the most loved snack brand of the country marked by winning “The Best Snack Brand” award for the 7<sup>th</sup> consecutive year in 2016 by BRANFD FORUM.

From its inception in 1883 when the founder of MAGGI, Julius MAGGI envisioned creating good tasting, and nutritious food readily available for all, MAGGI has adhered to the philosophy of family bonding through good food moments. For more than 150 years this philosophy has been the driving force behind MAGGI, as convenience became a prime issue with consumers. MAGGI, from the house of Nestlé now boasts of a wide range of instant soups, stocks, bouillons, ketchups, sauces, seasonings and instant noodles. Currently MAGGI offers a diversified product range which is sold and distributed in 58 countries worldwide. Nestlé Bangladesh Ltd., a subsidiary of Nestlé SA Vevey, which has its own factory in Sreepur, Gazipur, manufactures a MAGGI noodle locally. MAGGI noodles is BSTI certified, conforms to international CODEX standards and is also Halal certified by the Bangladesh Islamic Foundation.

Unrivalled in taste, MAGGI noodles is fortified with Vitamin A, Iron and Iodine to make a perfectly balanced nutritious snack when combined with fresh ingredients. This is especially important in Bangladesh where there is high prevalence of micro nutrient deficiencies, mainly among women and children. Following the success of MAGGI noodles, MAGGI Healthy Soups and MAGGI Shaad-e Magic were launched and became dominant players in their respective fields.

In order to raise consumer awareness MAGGI engages in various kinds of ATL and BTL communication and activities that reinforces the strong bond of the brand with all members of the Bangladeshi family. MAGGI always celebrates the pivotal role a mother plays in her family by bring them all together over good food moments.

Always innovative and progressive, MAGGI plans to expand its product portfolio in Bangladesh. Using MAGGI's great tasting products with the goodness of fresh ingredients, all meal-providers can create delicious, balanced meals for their loved ones.

### 5.1 Category Line

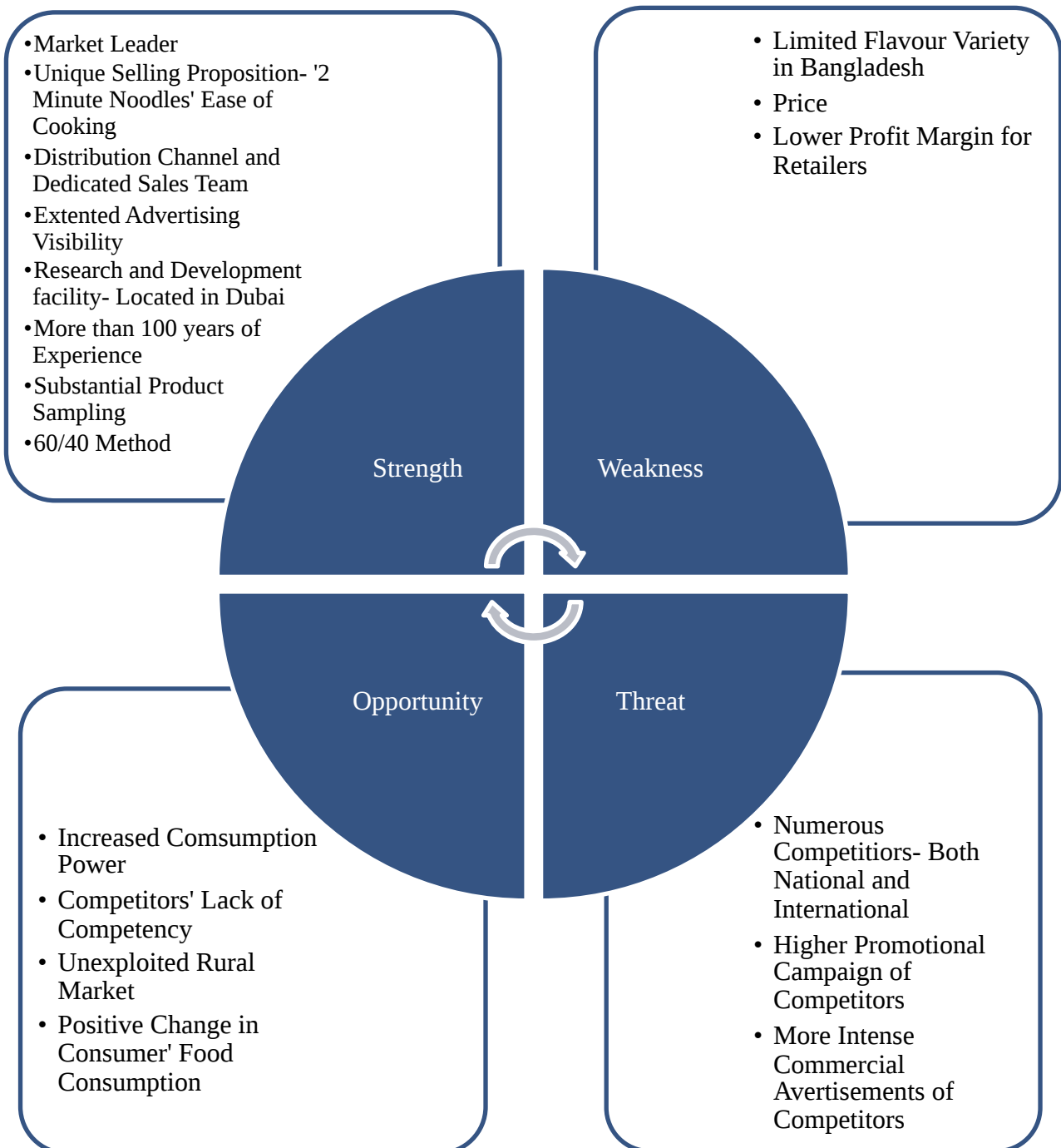
|                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                             |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <p><b>MAGGI Masala</b></p> <ul style="list-style-type: none"> <li>• Single Pack- 17 Tk/=</li> <li>• Jumbo Pack (4 pc)- 66 Tk/=</li> <li>• Sumo Pack (8 pc)-130 Tk/=</li> <li>• Double Decker (12 pc)- 195 Tk/=</li> </ul> |  <p><b>MAGGI Curry</b></p> <ul style="list-style-type: none"> <li>• Jumbo Pack (4 pc)- 66 Tk/=</li> <li>• Sumo Pack (8 pc)-130 Tk/=</li> <li>• Pouch Pack (8 pc)-130 Tk/=</li> </ul> |  <p><b>MAGGI Healthy Soup</b></p> <ul style="list-style-type: none"> <li>• Corn with Chicken Flavour- 35 Tk/=</li> <li>• Thai Flavour- 40 Tk/=</li> <li>• Vegetable Flavour-35 Tk/=</li> </ul> |  <p><b>MAGGI Seasoning</b></p> <ul style="list-style-type: none"> <li>• Shaad-E-Magic- 5 Tk/-</li> </ul> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Figure 5: MAGGI Category Line Products



Figure 6: MAGGI Noodles

## 6.0 SWOT Analysis



## 7.0 Purpose of the study

The drive of the report is to bargain out the latent evidence for studying and portraying current market scenario instant noodle and who are leading the instant noodles companies of Dhaka Market. This report further emphasis on instant noodles shoppers' expectations of various offerings from noodles companies.

