

Third world and nestle infant formula

[Family](#), [Children](#)



NESTLE – INFANT FORMULA INCIDENT

1. What are the responsibilities of the companies in these or similar situations? When expanding into a new country, especially if it's a third world country, the multinationals should be aware of the impact their products could have on that specific society which might not be prepared to use their products. Thus, before marketing and distributing the product, the company must first be sure that the population knows how to use it. For example Nestle could have done some training to the new mothers in hospitals regarding the health of their child and also regarding their product. This could happen before the proper distribution of the product and might prevent also the malnutrition of the children. Furthermore, the company should be aware about any single fact of that society which can interact positively or negatively with their product.

For example, if Nestle can help the spread of HIV virus through trainings and free blood tests for mothers to be, it can be said that it is a responsible company in the same time with being profitable. Multinationals must understand when entering such a country, the numerous differences that exist between the population from the new market and the population from the home country. Moreover, on each label of the baby powder should be written the fact that the natural milk is the healthy one, and also be specified the circumstances in which the supplementary milk should be used. If there are many illiterate women, these facts should be told to the customer in any point of sale or with any free sampling action.

2. What could Nestle have done to have avoided the accusations of “killing Third World babies” and still market its product? Prove that the charges it

was accused did not occurred because of the product but because of the inadequate use of it. For example Nestle cannot be accused that its product caused diarrhea and vomiting because the water used to make the formula was contaminated. Even if those babies would not have drink Nestle formula they would have drunk other formulas or concoctions prepared with water the result would have been the same. Nestle could promote its formula mainly to children aged over 6 months. Promote more the specialty formula for lactose intolerant or low birth-weight babies.

3. After Nestle's experience, how do you suggest it, or any other company, can protect itself in the future? The companies that produce market and sell infant formula, including Nestle, should conduct a more aggressive research about the places where their product will be distributed and marketed in order to establish some differences and to be able to adapt their products. The third-world countries have a different culture and lifestyle than in U. S. and Western Europe. Before entering any of these markets any company need to understand everything about the environment, traditions, economy and health of that specific area. This kind of companies should also study the social and medical effects of their products and services. Companies that provide these types of food products can have a psychological effect on cultures, with the assumption that products replace certain vital nutrients. A marketing approach that could be used and that would be a success is that they should provide information about the products in the language of the places where the product is being distributed. These companies should be active advocates in promoting healthy eating habits starting with the mother, during her pregnancy and then the baby.

4. Assume you are the one who had to make the final decision on whether or not to promote and market Nestle's baby formula in Third World countries. Were the decisions socially responsible? Were they ethical? Related to the corporate social responsibility matter Nestle was evading its responsibility to the public.

The marketing approach and the promotion used were unclear, which led the consumers to the misconception that formula was a good way to replace breast milk and other forms of nutrition vital to child development. The company should have played an important role in educating the public in relation to the product and the product's characteristics and proper use. Also, Nestle did not take into consideration the differences in living conditions, culture, literacy, fact that led to a number of problems, such as the misuse of the formula. From an ethical point of view, Nestle took advantage of the lack of clarity in the marketing practices. Since this issue is a sensitive one, children and their development, the company should have been a lot more involved in the impact their product has on all types of consumers, not only on producing, promoting and selling the formula.

5. What advice would you give to Nestle now in the light of new problem of HIV infection being spread via mother's milk? Now that this problem has occurred in the third world country, it is in order a better understanding of the phenomenon. Most of the women in both developing and developed countries will use the formula just to avoid any bad outcome. Nestle could take advantage of it and expand its sales in the same time with making the population aware of this problem. The company could also find their own new customers, especially new mothers that are infected with the HIV virus.

Nestle should train properly these women about how to deal with this problem and in the same time buy the company's products. In the interest of customers the company could also develop a better method of involvement as they are a cultural agent and can have an important participation in the battle against the spread of HIV and AIDS.