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**C**onsumer boycotts are a powerful way of persuading businesses to change their policies.

# Consumer Boycotts

by N. Craig Smith

## Introduction

Many people in Britain have long been expressing their concern about apartheid in South Africa. They have, in particular, chosen as consumers not to buy South African goods. This is, in effect, an economic sanction against South Africa by the individual as the state is not prepared to take similar action. This consumer boycott of South Africa has been running for more than 25 years and it is probably fair to say that apartheid in South Africa is the principal issue prompting consumer boycotts in this country. However, boycotts have been organised over many other issues both here and abroad.

This article examines pressure group-inspired consumer boycotts within the context of the business and society relationship. Case examples are given, including boycotts over apartheid in South Africa. The article concludes by looking at how pressure groups make effective use of the boycott and how management may respond. Consumer boycotts are considered to be one method employed in attempts to achieve the social control of business.

## The Case for Consumer Boycotts

Markets operate through and are legitimised by consumer sovereignty. In consumer boycotts, that power — the authority of consumers in the marketplace — is harnessed in the social control of business on social responsibility issues. The first black American presidential candidate, Jesse Jackson, has used boycotts in his campaigning for civil rights. He has commented:

We have the power, nonviolently, just by controlling our appetites, to determine the direction of the American

economy. If black people in thirty cities said simultaneously ‘General Motors, you will not sell cars in the black community unless you guarantee us a franchise here next year and help us finance it’, GM would have no choice but to comply[1].

So consumer boycotts may be understood as a form of social control of business. They involve not buying from a firm in protest at the firm’s lack of social responsibility. This is not, however, the view always taken by managers. Some, indeed, take a very dim view of boycotts of business. One respondent to a survey by this author commented: ‘Boycotts are typical examples of Do Gooders’ prescriptive techniques for controlling what others do, interfering with individual freedom and market forces’. Others may think of boycotts as a little silly, to be dismissed along with peace camps, women’s groups, vegetarianism and other supposedly odd forms of human behaviour. This is not the position taken here. There is a case for consumer boycotts; they are an important and legitimate activity.

Historically, consumer boycotts have been of great importance. In the United States, at the turn of the century, they were vital in achieving unionisation. One observer at the time wrote:

Labor on the economic field has thus far used effectively two main weapons... The first is the strike, with its universal concomitant, picketing; the second, the boycott. The strike aims to gain better conditions for labor by depriving the ‘unfair’ employer of the labor power necessary to produce goods; the boycott, on the other hand, seeks these same ends by depriving the employer of the market for those goods which labor has created [2].

However, with strikes impossible to organise without unionisation, the boycott was claimed to be ‘the most effective weapon of unionism’[3]. As unionisation was achieved, the boycott became less important. Yet it is still used by trade unions today. It was essential in the organising of the California grape workers in the late 1960s and early 1970s[4] and, indeed in 1986, a consumer boycott was organised in Britain by the print unions against Rupert Murdoch’s News International over the loss of many of their members’ jobs. Trade unions in the Third World, at earlier stages of development than their Western counterparts, are also more recent users of the consumer boycott.

The boycott tactic also played an important role in Gandhi’s work in India and in civil rights protests in the United States in the 1950s and 1960s. And within South Africa in recent years, blacks have managed to organise a number of highly effective consumer boycotts. So the tactic should be taken seriously and as a potentially significant factor within any firm’s marketing environment.

Boycotts are also interesting in their implications — in their use of consumer ‘power’. They take literally the free

market economists' ideas about purchase votes. Mises, for one, has written:

With every penny spent the consumers determine the direction of all production processes and the minutest details of the organisation of all business activities. This state of affairs has been described by calling the market a democracy in which every penny gives a right to cast a ballot[5].

In accordance with this, Robin Wight has described boycotts as "a militant method of responding to an unsatisfactory product as perfect competition says one should"[6]. Mises would presumably accept this view as he writes that "consumers are free to boycott a purveyor, provided they are ready to pay the costs"[5, p. 280]. So, consumer boycotts may be defined as: the organised exercising of consumer sovereignty by abstaining from purchase of an offering in order to exert influence on a matter of concern to the customer and over the institution making the offering.

