The Reasons of Boycotting Consumers and Supply Chain (Case Study: India)

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Abstract- **The article attempts to ascertain the positive and negative reasoning associated with boycotting a consumer and supply chain. Many have been mentioned in various write ups as to how a consumer boycott is organized and what are the features involved in it, but there are numerous reasons in today's marketplace that can either cause a consumer boycott and supply chain boycott to achieve what it intends to or simply fail for not carrying enough background. To successfully accomplish its motive, it becomes imperative to study what makes a boycott successful and what can cause it to be unsuccessful. Though, consumers are important to organize their protest, but not all protests can be instrumental towards a successful boycott, if it is the nature of detriment and the role of media that can either make a boycott, the same can be responsible to break a boycott midway. The article Attempts to ascertain the reasoning of success and failure in boycotting the consumer and supply chain. The study becomes important because many boycotts have been successful, but many went unnoticed in recent years, a sample size of 100 respondents has been surveyed with findings on primary data being discussed systematically.**

Key words: *Boycott, Ethical, detriment, Consumers, Supply Chain, India.*

1. Introduction

Consumer boycotts and supply chain boycotts in recent years have been a major force in the market place whereby consumers have been able to highlight their protest and concern over a brand or a company's egregious policies and pressured organizations with the help of media and public statements to rectify for a common cause. In this era of globalization where countries and markets are now connected online in a global platform, consumer boycotts and supply chain boycotts have occupied a primary position in the market domain both in manufacturing and services sector. With one click of a web, instant information on the egregious action of the firm or product is online and within no time statements made by readers catapult to outline the condense gravity of the situation. In fact, almost all the NGOs and consumer forums have online platforms with even an innovated boycott app popularly used by android users in their mobiles to circulate the protest in a quick phase of time. Notably the difference between the US market consumers and the Indian one is that 99 percent of American consumers are aware of their rights while 99 percent of Indian consumers don't know [1], almost all the world leaders, celebrities, senior corporate executives, political parties, maintain online social accounts and feedback forums to maintain 24 hours market connectivity inviting public expression on any social, political, cultural or market discrepancy. This creates an environment where consumer protest and boycott initiatives become invincible and lethal to any organization or product, which is perceived egregious and detrimental towards human consumption, health, or overall planetary health of plants and animals. Usually, boycotting a consumer and supply chain will not hurt a corporate firm's bottom line, but make the public aware of unethical corporate practices. Surprisingly, the nature of detriment that triggers boycott cannot only relate to basic consumption and supply chain, but also issues related to public cultural offense, national patriotism, economic infringements and corporate unethical practices of various types. This constitutes boycotts to become stupendous and diverse in nature with involving the masses, corporate groups, public forums etc.

Intriguingly if a global boycott of the Apartheid regime in South Africa and the civil disobedience movement in the pre independence India buttressed boycott act involving nations and masses, some other boycotts such as a boycott of Chinese goods by Indian nationals could hardly sustain and influence local masses [2]. In fact, according to Ethical Consumer, a UK-based consumer activist magazine, there are 66 active, "progressive" boycotts currently underway, that's just scratching the surface: a quick search on Facebook reveals that, at any given time, a seemingly endless list of companies, movies, TV programs, actors, business executives and events are being shunned by consumers for some reason or another. Clearly, boycotts are the preferred tool for consumers hoping to make feelings known. Nevertheless, how effective are they and

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what separates an effective boycott from an ineffective one? Must be understood [2].

Objectives

A) To understand the key factors that determine the success of a boycott
B) To explore the key issues in a boycott failure
C) Suggestive measures, to mitigate a boycott threat

2. Literature Review

Consumer boycott is defined as "an attempt by one or more parties to achieve certain objectives by urging individual consumers to refrain from making selected purchases in the marketplace" [5]. Consumer boycott is also described as the refusal to conduct market transactions with the boycott target [6]. Though most studies have focused on micro-boycott such as [3], [8] considers that the action of boycotting consists of a few consumers who provide details to the other citizens about the errors of a product. Consumer boycott is also said to constitute a way for consumers to signal their private information. [9] who also describe coordination between boycotting consumers as a stochastic process with threshold effects. Consumer boycotts are also described as a form of anti-consumption behavior, where boycotters are market activists who forgo the consumption of certain products and services because of environmental, political, ethical, or social issues [7].