## 8.0 Methodology

Most research and other published accounts depend heavily on anecdotal qualitative data (Hill, Hawkins, & Miller, 1996). Some research contains descriptive data, but very little employs rigorous statistical analyses (Callentine, 1995). The data was collected via one to one survey questionnaire to produce a sample. The first step in the research method was to code qualitative data. The questionnaire aimed at assessing the independent factors affecting consumers' buying behavior and the various factors they consider pre-purchasing period. The list of factors such as brand name, taste, quality, availability, family preference, free gift, ads/Media and traders advice. The survey also helped find the different communication ways that attract and educate the consumers regarding the latest offerings of any instant noodles brand. Hence, the tool used for data collection was a survey method to allow data collection from a broad spectrum of individuals and educational settings.

### *8.1 Sampling Unit*

This paper presents the results of a survey by questionnaire carried out in collaboration with the normal shoppers in retail store with sampling unit age groups of 10-19 years, 20-29 years, 30- 39 years, 40-49, 50-59 years inclusive working in Dhaka city, mainly the prominent areas like Gulshan, Mohakhali, Dhanmondi, Mirpur, Mohammadpur, Uttara, Nikunja and etc. The target populations for the study were the working people where the respondents represent inconclusive percentage of the total population of both employed and unemployed customers. Occupation for the sampling unit includes students, business, service holders, home-makers and others.

### *8.2 Sampling Size*

The primary data were collected via one to one questionnaire during fall of 2016 and produced a sample of 120 respondents with assorted demographic backgrounds.

### *8.3 Time Frame*

The data was collected via one to one and online survey questionnaire during the fall of 2016 to produce a sample. The time I chose for data collection was both day time during office hours when most female respondents were found to participate and at evening when most of the respondents were found to be men, to ensure that I get a diverse frame of respondents. The whole research was made keeping the company name disguised to avoid biased or inclined responses.

### *8.4 Sampling Technique*

A judgmental sampling technique was used to choose the sample for the survey. The unit mainly comprised of only 'instant noodles shoppers' who were found within our distribution channel points for the immediacy to save time and cost. Although convenient, the technique ensured that the chosen participants were enough representative of the population under study and this sampling is justified, assumed that the whole population is not known.

## **9.0 Limitations**

The research was confronted with substantial boundaries in regard to time, information, assortment of research tools and many more. Some key shortcomings of the study that could be noted includes:

- i. In case of one to one survey with questionnaire the respondents were a bit mindful as they were asked to indicate their salary range and personal life questions.
- ii. The questionnaire was manually input by the surveyor and not the respondents; therefore the many of the insights might not have been completely recorded. However, every effort was made to motivate respondents to give perceptions to reflect the whole true scenario of the consumer buying behavior and instant noodles market.

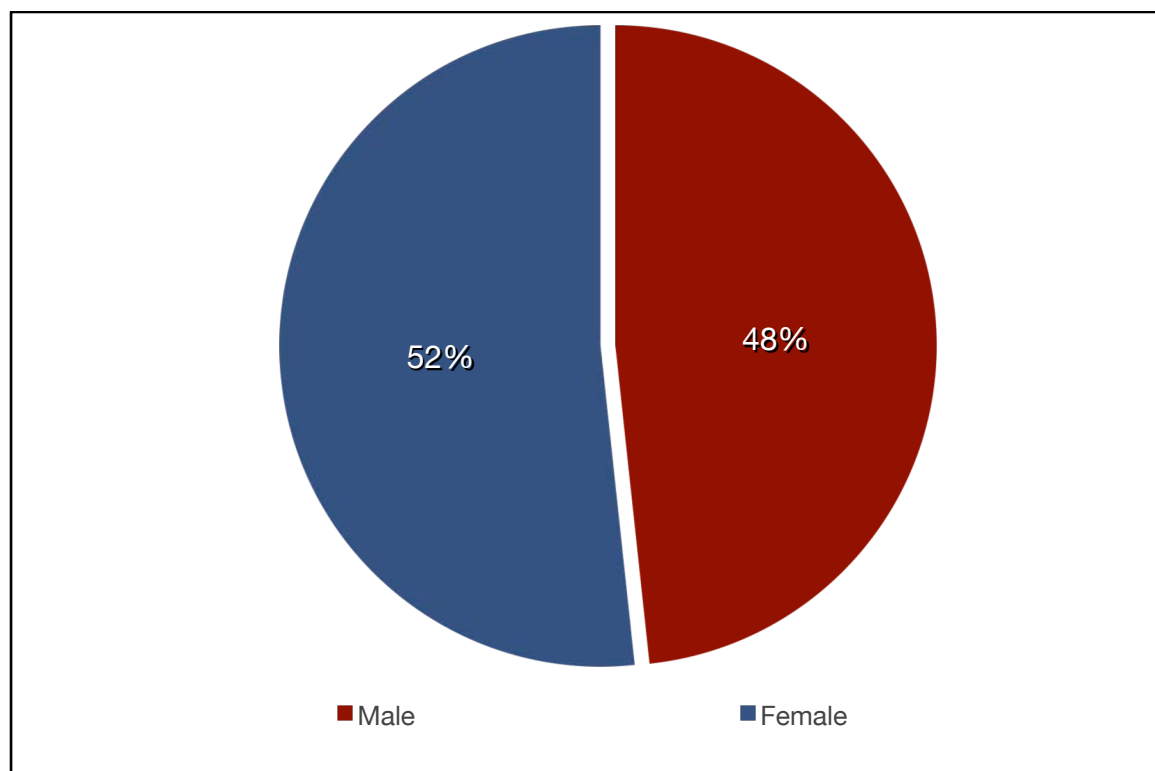
- iii. The non-probability sampling used in the research means that the findings may not represent the population of instant noodles consumers as a whole.
- iv. Due to inability to match schedules, a focus group discussion could not be conducted which might be more insightful and informative to reach any conclusion.

## 10.0 Analysis Procedure

We ran correlation and regression analysis for the statistical analysis. The analysis was devised with the aim of testing the hypotheses concerning the degree to which consumers consciously or subconsciously are motivated by the different premium gifts offered with the core product (instant noodles). For this research purpose excel charts have been prepared to demonstrate the percentage of observations. The main technical issue is how to scale the dependent variable (preference of the consumers of instant noodles). Results have been sectioned in associations with discriminant analysis that is focused here to demonstrate on the findings from the survey conducted. The important result from this series of variant analyses was that the results were the quantified through assigning measuring codes, with no substantial difference in the significance level. Thus, the analysis was not sensitive to the choice of scaling.

