

A STUDY OF CUSTOMER PREFERENCE AND SATISFACTION LEVEL TOWARDS THE EXPECTATIONS WHICH SPECIAL IS REFERENCE TO NESTLE PRODUCTS

Submitted in partial fulfilment of the requirement for the award of

Bachelor of commerce

by

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SCHOOL OF MANAGEMENT STUDIES**

SATHYABAMA

**INSTITUTE OF SCIENCE AND TECHNOLOGY
(DEEMED TO BE UNIVERSITY)**

Accredited with Grade “A” by NAAC

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BONAFIDE CERTIFICATE

This is to certify that this Project Report is the bonafide work of **VISHNUPRIYA .B.K (39740262)** who has done the Project work entitled **A STUDY ON CUSTOMER PREFERENCE AND SATISFACTION LEVEL TOWARDS THE EXPECTATION WHICH IS SPECIAL REFERENCE TO NESTLE PRODUCT** under my supervision from December 2021 to February 2022.

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DECLARATION

I **VISHNUPRIYA B.K(39740262)**. hereby declare that the Project Report entitled **“A STUDY OF CUSTOMER PREFERENCE AND SATISFACTION LEVEL TOWARDS THE EXPECTATIONS WHICH SPECIAL REFERENCE TO NESTLE PRODUCTS”**. done by me under the guidance of Dr. Princy. A.S, is submitted in partial fulfilment of the requirements for the award of Bachelor of Commerce.

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ABSTRACT

Maggi, a well reputed brand, is known to all. Even a small child can easily pronounce its name at a shop to buy it. It has become the favourite snack of most of the population of India. Maggi is the great contributor to the revenue of Nestle India Ltd., a subsidiary of a Swiss company. Maggi gained publicity because of its taste. If we recall Maggi is in popularity but because of different reasons, it is bringing negative publicity to the product because of presence of monosodium glutamate (MSG) and excessive limit of lead in its products as per the guide line of FSSAI (Food Safety Standards Authority of India). This has shattered the trust of the consumers completely. As a result of this Maggi was banned In India for five months which has resulted to a huge loss of Maggi in India. The brand value has drop down and as a result of Nestle Maggi noodle also drop down. The assessment shows the damage done by it to Nestle and how again Nestle has announced a relaunch of Maggi.

CHAPTER 1

INTRODUCTION

1.1 INTRODUCTION:

Nestle India Limited (NIL) introduced the Maggi brand to Indian consumers when it launched Maggi “2mins noodles”, an instant food product in 1982. At that time, Indian consumers were rather conservative in their food habits, preferring to eat traditional Indian dishes rather than canned or packaged food. In fact, NIL was trying to create an entirely new food category instant noodles in India. Initially, the company targeted working women on the premise that Maggi noodles were fast to cook and hence offered convenience. However, this approach failed as was evident from the fact that the sales of Maggi noodles were not picking up despite heavy media advertising. To get to the root of the problem, NIL conducted A research which revealed that it was children who liked the taste of Maggi noodles and who were the largest consumers of the product. After this, NIL shifted its focus from working women and targeted children and their mothers through its marketing. NIL's promotions positioned the noodles as a 'convenience product', for mothers and as a 'fun' product for children. The noodles' tagline, “Fast to Cook Good to Eat” was also in keeping with this positioning. NIL aggressively promoted Maggi noodles through several schemes like distributing free samples, giving gifts on the return of empty packs, etc. NIL's advertising too played a great role in communicating the benefits of the product to target consumers.



INDUSTRY PROFILE

1.2 INDUSTRY PROFILE:



Nestlé is the world's largest food and beverage company. We have more than 2000 brands ranging from global icons to local favourites, and we are present in 191 countries around the world. Nestlé S.A. is a Swiss multinational food and drink processing conglomerate corporation headquartered in Vevey, Vaud, Switzerland. It is the largest food company in the world, measured by revenue and other metrics, since 2014.

