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# **Boycott Culture: Are We Really Trending?**

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#### ABSTRACT

There is a recent rise in the boycott culture. With the increasing dependency on technology, social media has boomed. Historically, boycotts were used as a mean to protest injustice or advocate for change. But with time, in the contemporary context, the scenario of boycott has grown. This is due to many factors such as globalisation and technological innovations. Overtime, boycotts have taken various forms and is conducted by diverse groups. This shift has given enormous power in the hands of consumers. Therefore, the businesses must navigate these complexities to safeguard their reputation and thus understand these dynamics. Boycotts are a powerful weapon. But if misused, it can completely tarnish the reputation of a firm or a country. Therefore, there is a potential for manipulation and misinformation. While if done correctly, can provide effective impact but the negative influence can lead to unfair targeting to some corporates. This paper focused on two major giants in the fast food and beverage sector, McDonalds and Starbucks. Both these companies have a significant worldwide presence and are affected by the trends in the market. After understating and analysing the primary data it was concluded that in India, the consumer opinion was not much affected and the majority of people surveyed were still consuming these brands.

Keywords: Boycott culture, consumer buying behaviour, consumption pattern

## 1. INTRODUCTION

The opinions of a few people have the power to influence the whole generation with just a few clicks. The digital age has also empowered its consumers like never before. These platforms have become a common ground for activism, with boycotts acting as a powerful mean to try and hold corporates responsible for their actions. Every brand needs to use marketing in order to connect with its customers. Therefore, in the recent times, using social media is a must by all the fast-growing companies. With a large part of the population on these platforms, consumers expect companies to take a stand on the recently trending topic. These expectations range from various topics which could be industry specific or even to a national or global level. Failure to meet these expectations can lead to severe consequences that may include loss of consumer trust, brand reputation damage and financial losses. Therefore, the few key needs that this study tries to fills are: the ever-growing influence of the boycott movement on global brands and through that their market performance. This paper has also focused on the dynamics of boycott culture from the consumers' perspective particularly in the instance of the Israel-Palestine conflict and how these opinions differ from person to person. Therefore, it is crucial to undertake a market study to carefully examine the market response to two major corporations, Starbucks and McDonalds. taking the example of Goya foods, they donated millions of pounds in food to several causes over the years. From scholarships to culinary arts students to helping kids in underdeveloped nations. But all of this did not help the company when its CEO publicly stated its opinion on then president Trump this made its consumers sceptical. By involving politics, it has portrayed itself as positioned at one side of the political spectrum. So, this small statement by the CEO affected the market share of the company and affected its sales. Although some boycotts have made a difference for good, but it is alarming the increasing number of boycott campaigns. This could be either in good or bad faith but its growth is directly proportional to the current rise of social media. The significance of studying this boycott culture from consumers perspective cannot be overstated. With the help of outcomes of previous boycotts, companies can learn and grow to further avoid the same mistakes.

#### 2.REVIEW OF LITERATURE

Villanueva, 2020 stated that, the history of boycotts is fascinating and some have even made a difference for good but what is alarming is the number of campaigns initiated in good or bad faith but certainly accelerated by the rise of social media. To conclude consumers and companies are free to buy whatever they want. We might also argue that blacklisting some brands due to their unethical practices is a good citizens duty but we must also ask ourselves if we are going too far and misusing the tool of boycott. Makarem and Jae (2015)Boycott campaigns are frequently one of the most successful anti consumption techniques employed by businesses that are thought to be unethical. The result of this study showed that consumer boycott messages are more commonly motivated by instrumental motives, but non instrumental motives have higher emotional intensity. Sherman (2023) Starbucks is one of the most high-profile firms to be swept up in the conflict over the Israel-Gaza war. Starbucks also published a letter calling for peace and blaming misrepresentation of its views.

## 3.RESEARCH METHODOLOGY

Customers of two major corporations McDonalds and Starbucks were surveyed using questionnaire to learn more about their opinions. These opinions are valuable to the study as they help to assess the stand of these companies in India. The forms were sent to around 50 people and 40 people replied. Given that this topic is quite global, there were no major restrictions to send. The study was sent to both females and male participants. The age groups are also diverse ranging from 18 to 45 and above. But the study is restricted to only the country India. In order to determine how accurate and representative the results are, the sample design the process used to choose survey respondents is essential. In order to provide information on the entire group, a subset of the population must be chosen.