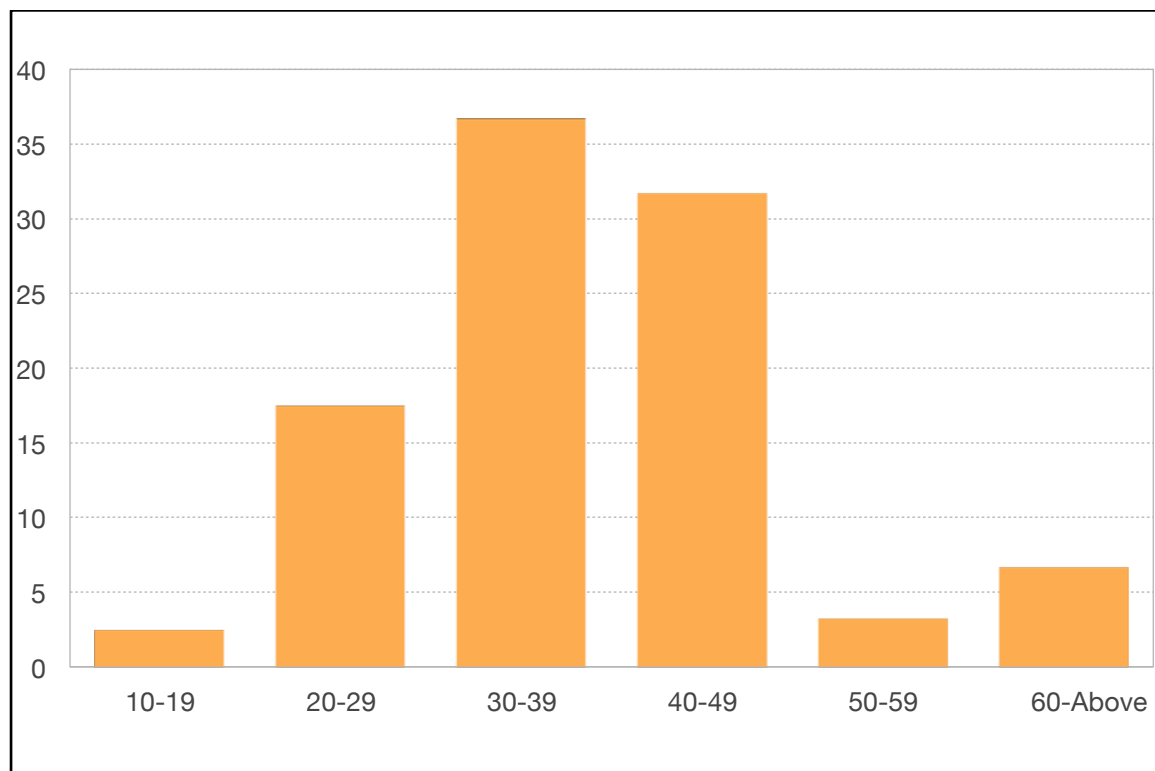
## 11.0 Findings

Quantitative results are briefly presented, including content coding of the scaling used to ascertain the influence of the chosen variables after controlling for demographic variables. A contribution of this study is the ability to corroborate qualitative findings with quantitative analyses from the same sample.



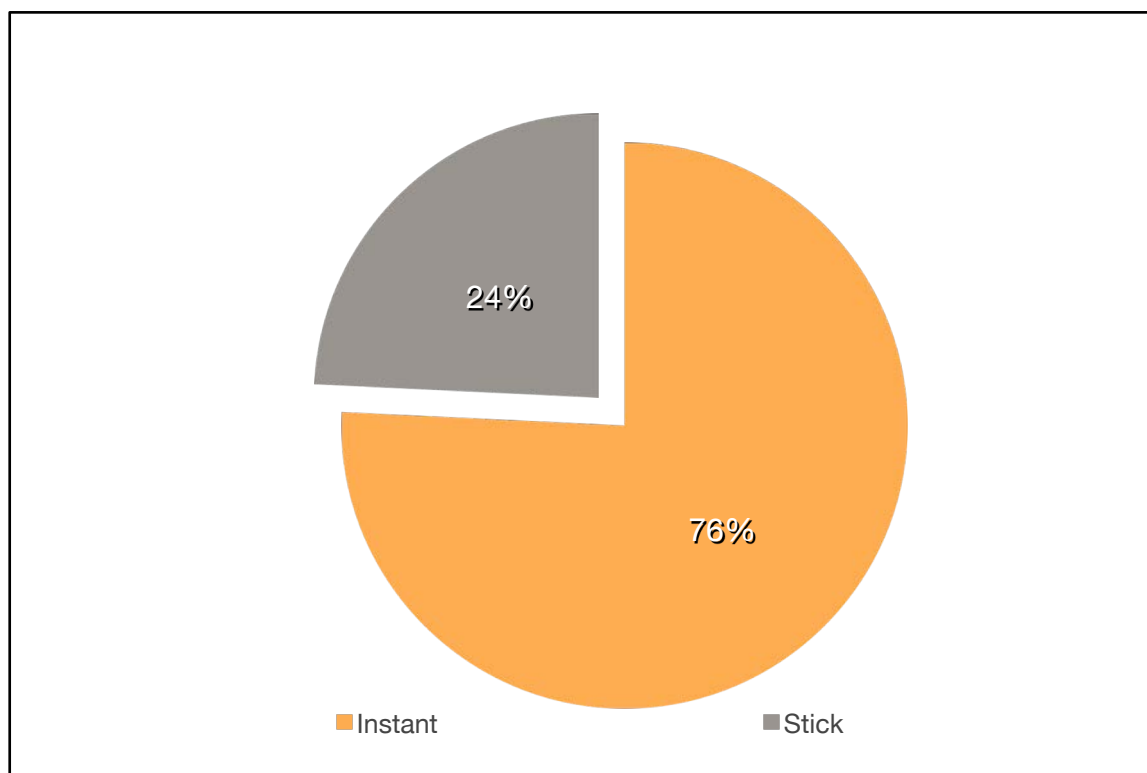
*Figure 7: Gender Proportion*

The above pie chart demonstrates the gender proportion of the survey where it is seen that mostly males buy instant noodles, therefore it can be generalized that mostly males of a family does the retail shopping. 52% male were said to be purchaser of instant noodles whereas 48% of the whole sample were female instant noodles buyer.



