

## **BAN ON MAGGI NOODLES IN INDIA: CONSUMER PERCEPTIONS TOWARDS THE QUALITY OF CORPORATE GOVERNANCE**

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### **ABSTRACT**

Corporate social responsibility (CSR) is one of the most important notions in the corporate. In spite of the emerging research work conducted in the field of CSR it is really difficult to operationalize the construct and provide a reliable and valid measure to capture various dimensions of CSR. The aims of this study are very specific. First, it contributes to understanding the business case for CSR in developing countries by focusing on the consumer sentiments toward marketing concepts followed by the domestic as well as multinational firms. The second objective of the study is to develop a scale by conducting a comprehensive review of literature to generate pools of items to measure the recent ban on Maggi noodles in India. Nestle's star brand Maggi is facing the heat of ban in India since June, 2015. It was due to an episode that took place in the State of Uttar Pradesh where a few samples of Maggi instant nobles were found to contain lead and monosodium glutamate beyond the permissible limit. Tests were conducted in Government as well as in private laboratories, but the outcome of the test results revealed contradictory findings. In this paper an attempt has been made to construct a scale encompassing three main construct to measure the CSR practice of Nestle India. These are: advertising communication made by Nestle India mostly by celebrities having no idea about the ingredients present in the stuff which is basically targeted towards the kids and young adults, secondly, whether the common CSR norms were adhered to and lastly to investigate whether concern for consumers were given due respect. To capture these constructs a small scale was developed to examine the perception of the consumers who are mostly in the lower age category. The findings of the study reveal that Nestlé could be more responsive to the needs of the people and could control the desired quality norms since it has got nearly eighty percent market share in India. Various parametric and non-parametric tests have been employed to establish the validity and reliability of the scale. The results of factor analyses revealed the construct validity of the scale and the alpha values are also within the acceptable limit. The factor score regression reveals that the consumer will not spread positive word of mouth unless the product conforms to all safety norms. The impact of recent ban has also been found to affect the brand loyalty behavior of consumers. Managerial implication and scope for further studies has also been discussed for researchers working in this field.

**KEYWORDS:** CSR, Nestle, Maggi, Brand Loyalty, Marketing Concept