The Indian noodles market (instant noodles) is estimated at INR 1,300 to 1,600 crores (USD 300 – USD 350mn) in 2010. According to estimates, the market is expected to reach INR 3,000 -3,500 crore by 2015 clocking a CAGR of 20%. The market is dominated by instant noodles and Nestle's brand – Maggi (which was the first noodle brand to be introduced in India in the mid 1980s). Nestle has virtually dominated the Indian noodle market till now but lately many large FMCG players and retail chains have launched their product in this lucrative space. Urbanization, rising income levels, working couples, interstate migration and changing lifestyle of young India are key drivers for the noodles market. The product was positioned as a meal which is filling and can be prepared in just a few minutes, thus offering both convenience and time saving.

1.3 NEED FOR THE STUDY

The term consumer behaviour refers to the behaviour that consumers display in searching for purchasing, using, evaluating and disposing of products and services that they expect, will satisfy their needs. Consumers are highly complex individuals subject to a variety of psychological and sociological needs apart from their survival needs. Needs and priorities of different consumer segments differ drastically. In this competitive era, a large number of noodle brands are available to consumers and the study examines how they prefer to buy from the quantum.

1.4 SCOPE OF THE STUDY

- This study will be helpful for the retailers to know their customers preference.
- It will be helpful for the retailers to identify the needs of the customers thereby gaining more customers.
- This study will be useful for other students who are doing research in the related area.
- The study will throw light on the various factors influencing the brand preference.
- It also helps to know about the retailers' opinion with regard to the particular product taken for the study.

1.5 OBJECTIVE OF THE STUDY

- To study the brand preference of nestle Maggi noodles by consumers.
- To evaluate the quality of nestle Maggi noodles availed by to analyse the media influences in consumption.
- To evaluate the effect of the pricing policy in customer satisfaction.
- To identify the reasons for purchasing various brands by consumers.

PRIMARY OBJECTIVE

The objective of this study was to determine the customer preference and satisfaction level to words the expectation on the effectiveness of customer relationship management practice in nestle products.

SECONDARY OBJECTIVE

- To study customer relationship management among Nestle companies.
- To know about how conflict managed and remedial measures incorporated.
- To understand the transparency in communication among customers.
- To provide suggestions and recommendations for the customer relationship practices.

CHAPTER 2

REVIEW OF LITERATURE

The Brand Maggi is strongly established as a Family Brand with crisp brand equity in the Indian Market. The brand has always been known to have the first mover's advantage in the portfolios like noodles, ketchups, soup, sauce, etc. The parent brand Nestle has been the strong symbol of family, shelter and warmth which brand Maggi has innovatively capitalised. A nation-wide controversy flare up by the end of December regarding the safety of Nestle's Maggi Instant Noodles with Tastemaker after a presence of impermissible level of lead was detected in the product pursuant to the sampling and testing of Maggi by the Commissioner of Food Safety, Uttar Pradesh. In Keeping with the development, the FSSAI advised the Commissioners of Food Safety in various states to draw samples of Maggi and get the same tested from authorized laboratories which resulted in 14 Indian States banning the sale of Maggi.

The company is saying that the product is safe for consumption and FSSAI is saying the product is dangerous for consumption. Both have been defending one's own side. These have created a dilemma among the consumers whether Maggi should be consumed or not but, this row has impacted a lot in India and also will impact in future also, till the final outcome will come. This is all about what began as a minor labelling dispute that according to local magistrate could have been settled with an INR 25000 fine, spiralled into Nestle's worst public relations crisis to date in India.

"Nestle India's result for the second quarter does not reflect the real picture, as adjustments are based on mainly assumptions, and other expenses seem to be inflated," said Sunita Sachdev, an analyst with UBS Securities India Pvt Ltd. "The Maggi issue will have a recur-ring impact, and the next quarter is expected to give a better picture of where Nestle is heading. Also, there is no clarity on when Nestle will be able to bring back Maggi that accounted for about 30% of its sales.

"In a 15 June statement to the BSE, Nestle India had said that the recall and destruction of Maggi noodles will cost the company about Rs.320 crore.

With the Maggi ban hitting sales of company's other products as well, Nestle India's new chief Suresh Narayanan today said bringing the instant noodles brand back to the market is his top priority as he sought to strike a conciliatory note with authorities. The company has also identified other categories and is looking at opportunities of introducing new products to overcome the challenge that has resulted in the company recording its first quarterly loss in over three decades.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 RESEARCH METHODOLOGY

“To collect the information, marketing research is taken into consideration. Marketing research has been defined as 'The Systematic gathering and services from producer to the consumer”.