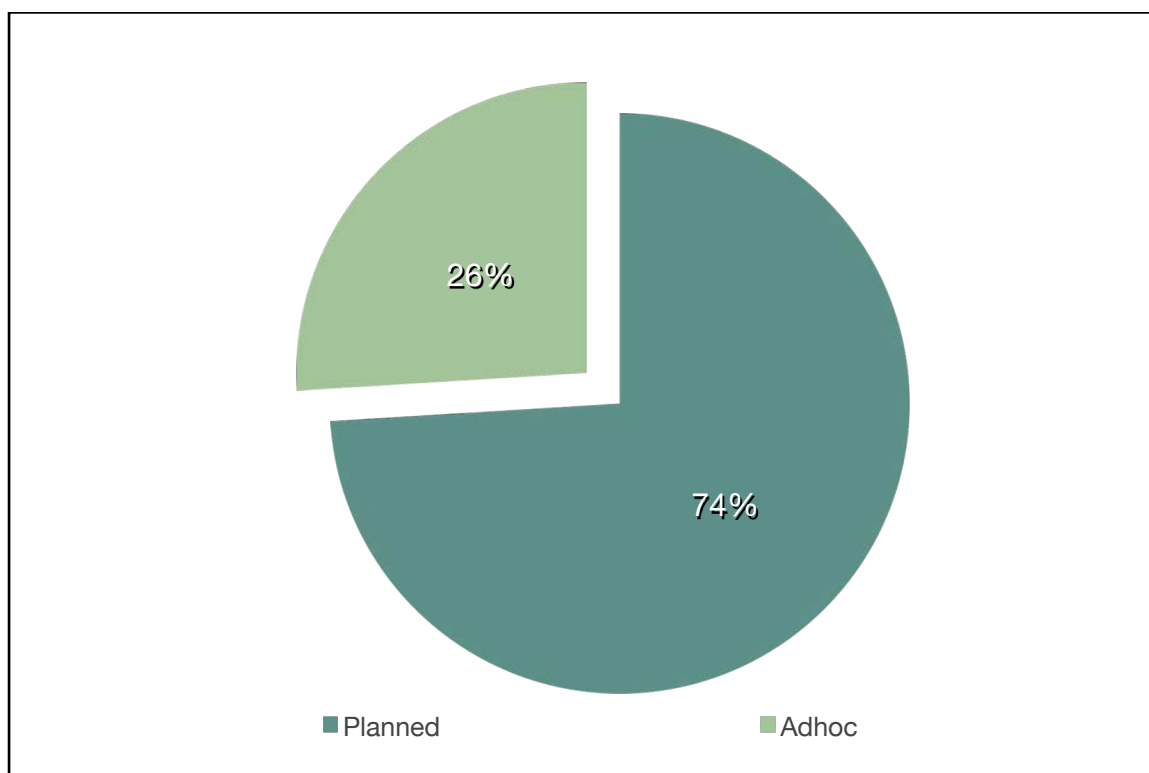
*Figure 8: Age Group*

36.7% and 31.7% of the respondents were of age group 30-39 and 40-49 respectively. This shows the customers of instant noodles are mostly mid-age. However, significant 17.5% respondents were noted to be of a much younger age group 20-29. Surprisingly, teenager of age group 10-19 years also are going to retail to buy instant noodles that they consume.



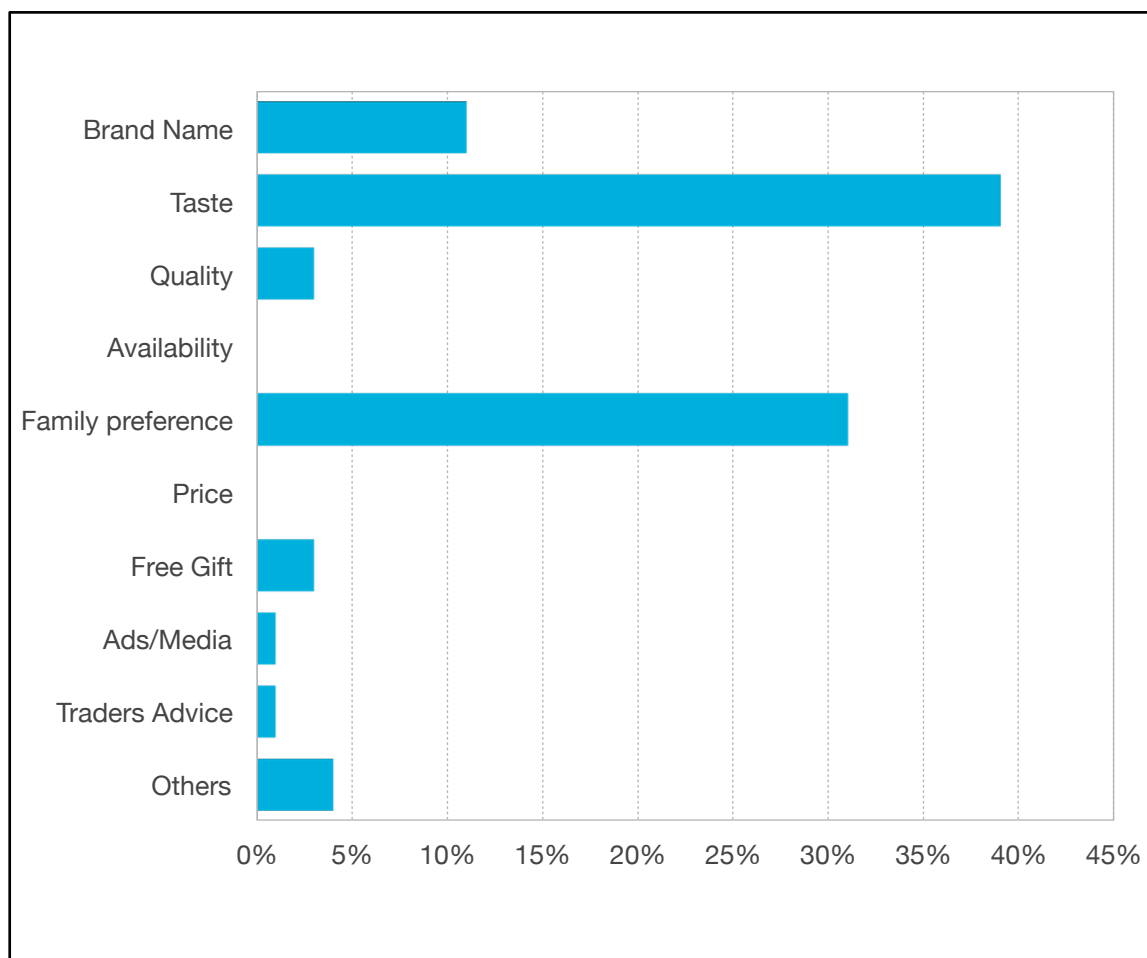
*Figure 9: Instant Noodles V/s Stick Noodles Market*

The pie chart above reveals majority of the customers, 76%, prefer instant noodles over instant noodles which goes on to depict that the larger chunk of population have embraced the new concept of easy-to-make instant noodles, meaning the market for instant noodles faces more stringent competition compared to that of stick noodles.



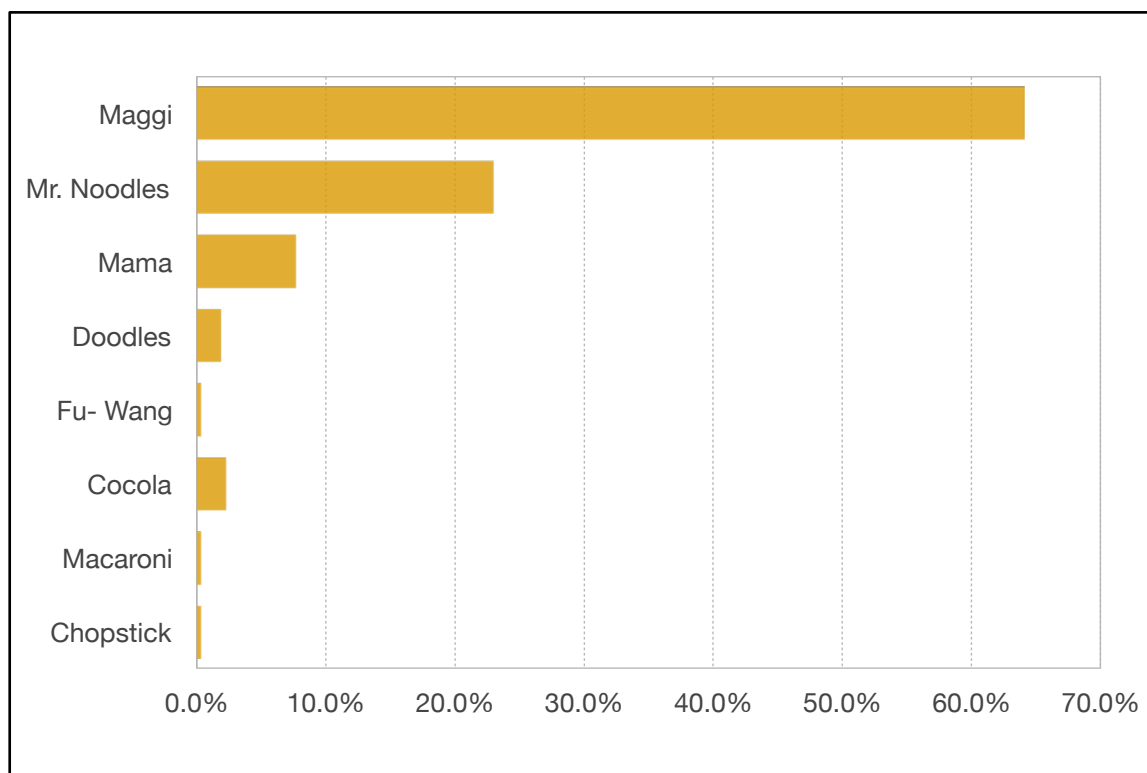
*Figure 10: How Consumers Make Purchase*

