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## Product Safety and (Preemptive) Recalls<sup>1, 2</sup>

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Susan has recently been made product manager of *PediaBoost*, a nutritional supplement in her company's infant product line. *PediaBoost* has been on the market for more than two decades, is FDA approved and is considered so reliable by the parents of newborns that the *PediaBoost* brand name is considered as synonymous with nutritional supplements for infants. Market research has discovered that adults are now using *PediaBoost* as a supplement during detoxification diets/flushes that are considered part of a healthy lifestyle.

Market research presents their findings to the executive committee, and proposes a marketing blitz to effectively capture *PediaBoost*'s use in this alternative market. The marketing strategy will involve a sticker on the product touting the health benefits of the activity and *PediaBoost*'s relation to it. The marketing department gives a conservative projection of a 50% increase in sales of *PediaBoost* over the next five years. Everyone at the meeting appears to be impressed, especially since the *PediaBoost* production line has plenty of spare capacity. Indeed, most of the products the firm produces are in the "mature" phase of their life cycle and the firm is in increasing need of new sources of growth.

At a dinner party Susan brings up discussion of detoxifications to kick start a diet. Several guests remark that they have used *PediaBoost* for this activity and that several books by diet gurus mention it by name as part of a detoxification cycle that is part of a healthy lifestyle.

In browsing the web, Susan finds several yet unpublished university studies linking detoxification diets/flushes with reducing the effectiveness of flu shots for adults. Further, *PediaBoost* was used in many of these trials. Susan now has doubts about positioning her product for this market. She realizes that if she has access to these studies, then so does the relevant government regulating authority. She also realizes that if she suggests pulling the plug on the marketing blitz, it may derail her from the fast track to promotion. At the same time, being placed in charge of *PediaBoost* in the first place is already a good signal that she is moving up the corporate ladder. She considers how to make her position most effectively within the firm.

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<sup>2</sup> This case has, in part, been inspired by the readings: Nash, Laura L. (2006). "Decision 1. Marketing Baby Oil at Johnson & Johnson," in *Good Intentions Aside. A Manager's Guide to Resolving Ethical Problems*, Boston: Harvard Business School Press, pp.83-85, and, Vagelos, Roy and Louis Galambos (2006). *The Moral Corporation*, NY: Cambridge University Press, pp.57-76. This case was prepared for the *Giving Voice to Values* program by Daniel G. Arce, Ph.D., Department of Economics, School of Economic, Political and Policy Sciences, The University of Texas at Dallas and Mary C. Gentile, Ph.D.

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**Discussion Questions**

- What's *at stake* for the key parties, including those with whom Susan disagrees?
- What are the main arguments Susan is trying to counter? That is, what are the *reasons and rationalizations* you need to address?
- What *levers/arguments* can Susan use to influence those with whom she disagrees?
- What is Susan's most powerful and persuasive response to the reasons and rationalizations he needs to address?