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An Empirical Analysis of the Impact of Macroeconomic Variables on Maggi Sales in India's Fast Moving Consumer Goods Industry

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Abstract

The Fast Moving Consumer Goods (FMCG) industry has an important contribution to the Indian economy, and Maggi remains the market leader for instant noodles because of its brand recognition and customer loyalty. But with changing economic conditions, inflation, population growth and changes in consumer behaviour, there is uncertainty over what is driving sales performance. The primary aim of this study is to examine the effect of Gross Domestic Product (GDP), Consumer Price Index (CPI), Population and Year on the sales of Maggi over the years. Time Series secondary data had been used to test the macroeconomic variables affecting the sales of Maggi using the multiple regression model. The findings show that GDP has a strong positive relationship with the sales of Maggi. This highlighted an important relation between economic growth and consumer demand in the FMCG sector. The study also emphasizes the impact of macroeconomic factors on the FMCG industry in India with respect to consumer buying and sales. The results of this study can help businesses, marketers and policy makers understand the impact of economic downturns on markets for consumer goods and help them to design better business and economic policies. The overall contribution of the research is that it provides empirical evidence about the correlation between the economic indicators and the sales of Maggi in India, thus adding to the existing literature on FMCG sales performance and the analysis of macroeconomic indicators.

Keywords: *Maggi Sales; Gross Domestic Product (GDP); Consumer Price Index (CPI); FMCG Industry; Consumer Behaviour*

Introduction

Indian fast moving consumer goods (FMCG) industry constitutes the fourth largest industry in the Indian economy and is estimated to have a size of Rs.1300 billion. Over the past decade, average annual growth has been around 11% per annum. Players are organized and unorganized as the market is highly fragmented (Chandrashekar, 2020). Nestlé's market share in Indian noodles is 79.3%. Maggi is a brand that exemplifies the value of customer loyalty. Nestlé India is the leader in the sales of noodles in India. Maggi noodles are sold in the largest quantity in India. In the instant food industry in India, the retail segment of the food supply chain, the purchasing behaviour of consumers is greatly influenced by

seasonality. The interactions of cultural traditions, climatic cycles and economic factors as determinants of changes in seasonal demand are identified to be missing. It is important to know the purchasing behaviour of the festivals in the past and how the consumers are purchasing the festivals in the modern times (Bhilawarawala et al., 2025). Brands need to be aware that consumers are well informed and aware of their rights and it is important to ensure their safety and compliance (Sah et al., 2015). Maggi instant noodles in India had a significant negative impact on the purchases of Maggi noodles among urban households for at least two years. The study is evidence to the significant financial impact that food recalls can have on producers which could be used by policy makers to improve food safety measures (Law & Cornelsen, 2022).

Gross Domestic Product (GDP) was moderately affected by the inflation rate. Long-run relationship between GDP, exports, imports and FDI has been established. The export led growth strategy was recommended for the sustainable growth of GDP (Jamal et al., 2023). The net lending and borrowing of the government has no significant effect on GDP until two years after it has taken place at this time the net lending and borrowing is at over 10% significance level. The current Gross National Savings (GNS) have significant effects on the current GDP as well as on lagged values of GNS in 2 to 4 years, as pointed out by Fourkan (2021). It highlights the significance of food in social relations, such as when offering food without tasting means that there are tense ties with kinship groups. The results indicate that the use of Maggi and other products may cause a change in the social dynamics, especially that of the women who use them to improve their care for themselves and their communities (Bocos Mirabella et al., 2025). The prohibition of Maggi noodles on 2015 negatively affected consumers' buying behaviour. After the ban and re-launch of Maggi, there was a significant change in customer preference (Sudheesh, 2017). Financial performance of the FMCG companies in India was found to be significantly related with macroeconomic indicators like GDP growth rate and inflation. When the macro economy changes, the revenue of FMCG firms, their profits after taxes, return on equity, and stock prices are all very much affected. Those vulnerabilities specific to each sector that FMCG companies may be at risk from macroeconomic conditions, area in which they could be more vulnerable to economic fluctuations. Macroeconomic trends are also leveraged by identifying opportunities that are created by them and can yield better financial outcomes for businesses. The need to perform regular economic scenario analysis to forecast business strategies was stressed as it can help FMCG companies engage in more resilient business models and financial planning strategies (Husain & Bilquis, 2025).