3.2 DATA SOURCES:

There are two sources of collection data

- 1)Primary sources
- 2)Secondary source

In the survey being conducted both primary and secondary sources of data has been in collection of relevant information.

Primary and Secondary Sources:

Researchers need to consider the sources on which to base and confirm their research and findings. They have a choice between primary data and secondary sources and the use of both, which is termed triangulation, or dual methodology.

Primary data is the data collected by the researcher themselves

- interview
- observation
- case studies
- life histories
- questionnaires
- ethnographic research
- longitudinal studies

Secondary sources are data that already exists

- Previous research
- Official statistics
- Mass media products
- Diaries
- Letters

3.3 TYPE OF RESEARCH:

DESCRIPTIVE RESEARCH:

Descriptive research has been used, it involves survey and fact finding enquiries of different kinds, the purpose of descriptive research is the descriptive of state of affairs, as it exists at present.

PROJECT PLANNING:

Project planning is the first step in actually conducting & directing a research Project. It is one of the most important tasks of researcher. This includes formulation of the researcher objectives & goals and determining ways of achieving them.

3.4 DATA COLLECTION:

Data collection is one of the most important aspects of research. The information research methodology must be accurate and relevant, The data collection method can be classified into two methods.

PRIMARY DATA:

Questionnaire method have been used as a tool for a data collection in this research.

SECONDARY DATA:

Secondary data means data that are already available i.e., they refer to data which has already been collected and analyzed by someone else. The secondary data for the study was collected google scholar website and magazines.

3.5 QUESTIONNAIRE PREPARATION:

The basic requisite of any research study is the appropriate data which can be collected with the help of a schedule or questionnaire. With the help of questionnaire it is easy to determine the involvement level of so many

employees in the organization.

PIOLET SURVEY:

Before collecting the relevant data to test the hypothesis, it is essential to ascertain the applicability of the instrument to the population being studies. Hence, a pilot study was undertaken with an objective to evaluate the tools prepared for the study and to find whether they are providing the information required.

3.7 SAMPLE SIZE:

The sample size for this survey is 90.

3.8 PERIOD OF STUDY

The period of study is from December 2022 to march 2022with is four month of study.

3.9 PERCENTAGE ANALYSIS

Research questions are always answered with a descriptive statistic: generally, either percentage or mean. Percentage is appropriate when it is important to know how many of the participants gave a particular answer. Generally, percentage is reported when the responses have discrete categories.

3.10 Hypothesis

- There is no significant relationship between the impact of media and purchase decision.
- There is no significant relationship between influencers and purchase decision.
- There is no relationship between preference for more new varieties and purchase decision. There is no significant relationship between quality of noodles and purchase decision.

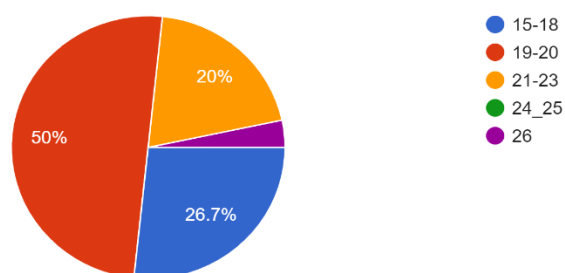
CHAPTER-4

DATA ANALYSIS AND INTERPRETATION

The following consist of the data analysis and interpretation of my questionnaire
Survey analysis of the data

TABLE 4.1 Age of respondents

AGE	PERCENTAGE
15-18	26.7
19-20	50
21-23	20
24-26	1

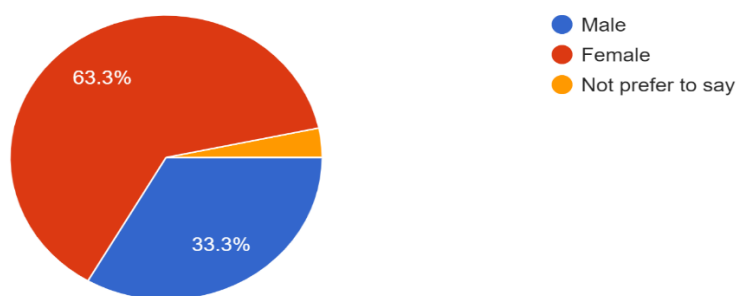


Interpretation

In a pie chart we can observe 50 % of respondent are be age of 19-20, 26.7 % of respondent between age of 15-18, 20% of respondent are between age of 21-23 are in the research.

