

The issues of a non market strategy



Companies and firms in business work hard to achieve their goals and objectives. The main goal of most business organizations is to minimize costs and maximize on the profit that is generated. For the organizations to realize their objectives, they employ various market strategies. The market strategies that are employed are either market oriented or non market oriented. The market strategies that the companies employ are usually competitive in nature. The non market strategies that are employed by firms include the use of political lobbying and the use of mass media. This paper analyzes the use of non- market strategies by the business organizations in attaining their set goals (Batch, 2010).

Non market strategy

These are strategies that companies employ in competition that are not market strategies. Many firms engage in non market strategies so that they can out do their competitor in the market or to secure monopoly of the market. Some of the common non market strategies that companies use are the media and the use of politics to lobby for the market influence. Political lobbying is a strategy where a company uses a lobby group that is politically oriented to get access to decision makers especially from the government. The lobby groups lobby for the company by going to the media (TV and radio stations) to lobby for the company. Thus the lobby groups use politicians and the media to push for the policies of the organization by accessing decision makers and also using the media to drum support for the business practices of the organization (Batch, 2010).

A good example of such companies that use political lobbying and the media to gain market support and entry are found in the U. S. they include companies like the AIG, Exelon and DynCorp, among many others. According to Sebastian, (2010), the Exelon Company was using the former governor of Pennsylvania Tom Ridge to draw support for the country's largest nuclear company in December 2009. He went to the media encouraging the government to increase the nuclear power plants in order to create more jobs since the recession had increased the levels of unemployment instead of the government giving compensation packages to businesses. Had the state yielded to his call, then the company to benefit was Exelon. This is because he had received a compensation package in 2005 since he served on the board of the company and therefore, he was still lobbying for the company (Sebastian, 2010).

Political lobbying has been on the increase in the recent years. There are many lobby firms and PR groups that have been established. The lobby groups work hand in hand with the media. They go to TV stations bidding to promote their clients (business organizations) and the interest of those clients. Many lobby groups and the PR groups went on air especially at the beginning of the recession fighting for their clients. Bernard Whitman who is also the president of Whiteman strategies was one of the lobby representatives that campaigned for his clients. He lobbied for companies like the BGR group and marketing and AIG (Sebastian, 2010).

Another lobby group that AIG uses is that of Christie Ron. Ron discussed the response of the government to AIG's days of implosion. He lobbied for the bailout of AIG during the recession by praising the president for having a

brilliant treasury secretary who helped to bail out AIG. The bail out worked for AIG to an extent of hiring other lobby groups like PR mega-firm. The firm, though it lost, it did not lose much because of the bailout (Sebastian, 2010).

The media usually act as an advertising agent for the organization. There has been and increase on the number of adverts that are aired on TV stations. The effect of adverts is that they advertise the product of firms as well as developing the reputation of the company. They can also enable a firm to grasp the market. More so, they can also help a firm enter and penetrate a market (Batch, 2010).

Another company that used non market strategy is Toyota Motor Corporation. It managed to successfully lobby for the inclusion of its flagship Prius Hybrid in a program that grants vehicles that emit low emissions to the states' car pool in California. The lobby gave the company's car a competitive advantage over other competitors hence being included (Batch, 2010).

Many at times, the political lobbying and the media work together. This happens when the lobby groups go to the media praising politicians while protecting the interests of their client companies. With this, the business organizations gain. Lobbying and the use of the media is more common with large business organizations. They use the money to hire lobby groups to work for them so that they can gain more. But small business organizations use purely market oriented business strategies like differentiating products and the use oligopoly power to effectively compete in the market (Sebastian, 2010).

Benefits of lobby groups

Lobby groups work by going to media companies and TV stations. Their client that they represent usually gains by improving brand through development, testing, launching and the enhancement of the brand of the company. The Whiteman strategies have helped AIG to be able to be in a position to respond to the market developments that continual develop and change.

Many companies engage in political lobbying using the media because it enables the company to gain a more competitive market advantage over other competitors. This is more common used in areas where international trade is concerned. The international trade requires that goods are exchanged between countries. Political lobbying helps a domestic company to impose some restrictions for a foreign company (Batch, 2010).

Brand image: lobby group groups are like advertisers who support the brand of the company. They go to the media comparing the brands with those of other companies while they sell the brand of a company. They can derail the reputation of the product of the counterpart in business. The grown reputation of the company and its products translates into increased demand for the company's products hence increased revenue for the company.

Market: many lobby groups fight for the market of the company. The lobbies they make on TV and radio stations help them gain access to the respective politician or government official responsible for their specific needs. With the praise, the government official influences the monopoly of the respective company they represent in the respective market area. This is achieved

through the denial of licenses to the other business organizations in business for some time over petty issue in addition to other regulatory measures. This leaves the company monopolizing the market (Sebastian, 2010).

Also, with their influence, they can convince the responsible politician to grant the company important government tenders that will help the company gain a lot of revenue. A good example is the influence that Barry McCaffrey did on behalf of DynCorp. Through his lobbying efforts, the company secured a 5-year tender to aid the government forces that were fighting in Afghanistan. This was a profitable venture for the company which it gained through lobbying.

Harmful goods: political lobbying for a company is good for the company that engages in international trade. The lobbying can help the government identify harmful good that are gaining access to the local market of a country. The goods could be substandard or they could also be unwanted goods in other countries. Where the goods are brought to be dumped in a country, political lobby groups and the PR groups help eliminate dumping and save the market from substandard goods (Sebastian, 2010).

Help in need: lobbying is necessary since it helps a company come out strong in need. An example is during the recession. AIG used Ron Christie to push for the bailing out of AIG. He did it by praising the concerned politician while in real sense he was drumming up support for the AIG Company. It ended up getting bailed out with a higher sum of money than other companies.

Conclusion

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Market strategy is the strategy that the company uses to compete in the market. The market strategy that a firm uses is important because it enables the firm to meet its objectives. There has been an increase in the use of non market strategies with many big organizations opting for media and political lobby groups. This has led to the increase in the registration of the lobby groups in the U. S. lobbying and mass media go hand in hand. Many political lobby groups pretend to praise a given politician who is influential in the government to earn the business organization the benefit that it needs, this they do by the use of the media.

There are many benefits for this. Many organizations gain access to monopolize the market area. In addition to that, they may get an advantage over their opponents through popular brand and the good reputation of the organization. Firms also are helped in time of need for example during the economic recession, firms that lobbied most are the ones that received much amount of money in terms of bail out. Therefore, mass media and political lobbying are important in competitive business and they should not be ignored.