The sales for full-service restaurants are positively correlated to GDP. Historically, when the economy slows down, sales of full-service restaurants drop. A sharp decrease in sales was seen during the economic recession from 1979-1980 and in 2000-2001 with GDP falling drastically. Based on the 5-year moving average of full service restaurant sales, there is a cyclical trend through history, where sales tend to vary roughly every 6-8 years (Lee & Ha, 2012). If the theory of economics is correct, unemployment has a significant effect on GDP growth, as it did with this rate of joblessness. Interest rate is cited as one of the important determinants of GDP growth. Inflation is shown to have a significant effect on GDP growth as well. Labour market conditions are reported as crucial in comprehending economic activity and maximising growth strategies (Abdul, 2025). There are regional differences between the effect of Additive Manufacturing (AM) technologies on the economy, as measured by gross domestic product (GDP) across the different global regions analysed using Grand View Research and World Bank data, in order to take a closer look at AM market trends and economic indicators (Ficzere, 2025). GDP per capita is not a good measure of consumer goods markets. It emphasizes that GDP is only short-term related to consumer demand. Consumer demand is better measured using measures like disposable income, household consumption expenditure (HCE) and actual individual consumption (AIC). The need to use more relevant metrics, in place of GDP per capita, is becoming more important. TelluBase had been relying on this data to back up its arguments on why GDP is not a good indicator of consumer demand (Canback, 2025). The sales of Maggi have been impacted by bad news about its hazardous content, and the consumer has lost faith in Maggi. Consumer faith in Maggi has been lost as there has been a

significant drop in Maggi's sales owing to negative publicity related to the hazardous content. A comparison is made before and after ban on Maggi consumption, which reflects the changes in consumer habits. The ban is related to the perception of Maggi and the wellness and health industry. In a study conducted in the past on 50 individuals aged 15 years and above from the city of Mumbai. The change in consumers' attitude after the ban on Maggi instant noodles showed that there might be a long-term effect on brand loyalty (Mhabde & Soni, 2017). There is a long-term equilibrium cointegration relationship between the Consumer Price Index (CPI) and the Producer Price Index (PPI). There is a certain influence of CPI on PPI, which shows a reverse relationship between the two indices. The impact of PPI is very significant, at both long and short term; this is a sign of its stability and influence. This indicates a dynamic relationship over time between the current CPI and the past CPI, and between the current CPI and the past PPI.

In contrast, the previous CPI and the previous PPI have positive effects on the current PPI, suggesting a positive reinforcing relationship between the two (Li et al., 2019). The selling and administrative expenses typically vary in a linear fashion with the amount of sales. Advertising expenditure does not show any evidence of a linear relationship with sales amount in both the food product manufacturing and electronic component manufacturing industries. In the food product industry, R & D expense exhibits a linear relationship with the sales amount. The connection between the R&D investment and sales volume is linear and this could be affected by the short product cycle in the food product industry. Selected industries show variation in the relationship between the amount of sales and both types of discretionary expenses (Kim & Choi, 2013). The model developed using the micro-modelling approach is a good model which includes the decay of the effectiveness of ads and the reach of ads to effectively explain the relationship between advertising and sales. The parameters of the aggregate equation are readily understood and offer important insights on the reach and decay parameters. It is a model that is nonlinear, but estimable, which means that it has more complex relationships that can be analyzed. One particular type of the model looks like existing lag models, showing continuity with the existing research, and providing new insight. The carryover effect of advertising is demonstrated as being different according to the amount of advertising that has previously been spent, which contradicts the idea of a constant carryover effect as suggested by Blattberg and Jeuland (Blattberg & Jeuland, 2010).

Literature Review

There was a long-run relationship as a 10% consumption change affects 44% GDP change. It was noticed that there was no short run balance between GDP and consumption. The General government net lending and borrowing this year impacts GDP only after two years at a little above 10% significance level, suggesting a non-significant effect on current GDP (Sugiarto et al., 2018). There was a significant relationship between perception and instant noodle consuming pattern, which was found from p-value of 0.024. A study was conducted with a cross sectional design using a sample of 99 people in the Public Health Study Program of the University of Respati Yogyakarta, 2018 (Fitriani, 2018). The relationship between the changes in food prices and CPI is strong, with a 3% change in food prices corresponding to 1% change in CPI. It is important to grasp the pattern of food prices in order to forecast future food trends for CPI. A previous study recommends the measures to be taken to cope with the current deflation, including close watch on the movement of food prices, ensuring food supply, adjusting the income allotment policies, etc. (Xiao,n.d.). There was a significant correlation between changes in CPI and the changes in the trading volume of KSE-100 index. The negative relationship between CPI and trading volume of KSE-100 index was found to be remarkable. The results of regression analysis were statistically significant, which confirmed the results of the study (Subhani et al., 2010). It was found that there is a positive relationship between the food price and Consumer Price Index (CPI) in China. The previous study adopted VAR model, cointegration test and VEC model to examine the link between the price of food and the CPI. The results suggest that changes in food prices have a significant impact on the