3. Methodology

Both primary and secondary data have been collected, a survey was conducted with the sample size of 100 respondents from Luck now, India on various issues of a boycott act, statistical tools were applied such as T test and random sampling conducted to ascertain various causes of a boycott that can contribute towards understanding the positive and negative reasoning preferred by consumers. The paper is also descriptive in nature and contains the combination of qualitative analysis of various secondary sources which have been mentioned at the list of references.

Rationale

For years boycott has become a constraint on growth and has been an uncomfortable issue for global corporations, the paper is constructed to explore an individual's thought process in perceiving a consumer boycott and supply chain boycott as, [3] argued that there has been little research done on an individual's perception of a boycott. Extremely popular in India still no formal study on boycotts targeting Indian consumers has been undertaken so far.

Objectives Explained

To understand the key factors that determine the success of a consumer boycott

Consumers have attempted to trigger a boycott when the company's actions or the product launched are perceived egregious. Almost all the business companies of the US that are involved in various types of business across nations are monitored by individual boycott groups such as PUSH, (People United to Save Humanity) ACA (American Consumers Association) and CLEAR TV, so any action related to any immoral or unethical act perceived by consumers as egregious invite consumer protest and boycott call instantly. Certain supporting factors that can make a boycott call successful include, involvement of mass media exposure both online and off line, early support provided by powerful NGOs, public interest groups and unanimous consent by the countless groups of participating individuals. In the case of diverse cultural economies like India attempt to consolidate masses can be ardent, for example the South Indian state of Tamil Nadu's boycott call to refrain from consuming soft drinks like Coca cola and Pepsi drinks, did not get much response, the reasons behind such as health effects on youths and suppression of local beverages industries were widely acceptable but the protest did not get much weightage from the nearby adjoining states of Karnataka and Maharashtra, as the regional neighboring states had different languages and different ruling political regime, causing diverse perspective. One must understand that the homogeneity of culture and a bi party political system in United States and the likewise western nations make them highly vulnerable to a consumer boycott and supply chain boycott than the economies of India and the South East Asia with diverse communities. The famous boycott of Nestles Maggi noodles due to the presence of lead in the noodles was extremely widespread among the Indian consumers and surprisingly it was a nationwide boycott campaign initiated by the Food safety standards and the media, which the Indian consumers responded effectively, [4] Maggi noodles had to destroy the stock (38000 ton) worth 37 million dollars to regain consumer confidence and re launch the product with new recipe stock [4]. Consequently, it can be stated that the calls by authoritative groups, NGOs and mass media play a crucial role in constructing an effective boycott. A successful boycott creates humungous negative publicity on a company, but eventually can be valuable for the society, boycotts let people put their money where their values are. Boycotts offer people a way to stand up for what they

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believe in. If the boycott is well organized, it allows people to stand up for their beliefs [5]. In short a boycott encourages social responsibility for community members. Boycotts bring a lot of attention to you and your cause. When people begin boycotts, others take notice. A boycott is an event that is usually considered worthy of being reported on by the local media. Into the spotlight a boycott brings, you have a good place to stand and explain your group its position to everyone in the community [5].

[6] Experts have suggested that to make a boycott efficient a reduction of 1-2% of the turnaround of a company or product is seen as the critical mass needed. In 1986 Rainforest Action Network launched a boycott of Burger King this was because of Burger King importing beef from tropical rainforest countries because it was cheap, but the rainforests were getting destroyed in order to provide pasture for cattle. Because of the boycott, Burger Kings sales dropped by 12%, in response, Burger King cancelled thirty five million dollars' worth of beef contracts in Central America and announced that the company would stop importing rainforest beef.