Boycotts normally involve an expression of disassociation from some repugnant thing. They are moral acts. The term has its origins in the actions taken against a Captain C.C. Boycott, an Irish land agent who had persistently abused his tenants. James Redpath first wrote the word boycott in 1880 to describe these actions and the following extract by him reveals something of the moral quality of consumer boycotts:

If a landgrabber comes to town and wants to sell anything, don't do him any bodily harm. . . If you see a landgrabber going to a shop to buy bread, or clothing, or even whiskey, go you to the shopkeeper at once, don't threaten him. . . Just say to him that under British law he has the undoubted right to sell his goods to anyone, but that there is no British law to compel you to buy another penny's worth from him, and that you will never do so as long as you live[2, p.26].

So the justification for the use of consumer boycotts lies in historical precedents and consumer sovereignty. Their moral quality suggests they are a form of ethical purchase behaviour. However, the individual's moral judgement determines this behaviour. Boycotts have not always been organised over issues which have majority approval. So there may be consumer boycotts over "good" and "bad" causes. Consumer boycotts were, for example, used against the Jews in Nazi Germany.

### Previous Work on Consumer Boycotts

Writings and research on consumer boycotts are limited. Apart from the studies done on the use of the boycott by early American trade unions, most of the material is either on the Arab boycott or descriptive material on particular boycotts. The Arab boycott is not best defined as a consumer boycott but as an international economic sanction. It is, however, of interest in that it has a major impact on many businesses operating in the Middle East, raises issues of corporate social responsibility when firms are asked to comply with it, and has involved consumer

boycotts organised by Jewish groups in protest at firms conforming to the Arab boycott. A number of these consumer boycotts have been quite successful[1].

From the limited material on consumer boycotts available, it is possible to put together a format for boycotts. Five stages are involved:

- (1) Attempts at peaceful adjustment
- (2) Inauguration and endorsement of the boycott
- (3) Effective notice of the boycott
- (4) Enlist support
- (5) Conclude the boycott when agreement is reached and publicise the settlement.

This is supported by many instances of consumer boycotts; though despite the fairly obvious nature of some of the stages, they are not always to be found. On a number of occasions boycotts have been organised without any attempts at peaceful adjustment through negotiation. Yet the threat of a boycott has often been sufficient for a pressure group to achieve its aims.

There are many similarities here with international economic sanctions — such as the action by the United States against Cuba, by Britain and other countries against Rhodesia over UDI, and, most recently, by the United States against Libya. A lot more material is available on international economic sanctions than consumer boycotts, some of which is quite useful in looking at consumer boycotts. Indeed, the two actions are quite closely analogous.

Writers on economic sanctions make the distinction between success and effectiveness. Success is the achievement of the aims of the action. Effectiveness is the achievement of a significant economic impact. It is widely assumed that the latter is necessary for the former. Most politicians discussing sanctions are of this opinion, especially when fighting pressure for the imposition of sanctions. However, some writers in the area note that sanctions have an important symbolic role — as an expression of disapproval. So a second distinction may be made between sanctions which are symbolic and those which are effective. These are two key distinctions in assessing consumer boycotts as well as international economic sanctions, as the following two cases illustrate. Both cases are presented in summary form, but may be found in more detail elsewhere[7].