CPI. This underscores the need for both qualitative and quantitative analysis to gain insight into the food price dynamics and the CPI (WEI & CHEN, n.d.). The focus of the previous paper was to evaluate the link between inflation from producer price index and inflation from consumer price index. Based on the production chain theory, it was hypothesized that inflation by producer prices would predict inflation by consumer prices. This analysis was conducted using statistical and econometric techniques such as Johansen test, Engle-Granger test and Granger Causality. The results showed that no long-term equilibrium relationship between the examined time series of consumer price inflation and producer price inflation was found (Vilcu, 2015). The case study covers the growth and success of Nestle's Maggi in Indian market, along with a discussion on the popularity of the product despite initial resistance from the consumers of junk food. Maggi's product features, the ease of cooking the product and effective marketing strategies played a role in gaining the monopolistic position in the noodle market. The previous paper states that there were controversies that arose due to mistakes and malfunctions, which hurt the brand's reputation. This is an example of how a brand can be undermined and fail if it doesn't respect legal requirements and consumer safety. These results indicate that the contemporary consumer is well-informed and aware of their rights, hence consumer safety and compliance should be kept in focus by the brands. The research set up the necessity of a joint model to study the relationship between advertising and sales using time series data. A bivariate model was found, fitted and validated, with the model having a better forecasting properties than the univariate models. The joint model had close to a 30 percent higher forecasting power than the simultaneous advertising and transfer function sales forecasts.

The interdependence of the two series was evident as the increased advertising forecasts led to better sales forecasts. The study revealed that the majority of consumers appreciate rebates and that its impact is significant before, during and after the Maggi seasoning purchase, indicating the effectiveness of a multivariate study in capturing feedback relationships (Heyse & Wei, 1985). The effect of free trials and free gifts on the buying behaviour of consumers in the case of Maggi NAIJA POT in Bwari Area council, Abuja is positive. The sales promotion strategy is recognized as one of the most important marketing strategies a company can use to shape consumers' behaviour through strategies like rebates, free trials and free gifts. The study showed that giving free samples to introduce new food seasoning products to the Nigeria market place was effective. There was a suggestion that free gifts could be used in the outer packaging of products to make them attractive to the Nigerian consumers and the use of promotion such as "Buy one get one free" (BOGOF) was recommended (Orji et al., 2020). The result of the study indicates that GDP does not have a significant explanation for the short-term fluctuations of Sales in the time series analyzed. In 6 out of 20 Sales series examined, all the long-term fluctuations in Sales are accounted for by the fluctuations in GDP. The ARIMA model was found to be the most suitable one for short term out of sample forecast. The regression model was most effective in predicting for long periods when the Sales time series were cointegrated with GDP. When the Sales time series was not cointegrated with GDP, the ARIMA model gave better performance when predicting long time periods (Marshall, 1998).

Gross Domestic Product (GDP) had a significant association with the selected macroeconomic variables i.e inflation rate, interest rate, exchange rate, and the all-share index. The moderately negative impact of inflation rate on GDP was observed. Interest rate and exchange rate were found to have positive associations with fluctuations in GDP policy makers must pay attention to the inflationary pressures and carefully apply interest rate and exchange rate policies for economic growth (Sheikh et al., 2012). Seven risk-alleviating strategies were identified in the research that consumers used to cope with the food scare of Maggie 2 Minute noodles. Although there had been concerns about MSG and lead levels, the product continued to be bought by consumers, with a high level of brand loyalty. It was discovered that the most important determinant for purchase was the high brand image of Maggie noodles. Brand image was the next factor in consumers' retention, after product quality. In this context, Price was found to be the least effective risk reliever among consumers. (Moovendhan et al., n.d.). The bi-directional causality prevailing in Indian economy between producer price (WPI) and consumer price (CPI). The finding was

that the producers' prices influence the market prices for consumers' prices, the WPI being led by the producers' prices. The paper proposed that WPI is a leading indicator of consumers' prices/inflation. The paper suggests that the regulation of the factors that impact the WPI can contribute to the management of CPI, which is important for the process of wage and salary indexation. It was used the autoregressive distributed lag (ARDL) bounds testing approach and the maximum likelihood (Johansen and Juselius) approach over the time series 1950–2009 (Tiwari & Shahbaz, 2013). The long-run relationship between a firm's advertising spending and the short- and long-term interest rates, the term spread, and the consumer price index is explored. Johansen's cointegration test is used in the paper to examine the relationships between these variables during the sample period 1979-2011. Further analysis of the effect of economic factors on the expenditure on advertising is done using variance decomposition techniques. There is a likely strategic relationship between the amount of advertising expenditures per unit and economic environment, as the paper shows that economic factors have a significant impact on advertising budgets. Highlighted findings include the fact that certain economic signals could have a sudden and unexpected influence on advertising budget decisions. (Supanvanij, n.d.).