Boycott calls are at times can be debatable because they may be called by groups from the political side or for activities that people don't specifically disagree. When analyzing the survey results of 100 respondents from the town of Lucknow India, the respondents considered several positive and negative aspects, when analyzing positive aspects consumers considered depicting the significant possible contributions of a boycott act which can pull them to support any potential boycott. Ranging reasons from boycotts providing timely information to consumers with the elimination of unethical practices of a company to promoting social awareness have been considered. The respondents have considered almost all the issues that highlight the positive aspects of a consumer boycott significant, some of them also include the promotion of social solidarity, market competition, and timely curb on hazardous product consumption long with opportunities for citizens to participate in a community awareness campaign. Reasons of success of boycotts based on customer's feedback is compiled and analyzed using descriptive statistics and t test to test the significance of the identified variables in the Indian context. It is as described below:
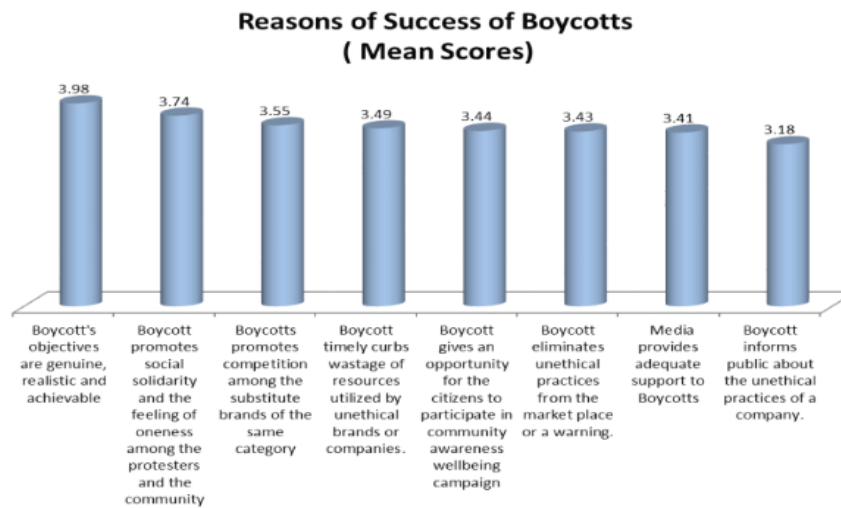

Figure1: Reasons of Success of Boycotts

T- Test:

T- test is used to test the level of significance of the success and it's found that t values are significant at 95% confidence level. It implies that the mean scores of the above are contributing significantly towards the reasons of the success of boycotts as mean scores are significantly more than 3. It's as per the following table of t- test.

One-Sample Test

	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Boycott gives an opportunity for the citizens to participate in community awareness wellbeing campaign	30.093	97	.000	3.439	3.21	3.67
Boycott's objectives are genuine, realistic and achievable	42.712	99	.000	3.980	3.80	4.16
Boycott promotes social solidarity and the feeling of oneness among the protesters and the community	36.984	99	.000	3.740	3.54	3.94
Boycotts promotes competition among the substitute brands of the same category	34.846	99	.000	3.550	3.35	3.75
Boycott eliminates unethical practices from the market place or a warning.	24.990	99	.000	3.430	3.16	3.70
Boycott timely curbs wastage of resources utilized by unethical brands or companies.	29.669	99	.000	3.490	3.26	3.72
Media provides adequate support to Boycotts	37.425	99	.000	3.410	3.23	3.59

Note: The heading "Test Value = 0" spans over the Sig. (2-tailed), Mean Difference columns.

4. Discussion on the results

In the above-mentioned bar chart almost all the reasons have significantly contributed towards a boycott to be successful and have scored high mean scores above the average. Above all the first most important reason that the respondents agreed has been the genuineness of the boycott objectives that is consumers initially view the genuineness of a boycott objective as a premier reason before participating in it. This indicates that the consumers focus on realistic and achievable boycott objectives primarily before consenting so that their efforts can be appreciated and yield a productive outcome. This is followed by the reason of the promotion of social solidarity among the masses that the consumers agree. A consumer boycott and supply chain boycott can bring consumers of the different cast, age and creed together promoting harmony for a social cause as seen in various examples of civil disobedience movement in India and the world protest of apartheid against South Africa. A mean score of 3.43 has also been considered by respondents in discussing the role of media that is no boycott can be successful till the media supports it. Now with the expansion of global digital and print media any consumer boycott and supply chain boycott will require speedy publicity and the diffusion of information to gather a stronger public support. These days NGOs and charitable organizations take full support of media to strengthen the boycott call. In fact the whole basis of a consumer boycott depends upon a vociferous protest thru media to strangulate the guilty party in accepting the offence and respond with remedial actions.