### Barclays and South Africa

Apartheid in South Africa stirs many people. It is purportedly a system whereby the many races of South Africa may coexist securely and separately, different but equal. (The word apartheid is Afrikaans for separateness or segregation). Yet it is, in effect, a racist ideology advancing separate development of the peoples of South

Africa to maintain the economic exploitation of the black majority. There are many countries whose inhabitants suffer oppression and indignities at the hands of the state; conditions are arguably as bad in some South American countries as they are in South Africa. However as, indeed, the South African government commented in a series of advertisements in the national press in the United Kingdom in 1983, "South Africa arouses more controversy than almost any other country in the world". This is not only due to the extent of the oppression in South Africa but also because of the way in which it is institutionalised. Racism and the exploitation of the black population is firmly embodied within the culture and legislation of South Africa, with, for example, blacks unable to vote, and the Group Areas Act prohibiting people of different races from living in the same area. The immorality of such a system is deeply offensive to countries of the First World (and the whites in South Africa do not wish their country to be seen as part of the Third World). Multinationals operating in South Africa are, as a consequence of doing business there, seen to be implicated in apartheid.

The criticism of corporate involvement in South Africa goes beyond an objection to companies remaining in a country which so clearly flouts the democratic principles cherished in their home countries. The economic function of apartheid and the role of business in apparently maintaining and benefiting from it suggests that those multinationals operating in South Africa bear some responsibility for apartheid. Indeed, it has long been argued that there is a convergence of interests between business in South Africa and the upholders of apartheid — that South Africa's apartheid system has always been a mutually beneficial alliance between a minority government and private business. This is exemplified in apartheid's role in the provision of cheap labour, particularly in establishing a migratory labour system, which even the UK government (in a white paper on South Africa) has admitted, "robs the individual of the basic freedom to seek and obtain the job of his choice. It also causes grave social and family problems". Accordingly, critics of a Marxist persuasion argue that capitalism has created apartheid. As Charles Longford[8] puts it:

Behind all the different manifestations of apartheid stands the mighty economic machine of South African capitalism. This machine absorbs cheap black labor, puts it through the wheels of industry, mining, and agriculture and then expels it to distant reservations for the unemployed until the system requires more labor.

While this reference to the effective role of the "homelands" (where many of South Africa's blacks are forced to live) is largely accurate, this does not confirm a simple causal relationship between capitalism and apartheid. In a recent and thorough study by Merle Lipton[9], *Capitalism and Apartheid*, a more sophisticated analysis is suggested: "Apartheid cannot simply be explained as the outcome of capitalism or of racism. Its origins lie in a complex interaction between class interests

(of white labor as well as of sections of capital) and racism/ethnicity, reinforced by ideological and security factors". She shows that while South African mining, agricultural, and white labour interests were generally served by apartheid, often the interests of manufacturing were not. The limits to black advancement have also placed constraints on South African manufacturing industry.

The debate on the extent of corporate culpability for apartheid notwithstanding, involvement in South Africa is a major issue of social responsibility in business. Continuing operations in South Africa is defended by arguing that economic progress will necessitate the incorporation of blacks and end apartheid, but this is rejected by critics who see little evidence of this happening. Their solution is the armed seizure of control by the ANC with external pressure applied in the form of various sanctions. While condemning apartheid, Western governments and business have largely resisted the pressure for disinvolvement with the South African economy, advocating constructive engagement to protect their interests.

### **International Economic Sanctions**

South Africa is dependent on Western capital in the form of investment and trade. Direct investment has declined because of criticism but has been replaced by indirect investment. Yet trade and investment involves an interdependence. So the West, and Britain and the United States especially, is thereby committed to the stability of South Africa and, implicitly, the maintenance of apartheid, particularly as the trade with South Africa involves strategic raw materials for which South Africa is the major source of supply. This is aside from the country's political and military significance as a bastion against communism. This economic, political, and strategic interdependence makes the use of effective international economic sanctions by the West unlikely (although the recent increased unrest — from 1984 onward — and its extensive media coverage, has strengthened demands for their imposition). Business, in turn, wishes to defend its economic interests and so follows the government line. South Africa's reliance on Western trade and investment has led to many calls for economic sanctions. Yet apart from the more recent largely token gestures made in response to the continued unrest in South Africa, there has only been the UN arms embargo and the OPEC oil boycott.