The study of the purchase decision of noodles confirms that 74% of customers pre-plans & lists down their need to buy noodles & makes a deliberate purchase choice whereas 26% tends to make the purchase decision on need basis. This revelation further provides evidence that noodles is a vital item on majority of the customer's basket so they decide of the purchase ahead.



*Figure 11: Factors Affecting Purchase*

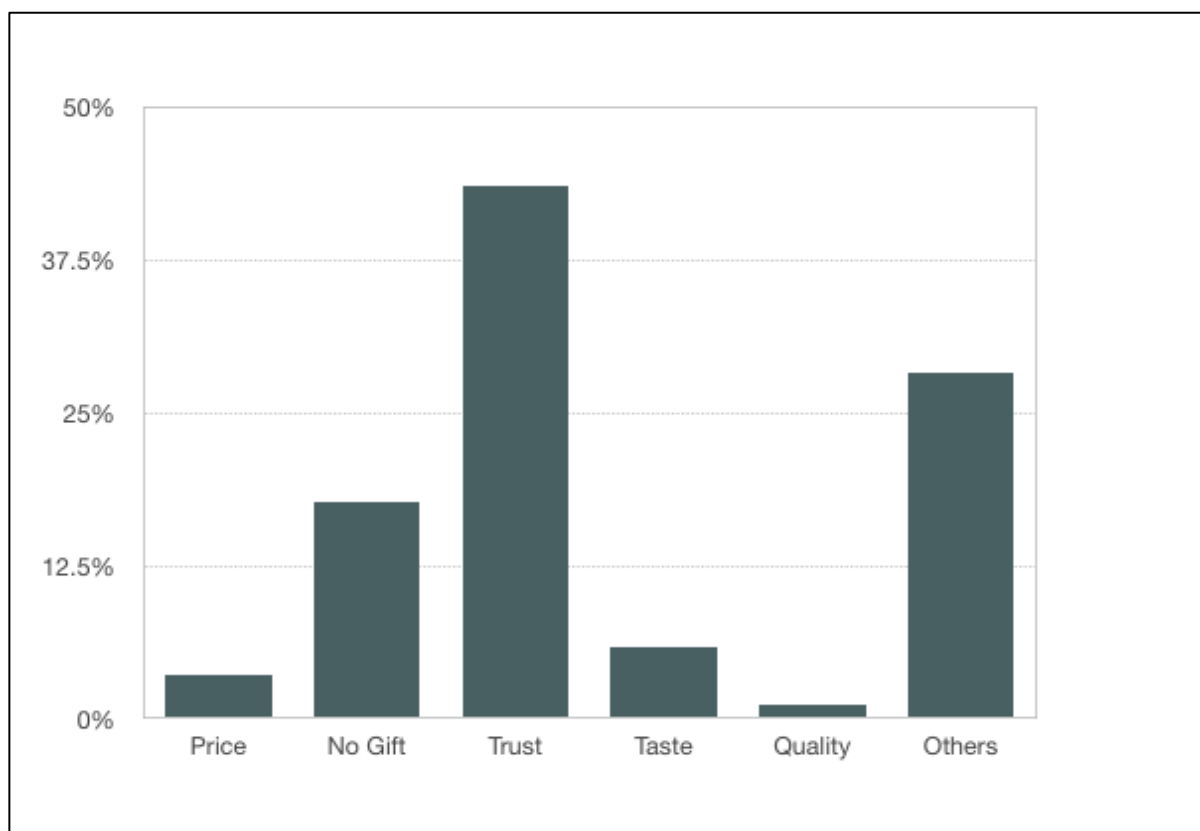
The factors that intrigue a customer to make the purchase conscious decision reveals that the single most important and crucial driver for instant noodle is the taste with 39% of the respondents vote of it followed by family preference and brand name with 31% and 11% poll respectively. Against the hypothesis of this paper concerning the degree to which consumers consciously or subconsciously are motivated by the different premium gifts offered with the core product (instant noodles), it is seen that instant noodles shoppers consciously name taste as their biggest decision drive whereas only a significant 3% have been recorded to openly agree that they do buy noodles for the free items they receive along with it. This friction of actual survey result and hypothesis maybe back up by the concept: latent meaning or hidden meaning of their purchase of a particular brand, which they are intentionally or unintentionally not revealing.



