

Australasian Accounting, Business and Finance Journal

Volume 3
Issue 3 *Australasian Accounting Business and
Finance Journal - Student Poster Special*

Article 3

2009

What are you Really Drinking?

Iain Russell
University of Wollongong

Stephen Gibb
University of Wollongong

Lloyd Fermine
University of Wollongong

Kendall Park
University of Wollongong

Follow this and additional works at: <https://ro.uow.edu.au/aabfj>

Copyright ©2009 Australasian Accounting Business and Finance Journal and Authors.

Recommended Citation

Russell, Iain; Gibb, Stephen; Fermine, Lloyd; and Park, Kendall, What are you Really Drinking?, *Australasian Accounting, Business and Finance Journal*, 3(3), 2009.

Research Online is the open access institutional repository for the University of Wollongong. For further information contact the UOW Library: research-pubs@uow.edu.au

What are you Really Drinking?

Abstract

This poster considers issues in the marketing of "Vitamin Water". Issues considered include: social responsibility, health issues and marketing ethical issues.

What are you Really Drinking?

Iain Russell; Stephen Gibb; Lloyd Fermin; Kendall Park

Abstract

This poster considers issues in the marketing of “Vitamin Water”.

Issues considered include: social responsibility, health issues and marketing ethical issues.

Keywords: Social responsibility; marketing; student poster.

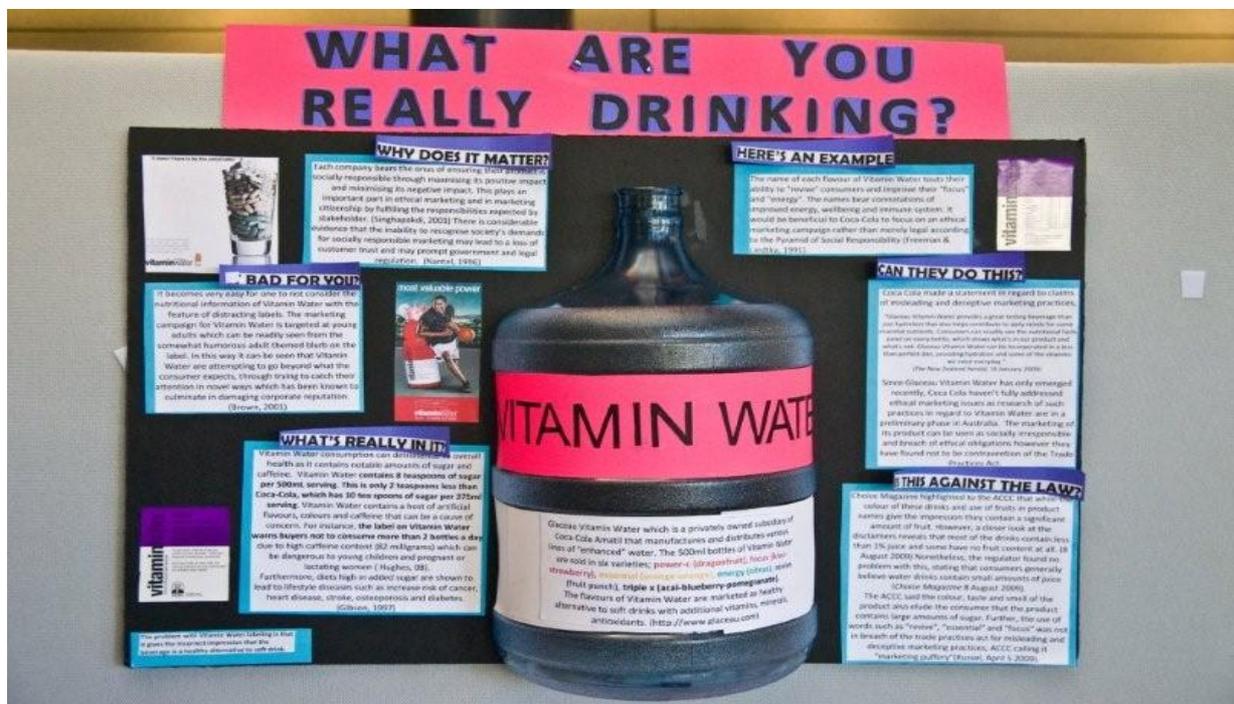


Photo courtesy of Media Unit, University of Wollongong. Some art on this poster is sourced from the Vitamin Water Homepage http://www.glaceauvitaminwater.com.au/en_AU/pages/power-c/powerc_flavor.html Reproduction of the artworks included in the student posters is used in accordance with the Criticism and Review aspects of Fair Dealing (section 41 of the Copyright Act 1968).