A correlation with the consumer price index (CPI) was demonstrated in the paper with web search data. The lead-lag relationship that was identified between web search data and CPI suggests that shifts in search activity might occur before shifts in consumer prices. There was also a co-integration relationship between web search data and CPI, implying that they co-moved over time displayed. The model developed in the study had a good fit with the CPI, as the model fitting score was 0.978. This paper mainly highlight the potential of web search data as a predictive tool for understanding macro-economic trends related to consumer prices. The study confirms the inverted U hypothesis, that the correlation between per-capita lottery sales and per-capita GDP would be inverted U shaped. (Zhang et al., 2012) Lottery sales rise as GDP rises and once GDP reaches a certain level, lottery sales will drop because it becomes an inferior good at higher levels of GDP. Nationally, countries with higher levels of education sell fewer lottery products. The ratio of males to females is positively correlated with lottery sales, that is, the greater the male to female ratio, the more lottery sales. The results show that there is a complex relationship between economic factors and lottery sales, with some surprising connections making the education and gender ratio (Kaizeler & Faustino, 2012). The study identified that there was a statistically significant relationship between the Gross domestic Product (GDP) and some macroeconomic variables, such as inflation rate, interest rate, exchange rate and all share index. The moderately negative effect of inflation rate on GDP suggest that high level of inflation may negatively affect economic growth (Okorafor & Onyeka-Ubaka, 2025). A total sales for the year 2022 will be 1,323,850 units, up from 550,058 units in 2021. Sales up 19% in January 2022 as sales agents and promotions were added on during New Year. Sales jumped 49% in February 2022, coinciding with the Chinese New Year celebration and offering a full range of products. The sales volume slightly decreased in March 2022 (-1%), as some products did not see volumes grow significantly and others saw them drop due to production machine failures leading to incomplete product availability. Least Square method was used for sales forecasting analysis and Angka Indeks method was used to analyze the percentage changes in sales during the first quarter of 2022 (Machfiroh et al., 2023). Significant sales differences were found between branches and seasons and which were affected by both internal and external variables such as sales team performance and market demand trends and raw material price variations. It highlighted the importance of adaptive marketing strategies and the use of digital technology in enhancing sales performance amidst changing market dynamics. The research revealed that companies with a broad distribution network and efficient distribution infrastructure will be able to offer high product availability, lower distribution costs, and better customer satisfaction. It highlighted the need for market trend analysis and the need to make appropriate adjustments to strategies to stay competitive. The results highlighted the importance of innovation in product development as a determining factor in achieving sales growth in the pharmaceutical market (Purba, 2025).

Methodology

Research Design

The study employed a quantitative research design to assess the relationship between selected macroeconomic variables and the sales performance of Maggi noodles in India. The research determined the influence of the independent variables Gross Domestic Product (GDP), Consumer Price Index (CPI), Population and Year on Sales. The quantitative approach was found to be suitable because it enables the use of numerical data, trends, relationships between variables and statistical analysis.

Research Approach

A secondary data analysis using time-series data had been conducted. Multiple regression analysis was used to evaluate the relationship between the variables. Diagnostic tests were also applied to test the assumptions and the validity of the regression model.

Sampling Design

The data were selected with a particular focus on the relevance to the research objectives and the economic and sales performance indicators necessary for analysis.

Independent and dependent variables

The data were time series data for a set of years (2013-2025). The variables that were used in the study were Sales of Maggi noodles, Gross Domestic Product (GDP), Consumer Price Index (CPI), Population and Year. The following variables were chosen for this study because of the relationship they bear to the relationship between Maggi and the sale performance of the company Nestle. The data has been gathered from credible secondary sources i.e Nestle report and world bank. These sources gave information pertinent to the economic and sales aspects, which was needed for the statistical analysis. The number of samples was the number of observations taken each year for the specified period.

