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The Impact of Pressure Groups on Marketing Decisions

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The Influence of Pressure Groups on Marketing Decisions

A. Preface

No business can survive in isolation. There is reciprocity between a marketing firm and the marketing environment. In fact, society and external environment are like a womb, which plays critical role in the birth and growth of a business firm. The society and environment provide a motif, mission and cause of origin and existence to a marketing firm. A marketing firm also looks to environment for resources. At the same time, a firm has to respect the marketing environment. Marketing environment compels a marketer to comply and adjust with the environmental variables. Here comes the role of Marketing Environment.

B. What is marketing environment?

Marketing environment involves all the events, situations, entities happenings and non-happenings that surround the marketing firm and affect four core decisions of marketing namely Product, Price, Place and Promotion.

Thus, marketing decisions have more or less an impact of the marketing environment variables. The marketing environment is comprised of with two types of variables

-Micro factors

-Macro Factors

B-1. Micro Environment

The micro factors are firm specific and can be found inside or outside the firm while, external factors have their implications overall business world.

Internal Micro factors

As it is foresaid, internal micro factors are firm specific and they lie inside of the firm only. They only affect the particular firm to which they belong. The Internal microenvironment factors can be listed out in following manner.

-The vision, mission and goal of the firm

-The marketing policy

-The Structure

-The technology

-The marketing people

The above factors are those, which have their impact on the marketing decisions of the firm. E.g. Sony Inc has a mission of maximizing the customer value and the vision is excellence in quality.



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So the product decision is highly affected by its mission. Sony is well known for its quality products. By extending the example, it can be said that the marketing policy of the Sony is Innovation. Therefore, Sony is pioneer in many product lines and innovation walkman to robotics. However, due to best quality and innovative products, Sony also takes premium price or skimming price. In their promotion, also advance technology is reflected. The employees at Sony also adapt themselves with the rapid technological advancements of the firm.

This is how internal microenvironment affects the marketing decisions.

External microenvironment

The external microenvironment is also firm specific but the variables of this environment lie outside the firm. Porter has explained four external factors which is known as PEST which stands for Political Environment, Economical factors, socio-cultural factors and technological factors. They are-

- Shareholders
- Creditors
- Suppliers
- Distributors
- Consultants



The micro external factors have their domination on the marketing decisions indirectly. Shareholders, who are the real honors of the company, can affect the marketing policy and strategy. Likewise, creditors can touch the financial aspect of the marketing. The suppliers can cooperate in assuring good quality raw material and innovative tools. Distributors are the most critical variable as through them a product or service will be reaching to end users. Consultant is used for outsourcing the tasks like marketing research, media decisions, legal aspects of marketing etc.

Thus, micro external factors are also very critical. They have their shadows on marketing decisions.

B-2. Macro- marketing Environment

Macro factors are not firm specific and they affect all the marketing firms without any bias. However, the degree of their effect depends upon many other factors and sometimes-micro internal and external factors. These factors also affect the four core marketing decisions of the firm namely Product, Price, Place and Promotion. They are



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Cultural Factors

When, in the market, prospects follow a cult, it becomes culture. The culture has a strong influence over marketing decisions. Culture includes the food, language, dressing, festivals, literature, dance and a way of living.eg. India is a country of festivals. Looking to this factor, Cadbury's have launched Festival Celebrations range with premium price and it is promoted just targeting the festivals.

Social factors

Social factors are decisive in marketing decisions. They cover social pattern, social values, social customs etc. India has been experiencing great change in social values and family pattern. There had been joint family system in India for long. It was used to protect the non-earning family members also, more specifically, senior citizens. Because of the increasing trend of nuclear families, the portfolio managers have targeted Indians for the pension plans. The propaganda and advertisements also focus the self-respect and esteem expected by senior citizens.

Political factors

Obviously political factors have keen role to play in marketing decisions. The political factors include political stability, political vision, ideology of political party etc. The innovation and galloping growth of Chinese multinationals is just thankful to the political vision and great ambition of rulers. It also expects some co-operation from the oppositions. In India, political parties are criticized for their short vision. The state like Gujarat has recently shown a very aggressive temperament for the growth of business. The dream project of Ratan Tata has almost materialized for Nano car with remarkable support of Gujarat Government.

