THE INFLUENCE OF CONSUMER ANIMOSITY AND CUSTOMER EFFICACY ON THE PALESTINE AND ISRAEL CONFLICT WHICH CAUSED BOYCOTT PARTICIPATION IN THE PRO-ISR AEL COMPANY WITH THE MEDIATION OF RELUCTANCE TO BUY IN INDONESIA

THESIS PROPOSAL

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PENGARUH KEBENCIAN KONSUMEN DAN EFIKASI PELANGGAN TERHADAP KONFLIK PALESTINA DAN ISRAEL YANG MENYEBABKAN PARTISIPASI BOIKOT PADA PERUSAHAAN PRO-ISRAEL DENGAN PERANTARA KETIDAKINGINAN UNTUK MEMBELI DI INDONESIA

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ABSTRAK

Konsumen semakin sering menggunakan boikot untuk menyampaikan ketidakpuasan mereka terhadap operasi komersial sebuah perusahaan. Memboykot sebuah perusahaan dapat mengakibatkan penurunan penjualan, arus kas, pendapatan, dan harga saham. Konflik antara Palestina dan Israel adalah salah satu yang terpanjang dan paling kompleks di dunia yang telah menarik perhatian besar dari seluruh dunia, termasuk Indonesia. Masyarakat Indonesia yang mendukung Palestina telah mulai menunjukkan kebencian mereka terhadap Israel dengan memboikot barang-barang internasional yang terkait dengan Israel. Selain itu, banyak orang Indonesia telah beralih ke barang-barang non-Israel sebagai akibat dari gerakan menentang dukungan terhadap Israel dan sekutunya. Tujuan dari penelitian ini adalah untuk mengetahui bagaimana efikasi konsumen dan antipati mempengaruhi kesediaan konsumen untuk memboikot barang-barang yang berafiliasi dengan Israel dengan membuat mereka kurang mungkin untuk membelinya. Selain itu, tujuan dari studi ini didorong oleh kurangnya data tentang partisipasi boikot di Indonesia. Sebuah survei terhadap 262 orang Indonesia, sebagian besar di Indonesia, digunakan untuk mengumpulkan data, dan SmartPLS 4.0 digunakan untuk analisis statistik. Temuan investigasi menunjukkan bahwa boikot produk yang terkait dengan Israel dipengaruhi secara signifikan dan positif oleh kebencian konsumen, efektivitas konsumen, dan keinginan untuk menghindari pembelian. Selain itu, pengaruh efikasi konsumen dan permusuhan terhadap partisipasi boikot sebagian dimediasi oleh keengganan untuk membeli. Karena telah terbukti bahwa efikasi pelanggan dan permusuhan mempengaruhi keinginan konsumen dalam melakukan pembelian, temuan ini menyoroti pentingnya organisasi dan pemasar menyadari kejadian yang sedang berlangsung..

Kata kunci: permusuhan konsumen, efikasi konsumen, keenganan untuk membeli, partisipasi boikot, produk Israel.

THE INFLUENCE OF CONSUMER ANIMOSITY AND CUSTOMER EFFICACY ON THE PALESTINE AND ISRAEL CONFLICT WHICH CAUSED BOYCOTT PARTICIPATION IN THE PRO-ISRAEL COMPANY WITH THE MEDIATION OF RELUCTANCE TO BUY IN INDONESIA

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ABSTRACT

Consumers increasingly use boycotts to communicate their unhappiness with a company's commercial operations. Boycotting a corporation can lead to decreased sales, cash flow, income, and stock price. The conflict between Palestine and Israel is one of the world's longest and most complex which has drawn considerable attention from all around the world, including Indonesia. The Indonesian populace, who support Palestine, has started to show their hate toward Israel by boycotting international goods associated with Israel. Additionally, a lot of Indonesians have switched to non-Israeli items as a result of the movement against supporting Israel and its allies. The purpose of this study is to ascertain how consumer efficacy and antipathy affect consumers' willingness to boycott Israeli-affiliated goods by making them less likely to buy them. Furthermore, the goal of this study is furthered by the paucity of data on boycott participation in Indonesia. A survey of 262 Indonesians, mostly in Indonesia, was used to gather data, and SmartPLS 4.0 was used for statistical analysis. The findings of the investigation indicate that boycotting products associated with Israel is significantly and favorably impacted by consumer hatred, consumer efficacy, and the desire to avoid purchasing. Additionally, the influence of consumer efficacy and hostility on boycott participation is partially mediated by the reluctance to purchase. Since it has been demonstrated that customer efficacy and animosity affect consumers' desire in making a purchase, these findings highlight the significance of organizations and marketers being aware of the ongoing occurrence.