To explore the key issues in a boycott failure

Boycotts are not always effective and only a limited percentage of countries or consumers will participate in one. While many people are sympathetic to the reason behind a boycott, still not enough people join in. One of

the main reasons is that people do not see their actions as having any result, this may be partly due to only concentrating on what happens to the primary target of a boycott or other significant reasons as mentioned below. Many of the boycotts have negligible effects and there are numerous beacons for that. Out of the eight reasons that can cause a consumer boycott failure the highest mean score was given to the presence of increasing product substitutes which stood at 3.81, this refers to the fact that due to increasing product substitutes a boycott may get diluted and may not carry a large consumer support as presence of boycott product substitutes may still not create that desirable impact because consumers will have the option of using other substitute products than just depending on the boycotted product or a service. Reasons of failure of boycotts based on customer's feedback are compiled and analyzed using descriptive statistics and t-test to test the significance of the identified variables in the Indian context. It is as described below:
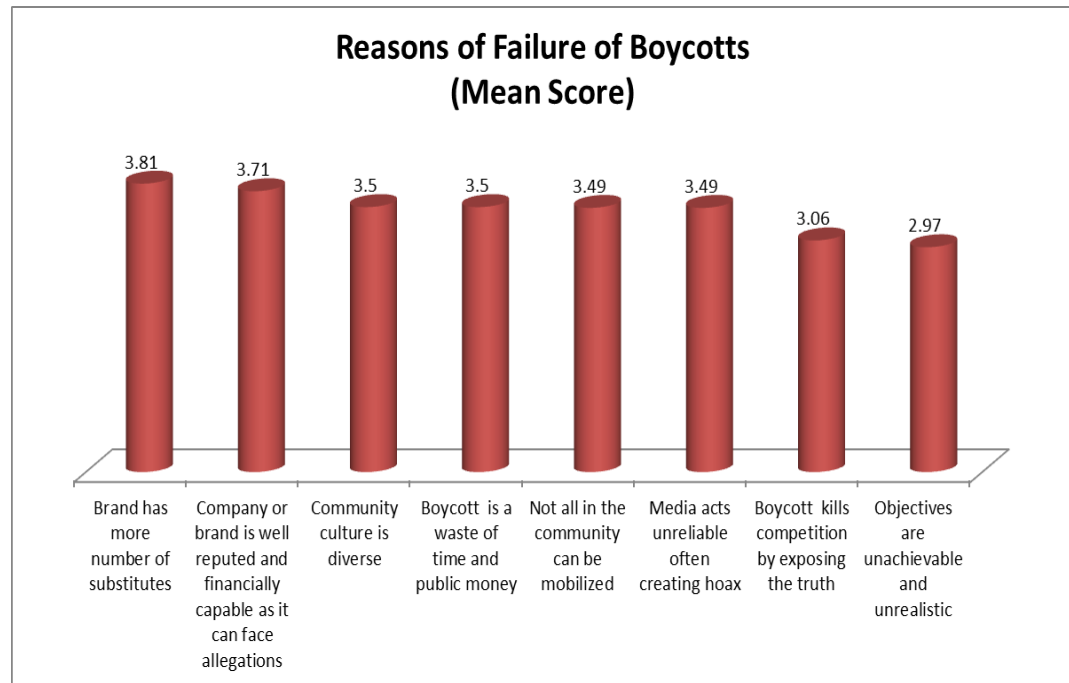

Figure 2: Reasons of Failure of Boycotts

T- Test:

T- test is used to test the level of significance of the failure and it's found that t values are significant at 95% confidence level. It implies that the mean scores of the above are contributing significantly towards the reasons of failures of boycotts as mean scores are significantly more than 3. It's as per the following table of t- test.