TABLE 4.2 Gender of respondents

Gender	Percentage
Male	63.3
Female	33.3

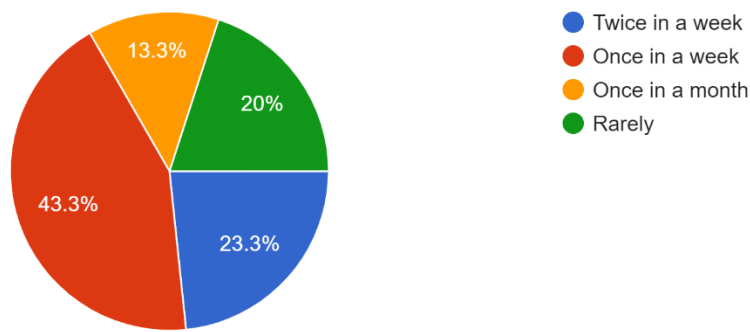


Interpretation

From the pie chart 63.3 % are female respondents and 33.3 % are male respondents.

TABLE 4.3 Consume Maggi

Consume Maggi	Percentage
Twice in a week	23.3
Once in week	43.3
Once in month	13.3
Rarely	20

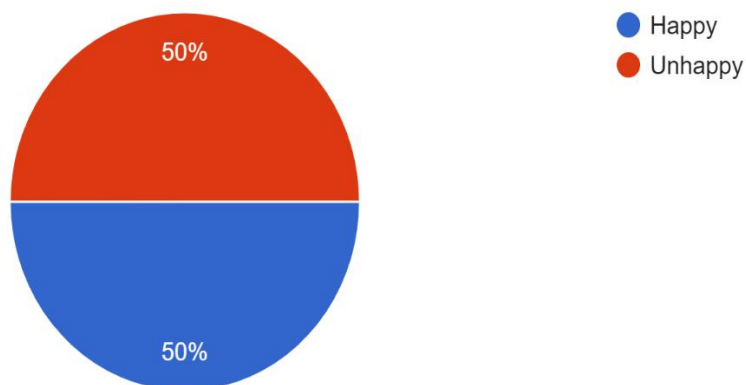


Interpretation

In a pie chart we can observe 43.3% people consume once in a week, 23.3 % people consume Maggi twice in a week, 13.3 % people consume once in a month, and 20 % of people consume rarely

TABLE 4.4 How they felt when Maggi was banned recently

Maggi banned	Percentage
Happy	50
Unhappy	50

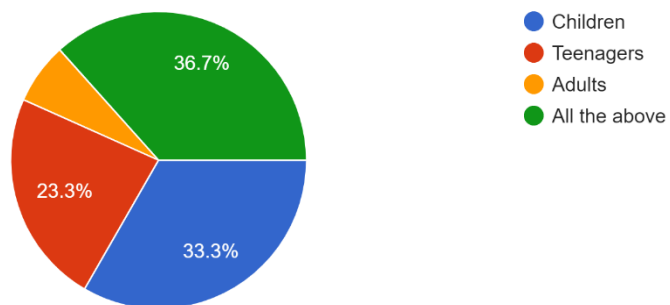


Interpretation

In the pie chart 50% are happy and 50% are unhappy.

TABLE 4.5 Maggi noodles is mostly preferred by

Mostly preferred by	Percentage
Children	33.3
Teenagers	23.3
Adults	
All the above	36.7

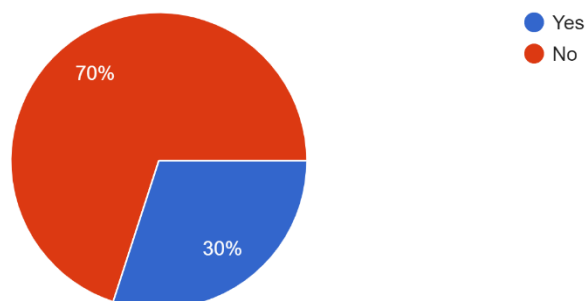


Interpretation

In a pie chart we can observe that 36.7 % are all the above, 33.3 % are children, 22.3 % are teenagers.