Economic factors

Economic factors embody the status of economy, economic growth and development of the target countries. The stock exchange and indices play vital role in marketing decisions. Monetary policy including IR, PLR, CRR, Call money rates etc not only affects the domestic firms and financial institutions but multinationals also. The marketing firms, interested in selling the goods through higher purchase find safe sailing when the interest rates of consumer loans are low. On the other hands the promotion department have tough job in recession.

International Factors

There are international factors, which have a great concern in the age of globalization. A marketing firm has to consider the WTO factors and its regulations, TRIPS and TRIMS, TARIFF and NON-TARIFF barriers, as well as, provisions for subsidies should be checked out by a marketer. The opening vistas in globalized economy generate opportunities as well as it creates threats at domestic level. The regional blocks have also added a new dimension in international environment. EU (European Union) Latin American Association etc have successfully progressed



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with such common trade conditions, environmental standards and currencies.

Pressure Groups :

The pressure groups have been a matter of concern for marketing firms since long.. This is comparatively a new factor in marketing environment. because. of the spread of media and global communication, The pressure groups are extending their coverage and span. They have emerged as a new challenge for the marketing decision makers,.

C. What is Pressure Group?

Pressure groups are collections of individuals who hold a similar set of values and beliefs based on ethnicity, religion, political philosophy, or a common goal. Based on these beliefs, they take action to promote change and further their goals.

A group seeking to influence government policy or business activity to secure the interests of their members and supporters

D. Why do Pressure Groups exist?

Pressure groups often represent viewpoints of people who are dissatisfied with the current conditions in society, and they often represent alternative viewpoints, which are not well-represented in the mainstream population.

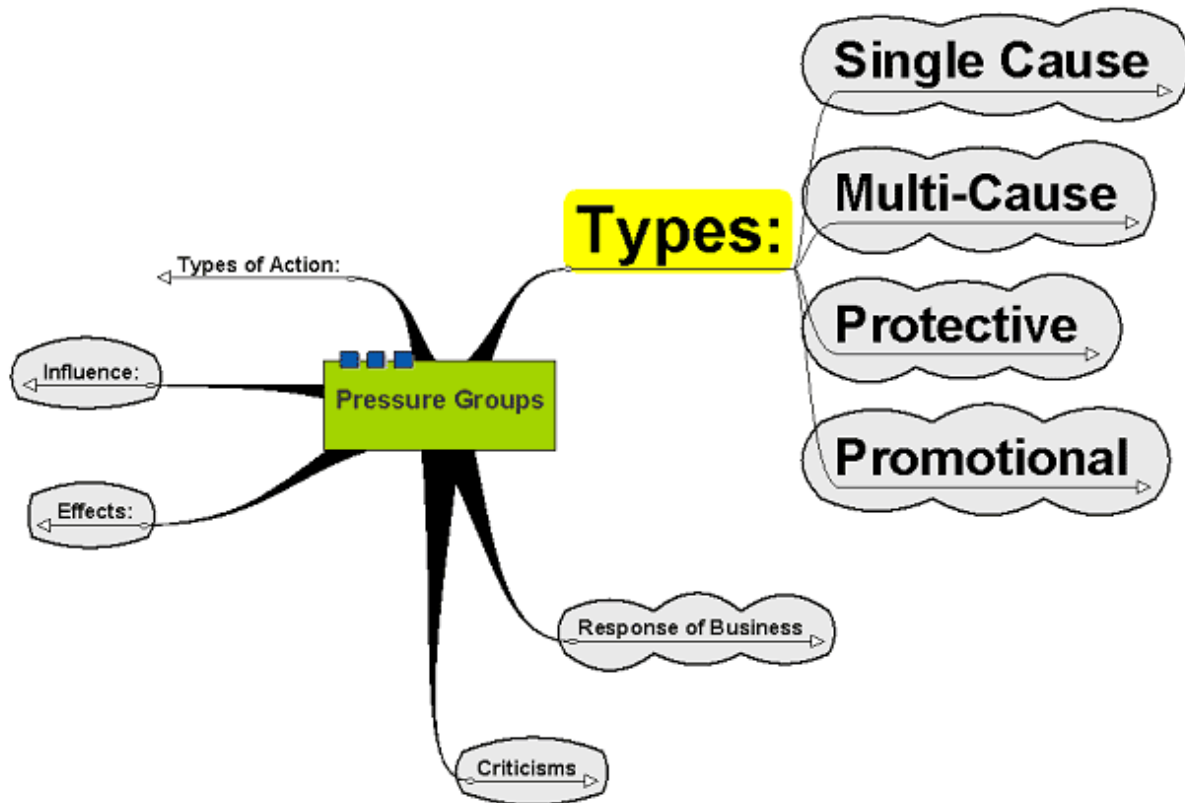
By forming a pressure group, people seek to express their shared beliefs and values and influence change within communities and sociopolitical structures, such as governments and corporations. Some pressure groups, such as the tobacco-control movement, have been successful at influencing change across a number of sociopolitical structures.