Keywords: consumer hostility, consumer efficacy, reluctance to buy, boycott participation, Israeli products.

PENGARUH KEBENCIAN KONSUMEN DAN EFIKASI PELANGGAN TERHADAP KONFLIK PALESTINA DAN ISRAEL YANG MENYEBABKAN PARTISIPASI BOIKOT TERHADAP PERUSAHAAN PRO-ISRAEL DENGAN PERANTARA KEENGGANAN UNTUK MEMBELI DI INDONESIA

RINGKASAN

1. Latar Belakang dan Tujuan Penelitian

Konsumen semakin sering menggunakan boikot sebagai sarana untuk menyampaikan ketidakpuasan mereka terhadap operasi komersial suatu perusahaan. Boikot terhadap sebuah perusahaan dapat mengakibatkan penurunan penjualan, arus kas, pendapatan, hingga harga saham. Konflik antara Palestina dan Israel merupakan salah satu konflik terpanjang dan paling kompleks di dunia, yang telah menarik perhatian besar, termasuk dari masyarakat Indonesia. Masyarakat Indonesia yang mendukung Palestina mulai menunjukkan penolakan mereka terhadap Israel dengan memboikot produk-produk internasional yang berafiliası dengan Israel. Selain itu, banyak orang Indonesia mulai beralih ke produk non-Israel sebagai bagian dari gerakan menentang dukungan terhadap Israel dan sekutunya. Penelitian ini bertujuan untuk memahami bagaimana efikasi konsumen dan animositas (permusuhan) memengaruhi kesediaan konsumen dalam memboikot produk yang berafiliasi dengan Israel, dengan membuat mereka cenderung menghindari pembelian produk tersebut. Tujuan penelitian ini meliputi:

a. Uji dan menganalisis dampak signifikan dari animositas konsumen terhadap partisipasi boikot.

b. Uji dan menganalisis dampak signifikan dari efikasi konsumen terhadap partisipasi boikot.

c. Uji dan menganalisis dampak signifikan dari animositas konsumen terhadap keengganan untuk membeli.

d. Uji dan menganalisis dampak signifikan dari efikasi konsumen memiliki dampak signifikan terhadap keengganan untuk membeli.

e. Uji dan menganalisis dampak signifikan dari keengganan untuk membeli sebagai mediasi memiliki dampak signifikan pada partisipasi boikot.

f. Uji dan menganalisis dampak signifikan keengganan untuk membeli yang memediasi pengaruh antara animositas konsumen dan partisipasi boikot.
g. Uji dan menganalisis dampak signifikan dari keengganan untuk membeli yang memediasi pengaruh antara efikasi konsumen dan partisipasi boikot.

2. Metode Penelitian

Jenis penelitian ini menggunakan SmartPLS 4.0 untuk menganalisis data kuantitatif. Studi ini dilakukan di komunitas X (Twitter) Indonesia pada bulan Oktober 2024. Sebuah survei atau kuesioner formulir online digunakan untuk mengumpulkan data. Populasi studi ini sebagian besar terdiri dari penduduk lokal yang menyadari konflik antara Israel dan Palestina. Ada 262 individu dalam sampel untuk studi ini. Sampel untuk studi ini dipilih berdasarkan kriteria berikut:

1. Warga negara Indonesia berusia minimal 18 tahun ke atas
2. Memiliki pemahaman atau setidaknya pengetahuan dasar tentang konflik Palestina dan Israel
3. sadar dan mengetahui produk-produk yang berafiliasi dengan Israel

Hipotesis berikut telah diajukan sebagai pendekatan sementara untuk menangani masalah tersebut:

H1: Animositas konsumen memiliki dampak signifikan terhadap partisipasi boikot
H2: efikasi konsumen memiliki dampak signifikan terhadap partisipasi boikot
H3: animositas konsumen memiliki dampak signifikan terhadap keengganan untuk membeli
H4: efikasi konsumen memiliki dampak signifikan terhadap keengganan untuk membeli
H5: keengganan untuk membeli sebagai mediasi memiliki dampak signifikan terhadap partisipasi boikot
H6: keengganan untuk membeli memediasi pengaruh antara animositas konsumen dan partisipasi boikot.
H7: keraguan untuk membeli memediasi pengaruh antara efikasi konsumen dan partisipasi boikot

3. Hasil Penelitian

Hasil analisis dari 262 responden menunjukkan bahwa seluruh item dan

variabel memenuhi model penilaian kerangka reflektif Mayoritas responden adalah perempuan berusia 18-25 tahun, berpendidikan sarjana, dan memiliki pendapatan rata-rata 3-4 juta rupiah per bulan Responden sebagian besar berasal dari Jakarta dan sekitarnya. Produk yang paling sering dihindari adalah restoran cepat saji Mayoritas responden memberikan jawaban moderat, dengan pilihan "4" dan "5" yaitu Setuju dan Sangat Setuju untuk sebagian besar pertanyaan Dari analisis hipotesis, ditemukan bahwa animositas konsumen, efikasi konsumen, dan keengganan untuk membeli memiliki dampak signifikan dan positif terhadap partisipasi boikot terhadap produk berafiliasi dengan Israel. Hasil ini menunjukkan bahwa semakin tinggi tingkat permusuhan konsumen, efikasi konsumen, dan keengganan untuk membeli, maka semakin tinggi tingkat partisipasi dalam boikot Selain itu, keengganan untuk membeli secara parsial memediasi pengaruh animositas konsumen dan efikasi konsumen terhadap partisipasi boikot.

4. Kesimpulan dan Implikasi

Penelitian ini menyimpulkan bahwa animositas konsumen, efikasi konsumen, dan keengganan untuk membeli memiliki pengaruh positif yang signifikan terhadap partisipasi boikot terhadap produk yang berafiliasi dengan Israel. Semakin tinggi animositas dan efikasi konsumen, semakin tinggi pula tingkat keengganan untuk membeli dan partisipasi boikot. Penelitian ini menyarankan agar organisasi dan pemasar lebih responsif terhadap isu-isu yang memengaruhi persepsi konsumen. Mereka perlu berhati-hati untuk tidak mempromosikan produk yang menjadi subjek boikot. Selain itu, penelitian lanjutan disarankan untuk mengeksplorasi dimensi lain dari efikası konsumen, seperti advokasi terhadap merek alternatif, guna memahami bagaimana konsumen terlibat dalam isu-isu sosial di luar boikot

THE INFLUENCE OF CONSUMER ANIMOSITY AND CUSTOMER EFFICACY ON THE PALESTINE AND ISRAEL CONFLICT WHICH CAUSED BOYCOTT PARTICIPATION IN THE PRO-ISRAEL COMPANY WITH THE MEDIATION OF RELUCTANCE TO BUY IN INDONESIA

SUMMARY

1. Background and Research Objective

Consumers increasingly use boycotts to communicate their unhappiness with a company's commercial operations. Boycotting a corporation can lead to decreased sales, cash flow, income, and stock price. The conflict between Palestine and Israel is one of the world's longest and most complex which has drawn considerable attention from all around the world, including Indonesia. The Indonesian populace, who support Palestine, has started to show their hate toward Israel by boycotting international goods associated with Israel. Additionally, a lot of Indonesians have switched to non-Israeli items as a result of the movement against supporting Israel and its allies. The purpose of this study is to ascertain how consumer efficacy and antipathy affect consumers' willingness to boycott Israeli-affiliated goods by making them less likely to buy them. which. The objectives of this research are as follows:

a. Test and analyze the significant impact of consumer animosity on boycott participation.

b. Test and analyze the significant impact of consumer efficacy on boycott participation.

c. Test and analyze the significant impact of consumer animosity have a significant impact on reluctance to buy.

d. Test and analyze the significant impact of consumer efficacy have a significant impact on reluctance to buy.

e. Test and Analyze the significant impact reluctance to buy as mediation have a significant impact on boycott participation.

f. Test and Analyze the significant impact reluctance to buy meditates the influence between consumer animosity and boycott participation.

g. Test and Analyze the significant impact reluctance to buy meditates the influence

between consumer efficacy and boycott participation.

