

QUESTION NO 1:

What are the responsibilities of a company in this situation and situations like these?

Answer:

Nestle was accused of killing third world babies. The responsibilities of a company in this situation or situation like these is that first of all when a company introduces its product in the market they should give a detail instruction about its proper usage. There should be a correct way of marketing the product .In case of nestle people of the rural areas didnt eactly know the proper usage of product . mothers would use one can of powder milk for even two weeks which was supposed to be used for only 3 days. hence the result was extreme malnutrition in babies. A campany should learn about the different cultures and languages and write the instructions of its usage in the native language of the area so that people could have more knowledge of the product and they should also inform the people about dangers of misusing the product.Also right way of marketing/promotion is very important because nestle kept on advertising about their product that its a complete diet for the babies which resulted in most of the women giving up on breast feeding.

QUESTION NO 2.

What could Nestle have done to avoid the accusation of killing third world babies?

ANSWER:

Nestle was accused of killing third world babies. in order to avoid this the company should not have done the promotion of their product in such a way that made women gave up on breast feeding.

2.Nestle should have highlighted the importance of breast feeding.They had to make people understand that their infant feeding formula is only for supplying the additional nutrition as third world women are economically and drearily deprived and native weaning food is not much nutritious and contaminated microbiologically.

3.If nestle had launched an education program on the proper usage of their product and what are the dangers of mis using it then this whole accusation could have been avoided.

4.In tribal areas they should have sent their products to the leaders of the areas where they would make their people understand its proper usage in their native language.

5. If nestle had carried out campaigns on education of its proper usage to women of third world countries before sending the product in the areas with the water contamination problems then this accusation could have been avoided.

6.Nestle should not have sent the free samples of their products to the mothers of new born which made them and babies completely dependednt on it.

QUESTION NO 3

After Nestlé's experience, how do you suggest it, or anyother

company, can protect itself in the future?

ANSWER:

Nestle or other companies should have more knowledge about the cultural traditional and economic situations of the area where the product is being distributed. For example nestle infant formula was being misused in rural areas because nestle hadnt done enough research about the economic situation of those areas and because of poverty people would use the product much longer than it was supposed to be used. The company like nestles if they had mentioned that their product was only there to give additional nutrients for babies then people might not have started mis using it so any other company should be honest about their products and its benefit for the people. A company should care about the goodwill of people rather than caring only about the selling of their product. A smarter marketing approach could be use, one that would include information written in the language of the places where the product is being distributed, also, doctors could be more educated in educating their patients for products like infants formula.

QUESTION NO 4

Assume you are the one who had to make the final decision on whether or not to promote and market Nestlé's baby formula in Third World countries.

Were the decisions socially responsible? Were they ethical?

ANSWER:

Decision of nestle on promoting the infant formula product in third world countries was not a socially responsible or ethical thing to do because before promoting a product a company should have knowledge about the social economic condition about that area. For example nestle did extreme advertising in third world countries not knowing the economic problems so a mother would stretch the use of one can and dilute the solution so that infant formula can be used a longer period of time. Also nestle should have done massive advertising in areas where water contamination is a problem without actually coming up with a solution, all this was hazardous to the babies.

Nestles consumers loyalty was high, therefore consumers are easier to believe the products from nestle without any rational judgement, at the same time there is a lack of knowledge about the ingredients and effects of products from nestle because those ingredients used were not for people to see and only based on verification. However, those verifications can only be forged by nestle. Based on these factors nestle exaggerated their advertisement and by saying that the baby milk is better than the breast feeding in order to encourage people to consume more of their product which itself was a very unethical thing to do.

Nestle was also considered an unethical company because they used deceptive advertising to target third world countries where they are having literacy and language barriers.

QUESTION NO 5.

What advice would you give to Nestlé now in light of the new problem of HIV infection being spread via mothers' milk?

ANSWER:

First of all, Nestlé should take advantage of this opportunity to reinvent the image of their brand, which was spoiled by emphasizing ethics and cultural sensitivity. They should educate the mothers in proper feeding methods, such as sufficient serving sizes and how often each serving should be administered daily. Then, Nestlé should encourage mothers to use the formula in place of breast milk at least until HIV testing is available. Although breast milk is superior to formula, not everyone has the option of breastfeeding their baby due to time constraint or the fact that the presence of HIV is so common that they don't want to risk spreading the virus to their child.

Also, Nestlé should offer HIV testing to each developing country in which their products are sold. If mothers test positive, they should provide them with free formula for their baby. Now, if proper testing is available and a mother tested negative for the virus, then Nestlé's marketing approach would sell formula as a supplementary feeding rather than the main source. Finally, they should donate to HIV research and educate Third World people on how to reduce the risk of mother-to-child transmission.