Four principal arguments are advanced against sanctions: the costs for those imposing them, as referred to above; that they would harm the blacks more, but then it is said they are already suffering; doubts as to their effectiveness, historically there is some support for this, particularly when countervailing measures are employed (but then why oppose them?); and, finally, constructive engagement. The latter argument, for "bridge-building" and change from within, is the most prominent. In accordance with this, corporate involvement is prescribed by codes of conduct

such as the EEC and Sullivan codes. These are voluntary but many firms comply to deflect criticism at home, and although they may have raised black living standards, they have not really challenged apartheid. Over 15 years ago, in examining corporate involvement in South Africa and the constructive engagement argument, Ruth First *et al.*, in *The South African Connection*[10], wrote:

In their reply to the suggestion that this involvement puts a special onus on British firms to help end apartheid, businessmen generally give one of two answers: the first is that business and politics (like sport and politics) should not be mixed, and the second that apartheid may be objectionable, but that business is "doing its bit behind the scenes" to change it; the alternative to this reform-by-participation would, after all, be to try to bring down South Africa's regime and consequently her economy. So let us opt for reform through business rather than for revolution.

Critics see little evidence of constructive engagement working and, particularly with the recent unrest, it has come to be seen as tacit support for apartheid. With international economic sanctions not forthcoming many consumers choose to support a consumer boycott campaign; it has been suggested that as many as one in four view South African products as tainted. Hence there is probably more consumer boycotting in Britain over apartheid in South Africa than any other issue. Indeed, the Anti-Apartheid Movement's boycott campaign has been running for more than 25 years. (Business has been attacked on other fronts as well, particularly by ethical investment, and is frequently criticised in the press for having links with South Africa.) The consumer boycott is, as a moral act, an expression by the individual of his or her preferences on the issue, a sanction by the individual as the state is not prepared to act. It also adds to the aggregate of pressure for change. The revitalised boycott campaign has had some recent successes, especially with some retail outlets and the local authorities, but overall, purchases from South Africa (UK imports) have increased rather than declined. The most well-known consumer boycott involves Barclays Bank.

### **Barclays Bank Targeted**

Public criticism of direct investment in South Africa — through companies — and a strategy by the South African government to reduce its consequential vulnerability, have reduced direct investment and brought about a trend towards indirect forms of investment. This is largely through banks and so they have been targeted in the boycott campaign. All the major banks lend to South Africa. The Co-op and some other smaller banks do not. Barclays was singled out for attack because it had a subsidiary in South Africa, Barclays National Bank, which was the largest bank there, with about 1,000 branches. Barclays was vulnerable in Britain because of its visibility; it has 3,000 branches on British high streets. Barclays defended their involvement in South Africa using the constructive engagement argument, though their critics could see little other than cosmetic changes as a consequence of Barclays'

continued involvement. The principal pressure group active against Barclays was End Loans to Southern Africa (ELTSA). ELTSA operated by applying what its main organisers described as "moral, public opinion type pressure and economic pressure", pressing Barclays to leave South Africa and end loans. Its materials included a glossy Shadow Report, produced on an annual basis "to chronicle details of how Barclays' presence in South Africa and Namibia helps sustain the apartheid system". The Shadow Board was comprised of a number of public figures, including Neil Kinnock, MP and leader of the Labour Party, and the actress Julie Christie. Many account closures were claimed, not only individual accounts but also those of noncommercial organisations such as church bodies, local authorities, and others, such as the British Psychological Society. However, ELTSA felt the economic impact of this was low, although they believed they gave Barclays a "fairly dirty name" and contributed to the pressure on the bank to leave South Africa.