Data Collection Methods

Secondary data collection methods were solely used in the study. The information on GDP, CPI, Population has been accessed from the world bank website and the information on sales is accessed from published reports of nestle. A review was conducted of previous studies related to Maggi and the FMCG industry. The data collected were compiled into a structured data set for statistical analysis. All variables were quantified and used for regression and correlation analysis. The data was efficiently handled and analyzed with R.

Data Analysis Technique

Collected data was analysed quantitatively with statistical techniques. The relation between Sales and the macroeconomic variables was first measured using correlation analysis, to assess the strength and direction of the relationship between the two. GDP, CPI, Population and Year on Sales were then subjected to multiple linear regression analysis to see how they all work together. The reliability and validity of regression model was evaluated through diagnostic tests. Homoscedasticity in the residual was checked using the Breusch–Pagan Test and the presence of autocorrelation in the data was tested using the Durbin–Watson Test. Furthermore, the multicollinearity among the independent variables was checked by Variance Inflation Factor (VIF) test. Residual plots and Normal Q-Q plots were also examined to determine if the residuals were normally distributed as per the assumption of multiple

regression analysis. The results were statistically analysed and interpreted with the help of statistical significance, correlation and regression outputs as well as diagnostic tests.

Reliability and Validity

The study has relied on credible and published secondary data sources, which enhanced the reliability and validity. The regression model was also tested using statistical diagnostic tests to verify the appropriateness of the model. Consistent and recognized data sources, use of these increased the reliability of the findings. Diagnostic procedures were used to test regression assumptions: normality, homoscedasticity and independence of residuals.

Limitations

There are some limitations in the methodology of the study. First, the research was conducted using only secondary data, which could not be controlled for the accuracy and completeness of the data. Second, limited macroeconomic variables were considered in the model, while other important factors like advertising expenditure, preferences of consumers, seasonal demand, and the activities of the competitors were ignored. Lastly, the number of observations in any given year is reasonably small, and so the results may not be generalizable.

Analysis

To investigate the impact of the independent variables (GDP, CPI, Population and Year) on the dependant variable (Sales of maggi), the author used regression analysis. From the scatterplots and the correlation analysis, it appears that GDP is well correlated with sales. GDP showed a positive correlation with sales (r = 0.9438691), meaning that with the growth of the economy, as a whole, the amount of spending on FMCG products like Maggi increased as well. This is in line with the previous studies, which identified GDP as one of the key drivers of consumer expenditure and sales of FMCG.

Figure 1
Multiple Regression Model

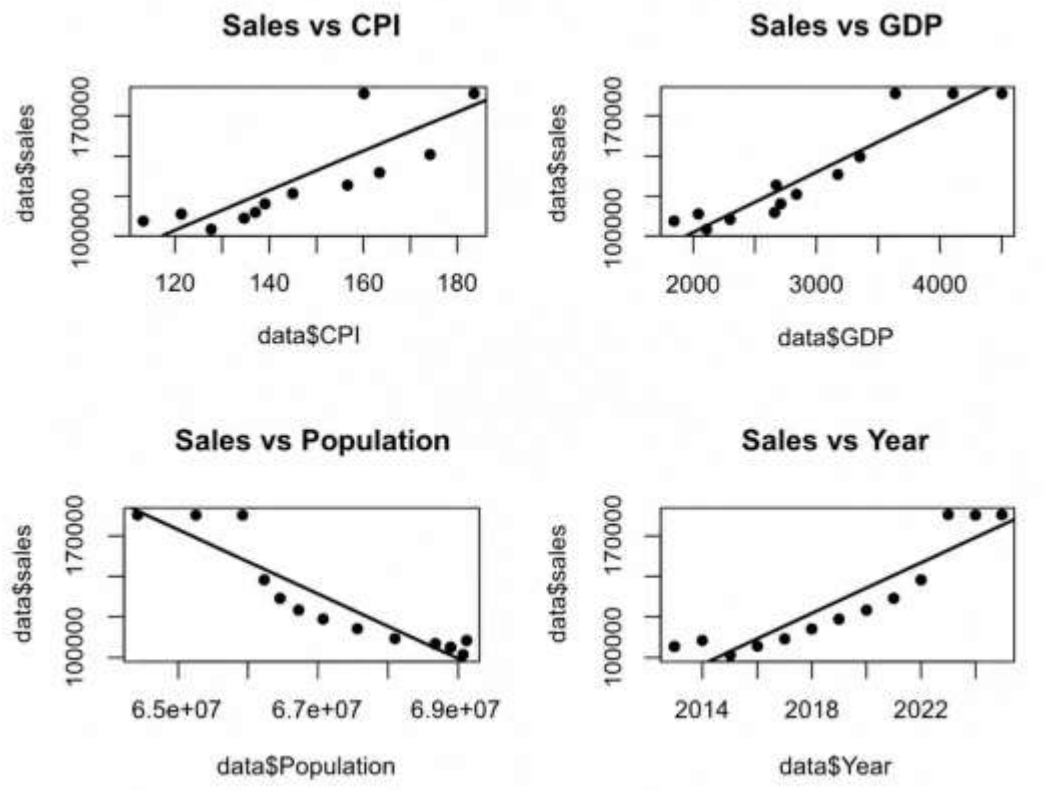
Predictor	β	SE	t	P-value
Intercept	5.573	3.962	1.41	.197
GDP	111.1	4.338	2.56	.034*
CPI	1.894	1.162	1.63	.142
Population	-2.546	2.754	-0.93	.382
Year	-2.698	1.905	-1.41	.194