The primary data collection for this study was online. A google form containing 10 questions was sent to the target population. The survey first asked about the consumer preference, whether they consume the food items from the particular brand. The next segment asked if their preference and if their opinion would change if they learned about the companies' belief. Most of the questions were mcq based as this would provide an ease to the consumers and not take up much of their time.

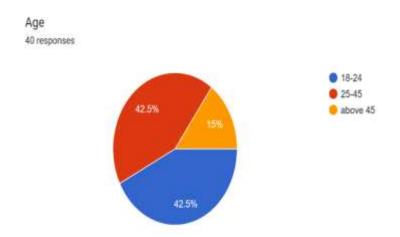
Only one of the questions was a short answer question which asked about their knowledge of any of the ongoing boycott trend.

The survey was a tool for collection of raw data to gain an insight across various demographics, opinions and sentiments.

## 3.1 DATA ANALYSIS TECHNIQUES

Data analysis techniques contain various methods which used to interpret and derive meaningful observation from the data collected. These techniques help to convert the raw data into important insights and help in decision making process. A few common data analysis techniques include descriptive statistics, regression analysis, cluster analysis etc. For this study, pie charts are used to understand the difference of opinion. Pie charts are a type of data visualisation that shows categorical data distribution. The size of each segment represents the proportion of the whole data collected. For example, they can be used to visualise market share, budget allocation, survey responses. While they are useful, for understanding relative proportions and comparisons it tends to be difficult to obtain reference between complex relationships or trends with data. Also, the number of categories is an important factor while analysing pie chart. Using too many categories cannot show major analysis and, in such cases, other types of representation should be chosen.

#### 3.2 DATA ANALYSIS



#### 3.2.1 AGE OF RESPONDENTS

Starting with the basic question, after name, age is one of the most common demographic factors. The ages range given were

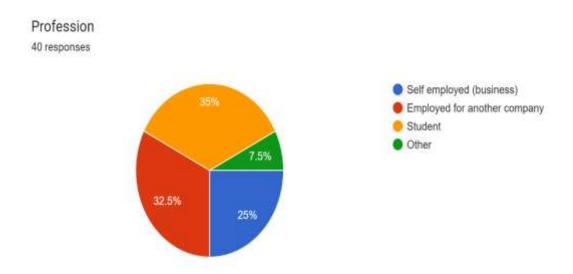
- 1. 18-24
- 2. 25-45
- Above 45

Findings: The information gathered from 40 participants offers important insights into the age distribution of the targeted consumers. According to the findings, the age group[is evenly distributed between the first two categories.

1. Age 18-24: this age group makes up a notable component of the consumers. About 42.5% of the total population. This shows a notable presence among the young customers. These are the major consumers of these brands therefore their opinion is very valuable.

- 2. Age 25-45: with a proportion of 42.5% these are equal to the number of young populations. Their opinions can be either similar or differ a little with the previous age group.
- Age 45 and above: only 15% of the total sample are of this category. These usually are not that large consumers of these brands and so their opinion would provide a different insight.

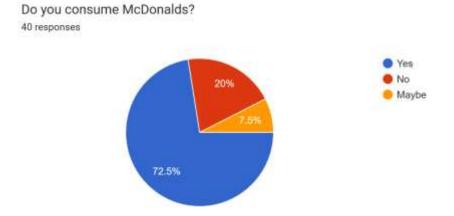
The age variation shows the brand capacity to capture audience from a variety of age group. Such diversity shows that these food items are quite popular and can provide its services to a number of age groups.



#### 3.2.2 PROFESSION OF RESPONDENTS

The profession plays a major role in the buying behaviour of the consumer. The income level of the consumer determines if the consumer is able to purchase a particular brand or not. The distribution is as follows

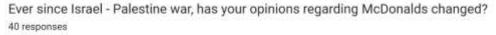
- 1. Self-employed: 25% of the total consumers are self-employed and run their own establishments.
- 2. Employed: 32.5% of the total consumers are employed. This means they work for someone else or in a high paying salary in an establishment.
- 3. Student: 35% of the people surveyed are students. They are not employed and therefore financially dependent on their guardians or parents. Therefore, the proportion of these people are more.
- 4. Other: around 7.5% people chose other, meaning their profession is not listed.