Pressure groups are different from political parties. Political parties seek to create change by being elected to public office, while pressure groups attempt to influence political parties. Pressure groups may be better able to focus on specialized issues, whereas political parties tend to address a wide range of issues.

Pressure groups are widely recognized as an important part of the democratic process. Some groups offer opportunities. In this way, pressure groups strengthen the democratic process by giving a voice to a variety of people. Pressure groups also offer alternatives to the political process by providing opportunities for expressing opinions and a desire for change.



E. Types of Pressure Groups



E-1. Single Cause

They Focus on a Particular Issue. They carry only one mission at a time. Action on Smoking and Health (ASH) – attempt to reduce smoking and encourage a whole society response against smoking.

E-2. Multi-Cause

Focus attention on a wider range of issues often under a generalized heading – e.g. the environment. e.g. Trade Unions – seek to influence policy in relation to workers – pensions, insurance, salary, maternity, equal opportunities, discrimination, etc. While friends of the Earth – seek to influence decision making on wide range of environmental issues.

Peta is on the most influential groups which has affected the marketing decisions of McDonalds, Wal-Mart, Agri-processor etc.

E-3 Protective

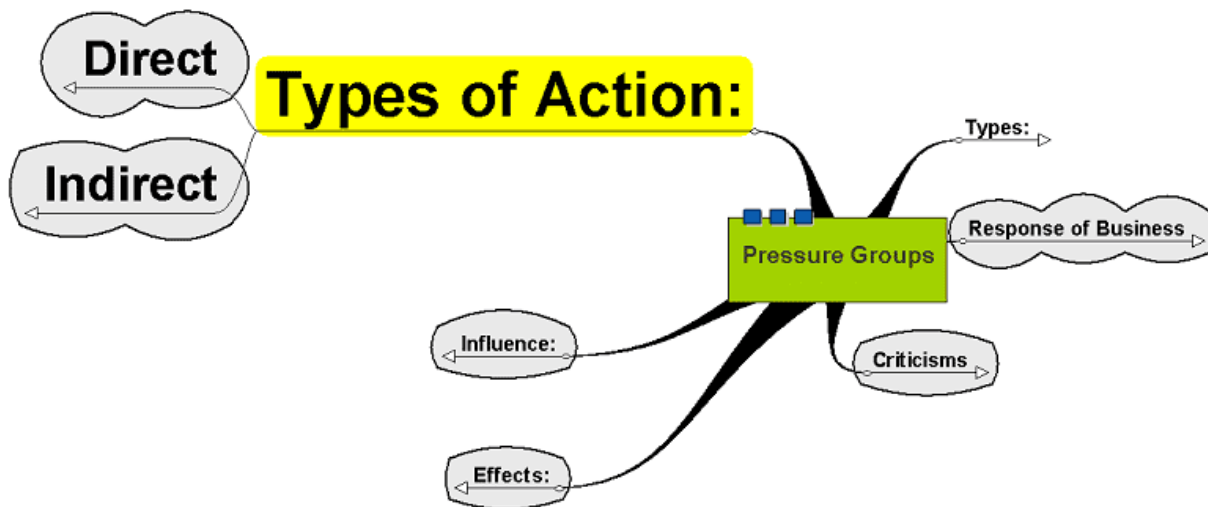
They are the groups seeking to protect the interest of members e.g. Homosexuals’ pressure groups protect the rights of the members of the group.