Table 1: One-Sample Test

	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
				Test Value = 0		
					Lower	Upper
Boycott is a waste of time and public money	38.225	99	.000	3.500	3.32	3.68
Media acts unreliable often creating hoax	42.427	99	.000	3.490	3.33	3.65
Community culture is diverse	35.000	99	.000	3.500	3.30	3.70

Boycott kills competition by exposing the truth	26.740	99	.000	3.060	2.83	3.29
Objectives are unachievable and unrealistic	28.851	99	.000	2.970	2.77	3.17
Company or brand is well reputed and financially capable as it can face allegations	38.784	99	.000	3.710	3.52	3.90
Brand has more number of substitutes	40.552	99	.000	3.810	3.62	4.00
Not all in the community can be mobilized	36.811	99	.000	3.490	3.30	3.68

There were other boycott failure reasons that were surveyed. For the second reason of well reputed companies or brand that can resist a boycott, consumers responded that stronger brands or companies which have a good financial back up and image can efficiently resist a consumer boycott, supply chain boycott and cause it to dilute as seen in the case of boycotts in India against Nestles Maggi, and Chinese goods. The boycotts though were severe but these products eventually recovered from consumer protest and still captivate a substantial share of the Indian market currently. The brand image though initially suffered a setback, the boycott could not prevent them from losing the Indian market share and the brands have bounced back with new moderations [10]. Notably the third and the fifth histogram depicting substantial mean scores are also significant from the Indian perspective, many respondents view that if the nature of the population is culturally diverse with languages, caste religion, race, traditions and history of Colonialism, a consumer boycott in the market may not survive in the long run as different ideas and thought process with segregated consumer segments may create mutual delays in supporting a consumer boycott and supply chain boycott. Respondents viewed that it is hard to mobilize consumers in such area and eventually not all in the community may be convinced for a single reason, for example, indigenous beef products though face a boycott in India but still get a market share in the state of Kerala down South and the Islamic pockets. The respondent consumers also viewed media acting unreliable and creating a hoax as one of the premier boycott failing reasons by allocating it a mean score of 3.49. If vital digital and print media build a boycott it can also fail a consumer protest expectations by acting unreliable and adding hyper non sense propaganda. For example, national strikes and business closure calls by opposition political parties against the ruling Government in India at times have not been responded by the consumers and businesses because media stating non-significant and absurd reasons publicizing it.

C) Measures to mitigate a boycott threat Analyzing the above-mentioned reasons several measures can be applied when performing a boycott act and therefore certain precautions can be adopted by Corporates to mitigate a boycott threat. If there are reasons supporting boycotts, the different set of reasons can cause a boycott failure too, quick response and timely mediation by the targeted firm is the utmost requirement in boycotts when applied against them what is precious is how effective can the corporate world encounter such fierce consumer outburst. This increasing indomitable force of consumer boycotts and supply chain boycott can be understood by the fact that between 1990 and 2007, 213 boycotts were mentioned in the six largest U.S. newspapers; by contrast, in the 200 or so days of its existence, the anti-Trump #GrabYourWallet campaign alone has launched boycotts against over 50 companies. [12] catch the issue and quickly display corrective measures thru mass media and acquiesce this can be one of the prominent corrective measures, as in the case of Starkist boycott, Heinz Vice President Edward Smyth said [8], giving in to the Star Kist tuna boycotters over the dolphin-killing issue presented his company with an excellent opportunity to build credibility, given its customers developing an interest in environmental issues it was only a matter of time before someone else in the industry would capitalize on this advancing consumer awareness if StarKist did not act swiftly [8] in some cases, companies have found that the most pragmatic response is simply to cave in. However, companies are finding that the best approach to boycotts is mediation. Such was the case in 1990 at McDonald's Corp., which ironed out its problems with the Environmental Defense Fund by setting up a joint task force.

5. Conclusion

Given the diversity of today's boycott issues and organizers, it holds a bigger future in the Indian Corporate growth, it can include protests against everything from investing in a politically undesirable country to the discouragement of the eating or drinking of products from certain companies or countries .Each boycott must be dealt individually. There are specific reasons behind, but common at times. The circumstances of each situation-the nature and strength of the boycotting organization, competitive threats, social and political pressures, ramifications for the targeted firm's own business strategy-require a custom-tailored set of reactions [11] Role of media, precise objectives, diversity in community, the presence of competitors, availability of substitutes, consumer ethics along with segment cultural beliefs must be incorporated mandatorily by firms in the long run to insulate them against any potential boycott threat. Exclusively global firms must deal meticulous monitoring of media and consumer feedback.

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