2. Research Method

This kind of research uses SmartPLS 4.0 to analyze quantitative data. The study was carried out at the Indonesian X (Twitter) community in October 2024. A survey or online form questionnaire was used to collect the data. The study's population is primarily composed of local residents who are aware of the conflict between Israel and Palestine. There are 262 individuals in the sample for this study. Samples for this study were chosen based on the following criteria:

1. Indonesia citizens aged at least 18 years and over
2. Aware understanding or at least basic knowledge of the Palestinian and Israeli conflicts
3. aware and know the products affiliated with Israel

The following hypothesis have been put forth as a temporary approach to address the issue:

H1 : consumer animosity have a significant impact on boycott participation
H2 : consumer efficacy have a significant impact on boycott participation
H3 : consumer animosity have a significant impact on reluctance to buy
H4 : consumer efficacy have a significant impact on reluctance to buy
H5 : reluctance to buy as mediation have a significant impact on boycott participation
H6 : reluctance to buy meditates the influence between consumeranimosity and boycott participation.
H7 : reluctance to buy meditates the influence between consumer efficacy and boycott participation

3. Research Result

All of the items and variables have satisfied every assessment model of the reflective framework, according to statistical analysis of data collected from 262 individuals. When asked about their qualities, the majority of respondents were female, between the ages of 18 and 25, had completed undergraduate school, were scholars, and made between 3 and 4 million rupiah each month. The majority of responders are from Jakarta and the DKI Jakarta province. Fast food restaurants are

the product that respondents shun the most. Each variable question receives a moderate response from the respondents, with the majority selecting "4" and "5" which is Agree and Strongly Agree. Then, from the hypothesis analysis, it is found that Consumer animosity, consumer efficacy, and reluctance to buy of Indonesian consumer has a significant and positive impact towards reluctances to buy product that affiliated with Israel. This indicate the higher the consumer animosity, consumer efficacy, and reluctance to buy are, the higher the boycott participation will be. Moreover, reluctance to buy can partially mediate the influence of consumer animosity and consumer ethnocentrism towards boycott participation.

4. Conclusion and Implication

This research concludes consumer animosity, consumer efficacy, and reluctance to buy are significant and positively affect consumer boycott participation towards products that affiliated with Israel. Which can be interpret as the higher the consumer animosity, consumer efficacy, and reluctance to buy are, the higher the boycott participation will be. reluctance to buy can partially mediate the influence of consumer animosity and efficacy towards boycott participation. This research suggest for organizations should always be awareneeds to be informed about any news pertaining to their target customer base, partners, and products. Understanding the current circumstances allows business owners to use them as a tactic to offer products that customers are requesting be shunned. Then, for marketers, they must be aware of and responsive to the trends of the day. Marketers need to be careful not to unintentionally promote products that are boycotted or the subject of hostility. For future research, they could examine other dimensions of customer efficacy, such as consumer advocacy or support for alternative brands, to understand how empowered consumers engage with issues beyond just boycotting.

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CHAPTER I
INTRODUCTION

1.1 Background

Consumers increasingly use boycotts to communicate their unhappiness with a company's commercial operations (Sen et al., 2001; Klein et al., 2004). Boycotting a corporation can lead to decreased sales, cash flow, income, and stock price (Farah and Newman, 2010). The conflict between Palestine and Israel is one of the world's longest and most complex. This war has been ongoing for many years and encompasses a variety of problems, including geographical, religious, historical, and political (A. N. Rahmani, 2023). Many children were killed in the Gaza riots, prompting the Minister of Education to close schools and end the school year. (CNN Indonesia, 2023). The current crisis in Gaza prompted the United Nations to convene an emergency meeting to ratify the Humanitarian Arms Cessation for Civil Protection resolution, which resulted in a vote of 120 members in favor of the ceasefire, 14 against, and 44 not expressing the views contained in the UN General Assembly Resolution. (United Nations, 2023).

The public is focused on the conflict between Israel and Hamas over violence and possible genocide in Palestinian territories. Since the commencement of the fight between Israel and Hamas on October 7, 2023, numerous products considered pro-Israel, especially American products such as Starbucks, have suffered the consequences (Nur Fadhilah Az- Haari, Didi Juardi, Asep Jamaludin, 2024). In 2005, Palestinian civil society launched the Boycott, Divestment, and Sanctions (BDS) campaign against Israel to promote freedom, equality, and self-determination (http://bdsmalaysia.com/h). The BDSagainst Israel campaign encourages individuals worldwide to boycott Israeli and international companies that violate Palestinian rights or support Israel's occupation of Palestine.