TABLE 4.6 Would you prefer Maggi noodles for children

Maggie for children	Percentage
Yes	30
No	70

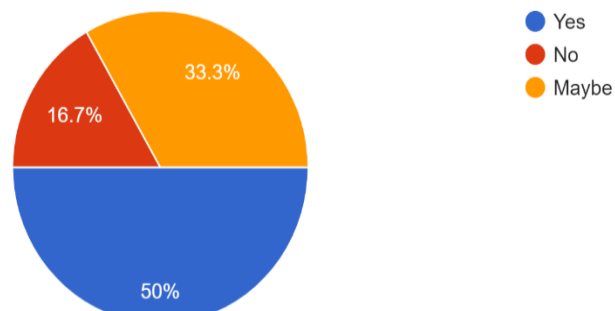


Interpretation

In a pie chart we can observe 70% are not prefer Maggi for children, 30% are prefer Maggie for children

TABLE 4.7 Are you aware of the Maggi

Aware of the Maggi	Percentage
Yes	50
No	16.7
May be	33.3

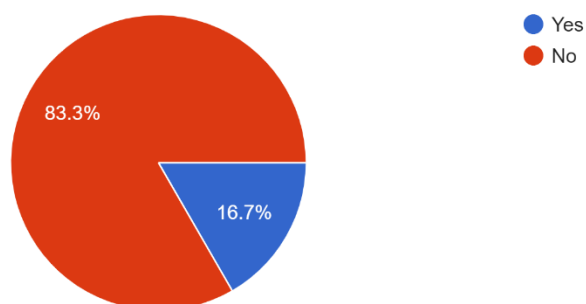


Interpretation

In a pie chart we can observe that 50% are aware of the Maggi, 16.7% are not aware of the Maggi, 33.3% of people may be aware of the Maggi.

TABLE 4.8 Do you think Maggi is a healthy product

Maggi is a healthy product	Percentage
Yes	16.7
No	83.3

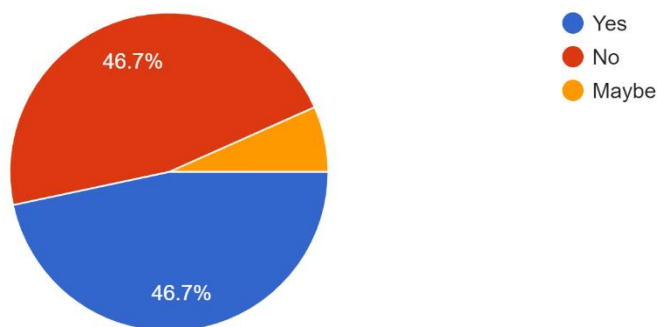


Interpretation

In a pie chart we can observe 83.3 % said Maggi is not a healthy product, 16.7 % said that Maggi is a healthy product

TABLE 4.9 Consume Maggi noodles after the ban

Consume Maggi after the ban	Percentage
Yes	46.7
No	46.7
May be	

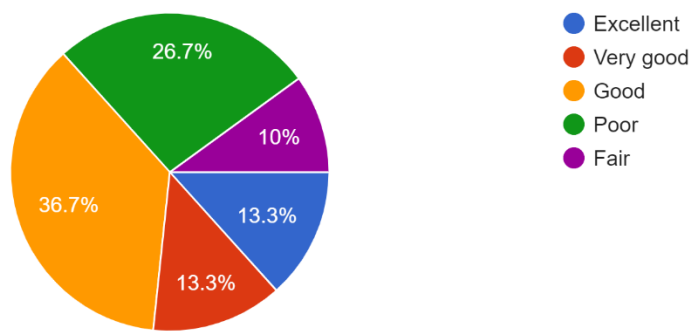


Interpretation

In pie chart we can observe that 46.7 % they will not consume the Maggi after the ban, 46.7 % of the people will consume the after the ban.

