

The nestle companys social performance marketing essay



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Today, Nestlé is one of the largest world leading food and beverage companies. And it is also becoming the world's leader in nutrition, health and wellness. Nestlé has head quarters in Vaud, Switzerland. The categories of Nestlé's product lines can be listed as coffee, water, beverage, dairy, ice cream, infant nutrition, frozen foods, chocolate, and petcare. The main purpose for writing this essay is to identify and analyses Nestlé's social performance, as well as examine how Nestlé affects the society and stakeholders.

BODY

Review the Nestlé Company's social performance from past to now

In 1860s, the founder of Nestle called Henri Nestlé developed the world's first infant food named Farine Lactee which help people were unable to breastfeed. He used his scientific knowledge to develop healthy and nutritional products to satisfy consumer's demand. And his name was used to brand the products in a distinctive way. Henri Nestlé was not only considered as a pioneer of nutritional food products, but also as an entrepreneur, and his principles are still followed to this day, almost 150 years later.

During the whole 20th century, Nestlé Company grew accelerated and companies were acquired., especially during the 1st and 2nd World War because of the new demand for daily demand in form of government contracts. After the wars, Nestlé never stopped its step, mergers and acquisition were the main strategy for its business. For example, in 1947 came the merger with Maggi seasonings and soups. Crosse & Blackwell
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followed in 1960, as did Findus (1963), Libby's (1971) and Stouffer's (1973). Diversification came with a shareholding in L'Oréal in 1974. (1)

Nowadays, its slogan " Good Food, Good Life" is known for everyone and Nestlé is becoming one of the largest companies for food and beverage in the world. Based on the financial annual report 2009, Nestlé Company made Sales of more than CHF107, 618M and Profit of more than CHF11, 793M. (2) Its global work force comprises roughly 290, 000 employees and there is at least a local company in each of the 130 countries which can help Nestlé to market its product.

The roles and achievements for Nestlé in society

Nestle is a very human company which care about people. The company is committed to creating long-term value, not only for its shareholders, but also for all those communities around the world where market its products. Nestle is focused on three factors which are Long-term investment, transfer of technology, and training in agriculture. And the successful concept which Nestlé's is based on ' food is a local matter'. For example, in the late of 1980s, Nestle Shuangcheng Ltd was established in China, and the first local production in mainland China started in 1990. Since 2000, 99% of its products sold in China were manufactured locally which equally high quality. Till now, there are more in 20 factories built in China and creates about 12, 000 job opportunities for local people. From this example, we can see that Nestle contributes so much for the development of local economy.

Nestlé and its stakeholders

Stakeholders are persons or groups of people who contribute to the wealth-creating activities of a corporation. Stakeholders either receive or provide benefits or bear or provide risks. (Sybille Sachs, Edwin Rühli and Isabelle Kern, 2009) (3) Due to the case of Nestle, stakeholders can be defined as shareholders, government, customers, local communities and so on. The following part is to examine how Nestle has impacted its society and stakeholders:

-Shareholders

Nestlé has more than 300, 000 share holders all over the world, but none of the individuals has more than 3% of its shares. Nestle is also a major shareholders for other companies, owns 26. 4% of shares in L'Oreal company in 2004 which bought The Body Shop for \$652million. The shareholders in Nestle have the power to elect the leader or strategies for the company which can help Nestle to have a long-term competitive advantage.

-government

Nestle always knows how important it is to make a good relationship with each local government, and gives lots of support for the local government whom need help. According to the news on Tours, France, February 5, 2010, Nestlé and Mexican government work together to support coffee and cocoa productivity in Mexico. (4) Mexican farmers are able to get the support for technology and social programs from Nestle to help them to produce coffee, cocoa or other agricultural products. And the crops achieve higher quality than before which lead to higher income and living standards for farmers. As

the news said, more than USD 540 thousand is invested in Mexico every year to support the local agricultural sustainable development projects.

-customers

From the start the Nestle, Henri Nestle had spent his whole life to create healthy and nutritional products in order to satisfy the demand for different groups of consumers. At present, “ the consumer at the heart of all we do” is therefore a maxim that is followed with great determination throughout Nestlé. (5) The whole company totally depends on the consumers’ choices of products to Nestle in preference to its competitors’ products. This is why Nestle heartedly dedicated to providing the best foods to consumers and focused on meeting their needs that improve the quality of life for everyday.

-local communities

‘ Creating value for society while creating value for our shareholders.... this is Nestlé’s approach to the community and, on a wider view, to the attainment of the U. N. Millennium Development quicklinks.’ (6)

This statement is fully explained how Nestle has impacted upon the society. Nestle has built more than 400 community projects around about 90 countries which is aim to support the most pressing needs of people , especially in developing countries. They focus on reducing poverty and hunger, setting primary education foundations in rural area, improving the health for women and children to reduce the mortality, and the reduction of pandemics like HIV/AIDS and malaria.

From above examples of stakeholders for Nestlé, I can conclude that long-term benefits are the most important principle for Nestle. Nestle has its own way to have an efficient, consistent, and sustainable growth in the society.

Is Nestle chocolate fair trading or slave trading?

I think this is the main issue which people are arguing today. Ivory Coast is the world's biggest producer of cocoa beans with over a million cocoa farms and plantations. An article from Forbes Magazine in April 2006 said: ' The International Labor Organization, part of the UN, estimates 284, 000 child laborers work on cocoa farms, most of them in one tiny country, Ivory Coast, source of almost half the world's cocoa. " These are either involved in hazardous work, unprotected or unfree, or have been trafficked," says the ILO.' (7)

One good solution for this issue is ' Fair Trading'. The purpose for Fair Trading is to ensure farmers can sell the products at a fair price and this will let their labor force is no longer combined with children or slaves. And the Fair Trading can also guarantee farmers earn an equitable income in order to live substantially. The Nestle company publicly argue against slave trading. However, in fact Nestle is continuing buying cocoa in a cheap price and refusing buy raw materials from farmers at a fair price.

As one of the largest chocolate manufacturers in the world, as well as the third biggest buyer in Ivory Coast. Nestle bears the responsibility to eliminate slave and child labor from this area.

Conclusion

In conclusion, Nestle is not only the largest industrial company in Switzerland, but it is also the World's Largest Food Company. Nestle has about 150 years' continuous, steady, sustainable growth which give its word to ensure provide the best food to satisfy the needs of different groups of consumers from many cultures. Its Research & Development Projects offer more opportunities to anticipating consumers' needs and creating solutions. Although the Slave Chocolate issue makes us a little bit disappoint to Nestle, Nestle really contributes to our local economies, personal well-beings and improves the quality of life. I believe that, Nestle will continue its long-term strategy which can provide high quality, safe and trusted food , and our life will be more nutritional, healthy and better in future.