

Example of case study on kraft foods inc.

[Business](#), [Marketing](#)



Kraft Foods Inc.: The Cost of Advertising on Children's Waistlines.

Thank you for the opportunity granted to do thorough analysis of unethical issues manifested in Kraft Foods Inc. Following the request, ethical issues have been examined from the moral and ethical perspective. The analysis of the ethical issues uses facts and arguments to identify the acceptable morals standards in business. Based on the case analysis, the following conclusions were reached at:

1. Kraft's online marketing is targeting children less than six years of age.
 2. Kraft Foods Inc., though advertising unhealthy food doesn't want to give up the market power.
 3. Kraft Foods Inc. and other fast food companies such as McDonald's corporation have been knowingly targeting children under 12.
1. Lying to the public - the dean of the College of Communication, Dr. Ellen Wartella revealed the truth about the past presentation on Kraft Foods Inc. and children. It is unethical for Kraft Food Inc. to lie to the public that the advertisement made was not targeting the children under six.
 2. Advertisement of unhealthy food - according to Dalglish (2007) fast food is known to cause obesity in children. Reports and other studies carried out shows that the childhood obesity has increased by about 200% since 1980s. The same statistics further reveals the increase of obesity among children from 6% between 1960 and 1980 to 16 percent in the last 20 years. Despite knowing this, Kraft Foods Inc. never gave up in advertising the same to children under 12. This shows that Kraft Foods Inc. is greedy for sales; safety of their clientele is not their concern.

3. Misleading strategies - in an attempt to grab reasonable market share and ensure large amounts of sales, Kraft Foods Inc. is applying a strategy of building superior consumer brand value through great-tasting products, innovative packaging, quality consistency, wide availability of products, helpful services and strengthened brand image. This is a misleading strategy altogether because the incorporation is trying to ensure sales by covering the negative effects of its food products in targeted population through provision of other niceties that the customer feels satisfied but the fact remains that the food is unsafe. On the other hand, it is right for every business organization to apply cutting edge strategies to market its products or services. With this blackmail however, Kraft Foods Inc. has managed trust and loyalty in more than 99% of the households in the U. S.

4. Not giving up the power of marketing - despite the knowledge of Kraft Foods Inc. that their products have severe effects to children, the incorporation never wanted to refrain from the same. In fact one of the Kraft's executive members admitted that they did not want to give up the marketing. This is a fact for any other business organization. Aggressive marketing is fundamental to realization of desired amount of sales. However, the ' power' tainted the incorporation's reputation. It is one of the renowned brands in market, but unfortunately it is losing the opportunity. 2005 reputation quotient study reveals the poor performance of Kraft Foods Inc. dropping from 48th position to 50th position which was even a big drop compared to position 8th of its top competitor, General Mills.

5. Ironical that Kraft Foods Inc. values quality and safety in products - the statement that Kraft Foods Inc. values the quality and safety of its products

is totally ironical. Earlier mentioned is that Kraft Foods Inc. is advertising unhealthy food to children. This means that the food produced by the incorporation is unsafe because statistics have revealed the effects of fast foods on children; the food causes obesity and as a matter of fact, the obesity cases are rising drastically. This may be attributed to devoted advertisements and campaigns targeting the young children by fast food companies.

The most ethical issue in the context of business is the act of tirelessly marketing unsafe products. In the case, Kraft Foods Inc. never gave up marketing the junk food to children under 12 despite the reports compiled by the delegation of World Health and Wellness Advisory Council showing detrimental effects of fast food on the children. The incorporation blackmails the public (the consumers) by ensuring product availability, quality, strong image brand, and helpful services.

Resolutions and recommendation

It is also important that Kraft Foods incorporation consider making another type of food product that will be sold in line with the usual food products that will counter the possibility of obesity among the children. This can be fat-cutting food and the consumers must be made aware of the same.

As a way of showing concern of their clientele, Kraft Foods Inc. should include a label indicating the effects of its products so that consumers can regulate the amount of intake and know the counter measures that may be taken.

Effects of each alternative on all stakeholders

Production of additional food product to counter the fat levels in fast food produced by Kraft saves the consumers from obesity risks. The same makes the incorporation realize increased sales thus more profits.

Inclusion of warning label on the food packaging will make the consumers eat fast foods responsibly and consider essential countermeasures of regulating fats. However, this may make Kraft Foods Inc. drop in terms of sales and revenue since the consumers will shy away from the products and go for alternatives.

The best alternative in this case is the productions of an extra product that will help the consumers escape obesity risks while making the business organization realize more profits.

Conclusion

It is a good practice for every business organization to practice good morals and ethics so as to ensure customer satisfaction and safety as well as portraying good image that will help draw customers closer. Falsehood and misleading business strategies taint business organization's reputation

References

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