TABLE 4.10 How will you rate Maggi noodles on health safety

Rate Maggie	Percentage
Excellent	13.3
Very good	13.3
Good	36.7
Poor	26.7



Interpretation

In a pie chart we can observe that 13.3 % are rated excellent,

13.3 % are rate very good,

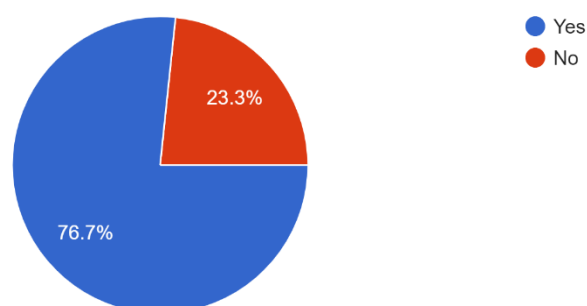
26.7 % are rated poor,

36.7 % are rated good,

10 % are rated fair

TABLE 4.11 Do you think Maggi products are affordable

Maggi products are affordable	Percentage
Yes	76.7
No	23.3

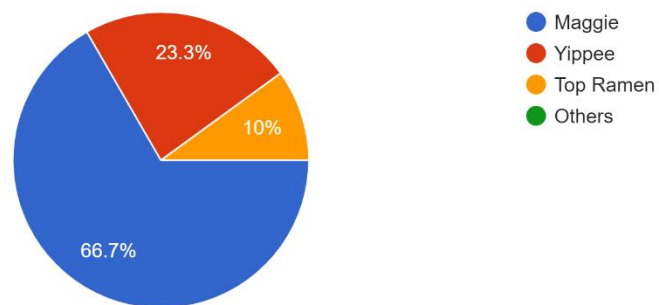


Interpretation

In pie chart we can observe 76.7 % are said affordable, 23.3 % said that are not affordable

TABLE 4.12 The brand that comes to your mind when we say the word noodles

The brand that comes in your mind	Percentage
Maggi	66.7
Yippee	23.3
Top ramen	10
Others	0

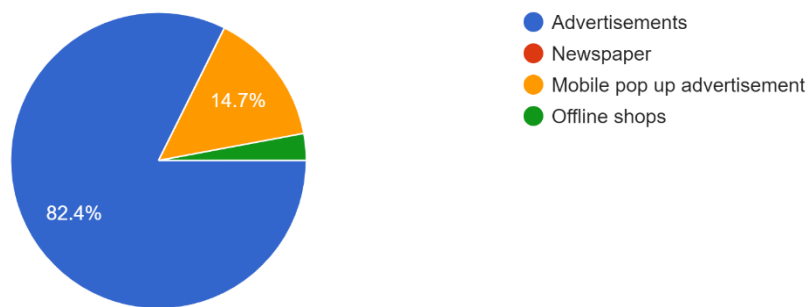


Interpretation

In a pie chart we can observe that 66.7 % are Maggi, 23.3% are yippee and 10 % are top ramen.

TABLE 4.13 who influences your purchase

Influences your purchase	Percentage
Advertisement	82.4
Newspaper	0
Mobile popup advertisement	14.7
Offline shops	0

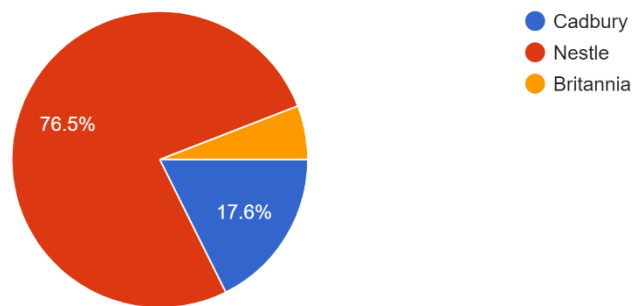


Interpretation

In a pie chart we can observe that 82.4% who influences through the advertisements. 14.7% are influences our purchase through mobile popup advertisement.

