

Coca cola company review essay sample



**ASSIGN
BUSTER**

Ethics refers to the moral principles or value that generally govern the conduct of an individual or a group. Ethics also can be viewed as the standard of behaviour by which conduct is judged. Ethics are personal rather than societal moral principles and value. Business Ethics is the application of moral standards to business situations. (Masden and al, 1990)

According to Robert Levering, (1997), one of the most 10 popular companies among job seeker is Coca Cola. Coca Cola is characterised by openness, fairness, camaraderie among employees, job security, opportunities for advancement, and sensitivity to work/family issue.

Since it's founding, the Coca Cola Company has worked unceasingly to reinforce ' the simple moment of pleasure' among consumers and employees. Coca Cola is not only a product, it s a lifestyle. But was the reality of the Coca Cola Company?

In a first part, we will introduce you a brief introduction of Coca Cola Company. In a second part, we will discuss about behaviour of the company when confronted to ethical issues. In a last part, we will see what Coca Cola can do to improve the company ethically approach to business practices.

Brief history of Coca Cola

Coca Cola was invented in 1886. Originally, Coca Cola was a soda fountain beverage selling for 5 cents a glass. Early growth was impressive but it was only when a strong bottling system developed that Coca Cola become the world famous brand it is today. (www. Coca-Cola. com)

Coca-Cola in facts:

<https://assignbuster.com/coca-cola-company-review-essay-sample/>

* People around the world consume more than 1 billion servings of products from The Coca Cola Company each day. (That is about 10, 540 soft drinks per second).

* The first outdoor painted sign advertising Coca-Cola still exists. It was painted in 1894 in Cartersville, Georgia.

* If all the Coca-Cola Ever produced were to erupt from the geyser ‘ Old Faithful’ at its normal rate of 15, 000 gallons per hour, there would be enough Coca-cola to flow continuously for 1, 689 years.

* The Coca-Cola Company is the longest continuous sponsor of the Olympic games. The Coca-Cola Company’s association with the Olympic movement dates back to 1928. And Coca-Cola has signed an agreement extending its association with the Games through 2008.

* Fortune magazine named the Coca-cola Company ‘ America’s most admired corporation in 1996’

* There are 8, 000 members of the official Coca-Cola collectors club

* Currently, there are more than 10, 000 licensed Coca-Cola products available to consumers.

“ Nowadays is the most recognizable product brand on the earth. Even if you don’t drink it you know what Coke is. Ok, so what it is? Not just a drink! Coca cola has been designed as a complete sensory experience. No wonder that wherever people are enjoying life there is “ Always Coca-Cola”.” (Michelle Allen, 2002)

Coca-Cola mission is to provide beverages that refresh people around the world anywhere, anytime, everyday and to ‘ think local, act local’. (www. Coca-Cola. com) By this statement, Coca-Cola defines itself as a world company. According to this, the company should take others culture in account and use them to become an intercultural company instead of projecting the American way of life on the rest of the world.

Ethical issues

In the first part, we outlined The Coca-Cola’ s history. We will now observe Coca-Cola’s behaviour when confronted to ethical issues. The company has a couple of promises to the market place, work place, environment and the community.

Workplace

Their promise to the work place is to treat each other with dignity and respect.

“ We will foster an inclusive environment that encourages all employees to develop and perform to their fullest potential, consistent with a commitment to human rights in our work place. The Coca-Cola workplace will be a place where everyone’s ideas and contributions are valued and where responsibility and accountability are encouraged and rewarded.” (Draft, 200)

Discrimination

However, Coca-Cola has acted contrary to their promises and as well as the happiness theory, which states that it is the total sum of happiness that must

be maximised not simply our own individual happiness. (Masden and al, 1990)

In 2000, the black employees of Coca-Cola took the company to the courts of law for discrimination, claiming blacks are paid less and have fewer opportunities to advance than white employees. Not only do barriers exist for African American employees seeking upwards advancement within the company, but also similar barriers virtually segregate the company into divisions where African American leadership is acceptable and divisions where it is not the lawsuit said. After one hearing of the case, Coca-Cola gave \$1bn aid to minorities to boost business opportunities for ethnic minorities and women in the US. (BBC 16 may, 2000)

Aggressive Marketing

Soft-drink companies are among the most aggressive marketers in the world. They have used advertising and many technologies to increase sales. In 1997, Coca-Cola spent \$227M on advertising.

The Kantian view that any form of persuasion that is dishonest, untruthful, or less than rational is an assault on the integrity of the individual.

Therefore advertising not only needs to tell the truth but also not hide problems. Advertising should provide full information about a product, warts and all. (Masden and al, 1990)

Coca-Cola does not include on the cans and bottles: “ Drink this at your own risk because of the health problems associated with it”. These include

allergies, tooth decay, obesity, diabetes, and lot of other things. (Russell Mokhiber, 1998)

Recently, Coca-cola has come under fire from Harry potter fans for using images of the popular character in its latest advertising campaign.

The campaigners object to Coca-cola's use of the images from the movie about the boy wizard on its products. As Harry potter, and the philosophic stone was released last year in November. Many campaigners feel that the drinks company is trying to make children buy its products, protestors deem unhealthy.