Why does it Matter?

-Each company bears the onus of ensuring their product is socially responsible through maximising its positive impact and minimising its negative impact. This plays an important part in ethical marketing and in marketing citizenship by fulfilling the responsibilities expected by stakeholders. (Singhapakdi et al, 2001). There is considerable evidence that the inability to recognise society's demands for socially responsible marketing may lead to a loss of customer trust and may prompt government and legal regulation (Nantel & Weeks, 1996).

Is it Bad for you?

-It becomes very easy for one not to consider the nutritional information of Vitamin water with the feature of distracting labels. The marketing campaign for Vitamin Water is targeted at young adults which can be readily seen from the somewhat humorous adult themed blurb on the label. In this way it can be seen that Vitamin Water are attempting to go beyond what the consumers expects, through trying to catch their attention in novel ways which has been known to culminate in damaging corporate reputation.

What's Really in it?

-Vitamin Water consumption can be detrimental to overall health as it contains notable amounts of sugar and caffeine. Vitamin Water contains 8 teaspoons of sugar per 500 ml serving. Vitamin Water contains a host of artificial flavours, colours and caffeine that can be a cause for concern. For instance, the label on Vitamin Water warns buyers not to consume more than 2 bottles per day due to high caffeine content (82milligrams) which can be dangerous to young children or pregnant or lactating women (Russell, 2008).

-Furthermore, diets high in added sugar are shown to lead to lifestyle diseases such as increased risk of cancer, heart disease, stroke, osteoporosis and diabetes (Gibson, 1997).

Here's an example

-The name of each flavour of Vitamin Water touts their ability to "revive" consumers and improve their "focus" and "energy". The names bear connotations of improved energy and well being. It would be appropriate for the marketing of this product to be focussed on an ethical marketing campaign rather than a merely legal one according to the Pyramid of Social Responsibility (Freeman & Liedtka, 1991).

Can They Do This?

-Since Vitamin Water has only emerged recently, ethical marketing issues have not fully been addressed as yet in Australia. The marketing of this product could be seen as socially irresponsible and possibly in breach of ethical obligations, however, they have been found not to be in contravention of the Trade Practices Act.

Is This Against the Law?

-Choice magazine highlighted to the ACCC that while the colour of these drinks and the use of fruit in the product names gives the impression that they contain a significant amount of fruit, a closer look at the disclaimers reveals that most of the drinks contain less than 1% juice and some have no fruit content at all (Russel, 2009).

-The ACCC said that given the colour, taste and smell of the product it might escape the consumer that the product contains large amounts of sugar. Further, the use of words such as



“revive”, “essential” and “focus” was not in breach of the Trade Practices Act for misleading and deceptive marketing practices, the ACCC calling this “marketing puffery”. (Russel, 2009).

References

Freeman, R.E., and J. Liedtka, (1991), "Corporate social responsibility: a critical approach", *Business Horizons*, July/August, pp.92-9.

Gibson, S.A. (1997), “Do diets high in sugars compromise micronutrient intakes?” *Journal of Human Nutrition and Dietetic*, Volume 10, No. 2, 125-133.

Nantel, J. and Weeks, W.A., (1996), “Marketing Ethics: Is There More to it Than the Utilitarian. Approach” *European Journal of Marketing* 36 (5), 9-20.

Russell, M. (2008) “The bitter-sweet truth about vitamin water” *The Age*, September 21, 2008 accessed at <http://www.theage.com.au/national/the-bittersweet-truth-about-vitamin-water-20080920-4kne.html> on 30th September, 2009.

Singhapakdi, A., K. Karande, C.P. Rao, and S. J. Vitell (2001), "How Important are Ethics and Social Responsibility? A Multinational Study of Marketing Professionals," *European Journal of Marketing*, Vol. 35, No. 1/2, 133-152.

Vitamin Water Homepage http://www.glaceauvitaminwater.com.au/en_AU/pages/power-c/powerc_flavor.html accessed 1st May, 2009