*Figure 12: Preferred Instant Noodles Brand*

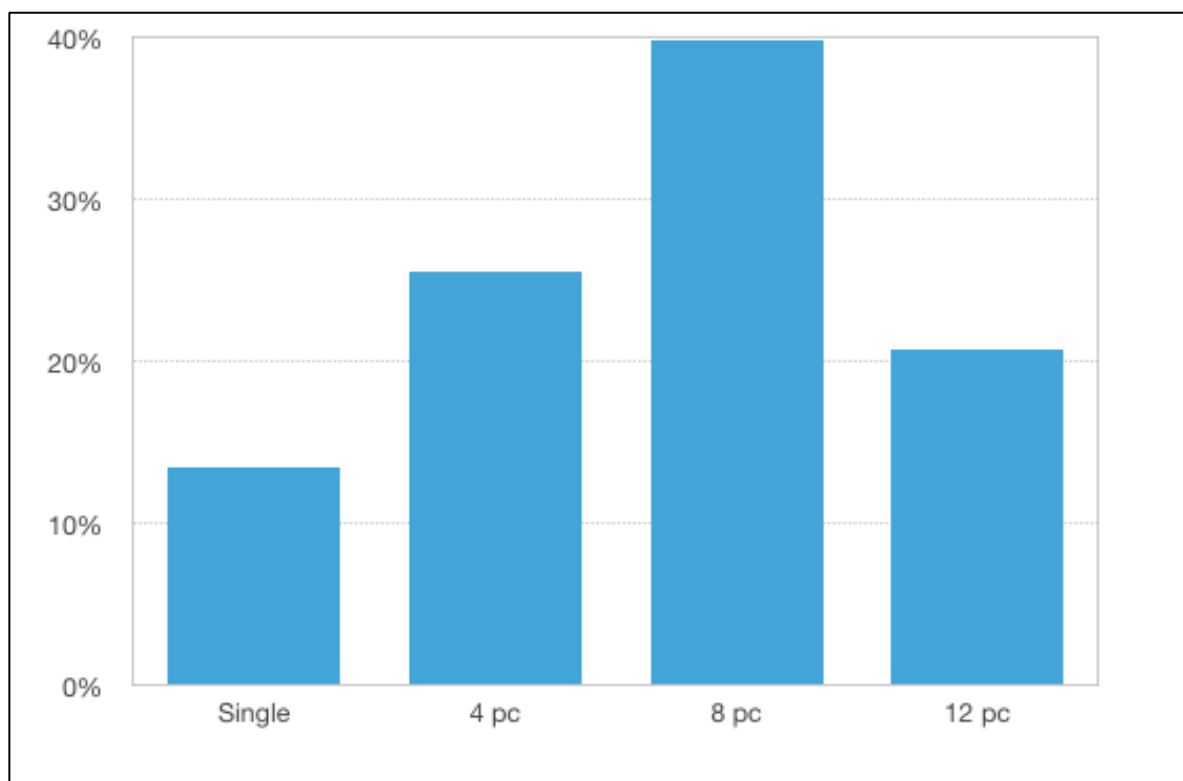
MAGGI is clearly the most preferred instant noodles brand with 64% poll of the respondents (inclusive of missing values). Pran's Mr. Noodles is also doing great in the market with 23% of the respondents voted it as their preferred brand. Mama noodle is the third preferred by 8% respondents. Mr. Noodles is the major competitor of MAGGI noodles as both of their basic consumers are children whereas Mama noodles spicy variants are most popular which are mostly targeted towards adults with inclination towards spicy and savory food. Based of the earlier graph for factors that affect purchase decision for the shoppers, we can say that MAGGI is the tastiest noodles of them all that have been families' favorites for years now.

However, Mr. Noodles offers premiums at all through the year unlike any other company. Interacting informally to many of the respondents have led them to open up about their perception of the industry in concern and allowed me to understand their subconscious though process. They have repeatedly remembered one common idea of Mr. Noodles offering free premiums and that their children often ask them to buy Mr. Noodles because they want their premiums like water bottle, tiffin box, food container and etc.



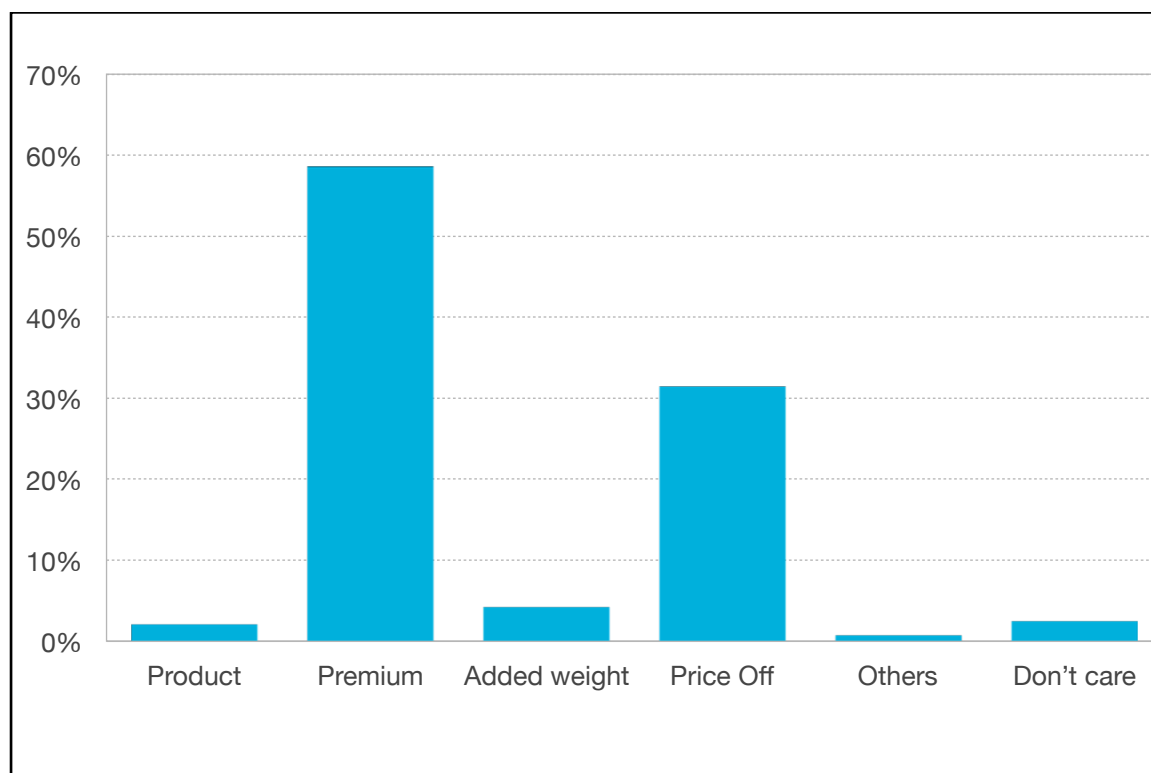
*Figure 13: Reason of Brand Switch from MAGGI*

When tactfully asked why don't they buy MAGGI to the respondents who earlier responded that they buy other brand of instant noodles, their answer were documented that reflects in the above illustrated figure. Not so surprisingly, 43.53% people actually used the term "trust" when wording their opinion. The lead incidents, therefore, did leave a strong mark on the minds of the consumers for they could not yet forget about it and suffers from trust issues. The second highest response recorded was MAGGI not offering any or less gifts. This is a crucial finding as the entire aim of this report is to focus on the fact that consumer of instant noodles are heavily inclined towards additional benefits that motivates or even discourages them to purchase a particular brand of instant noodles. 28.24% consumer said various other reasons such as availability, kids preference and etc. As this percentage of people is quite high, MAGGI needs to go deeper into the matter and find out the core reasons. 5.88% and 3.53% respondents said they the taste and price, respectively, of MAGGI does not match their expectation. Only 1.18% consumers complained about the quality of MAGGI.



*Figure 14: Preferred Size*

The above bar chart illustrates that 13.39 % of the respondents purchase single packs whereas 39.79% of them purchase 8 piece packs. 25.53% and 20.78% respondents purchase 4 pack and 12 pack respectively. Bangladeshi people tend to have a big family or joint family or they tend to purchase monthly grocery shopping at once, therefore they might be purchasing more of big packs. Another reason for more turnovers of big packs is the prices off they get for buying big packs rather than single packs. This survey result justifies the discontinuation MAGGI Curry single pack and the new launch of MAGGI Curry 8 pouch pack, which has a manual zipper system to help store the noodles for longer time.

