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Subject: Contemporary Advertising

Exam: Mid Term

Course: BFD

Semester: 4th

Case Study: Nestle: The Infant Formula

Controversy

Question: 1

What are the responsibilities of companies in this or similar situation?

Answer:

Nestle is one of the leading companies in the food industries and one of the biggest manufacturer of the baby food. It is accused of using unethical, irresponsible and aggressive advertising methods to promote its products in the third world countries.

Any company in this situation has the social and ethical responsibility to make sure that the consumer of their product knows about the advantages as well as disadvantages of the products they are using. A company should educate people about the proper use of the products. They should not try to enforce their products by avoiding aggressive methods of advertisement and promotion of their products such as use of nurse uniform by the sales representatives to deceive the customer that the product is recommended by health personals or providing free samples to the doctors so that they give them to new mothers and make the newborn babies dependent on

the formula milk. The companies should provide the true nutritional information about the products.

As in this case of infant milk formulas, Nestle or any other company has a huge responsibility to inform mothers that breast feeding is the best option and their products should be only used when it is, for a valid reason, not possible to breastfeed the child. They should educate mothers about the proper use of their products and the hygienic methods to prepare the product. The companies should communicate with the consumers and educate them about the hygiene, the nutritional values and the use of the product for the infants.

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Question: 2

What should nestle have done to avoid the accusations of “killing the third world babies” and still market its products?

Answer:

Nestle is one of the largest food processing companies in the world but it is also one of the most boycotted company around the globe. It is accused of selling its infant milk products in the third world countries using aggressive advertisement, showing that their products are extremely nutritious giving the impression that it can substitute a mother’s milk and not educating their consumers properly about their products.

Nestle should have taken a proper route to avoid the worldwide boycott of their products. First of all they should have mentioned clearly on their products that it is not a substitute for mother's milk which they did mention after pressure from the boycott and WHO. They should have not promoted the infant milk with idealized and unsustainable claims like "gentle start", "nutritional foundation for life" and "protects the babies", misleading the parents to use powdered milk earlier causing malnutrition in the infants.

Nestle should not have targeted new mothers in hospitals and made them dependent on powdered milk but they should have focused on mothers who were truly in need of the milk formula like mothers who are not able to produce enough milk after a certain time or working mothers who do not have enough time or mothers who had disease which can transfer from mother to child through breast feeding like HIV, Hepatitis, etc.

Nestle should have made sure that parents know about the risks if the powdered milk is made with unhygienic water it can cause diseases in children which in fact caused the deaths of a lot of infants in the third world countries. As nestle is a very big company, it should work with WHO, UNICEF, and other NGO's to help protect children and their environment and try to help the people in third world countries access clean and pure water so that the children who are using their products can be safe which might also help nestle in making a better and sensible image as a company.

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QUESTION: 3

After nestle, how do you suggest it or any other company to protect itself?

Answer:

Any company either Nestle or others that manufacture baby food should keep in mind that babies need proper nutrition to grow and that is only possible through proper diet. The parents cannot afford milk products so they dilute the milk to a point where the nutrients required for normal growth of baby are not enough causing malnutrition. Also the people in these areas do not have clean water to make milk and thus millions of children are affected from diseases like diarrhea which is the leading cause of death of these children.

So in this situation, these companies should have better communication with the parents and should educate them properly to use their products, educate the parents about the nutritional values of the products and to take extra care of the hygiene by instructing mothers to use clean water and bottles etc.

The sales representatives of companies should be trained and educated so that they can properly educate the parents.

The companies should promote breast feeding and their advertisements should not in any form give any information that give the impression that their product can substitute mother's milk.

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Question: 4

Assume that you are the one who had to make the decision on whether or not to promote the Nestle baby formula in the third world countries. Read the section entitled 'Ethical and Socially Responsible Decisions' in chapter 5 as a guide to examine the social responsibilities and ethical issues regarding the marketing approach and promotions used. Were the decisions socially responsible? Were they ethical?

Answer:

Nestle is a Swiss multinational food and drink processing company. It started as a baby foods and condensed milk making factory. After its success in Europe, it expanded globally and started supplying its products to the third world countries in Africa, Asia and South America.

Nestle promoted the infant milk formula in a very irresponsible and unethical manner. The company targeted the poor and illiterate people of the less economically developed countries. The company knew that most of the people that used powdered

milk were not aware about proper hygiene and mostly used polluted water to prepare the milk for babies without boiling the water which led to diseases and deaths of a lot of children in those countries, but they ignored this and did not educate the mothers about that.

Nestle also used unethical methods to enforce their products on new mothers by providing free samples to doctors and maternity wards to be used by new mothers and thus making infants dependent on the formula milk. After leaving the hospital the formula was no longer free so the parents had to buy the milk for the baby at high price. This also affected the economic conditions of the families as they were not able to afford the milk powder which resulted in mothers diluting the milk and that caused severe malnutrition in the babies.

Nestle promoted the milk formula to be a substitute of mother's milk which is highly unethical. They promoted the milk powder in such a way that the mothers felt it was fashionable and thus giving up on breast feeding. Nestle provided milk formulas to illiterate mothers who could not read foreign languages in which the instructions for sterilization were written. Thus they could not follow proper sterilization methods to clean the bottles for preparing the milk which lead to diseases caused by pathogens. These actions were very irresponsible as nestle ignored the sanitary and the economic conditions of the people and focused only on their own profit.

So we can say that the company used a socially irresponsible and unethical way of promoting their product for their own benefit.

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Question: 5

What advice would you give Nestle now in the light of new problem of HIV infection being spread via mother's milk?

Answer:

Nestle is a multinational company with a worldwide sales of 100\$. But the company is also one of the most boycotted companies in the world because of the infant formula controversy.

HIV can be transmitted from mother to infants through breast feeding. It is a very big problem around the globe and specially a problem for the third world countries where the economic conditions of mothers infected with HIV are worse and they cannot afford the formula milk for their babies because of the high prices.

Nestle has a huge social responsibility to help the infected mothers of these countries as a large amount of their profit is collected from these countries.

It is also a perfect chance for the company to improve their image as irresponsible and unethical company by helping the infected mothers by providing free milk formula to them or at least provide the milk powder at low and affordable prices. Nestle should also collaborate with WHO, UNISEF and other NGO's to work for the betterment of these mothers.

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