TABLE 4.14 WHICH BRAND DOES MAGGI BELONGS TO

Brand	Percentage
Nestle	76.5
Britannia	0
Cadbury	17.6

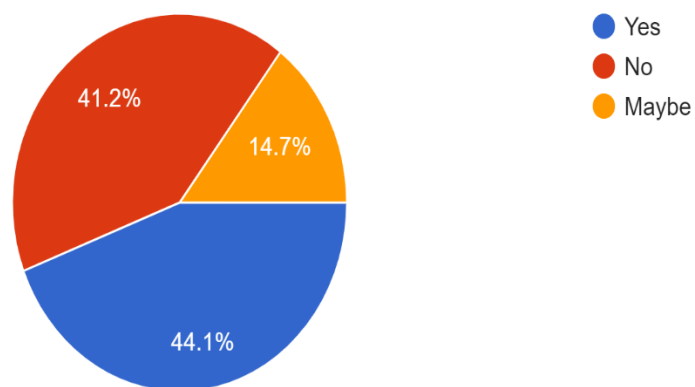


Interpretation

In a pie chart we can observe that 76.5% are nestle and 17.6% are Cadbury.

TABLE 4.15 DO YOU SEE ANY ADVERTISEMENT ON THE ROAD SIDE

Advertisement on the road side	Percentage
Yes	44.1
No	41.2
May be	14.7



Interpretation

In a pie chart we can observe that 44.1% are seen the advertisement on the road side and 41.2% are do not see the advertisement on the road side. 14.7% are may be see the advertisement on the road side.

CHAPTER 5

FINDING & SUGGESTIONS AND CONCLUSION

5.1 Finding and highlight of the study

- From the questionnaires the following points are found and noted
- Majority (50%) of the respondents of my questionnaire is belongs to age of 19-20
- Majority (63.3%) of the respondents of my questionnaire is female
- Majority (43.3%) of the respondents of my questionnaire is consume Maggi once in a week
- Majority (70%) of the respondents of my questionnaire are prefer Maggi for children.
- Majority (50%) of the respondents of my questionnaire are aware of Maggi
- Majority (83.3%) of the respondents of my questionnaire said that Maggi is not a healthy product.
- Majority (76.7%) of the respondents of my questionnaire are said the Maggi is affordable.

5.2 Suggestions and recommendations

- Some of the respondents felt that manufacture may improve the quality of Maggi noodles.
- Some of the respondents suggested that the product may be better taster by adding rich flavour.
- Some of the respondents feel not to add chemicals.
- Most of the respondents are expecting introduced some new varieties in Maggi noodles

- Each brand has a soul characteristics. That's what distinguishes a cult brand from an average brand. Nestle should come up with representations at local vendors and media with its best product quality assurance and safety
- MAGGI, being an icon of nestle; should not be the target of controversies that questioned its reputation. Nestle should attach more value and significance to its product
- Nestle needs to re-formulate MAGGI as per Indian standards and regulations, and replace them in stores.
- Investing in corporate social responsibility activities, signing a credible endorser, effective public relations etc. would help regain customer confidence.

5.3 Limitations of the study

- Time, being the major constraint while undertaking the research has limited it to an extent.
- Availability of resources like funds, appropriate data for analysis is another limitation of the study.

5.4 CONCLUSION

- Nestle motto 'Good Food, Good Life' will have to prove its credibility and put a lot of efforts again as it has ended up in scratch.
- Nestle should concentrate on product portfolio diversification with focus on dairy, beverages and coffee and also chocolates as well as confectioner}' in order to avoid over-dependence on single product.
- It is rightly said one can do anything but only if God and Time permits. Those who fail to analyses the happenings in the surroundings become losers and those who accommodate and adjust according to time rule the world.

- The controversy started igniting last year but no officials of Nestle India paid heed to do the necessary rectification resulting now a bad name and shame for the company.
- Health is of prime concern for everyone though taste also matters. It is very difficult to restore the faith lost because even the school going kids now say -Maggi is bad.
- This controversy will surely lead to increased awareness among consumers for understanding the impact of any product before consumption rather than blindly believing on false claims in the advertisements.
- It will also pressurize the other food product giants to move cautiously by abiding the norms of Food and Safety regulatory norms.