

Burying the cadbury's



Background

Since 1824, the brand Cadbury's has been synonymous to chocolate. It started from a small grocery shop owned by John Cadbury in Bull Street, Birmingham in 1824. In 1831, John Cadbury changed his grocery store and became a manufacturer of drinking chocolates and cocoa. As the years progressed, his popularity grew and his small grocery shop expanded.

Today, Cadbury's is the front liner in United Kingdom's confectionary market. Cadbury's Limited, the confectionary division of Cadbury's Schweppes plc, is also an influential component of the international confectionary and soft drinks market. Since its small beginnings back in 1824, it has given much importance to the quality of its chocolates in order to maintain Cadbury chocolates trademark taste and smoothness (" History of Cadbury", 2007).

In addition to being a huge-profit organization, Cadbury also acknowledges the need to serve the community surrounding its companies. As was said in the company's official website, Cadbury recognises that " prosperous, educated and socially inclusive communities are central to [their] success" (" History of Cadbury", 2007). As such, Cadbury has developed a community programme that works in partnership with community organizations in sharing the time, skills, and expertise of their employees to the members of the community (" In the Community", 2007).

Company Milestones

The Cadbury Company has grown much over the years, from its beginnings as a smallfamilybusiness up to the present. This section will discuss the essential milestones in the company's history and how its dedication to

quality enforced a high standard over its products through the use of innovative technology.

Humble beginnings

John Cadbury was born in 1802 in Birmingham. Sixteen later, he leaves home for Leeds to be an apprentice to a tea dealer ("1802", 2007). In 1824, he returned to Birmingham and started his own business beside his father's draper shop selling tea, coffee, and drinking tea. Even then, John Cadbury valued the quality of his products. By 1842, John had 16 types of drinking chocolate and 11 types of cocoa available in his store. Because his business was rapidly expanding, John's brother, Benjamin, rented a larger factory in Bridge Street, Birmingham and since then, they became partners in the business.

The brothers also passed on the retail aspect of their business to Richard Cadbury Barrow, their nephew, so that they may focus on the other aspects of the business more. The brothers opened an office in London in 1854 where they received the Royal Appointments as Cocoa Manufacturers to Queen Victoria. By the mid 50's though, the company started losing profit so by 1860 Benjamin and John dissolved their partnership and John, after a long sickness, handed over the business to brothers Richard and George ("Cadbury Milestones", 2007).

Unstoppable progress

The business became profitable again, however, in 1864. Also at this time, Richard and George were looking for ways to differentiate their business from other competitors so they bought a Van Houten Press, which allowed

them to produce pure cocoa butter that needed no starchy ingredients. The following year, the Cadbury Brothers launched their new product - Cocoa Essence - that boasted absolutely pure chocolate and therefore the best. Since then, they have continuously launched new products (" Cadbury Milestones", 2007)

The Downfall of the Name

Last 2006, Cadbury's trusted name was put into jeopardy following the salmonella outbreak in Britain, which caused the hospitalization of 37 people, most of them children. According to the result of the investigation regarding the issue, the children were said to have become ill after eating Cadbury chocolates. In an interview of the victims, thirteen remembered eating Cadbury chocolates before they became ill. A fourteenth person reported having eating chocolate yet not remembering the brand.

A fifth person in Wales also reported eating a Cadbury before being hospitalized. Other than the chocolate, there were no other common food or drinks reported by the victims (Elliot, 2006). In addition, during routine, internal test at a Cadbury factory in Marlbrook, Herefordshire five months before the incident, traces of a rare strain of Salmonella Montevideo were found in some of the chocolate crumbs.

However, since further test of the crumbs showed low levels of salmonella, the company decided that the chocolates could cause no significant danger to human health and so they still allowed its release to the market (" Cadbury Bars", 2006). Consequently, Britain's Outbreak Control Team (OCT), in a statement made through the Health Protection Agency (HPA), concluded that

the products made my Cadbury Schweppes were the most probable cause of the outbreak (Elliot, 2006).

Cadbury's Response

When the news first came out, Cadbury denied any of the allegations that they were involved in the salmonella outbreak. Nevertheless, when Cadbury was officially linked to the outbreak, it could no longer deny the allegations. As mentioned above, there were evidences that incriminate their name in the issue. In the long run, Cadbury admitted that they had knowledge of the salmonella strains in some of their chocolates yet as was already mentioned, their findings said the levels were too low to cause any danger to human health (Telegraph, 2006).

