

Surviving a major corporate disaster : Relooking at the Maggi Saga

Success is the result of perfection, hard work, learning from failure, loyalty, and persistence.

-Colin Powell

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India's Noodle Market's King Maggi was untouched in terms of sales & revenues. The total size of noodle market in India is really huge having touched a peak of Rs.4000 Crore.

Maggi had captured more than 60% of Noodle requirement in India, by 2014.

The year 2015 shook India.

Nestle had to face its worst ever crisis in the country - the ban and recall of Maggi noodles in India.

Food Safety and Standards Authority of India (FSSAI) had shared details of contents and there was a sudden wave of fear around the market, Maggi which was favorite snack had overnight become the monster.

Nestle, a Switzerland company was founded in 1866 by Henri Nestle in Vevey, Switzerland. Employees around 3,39,000 in factories, operations and other business activities in almost every country (197 countries) in the world are working. The company has 442 factories in 86 countries. Maggi being Nestle's product it had to save company's image.

In November 2015, when the company relaunched Maggi after five-month ban, it had 10.9 per cent of the market share, which then climbed to 35.2 per cent in December. Not getting stopped by the failure they introduced new flavors in Maggi Cuppa Noodles , Maggi Hotheads and No Garlic NO Onion Noodles.

Maggi Innovated the path towards success by facing the failures with a phenomenal level of commitment

Innovation for sailing through the tough times needs focus, structured planning and unique ideas.

Communication:

Maggi never stopped communicating with its audience. They used the power of storytelling to capture the attention of its loyal consumers. They made tribute videos thanking consumers for supporting them. They also made a series of videos hashtagged #WeMissYouToo addressing varied consumer segments—from boys and girls living in hostels to bachelors and Indian moms who've been making Maggi for their kids ever since it's been around. This is how Maggi reconnected with their audience without even using celebrity brand ambassadors.

Innovation in Access to Customers through E-commerce:

Initially, after relaunch, Maggi noodles were available on Snapdeal, the e-commerce website.

Brand Repositioning:

Nestle did everything that could rebuild the reputation of the brand and win the faith of customers

Brand Repositioning

- After the company was banned from selling the product in India, Maggi had to undergo tests in three government-accredited laboratories in Jaipur, Hyderabad and Mohali, as ordered by the Bombay High Court prior to commencing sales in the market.
- The Swiss food major has also partnered with online marketplace Snapdeal for selling Maggi.
- They promoted Maggi by providing free samples from their web site.
- This time they didn't come with any brand ambassador, they use emotions of their costumers for repositioning their brand.

#WeMissYouToo

WELCOME BACK

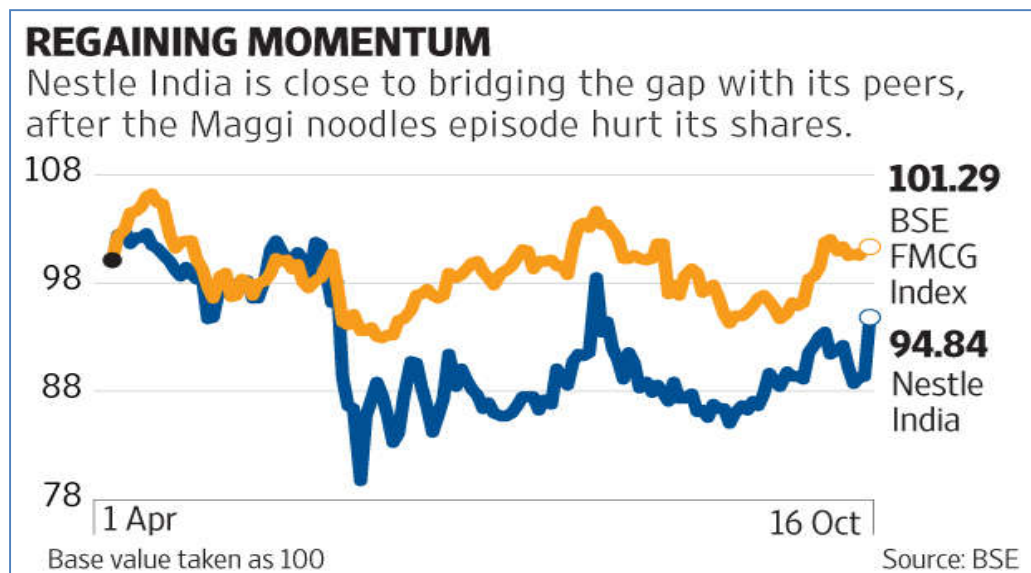
Nestle: Maggi No.1 again in noodles with 57% share

Maggi

(Business Standard)

Nestle India's Maggi has regained the leadership position in instant noodles market by capturing 57% market by June 2016.

The comeback means even more specially after loss of Rs. 1,000 crores during the ban.



The Full Circle of Breakdown to Back as the King of the Market:

Year 2015:

May 30: Uttar Pradesh FDA files case against Nestle India.

June 5: FSSAI issues countrywide 'order of recall' for all variants of Maggi noodles.
Stops production, distribution and export of the instant noodle.

June 11: Nestle moves Bombay HC against FSSAI, Maharashtra FDA; challenges order of June 5.

Initiates incineration of 30,000 Tonnes of Maggi noodles at 11 plants across the country.

July 8: Union Food Processing Minister Harsimrat Kaur Badal blames FSSAI for

inducing fear in the industry by its recent acts.

July 25: Suresh Narayanan takes charge as Nestle India MD

Aug 13: Bombay High Court strikes down countrywide ban on Maggi noodles, as it prevented 'natural justice'. Orders retesting within six weeks.

Nov 4: Nestle secures legal go – ahead to sell Maggi noodles in India.

Dec16: Supreme Court allows more testing at Central Food Technological Research Institute, Mysuru, with consent of the company. Proceedings at National Consumer Disputes Redressal Commission on stay.

Year 2016:

April 11: All tests show Maggi noodles safe for human consumption.

Year 2017:

Feb : Nestle and FSSAI explore ideas to “engage”

Sept.: Nestle opens food safety institute with FSSAI's support. The two plan to engage more on food science.

Nestle's innovative turnaround reminds one of Denis Waitley's quote:

“Failure should be our teacher, not our undertaker. Failure is delay, not defeat. It is a temporary detour, not a dead end. Failure is something we can avoid only by saying nothing, doing nothing, and being nothing.” - Denis Waitley

Whether your company needs to innovate to capture the market, or regain a lost market the Innovative Thinking System from Business Consultants Inc. Japan can help you create the right innovation culture in your organization and their 50 years of experience along with their unique training and consulting services can support in creating a strong sustainable organization through nurturing cultures, empowering leadership and innovative products and market strategies. www.bcon.jp/WorldWideTraining