

Example of case study on coke and pepsi in india: issues, ethics, and crisis mana...

[Business](#), [Company](#)



Evaluate the corporate social responsibility (CSR) of Coke and Pepsi in India

These multinational corporations (MNCs) are obliged to observe certain social aspects of the communities in which they operate. In India for instance, such responsibility majorly lies in the conservation of water as a major resource in any economy. Indians have spiritual attachments to water and this should be observed by these MNCs.

The companies also have a responsibility of reinforcing their interactions with stakeholders in the Indian economy. They needed to incorporate the Indians in their management and certain decision-making processes.

Have these MNCs ignored these responsibilities?

These companies have not ignored these social responsibilities. Coke for example, faces a major challenge in its usage of water. It has established several clean water projects in different countries of the world, including India. It also enhanced its stakeholder's incorporation by appointing Indra Nooyi as the CEO in October 2006. Pepsi also has excavated ponds and lakes in a move to harvest rainfall. It also harvests the rainwater from the rooftops of its bottling plants in India.

How do they protect themselves from continuous allegations from special interest groups? Is stakeholder management a solution?

The media is an important tool in shaping people's opinions and perception. These companies realized that the best way to prove their innocence amidst the claims was to use the media. TV ads in Coke's case and Media

conference of the Pepsi Company both helped them build customer confidence. Proper marketing skills such as permitting the public to visit the company, using a celebrity to market their products and putting posters on major places like bus stops helped Coke. Pepsi in showing the president in their laboratory convinced the public that the allegations put against them were untrue. Proper stakeholder management also helped the MNCs combat this problem by helping lobby support of the locals.

These MNCs have a legal obligation of ensuring they abide to the laws of the Indian government in their production and provision of its goods.

Economically, they should empower the locals by offering them job opportunities and providing their products at affordable prices. The ethical responsibility here entails respecting the cultural beliefs of the Indian people, for example upholding the spiritual importance of water. Their production should not cause devastating effects to the environment but help conserve limited resource which face extinction