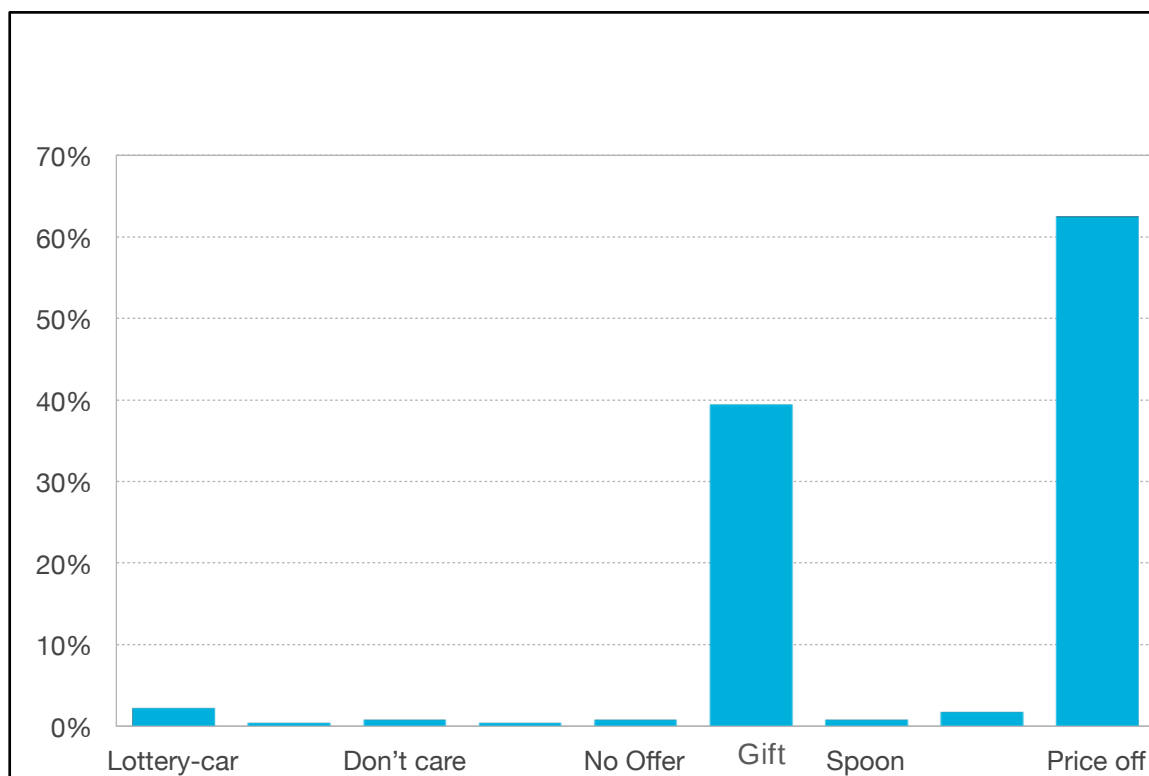


*Figure 15: Motivators*

The questionnaire had a question “**What type of offers do you like most? Give example in case of Premiums**”. Although the survey earlier stated that the most important driver for making purchase decision is taste, we here see that premiums motivate the consumers (59% of the respondents). Consumers are inconsistent with response justifying the argument that the respondents experience from latent meaning of their purchase.

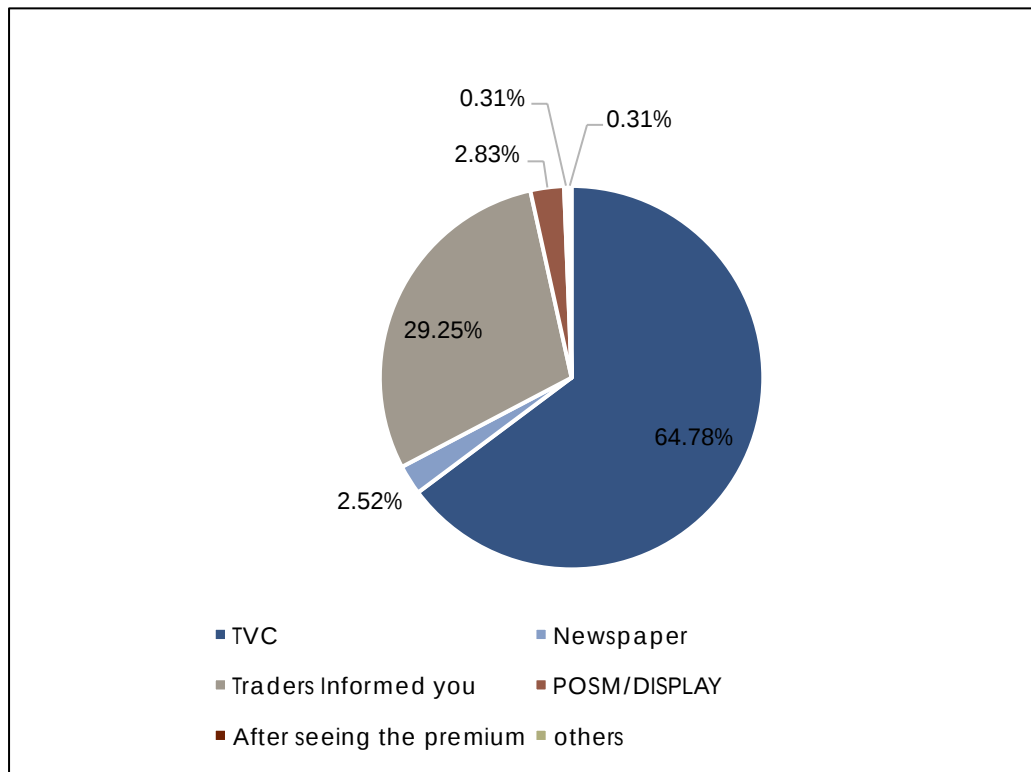
The second highest percentage of respondents, 31%, is motivated by price offs. This is why MAGGI occasionally offers bundle offer that increases their sales. As consumers get price off with 4, 8 and 12 packs, they buy them more than single packs.

4%, 2% and 1% people are also motivated by added weight, product itself and other reasons respectively.



*Figure 16: Future Premium Expectation*

An open ended question led the respondents think free about what premiums do they expect in the future from the noodles brands that may lead them to purchase the product. 62% respondents said they want more price offs. 39% of respondents are said to be expecting more gifts and free premiums offer that seem really lucrative to them as well as useful.



*Figure 17: Mode of Knowing about Offerings*

64.78% of the respondents get to learn about the offers from TVC- ads and 29.25% of the respondents get to know about offers from the Traders. Even though my outcome shows that not much people make their purchasing decision after watching the premium but I have seen plenty of shoppers seeking for the premium and than after analyzing it, they make their purchasing decision.

## 12.0 Critical Findings

What are the factors that motivate consumers to choose Maggi over its competitor's products? The report aims to analyze this question with respect to qualitative reasons such as brand name and taste preference as well as the demographic aspects that influence consumer choice and decision-making.

| Correlation               | Brand Name | Taste  | Family Choice | Instant Noodles | Female  |
|---------------------------|------------|--------|---------------|-----------------|---------|
| <i>Coefficient</i>        | 0.2544     | 0.2276 | 0.3570        | 0.5019          | -0.1068 |
| <i>Significance Level</i> | 0.0000     | 0.0000 | 0.0000        | 0.0000          | 0.0572  |

*Table 2: Pairwise Correlation Coefficients*

Results find a significantly positive correlation between the people who value Brand Name, Taste and Family Choice with the people who choose to buy MAGGI over its competitors' products. This implies that, keeping other factors constant; an increasing trend on the importance of Brand Name will lead to higher number of people opting for MAGGI products. Another interesting trend we see is that females are statistically less likely to be loyal to Maggi products compared to male buyers. This could be interpreted in two distinct pathways. One possible explanation could be that female buyers are more promotion sensitive than male buyers, causing them to choose other brands, which might be running a more attractive promotional campaign. Another explanation could be risk aversive characteristic of female buyers. Due to recent issues being raised on the possible detrimental health impacts of MAGGI products, this might have averted female buyers to choose other competing brands.