Barclays' response was in the form of PR. They produced material designed to reply to what they called their "puzzled critics". This suggested that economic ties and investment are the only way for peaceful change — the constructive engagement argument, and they actually used that term — and that a bank cannot simply close down. Interviews with Barclays' managers revealed that while little business was said to have been lost, the criticism hurt. Yet in 1985 there seemed to be evidence of a phased withdrawal by the bank. In August, amid deteriorating economic conditions, there was an end to Barclays' majority shareholding. Pressure on the bank — presumably including the consumer boycott — was conceded as a factor in this move. One change forthcoming was an end to the use of the Barclays name in South Africa. However, to what extent ELTSA and the boycott could claim responsibility was difficult to ascertain at this stage. They did at least appear to have created a climate of possibility. Interestingly, the following comment was given by Sir Timothy Bevan in the chairman's statement for Barclays Annual Report 1985 and reprinted in advertisements in the national press:

It seems to me that the statement "we want to crush apartheid itself, not the victims of it" has it about right. To those who take their accounts away from us on ideological grounds, as is their right, I would pose one simple question: "Do you want us to stand back and wash our hands of apartheid or do you want us to continue to strengthen the tide of change?". Apartheid is unjust and immoral and so rightly condemned; equally it seems to me to be unjust to condemn us as supporters of the system, when in fact Barclays National is among the leaders in South Africa in opposition to it.

Barclays plc still had a 40.4 per cent stake in Barclays National Bank which it needed to defend. While, within the same statement, Sir Timothy Bevan spoke of the role of constructive engagement as above, one of the reasons given in explanation of the reduction in shareholding was,

“we and many others deplore the slow movement of the South African government in dismantling institutionalized racial discrimination”. Barclays was caught in a cleft stick: trying desperately to hold on to the constructive engagement argument to defend its remaining investment in South Africa yet at the same time trying to divest, which was extremely difficult given South Africa’s instability. No doubt there was considerable envy of those firms, particularly American firms such as General Electric and Pepsi, who had managed to get out. Yet Barclays could hardly have argued that they had not received sufficient warning.

ELTSA had not accounted for the increasing unrest in South Africa which, during 1984 to 1986, was portrayed daily on television and in the national press. This provided a considerable stimulus to the boycott Barclays campaign, particularly among UK students. Nor had they accounted for any moral dimension in Barclays’ decision-making on whether to stay in South Africa. The predominance over this period of the South African situation in current affairs and the pressure on Western governments to impose sanctions on South Africa highlighted Barclays’ involvement there. The deteriorating economic conditions in South Africa and Barclays’ planned expansion in the United States (where at this time consumer activism on South Africa was greater on the whole than in the United Kingdom), added further weight to the case for a clear strategy on South Africa. It was these factors which had led to a reduction in Barclays’ shareholding in its South African subsidiary and urged a complete withdrawal from South Africa.

In 1982 Sir Antony Tuke had been succeeded as chairman of Barclays by Timothy Bevan. Tuke had never been receptive to criticism of Barclays’ involvement in South Africa, standing firm on the constructive engagement argument. Bevan, however, was said to genuinely detest apartheid and, moreover, was less susceptible to pressure from Pretoria as the relative importance of Barclays’ South African operations had diminished. Neither did he have a history of long associations with white South Africans and his views were also shared by some of the newer members of the Barclays board. These views became public when, in November 1985, Bevan mounted a critical attack on the South African regime in a speech to branch managers. He, moreover, revealed contacts with the ANC — he had met Oliver Tambo, president of the ANC, in London. The new and dynamic chief executive of Barclays National Bank, Chris Ball, had also been having meetings with black nationalists. Indeed, Ball’s radical stance (for a South African business executive) was earning for Barclays National Bank in South Africa an anti-apartheid label! Meanwhile, the corporate exodus was taking hold. *Business Week* reported that three times as many US companies had halted all or part of their South African operations in the year up to September 1985, compared with the previous year. Ford, Apple Computers, and

Singer were among the 18 companies disinvesting. As the *Economist* explained, also in September 1985:

The reason for the flight from South Africa is that no businessman wants to be caught propping up a government whose social policy leads to the sjamboking and shooting of people on television — so, eventually, to money-losing revolution.

