Strategic Analysis of Nestlé Bottled Water

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Nestlé Bottled Water and Corporate Strategy

Bottled water is an approach toward clean drinking water and has been adopted by several international companies. Due to environmental pollution and the increasing rate of water pollution in the world, companies are providing bottled water that ensures clean and safe drinking water delivery to their consumers. Nestlé is one of these companies that provides bottled water all over the world. Nestlé is an international brand and is considered the most successful water-providing company in the world today. It was established in 1867 by Henri Nestlé, who was a pharmacist. The logo of Nestlé is also based on its name, and its meaning promotes the health effects, security, family love, and nourishment ("History of Nestle", 2018). Nestlé has more than 280,000 employees worldwide and has spread its nest all over the world in more than 86 countries. The products of Nestlé include bottled water, chocolates, cereals, frozen items, and similar food products.

Health Positioning and Decentralized Market Operations

The company's tagline is based on health factors, and it is working to ensure health safety and provide quality products to its consumers. Its strategies include innovative measures with a renovation that promotes the best quality products. It works to maintain its reputation and for the improvement of its products with time. Its long-term goals are specified and not based on the sacrifice of any short-term performance. The purpose of Nestlé is to provide the best quality products, satisfy consumers' needs in the best manner, and provide products according to the needs of consumers throughout their lives.

The Nestlé Company follows the strategy of decentralization, and in every country, it creates its own branches. These branches are responsible for the running of its market business. Its tagline of business is "Thinking globally, acting locally," which means that it provides products according to the needs of people in every country. The best measure that is adopted by the Nestlé Company is that it works on sustainable measures and ensures environmental sustainability through its products.

Environmental Criticism and Water Resource Controversies

At the start of the 21st century, the company faced several global issues. According to the documentary, “Bottled Life – The Truth about Nestlé’s Business with Water,” created by Res Gehringer, the Nestlé Company is a business that is working on its bottled water system only to produce business and not for the promotion of health factors. Gehringer added the United States of America, Pakistan, and Nigeria in the documentary, which showed the business strategies adopted by the famous Nestlé Company. It includes several unethical considerations that are adopted by the Nestlé Company, such as negative impacts on the stakeholders, high prices of bottled water, and contaminated water that is used by the company in the country Pakistan (Bottled Life: Nestle’s Business With Water, 2012).

The Nestlé Company started its bottled water business in Sacramento, CA, and faced different issues, such as the atmosphere being disturbed by the production of bottled water. However, several other issues were raised that showed the company did not care about health factors but only about making profits. The spread of bottled water in Asian countries provided people with the opportunity to access clean drinking water, but most countries, such as India, Pakistan, and Bangladesh, are the ones that are facing poverty issues, and most people cannot afford expensive water like Nestlé (Bottled Life: Nestle’s Business With Water, 2012).

In the documentary of Gehringer, Pakistan is targeted in the case as its people faced several issues regarding the bottled water of Nestlé. The people faced issues due to the expensive price of bottled water, which was unaffordable for them. In many southern areas where Nestlé launched its products, people do not have an approach to safe and clean drinking water, but the company did not consider this fact and did not lower its prices for the people who need clean water but do not have money (Bottled Life: Nestle’s Business With Water, 2012).

Many people get sick in the areas in which the Nestlé Company was present. The village requested Nestlé to provide them with clean water piped in, but it refused their request because, in that way, the company could not get any kind of profit. From the point of view of stakeholders, Nestlé did wrong and used unethical measures, such as the people who got sick due to dirty water, and for them, purchasing Nestlé was a matter of their life and death. The bottled water of Nestlé also falls under the category of unethical consideration as it is impacted negatively by the concept of individualism (Lewis, 2014).

People who want to purchase water for their families do whatever it takes to provide safe drinking water to their families, although water is a basic necessity for every human being. The actions of Nestlé were not ethical as these are the opposite of the ethical measures. Pure and clean drinking water was unaffordable for most people in South Asian countries because they could not afford their basic needs due to the expensive price rate of Nestlé Company. Nestlé not only avoids the ethical

considerations of social responsibilities but also avoids business ethics and justice aspects (Lewis, 2014).

Corporate Response and Sustainability Measures

As a result of the documentary, Nestlé did not accept all the provided facts and stated that it was factually incorrect. Nestlé refused to admit that it was taking groundwater from the farmers of Punjab in the country Pakistan. The company did monitor work and allowed by the government system of the country.

The sustainability report of Nestlé (2012) showed that it is working under the logo of shared value, which includes nutrition, water, and rural development around the world. It includes the progress of the company and also several facts that it is working to promote nutrition measures and quality products all over the world. The nutritious products of Nestlé are helpful in delivering health measures, and the company is trying many ways to make its products affordable for consumers (Godelnik, 2013).

The company is using scarce water resources and protects them with efficient measures, several manufacturing measures, and several distributive measures. Nestlé is also working to develop rural areas in the world and making efforts to develop the farmers by supporting them. The company is working on malnutrition and obesity measures and making its products healthier enough that they do not increase the obesity level in people. In 2012, Nestlé spent more than $1 billion on the research and development process.

Nutrition, Social Responsibility, and Strategic Outcomes

The company’s contributions are increasing every year in the area of nutritious product availability and quality. The health considerations also increase every year, as they increased by 32 percent in 2012 as compared to 2011. It shows that the company is contributing positively to the global environment and helping the promotion of healthy, effective, and nutritious products.

The purpose of the company is to provide better quality products and to contribute to the healthy lifestyle of its consumers. These were Nestlé commitments associated with the 2020 horizon and should be read historically. Nestlé’s current climate roadmap aims to reduce greenhouse-gas emissions by 50% by 2030 from a 2018 baseline and reach net zero by 2050. The company is favoring the sustainable development goals and wants to add contributions to them. The ambitions include the promotion of healthy lives that include 50 million children, the development of resilient communities including 30 million communities, and promote sustainable measures for the security of future generations based on the fact that the company will use such methods that will not impact

zero percent of the global environment.

The company provides healthy and effective measures that ensure sustainability in every procedure, including manufacturing and production procedures. The company is making efforts to achieve its ambitions before 2020. The progress includes the product's quality measures, numerous job opportunities, sustainable measures in every step of product production, waste disposal measures that ensure environmental sustainability, and the best methods to provide the most healthy products to the people. The major achievement of the company includes sustainability measures that ensure that the company does not cause any degradation to the global environment and consistently works to promote the best healthy and quality products with the best sustainable measures (Nestle, 2016). The company surely faced several issues in the past, such as several unethical considerations, but the company tried hard to get over all these allegations that impacted the reputation of the company negatively. Moreover, the company is now striving hard to provide the best products to its customers and has also adopted numerous measures that ensure environmental sustainability and health benefits.

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