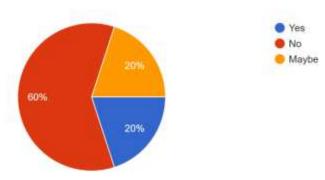


#### 3.2.3 CONSUMER PREFERENCE

The next question directed the study towards company-based boycott. First the people were asked if they consume McDonalds. The total revenue of McDonalds in India was over 22 billion rupees in the FY22-23. (McDonald's Revenue India FY 2013-2023, 2023) This is a jump from previous year's sale of 16 billion rupees. Therefore, the sales have increased. To back this, in our survey

- 1. 72.5% of the total responders, said yes. This shows a huge proportion of people who still consume McDonalds.
- No was the answer of around 20% of consumers. This can be due a number of reasons. These reasons can range from health concerns to personal opinions.
- 3. 7.55 of the eaters chose maybe this could mean that they consume it rarely.

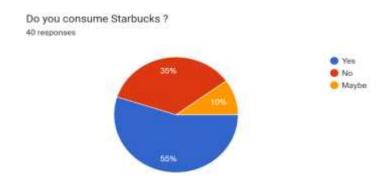




#### 3.2.4 CONSUMER OPINION

The next question directly asks the consumer regarding their personal opinions. Has the war really affected their preference to consume a particular brand. Was the boycotting of McDonalds strong enough to convince people of India to avoid it?

- 1. 60% of the consumers opted for no. this shows that these consumers were not affected by the boycott and still wish to consume the same.
- 2. The rest of the votes were equally divided between a yes and a maybe. Still the cumulative of both the votes is lesser than the vote of yes.
- 3. This also shows that somewhere it has affected the consumers and are still it process to think about it.

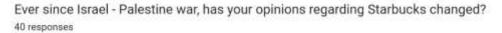


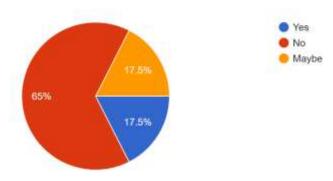
## 3.2.5 CONSUMER PREFERENCE

This set of questions is similar to the other set of questions for McDonalds. To understand the number of people consuming Starbucks.

- 55% of the people consume it. But Starbucks faced a net loss of rs.94.84 cr in FY22. This loss could be due to a number of reasons that could include the boycott.
- 2. 35% of the people clearly answered no. this can be due to its high prices or people's preferences.

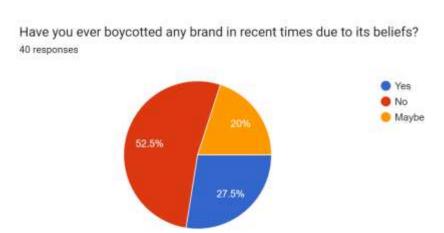
3. 10% are occasional users of the product who are not daily customers but can use its products.





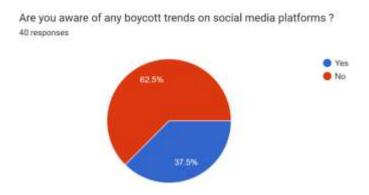
#### 3.2.6 CONSUMER OPINION

In this case, people have a strong opinion regarding Starbuck's stand on the war. Around 65% of consumers are affected by it. The sentiments can be hurt and in response the people of targeted religion can boycott the product. Therefore, a sharp decline in sales was also seen.17.5% of people still consume it and are not so affected by the beliefs of the company. While the other 17.5% of the people are still unsure and thinking about their stance.



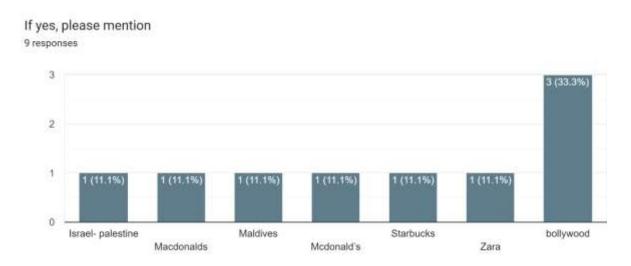
## 3.2.7 BOYCOTT RESPONSE

Boycotting a brand due to its beliefs is something which is seen often but 52.5% of the people chose not to boycott a brand due to its standing. So, the boycott trend has not reached to that wider range of people. Although they are aware, they make their own opinions and stand firmly on it. 27.5% of the people have boycotted a brand due to its positioning on certain issues and believe in choosing a side. While 20% of the consumers are not so sure and tend to be in the thinking state.