GDP is the only significant indicator of sales of maggi with a p-value of 0.197. A unit increase in GDP leads to an increase in sales of maggi by 111.1 units. The fact is corroborated by the study carried out in Slovakia where the correlation coefficient between gross domestic product (GDP) and retail sales is 0.989 and is statistically significant. The coefficient of determination was 0.98, indicating that almost 98% of the variability in retail sales can be explained by changes in GDP. Therefore, macroeconomic conditions was determined as an important factor in determining the retail communication strategy. The findings from a study in the United States of America show that higher income households (HIH) tend to spend higher amounts on food outside the home and have higher food expenditures than lower income households (LIH). There is a positive relationship between the migration rate and GDP per capita, indicating that youth migration for employment purposes can improve the economic well-being. Furthermore, education levels impact on migration, which is a significant contributor to economic

development and better human well-being (Basharat et al., 2023). The increasing urbanization and transformation in lifestyle in Nepal have contributed towards the increased demand for quick and affordable food products including instant noodles. The preference for instant noodles in Nepal has been increased due to urbanization and change in lifestyle. This is because they are a convenient option for many people looking for quick meal solutions, and their popularity has surged over the past few years, with brands such as Maggi gaining popularity (Lamichhane, 2025). Due to globalization and life changes, often poor dietary habits and obesity-related health problems occur as a result of the increased intake of processed foods, such as food products like Maggi (Amorim Adegboye et al., 2011). In India, the supermarkets and online grocery delivery services are becoming popular due to their convenience and availability, especially during economic booms, when consumers are more inclined towards these new retail avenues than the traditional ones (Siddiqui & Tripathi, 2016). This paper from Vietnam examines the growth of supermarkets and modern food distribution systems in Vietnam and the impact on food supply chains of the emergence of an "economic middle class," in which product availability may have grown, such as Maggi (Cadilhon et al., 2007).