However, given that the chocolates did cause people to be ill, Cadbury had to recall all of the chocolates previously distributed in stores that fall under the seven product lines (50g Dairy Milk Turkish, Dairy Milk Caramel and Dairy Milk Mint bars, the Dairy Milk 8 Chunk, the 1kg Dairy Milk, the 105g Dairy Milk Buttons Easter Egg, and the 10p Freddo bar) that was later on found to be contaminated with salmonella.

When asked about what other products may be contaminated, the company spokeswoman refused to give any answers only stating that there were no positive results of contamination on any of the other products and therefore, these were safe to eat. In addition, Cadbury's spokeswoman expressed the company's regret in having caused the salmonella outbreak and later on assured the public that the company has changed their testing protocols and implemented new procedures (Elliot, 2006).

Moreover, after the product recall, the company buried 250 tons of contaminated chocolates in an undisclosed location to prevent children from going on a hunt for those chocolates (Leake, 2006). The company then released a statement stating that a leaky pipe in their Marlbrook factory caused the contamination. The firm, however, assured the public that the pipe would be dismantled and clean within six months (Elliot, 2006).

Repercussions

The salmonella outbreak left Cadbury with a lot of bad publicity. The salmonella outbreak damaged the company's reputation of producing quality chocolates. The company was said to have received 700 complaints from outraged customers since the outbreak, including 50 complaints from the victims of food poisoning (Moss, 2006).

The bad publicity caused by the salmonella outbreak put a huge hole in the company's pockets. The recall of more or less a million chocolates cost Cadbury at least 20 million pounds. In addition, Cadbury chocolates sale went down 14% lower than previous sales. The company also had to pull out a 5-million pound advertising material after Cadbury was officially linked to the salmonella outbreak. The company spent millions more to launch a marketing campaign that sought to regain the public's confidence in their products.

Cadbury's chief executive Todd Stitzer, however, remarked that the money invested on innovation and consumer marketing will help the company bounce back to its esteemed position in the business world (Gobel, 2006). Analysts, however, predict that the damage caused by the

outbreak to the brand and to lower sales will amount to 40 million pounds (Moss, 2006).

More than that, however, the company also faced the possibility of legal prosecution since the company failed to follow hygiene rules set by the European Union. In addition, the company failed to report to food regulators about their finding of a rare kind of salmonella in their chocolate but instead pushed through with distributing the chocolates. The company was also found to have not used the proper method of food testing. According to the HPA, the methods Cadbury used were unreliable and as such, the company underestimated the damages that can be caused by salmonella. This legal case is predicted to produce expenses that exceed that caused by the loss in sales (Elamin, 2007).

Analysis

The company is somehow at fault in this issue since they have somewhat been negligent in their quality control. The company also did not follow the proper protocols set by the European Union and the British government. As a result, this negligence has cost them a lot. The company should have reported the salmonella contamination immediately after the tests were made. As such, government food regulators would have been notified and would have given their own verdict regarding the issue. If Cadbury had done this, the whole outbreak could have been prevented. In addition, the fact that they did not notify the proper government agencies could not have been used in the legal case against them.

Moreover, the company's history shows how much it values the quality of the products it produces. This salmonella outbreak, however, totally went

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against the reputation the company wishes to portray. As such, it has betrayed the consumer's trust and put the company at risk. If quality control was really something that the company valued, they should have not allowed the distribution of contaminated chocolate in the market no matter how low the levels of contamination were.

The cause of the contamination also showed that the company has not maintained its facilities very well. If they knew that the one of their pipes were leaking, the machinery should not have been used in producing chocolate because of its probable dangers. Clearly, the company also needs to improve the maintenance of its facilities to ensure that events such as these do not happen again.

Conclusion

Cadbury is a trusted name when it comes to quality chocolates. However, the company's negligence in their food safety measures has placed the company's name in jeopardy. The company should be stricter next time in implementing quality control. In fairness to the company though, it has done all it could to resolve the problem given the circumstances. It has also taken immediate measures to correct its mistakes to ensure that these would not happen again.

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