E-4 Promotional

They seek to promote issues of interest to its members and supporters in relation to the particular topic. E.g. Greenpeace – seeks to promote environmental issues and Voluntary Euthanasia Society, promote the rights of individuals to end their lives. “Go vegan” promotes the vegetarianism among the non-vegetarian.

F. Types of Actions Taken by The The Group



F-1. Direct Actions

There are Direct actions as well as indirect actions also. In direct actions, the pressure groups can go for lobbying. Under lobbying, they can see parliament members, ministers, shareholders and board members and put their demand. They go for protest, civil disobedience like lie-downs, making noises etc. They may also go in legal way i.e. going to judiciary -system etc. The pressure groups may also sometimes be destructive. They may go for bombing shooting, threats, attacks and criminal damage – damage to property, releasing animals into the wild etc.

F-2 Indirect Actions

The indirect actions involve the publicity in favor or against the marketing decisions in the the form of leaflets, pamphlets, e-mails, SMS etc. It also covers provoking concern to file a petition or publishing relevant information on the concern matter.

G. Impact of Pressure Groups on Marketing Decisions

The marketing mainly stands upon four pillars. These pillars are product, price, place and promotion. Following are the observations which show the impact of pressure group on marketing decisions.



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Product :

Pressure groups often affect the product decision. In the country like India, the marketer can not conceive the product without considering the future reactions by pressure group. In foreign countries, there are environmental group are very active. Mainly two groups have their impact on product decisions. The first group is PETA, which always fight against animal abuse and cruelty. PETA has started a campaign against McDonalds and renamed it McCruelty for the improper way of slitting animals. PETA also opposes the product testing on animals. Specifically food processor and cosmetic manufacturers are on the hit list of PETA. The another pressure group is Greenwatch. It protests the products which spreads pollution. The effect of pressure group is visible. More than 1000 cosmetics manufacturers have making affidavit that they are not making animal test. McDonalds was questioned for its' packaging material which was not recyclable and now it has spent \$160 bn for recycling polystyrene-the harmful packaging material.

Price:

In India and Latin American countries, there are consumer pressure groups, which fight against hoarding and over-pricing by manufacturers.

Place:

Some groups oppose the transportation/transition of goods from one country to another country. They insist that whatever is being produced in their country should not be exported but should be available to the compatriots.

Promotion:

The cultural pressure group often tries to influence the promotion decision. E.g. when any cultural violation is found in promotional campaign, people demand for withdrawal of the campaign and apology by marketer for the said violation. Once a liquor manufacturing company tried to advertise products by using the pictures of Hindu Deities, the cultural pressure had opposed it.

H. Are pressure groups always unfavorable?

The answer is no. The pressure groups may also result into windfall gain. The pressure groups promoting Vegetarianism has opened the horizons for the new segments in American and European countries. The cosmetics manufacturers are becoming more conscious about the animal rights. The marketers are becoming threatened for being exposed by the pressure groups. The high price takers think twice before taking the high price. The pressure groups seem to play the role of social auditors.

I.How to Deal with Pressure Groups

There can be following strategies suggested for tackling pressure groups.

1. Accept if there is lacking or shortcoming in your marketing policy and try to improve it, E.g. McDonald started recycling polystyrene.



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2. Give fight if Pressure group has wrong and unethical demand or a kind of Blackmailing.
3. Try to convince the customers or start anti-campaign against pressure group by forming or supporting another group.
4. Before taking marketing decisions convince the influencing pressure group.

Finally it can be concluded that the marketer cannot neglect the pressure group. It has a growing concern in the marketing and business decisions. Pressure groups have also compelled big multinationals like Wall-mart, McDonalds, Agri-processor etc.

Lobbying

Parliament – seeking interviews and discussions with ministers in parliament to secure their support

Companies – making contact with companies to make them aware of concerns, e.g. at Board level

Local Government – contacting local councilors

Legal system – contacting judges, legal representatives, etc

Violence – bombings, shootings, threats, attacks

Indirect

Publicity

Leaflets/adverts

Petitions Providing research



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