Figure 2

Correlation between sales of maggi and GDP, CPI, Population and year

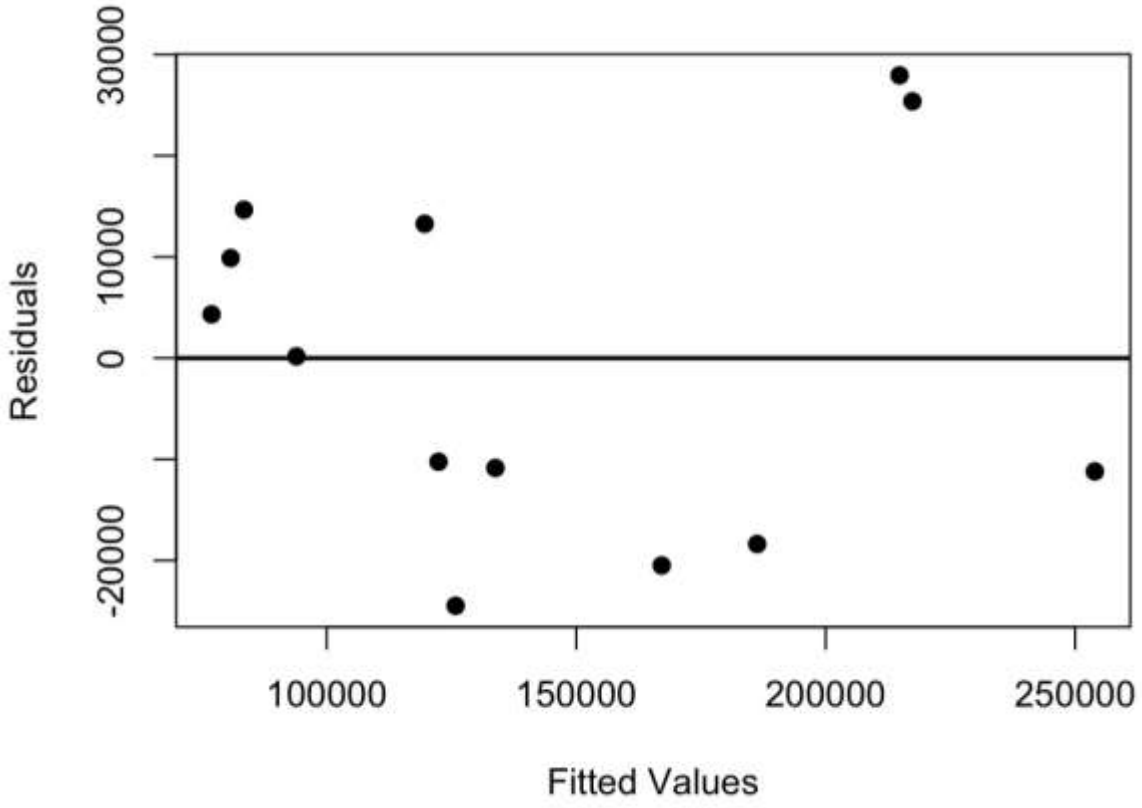


The correlation between Sales and CPI (r = 0.8044852) shows that there is a positive relationship between Maggi's sales and inflation and consumer prices. This can happen as a result of economy price increases, which frequently are followed by nominal sales value increases. But in the long run, as CPI rises, so does purchasing power, leaving the relationship open. Previous studies conducted by Xiao (2009) and WEI & CHEN (n.d.) also found significant relationships between food prices and CPI. The correlation between Sales and Year (r = 0.9176422) shows that the sales of Maggi has been correlated

with the year in general and it has been increasing with the passing of years. This development could be due to urbanization, better distribution network, greater brand loyalty, greater marketing push and FMCG growth in India. Maggi's steady growth over the years further demonstrates its ability to consistently hold on to market share despite short-term challenges like the ban in 2015. There was also an upward sloping graph for GDP showing that GDP has a strong positive correlation with the sales of Maggi. However, population did not have any significant relationship with the sales of Maggi. This reflects the view of Tellusant (2025) that GDP per capita and population is not always a good gauge of consumer demand.

Figure 3

Residuals vs Fitted plot



The residuals vs fitted plot indicates that the regression model is fairly suitable. The residuals are randomly scattered about the zero line, with no obvious pattern, a good sign of linearity. There is some increase in the spread of residuals at the higher fitted values, but the heteroscedasticity is not serious.

Diagnostic Test:

The Breusch–Pagan test returned a p-value of 0.2463 which is above the 0.05 threshold. Hence the null hypothesis of constant variance is accepted and, hence, heteroscedasticity is not statistically significant in the model. This indicates that the standard deviation of the residuals is fairly consistent from observation to observation.

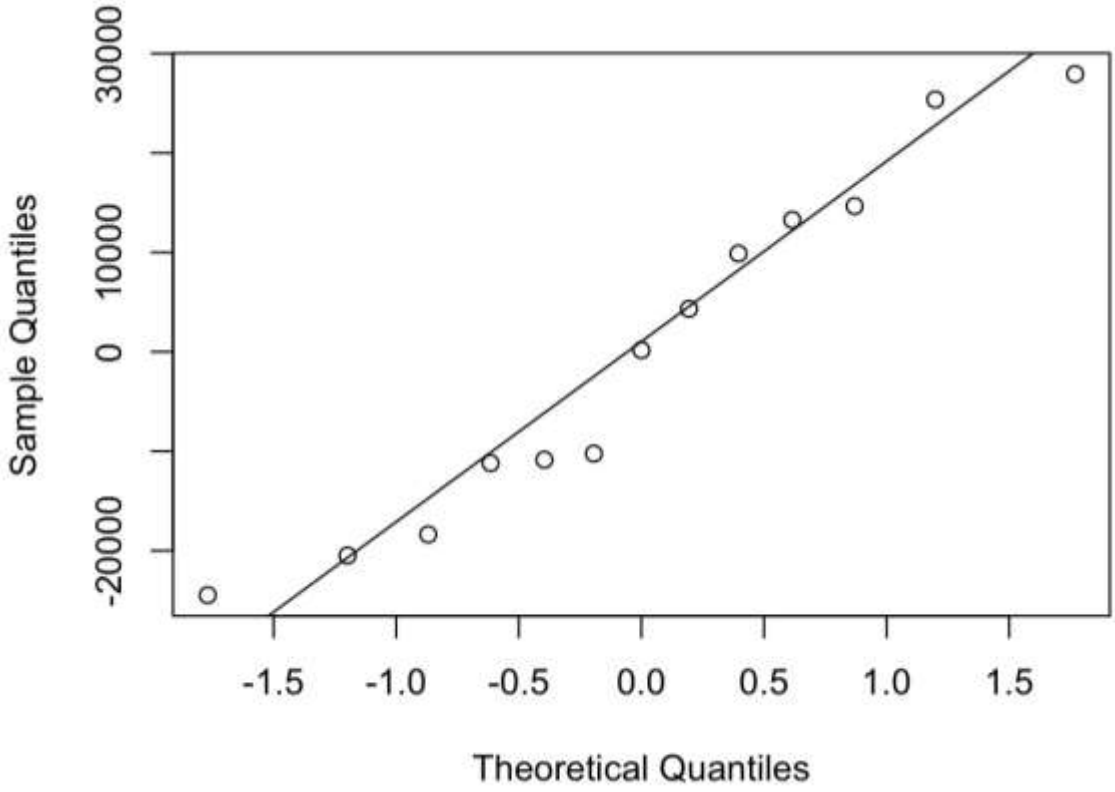
The Durban-Watson statistic was equal to 1.6873 and the p-value was 0.03185 suggesting that the residuals had some positive autocorrelation. This implies that there can be temporal correlation in the