### **Withdrawal**

In 1986 Bevan’s stance against apartheid — for moral or commercial reasons (or both) — hardened still further. Barclays had, with the other banks, despite a request to do otherwise from the president of the Anti-Apartheid Movement, agreed to a rescheduling of South African debt in March 1986, though on tougher terms than expected by Pretoria. By the time of the May 1986 board meeting it had been decided to fully withdraw from South Africa. In November, agreement was finally reached. Barclays sold its remaining stake in Barclays National Bank, which had a current market valuation of £221million, for £82 million (at the financial rand exchange rate) on 24 November, 1986. It was bought by Anglo-American and Anglo-American controlled companies. Bevan said the reasons were “basically commercial”. Ball acknowledged the likely impact on the South African economy but was positive about the opportunities for the South African bank. It was, he said, “a unique opportunity, giving us the potential to strengthen our position both domestically and internationally”. He contrasted the move with the disinvestment earlier in 1986 of multinationals such as IBM and General Motors by noting the bank was not dependent on outside supplies. He referred to Barclays’ reluctance to take this move and explained, “they are not doing it to achieve a political objective. They are doing it because they are under political pressure”. In an editorial headed “Moral Pressure in the Market”, the *Financial Times* clearly attributed the withdrawal to the boycott campaign:

Ordinary people, revolted by what they have learned about the [apartheid] system from the news media, are not much concerned with the sometimes agonizing decisions faced by those actually involved; they want to make their opposition felt, and have proved again that they can bring effective pressure to bear on commercial organizations, even if they cannot move foreign governments. Moral pressures of this kind — whether against apartheid, whaling, the fur trade, vivisection, or even the defense industry — is an increasingly important fact of business life.

It had emerged in August 1986, from the leak of an internal Barclays document to Anti-Apartheid, that Barclays’ share of the student market had dropped from 27 per cent to 17 per cent between 1983 and 1985. Students are a vital sector of the market for banks because of their likely future prosperity and the high level of customer loyalty within the industry; people generally tend to stay with the bank they first join. Chris Ball later suggested the drop was even more substantial, explaining the withdrawal as almost entirely due to this loss of business. He, did,

however, also acknowledge the importance of Barclays' US expansion plans and the limitations placed on them by involvement in South Africa. The "hassle factor" of continually having to respond to vociferous pressure groups must also have played a part in Barclays' decision to withdraw. It may even have contributed to Barclays' lacklustre performance of recent years and low morale. Anthony Sampson in *Black and Gold*[11] suggests the impact on South Africa was considerable: "The withdrawal was perhaps the most fundamental blow so far of those that have begun to rain on the South African economy". Yet it has hardly forced great concessions out of South Africa. The anti-apartheid groups claimed Barclays' withdrawal to be a major success. In many ways for them, it was, although they cannot claim full responsibility for it. It was even a victory for capitalism. As the *Financial Times* also commented:

The whole merit of the market system is that it is the best system yet devised for recording and satisfying consumer preferences, and if these preferences rank the rights of minorities or humane farming, alongside the elegance of a design or the palatability of a strawberry flavor, it does the customers nothing but credit.

### **Nestlé and the Marketing of Baby Milk**

The Nestlé case is one many are familiar with, though perhaps not the more recent events, including the termination of the boycott. "Commerciogenic malnutrition", as it has been described, was not the result of the marketing of a bad product, but its marketing in appropriate circumstances. There was nothing wrong with Nestlé's powdered baby milk, it was simply being marketed to people who could not use it properly and had little need of it. Yet it took Nestlé, one of the largest food companies in the world and the market leader in baby milk, 15 years to fully resolve the problem. For 10 years of that period the company was under attack from pressure groups and it was mainly through their efforts that the problem has now been largely resolved and most of the marketing practices of concern ceased.

At first Nestlé largely ignored the problem. Then, around the early 1970s, there began to be a fair amount of publicity on the issue. The magazine *New Internationalist* carried a number of articles on it and the pressure group War on Want produced a pamphlet entitled *The Baby Killer*. This a Swiss group picked up on and translated and produced under the title *Nestlé Kills Babies!* Nestlé responded, in 1974, to this challenge with legal action. They succeeded with a libel suit but it attracted much adverse publicity, particularly as the judge in the case was critical of Nestlé's practices.