Coca-cola did hit back by insisting that the company's links with Harry potter are about promoting the value of reading and the magic of character, not about promoting their products to children.

This contradicts what they stated; they called this initially an advertising campaign. However as part of the deal Coca-cola has given \$18 million (12million) to the US Reading fundamental (RIF) campaign to encourage literacy in children. (BBC, 2002)

Management

Bribing bottlers

Coca-cola was recently implicated in bribing an employee who was a member of a trade union with \$10, 000 to cause rifts within the union. Two former executives were sacked as a result. James Wardlaw, a former regional Vice president and general manager and Eric Turpin, a former regional vice

<https://assignbuster.com/coca-cola-company-review-essay-sample/>

president of human resources of coca-cola Enterprises Inc.'s Atlanta region, were indicated.

Federal officials charged Wardlaw and Turpin with corruption as they paid Jeffrey Wright to influence his co-workers to vote against Local 42 of the Bakery, confectionary and tobacco workers in a National Labour Relations Board election.

Coca-cola Enterprises said, “ If they are determined to be valid, would directly contradict our company’s labour relations philosophies, policies and practice. A company is built on the foundations of its employees, from factory workers up to vice presidents.”

Support to a dictatorship government.

Another issue is through its Nigerian-owned franchised holder, sponsors, supports events and demonstrations organised by Abacha military dictatorship. In order to invest in Nigeria Coca-cola must interact and favour the interests of the military regime. According to Le Monde Diplomatique (1997), by dealing with Abacha and his subordinates in any fashion, Coca-Cola gives legitimacy to his dictatorship, which has seen 3000 Ogonis lose their lives. On that note, the local community thinks buying a soft drink may be supporting the death of democracy in Nigeria.

Monopoly

Coca-cola is a very large company having its presence felt everywhere, so much that they tend to cause a monopoly not by accident but intentionally. Certain agreements with other large multinational companies can cause

<https://assignbuster.com/coca-cola-company-review-essay-sample/>

detrimental affects on smaller drinks companies. McDonald has an agreement with Coca-cola where they will only sell their products restricting other companies to offer their drinks. This is an unfair practise which customers as a whole find uncomfortable. (J. Carro, 1999) They can do this, as Coca-cola will slash their prices on large scales to muscle in on the action. Monopolies are also beginning to occur in some university campuses by making deals with institutions whereby Coca-cola's products can only be sold. Demonstrations have erupted as a result boycotting Coca-cola's products.

Environment

“ We believe nothing more important than preserving the beauty of our natural environment. Coca-cola has always believed that good business means treating the environment with utmost respect. Respect begins at the level of our water and natural resource. Here are samples of some ways Coca-cola are doing their part to keep the planet healthy.”(Coca-Cola, 2002)

Coca-cola is spear heading the water shed campaign which targets rise in river conversation. Coca-cola is working constantly toward coming up with smart creative ways to re-use waste.

However in 1999, Athens-based grass roots recycling Network accused Coca-Cola Company of misleading public about record on plastic recycling. Groups demanded company make a real commitment to buying “ recycled” on America recycles day.

Coke has engaged in a pattern of misleading contradictory statements over the past nine years concerning its commitment to reduce packaging waste from plastic bottles. By telling the public and congress they would use recycled plastic because it helped the environment. Then when nobody was looking they completely stopped using recycled content.

Coke uses 800 million pounds of virgin plastic in the bottles they sell in the US every year, that's just carbonated soda bottles. Coke is undermining recycling, creating ever larger amounts of plastic waste and contributing to more pollution from virgin plastic manufacturing.

Recommendations and Conclusion

* About discrimination:

Coca-Cola should have policy statements and introduce training programmes. They should treat their employees equally in the respect of their origin. Repairing prejudice with money, it is not a long-term solution.

* About advertising to children:

Coca-Cola should take into account the maturity of the children and do not play with their imagination. Using movie characters such Harry Potter to promote their brand is an abusive exploitation of children's naiveté. They pretend promoting the taste of reading but in fact, it is just another way to sell more soft drinks.

* About green issues:

Using 800 million pounds of virgin plastic in the bottles just in US, environmental protection should be one of the main aims of Coca-Cola. Coca-Cola is passive and seems to have an optimistic perspective about green issues. Environment is probably not as bad as ecologists want to say it. Then, World Company improving the standard of life will enable our world to be preserved.

Moreover, soft drinks cause substantial health damages. In the aim of promoting health and safety, Coca-Cola should indicate the potential impact of the soft drink's consumption on the health of children and adults.

* About competition:

Coca-Cola should stop the monopolies in clubs, schools and restaurants. They deny consumers the right to choice between different drinks. By limiting this choice, they limit as well their freedom.

* About Management:

Bribing and intimidation is not only immoral but also illegal. Coca-Cola should stay on the right side of the law; instead of following a policy of the end justifies the means.

Coca-Cola is an ambiguous company, developing programmes and institutions but flirting all the time with the fine barrier between ethical and unethical actions.