Regression Results: Multiple linear regressions was run with the “Chooses to Buy Maggi” as our main dependent variable. This gets a value of 1 when an individual chooses Maggi over other competitor’s products, and 0 otherwise. Our main independent variables that we hypothesis explains an individual’s choice to buy Maggi products are: Gender, Profession, Size preference, Brand Name, Taste preference and Family Choice.

Regression results are tabulated below:

| Chooses to Buy Maggi                      | Coefficient              |
|-------------------------------------------|--------------------------|
| <i>Female</i>                             | -.5815872<br>(0.196)     |
| <i>Profession: Household</i>              | -9.249943 ***<br>(0.000) |
| <i>Profession: Private</i>                | -9.708116 ***<br>(0.000) |
| <i>Profession: Public</i>                 | -9.366807 ***<br>(0.000) |
| <i>Profession: Business</i>               | -10.15415 ***<br>(0.000) |
| <i>Profession: Student</i>                | -9.117167 ***<br>(0.000) |
| <i>Purchase Decision: Planned</i>         | .3553595<br>(0.246)      |
| <i>Size preference: Single Piece Pack</i> | .6671303 ***             |

|                                        |                         |
|----------------------------------------|-------------------------|
|                                        | (0.019)                 |
| <i>Size preference: 4 piece</i>        | .0894507<br>(0.612)     |
| <i>Size preference: 8 piece</i>        | .2408799<br>(0.275)     |
| <i>Size preference: 12 piece</i>       | .0128848<br>(0.936)     |
| <i>Reason to Choose: Brand Name</i>    | 4.244269 ***<br>(0.000) |
| <i>Reason to Choose: Taste</i>         | 2.270166 ***<br>(0.000) |
| <i>Reason to Choose: Family Choice</i> | 3.908709 ***<br>(0.000) |
| <i>Constant</i>                        | 7.039599<br>(0.000)     |

*Table 3: Regression Analysis*

*Note: The significance levels are denoted by the following indicators: Significant at 1% - \*\*\*; Significant at 5% - \*\*; Significant at 10% - \**

Our regression results further strengthens the previous hypothesis that female buyers tend to be less loyal to MAGGI products compared to male buyers. Female-oriented marketing strategies such as trust building campaigns as well as more attractive promotional gift items could be initiated to overcome this issue.

Another significant deduction that we can make from the above regression table is the dominance of MAGGI's single piece pack market. When an individual prefers to buy single piece pack, there is an increasing 0.667% likelihood of him/her to choose MAGGI over its competitors.

Furthermore, an individual who values brand name as the determinant of product choice, there is 4.24% higher likelihood of choosing to buy MAGGI. This implies that the brand name of Maggi is solid and highly valued in consumer's perception and is a driving force in buying decisions. Similarly, taste preference of consumers result in 2.27% higher likelihood of being loyal to MAGGI products and family choice leads to 3.91% positive chance of buying MAGGI.

Our statistical analysis allows us to infer that the three main determinants of the brand loyalty of MAGGI results from brand name, taste preference and family choice.

### 13.0 Conclusion

From the analysis done above, it can be deduced that instant noodles market is a huge market for business and holds more potential than stick noodles market. Consumers in today's generation are much more knowledgeable and aware of concerning issues like health, safety, fraudulence, misdoing of big companies and etc. They make more informed decisions which means companies have to pull up their socks and learn further about consumers and know more about them than they do of them. Statistically instant noodles consumers are found to be male, however, this result can be said biased because many female shoppers declined to participate in the survey due to personal or safety issues. Therefore, it will be wrong to say that targeting female members of the family in the communications and advertisements is inappropriate. The result deduce that the most effective communication method the consumer learn about any offerings any new activities of a brand if through television commercials. MAGGI team has been constantly spending budget for their TVC communication concepts and storyboards. MAGGI has also won the Silver for the 1<sup>st</sup> time in the country's most prestigious communication summit, COMMWARD, on September 2016 for its 'Trust Building TVC- Real Mom'. People consciously prefer brands that are superior in taste and brand name although latently they are significantly motivated by free gifts and price offs. During my internship tenure, I have worked for September consumer premium offer that offered water bottle, food container and tiffin box, which had visibly boosted the sales of MAGGI noodles and soups. MAGGI has also taken steps for discontinuing its non profit SKUs like Curry single pack. These survey shows to the extend MAGGI team and brand has walked hand in hand with the consumer it serves and the people who serves them.

## 14.0 Reference

- Nestle Intranet
- <http://www.nestle.com/>
- CallentineLU.(1995).*Theecologyofthemobileworkplace:Influenceofhouseholdcompositionand home workspace on satisfaction, stress, and effectiveness*. Unpublished master's thesis, Cornell University, Ithaca, NY.

## 15.0 Appendix

**Shopper's Survey**

**Distribution point :**

**Market :**

**Route :**

**Age group**

|       |  |
|-------|--|
| 10-19 |  |
| 20-29 |  |
| 30-49 |  |
| 50-59 |  |

**Gender**

|        |  |
|--------|--|
| Male   |  |
| Female |  |

**Channel Name:**

|         |       |
|---------|-------|
| Counter | Small |
|---------|-------|

**Location :**

|         |             |
|---------|-------------|
| Cluster | Residential |
|---------|-------------|

**Profession**

|            |  |
|------------|--|
| Household  |  |
| Private    |  |
| Government |  |
| others     |  |

**Q. Do you purchase Noodles?**

YES NO

**Q. What type of Noodles do you usually buy?**

Instant Stick

**Q. If yes then which BRAND do you prefer/ buy? Write down top 3 brands.**

Ans 1st  
2nd  
3rd

**Q. Which sizes do you purchase mostly?**

Ans 1st  
2nd  
3rd

**Q. Do you recall any consumer promotional activities shared at different medium?**

Ans

|     |      |
|-----|------|
| YES | E.g. |
| NO  |      |

**Q. If No then what drives you to purchase Noodles?**

|                            |            |          |                |         |      |            |
|----------------------------|------------|----------|----------------|---------|------|------------|
| Family member's preference | Brand name | Freebies | Traders Advice | Display | POSM | Don't care |
|----------------------------|------------|----------|----------------|---------|------|------------|

**Q. Do you like the free offers/premiums given by different Noodles brand?**

Ans

|     |  |
|-----|--|
| YES |  |
| NO  |  |

**Q. What type of offers you like most? With example.**

|    |              |         |
|----|--------------|---------|
| 1. | Freebies     | Product |
|    |              | Premium |
| 2. | Added Weight |         |
| 3. | Price off    |         |
| 4. | Others       |         |

**Q. What sort of premiums do you want in future?**

Ans