

Ben and jerry's case study essay



Ben and Jerry's Case Study What makes a company great? Is it constant financial growth year after year? Is it producing a product that is known and recognized in millions of households around the world? Or is it being socially conscience while still providing a cost effective product? With Ben and Jerry's ice cream company, it's not enough to just be financially successful; they also strive to be socially successful. Ben and Jerry's want more from their alliances with wholesalers, franchisees, and international partners than simply earning profits.

They want to team up with companies that will be socially active and take into consideration the impact they will have in society and the environment when making business decisions. Despite Ben and Jerry's noble intentions, there is potential for channel conflict developing. These conflicts include different cultural views, and foreign government procedures. Even with these issues, Ben and Jerry's existing channel is an ideal one because of the many social objectives the company is trying to help the world solve.

With the majority of companies, an alliance with wholesalers, franchisees, and international partners means looking for the most reliable channel, at the most affordable cost. Whether or not that company is socially active in a positive manner make no difference because it does not have any bearing on the bottom line of a profit and loss statement. Ben and Jerry's is unlike any other company, and seriously takes into consideration whether or not forming an alliance with another company based on the social impact it has on their community.

Ben and Jerry's approach to forming an alliance with companies that put social and environmental issues before company profits has proven very beneficial to them. By taking firm stands on social issues and donating a percentage of the company's profits to helping society, they've gained a strong loyal customer base that has helped them keep profits steady (Rosenbloom 594-598). Because of their loyal customer base, they've been able to capitalize on its reputation as a concerned citizen.

When Pillsbury was urging stores to stop carrying Ben and Jerry's ice cream, and focus on stocking their shelves with their own brand, Haagen-Dazs, Ben and Jerry's went on the offensive and had grassroots support to fight Pillsbury (Rosenbloom 594-598). Ben and Jerry's low budget, bumper sticker campaign worked and gave the small under dog ice cream company positive media attention. Haagen-Dazs, whose philosophy is "finding the purest and finest ingredients in the world and craft them into the best ice cream, sorbet, frozen yogurt available", is a company whose culture is very different from Ben and Jerry's ("Haagen-Dazs").

While they both produce ice cream from ingredients that are of the highest quality, Ben and Jerry takes the time to include that they want to produce products in a sustainable manner. This way of thinking is also apparent with those they chose to do business with. The importance of why Ben and Jerry's channeling strategy is the way it is, is because of not only the good it does for the world, but also it's great for Ben and Jerry's image.

The adult entertainment industry, which generates \$14 billion dollars in revenues each year, would be a possible venture for an ice cream company

looking to make some money (Morris). Not with Ben and Jerry's. Recently, they filed suit against an adult entertainment production company for titling one of the film's "Ben and Cherry's" (Associated Press). Ben and Jerry's want to associate themselves with family friendly companies to help better their image and they want to promote positive public relations.

An example of positive public relations would be Ben & Jerry's was the first brand-name ice cream to be taken into space aboard the space shuttle (Wikipedia). Ben and Jerry's multichannel arrangements used to distribute their products have potential for channel conflict to develop despite their noble intentions. Because Ben and Jerry's is very socially active and deals with so many channels, it's hard not for them to have a problem develop. The first area I see a problem developing is in the international channel.

International business is tricky because it's a foreign land, with foreign customs and cultures. The last thing a company wants to do is commit social suicide by being ignorant and saying or printing the wrong thing. In 2006, controversy arose when Ben and Jerry's came out with a flavor called "Black and Tan", a flavor derived from mixing stout beer with a pale ale. As it turns out, it's also the name given to a irregular force of British ex-servicemen recruited during the Irish War of Independence who were known for the brutality (Wikipedia). Another channel I can see issues with is online and mail order.

With this channel a multitude of things can go wrong such as logistics of delivery, product quality upon shipment, or possible recalls due to malfunctioning refrigeration. Online mail ordering of ice cream seems too

risky and too costly to see Ben and Jerry's continuing to keep this channel. Given the kinds of social objectives the company is pursuing, I do believe Ben and Jerry's existing structure is an ideal one to have. They have the conventional supermarket distribution channel, which heavily distributes their products to consumers, and its constantly growing (Rosenbloom 594-598).

They're also franchised, with 750 scoop shops around the world; they support franchisees with a special interest or social focus (Rosenbloom 594-598). Unique to Ben and Jerry's is their use of online and mail ordering channel which has the potential to reach millions of consumers if done right. And finally their international distribution channel which helps the company grow into other countries. Ben and Jerry's company is here to stay in my opinion. I consider it a company with a conscience.

Practicing sustainability, being socially involved, partnering up with other companies that are environmentally aware, Ben and Jerry's is putting into practice procedures that will keep them going for years to come. With a strong distribution channel structure, consumers can sure to find Ben and Jerry's ice cream everywhere.

References: " History. " Ben and Jerrys. N. p. , 2012. Web. 15 Sep 2012. . (" Ben and Jerr'ys") Rosenbloom, Bert. Marketing Channels. 8th. Mason, OH: South-Western, 2004. 594-598. Print. (Rosenbloom 594-598) " Company History. " Haagen-Dazs. Haagen-Dazs, 2012. Web. 17 Sep 2012.