With continued adverse publicity, the baby milk industry attempted some self-regulation. ICIFI, the International Council of Infant Food Industries, took some measures, but these were considered inadequate by the UN Protein-

Calorie Advisory Group, and one firm left the Council to take more effective action on its own. As avoidable infant deaths continued, pressure increased for more effective action. In 1977, INFAC, the Infant Formula Action Coalition, a collection of pressure groups concerned about the issue, launched a boycott in the United States of Nestlé. Nestlé was chosen because it was the market leader — with around half the world market for powdered baby milk — and because of its intransigence.

One of the pressure group's first coups was persuading Senator Edward Kennedy to hold a US Senate Hearing on the issue. At this, substantiated evidence was presented which clearly established a relationship between infant mortality and the marketing of baby milk. Yet following this evidence, Nestlé's first words in contribution to the debate were:

The US Nestlé Co. has advised me that their research indicates this is actually an indirect attack on the free world's economic system. A worldwide church organisation, with the stated purpose of undermining the free enterprise system, is in the forefront of this activity.

This characterised Nestlé's response to the boycott until they began to realise that they were losing the debate.

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Nestlé then shifted from this antagonistic approach to a softer, PR approach. They attempted to present their case rather than curtly dismissing any criticisms made.

By the late 1970s the pressure groups had got WHO, the World Health Organization, involved. WHO was attempting to put together a code of practice for the industry. Nestlé took an interest in this, and, it is suggested, attempted to co-opt WHO officials. Meanwhile abuses by the infant formula companies continued to be identified. When WHO finally produced a code of practice in 1981, this was endorsed by Nestlé. However, this did not placate the pressure groups. They sought to increase the scope of the boycott to ensure Nestlé conformed to the Code's provisions.

In 1982 Nestlé set-up the Nestlé Infant Formula Audit Commission, an independent body to monitor its practices, under the former senator Edmund Muskie. At last it began to look as if Nestlé took commeriogenic malnutrition seriously. Some of the firm's critics began to accept that it was doing its best. In January 1984 following agreement between INFAC and Nestlé on four outstanding grievances — with the intermediation of UNICEF — the boycott was suspended. It was terminated six months later. The success of the boycott has been attributed to its economic impact but, more importantly, its damage to the corporate image, its impact on management morale, and the costs of giving management attention to it. Its success was such that it has been proposed as a model or example for other similar campaigns.

### Some Findings on Consumer Boycotts

The Barclays and Nestlé cases, together with others examined, reveal some important findings for management and for pressure groups.

Firstly, consumer boycotts should be judged as symbolic acts, as well as for their effectiveness. This is because they are expressions of concern about social responsibility in business. More significantly perhaps, and as the two cases here reveal, moral pressure may be more important than economic pressure and have a greater impact on the firm. Secondly, and following on from this, symbolic boycotts can be successful. Moral pressure may be sufficient to secure the aims of the pressure group. This is because of the firm's outward concerns of the fear of economic effects and the impact on the corporate image. Also important are the inward concerns of management feeling and morale — the effect on

employees, for example, of working for "the apartheid bank" — and the distraction of management attention from other matters.

There are a number of factors in consumer boycott effectiveness and success, too many for discussion here [7]. However, it can be observed that, generally speaking, consumers need to be concerned, willing and able, for a boycott to be successful. They must be concerned about the issue — moral outrage underlies some of the major consumer boycotts. They must be willing to act in purchase on the issue. And, of course, they must be able to act by being in the market for the firm's products. If they choose to support a consumer boycott they are, after all, merely exercising consumer sovereignty. Understanding this is fundamental to any management response.

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### Application Questions

- (1) Is your organisation ever liable to suffer consumer pressure because of its approach to social responsibility issues?
- (2) Can a business have social responsibility at all, or is it something which should be regulated by market forces such as consumer boycotts?
- (3) Do you ever boycott products or services? If so, why? What would you like the supplier or manufacturers to change?