errors (as is the case for time-series data). The autocorrelation indicates that the regression estimates may be less efficient and that there might be other time-series methods that could enhance the model.

The Variance Inflation Factor (VIF) values show that there was a high level of multicollinearity between the independent variables particularly for the independent variables Year (145.33840) and Population (46.62755). The values of VIF are also high for both GDP and CPI, exceeding the acceptable limits. This indicates that the independent variables are rather correlated with each other and hence it is difficult to see the effect of each independent variable on the sales. Highly correlated variables can lead to inflated standard errors and highly uncertain estimates of the regression coefficients.

Figure 4

Normal Q-Q Plot



The normal Q-Q plot suggests the residuals are close to being normally distributed. The vast majority of points are close to the reference line and there are only minor deviations at the tails. Hence, the regression assumption of normality is reasonably apt.

Last, the overall significance of the model was verified by the F-statistic p-value of 0.0002 which was much less than the 0.05 level of significance. This means the regression model is statistically significant, and that the macroeconomic variables used together account for a significant amount of variation in Maggi sales.

Conclusion

This study was designed to study the influence of various macroeconomic variables on the sales of Maggi noodles in the Fast-Moving Consumer Goods (FMCG) sector in India. The main research purpose was to study the correlation of the variables Gross Domestic Product (GDP), Consumer Price Index (CPI), Population and Year on the sales of Maggi products with time. The results indicated that GDP has a strong positive relationship with sales, while the others (CPI, Population and Year) are not significant factors. Based on the data analysed, the Gross Domestic Product (GDP) had the highest positive correlation with Maggi sales, reflecting the importance of economic growth and the increase in consumers to have a significant impact on the demand for FMCG products. The study helps to deepen the understanding of the relationship between macroeconomic variables and the buying behaviour and sales results of consumers in the instant food sector. The findings show that a wide-ranging economic shift has a direct impact on the performance of consumer goods brands like Maggi. The results also corroborate previous studies which pointed to inflation, economic growth and consumer spending being key determinants on the performance of the FMCG market. In addition, the study highlights the need for the attention of macro-economic indicators for successful business planning, forecasting and business decision making. The implications for practice are that the results could be useful to FMCG companies, marketers and policy makers to gain a better understanding of the impact of economic conditions on sales trends and consumer demand. These insights can help businesses make informed decisions about their marketing strategies, pricing, and more during economic downturns. The study also offers useful policy implications to understand the linkages between economic growth and consumer goods consumption trends in India. Future research could build on this work by adding more macroeconomic and marketing variables, having a larger sample size, and using more sophisticated econometric or time-series models to increase the accuracy of the predictions. Further comparisons with other FMCG brands or markets abroad could also give a wider perspective on the correlation between macroeconomic factors and consumer goods. In general, the study reveals that the macroeconomic elements have a great influence on the sales of Maggi and is an addition to the existing literature on the performance of FMCGs and economic analysis. The research provides empirical evidence on the relationship between economic indicators and consumer product sales, both for academic research and practical applications for business.

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