

# Nestle': the infant formula incident essay sample



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Describe, in general, Nestle's strategic orientation toward international business. Would you characterize Nestle as following a home replication, multi- domestic, global or transnational strategy? Defend your answer.

Multi- domestic and Global strategy would characterize Nestle toward international business.

Why Multi- domestic, multidomestic strategy tends to be used when there is strong pressure for the corporation to become accustomed to its products or services for local markets. When Nestle reputation was going down because of the baby formula, many companies and people didn't want anything to do with them. Local markets, stores and hospitals strayed away from using Nestle products because baby after baby was dying or becoming severely ill. In other countries, they started using unhygienic water to stretch out the formula for more use because they thought Nestle was against breast feeding. As said in the textbook, for example, Kentucky Fried Chicken outlets in china are highly popular because they are perceived to reflect American values and standards, something that might be lost if the company tried to adapt the stores and products to be more like other Chinese food outlets.

Nestle was once the worlds largest industry with many sales to infant feeding formula, but when they were attacked with this issue it made everything a complete mess. Nestle products had nothing to do with the issue; it was the mothers that was contaminating the product that made everything a catastrophe. Mothers were trying to stretch the formula so it wouldn't be a hassle to get more and breast feeding didn't have to take place. Why Global strategy? Global strategy is used when a company faces strong pressures for reducing costs and limited pressure to adapt products for local markets.

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Nestle was a product that already adapted among everyone until one incident happen. Nestle had been charged with connection in the deaths of third world babies. Critics, journalist and people who had no clue what was going on diminished the fact that mothers were giving up breast feeding to use the formula. On the countryside of Mexico, the Philippines, Central America, and the whole Africa, it has been a vivid decrease in the occurrence of breast feeding.

What are the major criticisms of Nestle's marketing effort in less developed countries? What specific marketing activities have resulted in the charges of unethical behavior leveled against the company?

One of the main problems is that the marketing practices of infant formula manufacturers, physician dominated medical systems, and the relationship between industry and health professionals has resulted in widespread propaganda about breast-feeding, false claims of the similarity among breast milk and false substitutes, and the devaluing of women's awareness about breast-feeding in general. Nestlé approached its product sales and marketing activities in developing countries the same way that it did in developed, more prosperous countries. The consumers' behaviors, patterns, and needs were not the same. Nestlé faced a lot of inspection and even had boycotts to deal with because their approach in less developed nations. There were environmental issues, like the accessibility of only contaminated water to combine the powdered formula with. When Nestlé first entered these developing countries they didn't have a multi-domestic market course. They didn't modify their products or marketing activities to the mores of the

nations they were coming into. They sold the formula in the developing countries as they did in the US and other nations that are more developed.

What Specific environmental conditions in the Third World have contributed to the apparent misuse of the product in these countries?

This processed product by Nestle was much more nutritiously useful for the infant. But it remained so only when it was assorted with water and should be fed by the use of sanitary bottles. This product should only be stored in the refrigerator. Nestlé objective were the small educated and low income Third World nation customers who does not meet the requirements for these processed foods. Majority of these poor customers didn't have the admittance to clean and drinkable water. They primarily used the water of the main supply, lakes or rivers, which was already used for bathing and laundering. Also they could not have finances to afford the fuel for boiling the water. Their disposal system or sanitary services was under developed and contaminated by many bacteria and viruses.

The unsanitary bottle and water used by these people could produce the harmful vaccination to the infants. They lack the financial force that limited them for the purchase of any other supplementary formulas. This caused the mother to thin the product much more making the usual formula to stretch further. This misuse of the product leads to the fatal health effects on small infants. The Nestle Product provided by the organization was not used correctly therefore led to an environmental restriction. The Nestle products were given with indecent regulation and resources making the product very dangerous for the society. Nestle failed to encourage the local people the

use of these products and basically understanding the nutrition and sanitation needed for these product. In other words Nestle failed to give social assertion to local people.

What further steps can and should Nestle take in order to ensure that its product is used properly? What, if anything, has Nestle done to insure that the product is properly used?

Nestle could have avoided these accusations by developing an advertising operation planned specific to the country, sustaining breastfeeding and its benefits. Inform or fund the teaching of communities about breastfeeding. Market bottle feeding and formula as options to mom's if they are sick, malnourished, or if the baby isn't gaining sufficient weight. If malnourishment is a big issue, market the formula as supplemental, only to be used in addition to breast milk in order to ensure the baby gets all the nutrition required. Present testing for HIV and other infectious diseases that can be passed from a mom to her baby through breastfeeding.

Nestle must ensure that their marketing strategies and advertisements fit in with the culture and promote the things specific to the society that are most important. Know the culture of nations to best direct the marketing approach. Nestle could Work with the government and any national health organization.