#### 3.2.8 CONSUMER AWARENESS

Social media is one the most important catalyst in any of the social boycott movements. Most of the population targeted in this survey are on those social media platforms. Therefore, it is not a surprise that 62.5% are aware of these trends. Whether they act on it or not is something discussed in the previous question.37.5% of the people are either not aware or simply not on these social media platforms.



#### 3.2.9 CONSUMER KNOWLEDGE OF BOYCOTTS

This question aimed to find the awareness of trends among the platform users. The most popular boycott trend known is the Bollywood boycott. This can be due to this research is based in India and therefore trends in Bollywood boycotting are known the most. Rest all of the trends which are known include the ongoing Israel – Palestine war, McDonalds boycott which can be due to the same reason. Geographical boycott was also one of the trends seen in the Indian context. With the promotion of Lakshadweep islands, Maldives boycott heightened in the country. Also, Zara, a well-known clothing brand was boycotted due to their marketing strategy by recreating looks similar the war-stricken areas. This called for a major boycott for the brand. In Bollywood, certain celebrities are targeted and boycotted due to many factors. The public stance, their family lineage can lead the public to boycott them.

## 4.FINDINGS AND DISCUSSIONS

McDonalds is not the first brand to face a global boycott. But this boycott can be initiated due to a number of reasons. These can be specific incidents or certain policies. Any new law passes in a country can also affect the working of the company. But there has been attempts to establish a direct connection between the war and decline in McDonalds sales. As McDonalds is a multinational corporation with a global presence, it also has its operations in Israel. Some individuals or groups keeping this in mind boycotted the brand for having a presence in the country. It was perceived by still having its operations in the country the brand is showing its support. Again, McDonalds itself did not take a stand on the conflict and did not give any official statement regarding its opinions it can be perceived that the company is showing its support due to its presence in the region. Although McDonalds financial position has seen an impact. But this cannot be ascertained due to one factor. Consumer preference, economic conditions and competition in the market can also affect its earnings. But according to McDonald, they missed a key sales target. This could be partly due to the boycotting. After blaming, 'misinformation'

for this drop in sales, the share fell about 4%. The company stated that "meaningful impact" was seen due to the Israel Palestine conflict by the CEO in a letter posted to LinkedIn (Napolitano, 2024). The exact number of how the sales were hit is not available but it can be speculated that a major impact was seen. Starbucks, which has also faced boycott in the past had heightened boycotts which reached a new limit during this time. Similarly, Starbucks is perceived to be taking sides by continuing their operations in Israel. Slower sales were seen and also a hit on the share prices can be seen. While not explicitly mentioning the region, "conflicts in many parts" was one of the major reasons. These protests spread even to north America where vandalisms were seen in few outlets. Also, a worker union conflict made Starbuck's stance on the war confusing. 'Misinterpretation' was deemed as the most suitable reason by the company representatives for these confusions. (Sherman, 2023) But these boycotts have impacted the company's reputation and to some extent lead to financial losses as well.

#### 5.CONCLUSION

To conclude the study, understanding boycott culture is a tedious task. Being of dynamic nature, it is necessary to continuously monitor its progress. Through this study, several key conclusions emerge. Platforms such as Facebook and Instagram are very useful to spread these trends. Taking the example of Starbucks, a post by a worker union, tarnished the reputation of the whole company. This misinterpretation is common and can completely change a consumer's perspective about a company. Moreover, the driving force behind these boycotts are complex and diverse. Consequently, the businesses should adapt accordingly to these changes. But the effectiveness of the boycotts is not guaranteed and their outcome cannot be predicted as these outcomes are often contingent on various factors. The public support, media coverage and the responsiveness of targeted companies are some of the factors that cannot be estimated.

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