Israeli Prime Minister Benjamin Netanyahu stated that Israel will not remove its troops, halt attacks on Palestine, or respect UN General Assembly resolutions (CNBC Indonesia, 2023). The Palestinian Hamas war with Israel prompted a worldwide solidarity action in some countries, including Indonesia in

the title at Monas and the United States Embassy, followed by the United Kingdom, particularly in London, to hold a prayer and prayers of joy, as well as the States of South Korea, Brazil, Malaysia, and others. Hundreds of thousands of civilians joined the march in support of Israel's humanitarian efforts during the war with Hamas.

The number of companies targeted by the boycott began to increase. Because their customers choose to switch to other brands, it affects the company's revenue. Although there has been no recent study on the value of Israel's losses, Al Jazeera's 2018 research suggested that the boycott movement might result in annual losses of up to US$ 11.5 billion, or around Rs. 180,48 trillion (assuming Rs. 15,694/US$). Furthermore, roughly half of Israeli exportsare "differentiated" or irreplaceable commodities, such as specialist computer chips. However, World Bank data show that exports of "intermediate" items fell sharply from 2014 to 2016, resulting in losses of nearly US$ 6 billion, or approximately Rs 94.16 trillion (CNBC, 2024).

The Israeli-Palestinian conflict has the potential to have an impact on Indonesia due to its global economic importance. The clash could exacerbate unexpected fears about the global economy. Crude prices surged 4% in trading,and gold and the US dollar rose as the conflict between Israel and Hamas worsened. Furthermore, it does not rule out the chance that fuel prices in Indonesia would rise again when the Hamas-Israel conflict extends to other major oil-producing countries across the world. Furthermore, rising global oil prices have an impact on rising prices for necessities such as food and industrial items. Indonesia continues to rely on big imports from overseas, notably rice, therefore rising global oil costs do not benefit Indonesia (Simanjorang et al., 2023) The enmity toward Israel in Indonesia is apparent, with the Indonesian Ulema Council (MUI) expressing support by publishing Fatwa No. 83 on the Law of Support for the Palestinian Battle, which encourages Indonesian Muslims to support Palestine and boycott Israeli products (Kompas, 2023) This is indicated by the reduction in Israeli imports to Indonesia, with data from the Central Statistics Agency (BPS) indicating a 38.23% decrease in imports fromIsrael in November 2023. Pro-Israel corporations experienced the largest share price declines after the Israeli-Hamas

war, averaging $2,774. Furthermore, citizen boycotts may cause stock prices to fall when the company's turnover inOctober-November 2023 decreases (Rahmani, 2023).

Table 1.1 is list of products affiliated with Israel that can be found in Indonesia. Lee et al. (2011) viewed boycotts as a form of customer resistance, aligning with Handelman and Kozinets' (1998) definition of collective consumer resistance. This is a well-defined area that examines consumers' reactions to organizations and their practices. Previous research has focused solely on boycotts as a collaborative endeavor (Friedman, 1999). The impact of boycotts on organizations has received significant attention, but less attention has been paid to the motivations of individual boycotters. Since the introduction of the animosity model for studying foreign product purchases (Klein et al., 1998), research has provided valuable insights into the role of consumer animosity, particularly in the international marketing literature (Antonetti et al.,2019; Ettenson and Klein, 2005; Yu et al., 2020). Few studies have examined the impact of animosity on consumer boycotts, which are defined as "a voluntary and deliberate abstention by consumers from purchasing, using, or dealing with the specific target, such as a product, organization, country, or even person, to achieve a certain objective" (Kim et al., 2022b, p.2). Given thatconsumer reactions to boycott efforts can differ depending on the type of anger(Rice and Wongtada, 2007), the relationship between economic penalties andconsumer boycotts has not been addressed.

Table 1.1
Products that Affiliated with Israel in Indonesia

No.	Product Categories	Brand
1.	Food and Beverages	Nescafe, Milo, Corn Flakes, Buavita, Lipton, Sariwangi, Coca Cola, Sprite, Fanta, Minute Maid, KitKat, Cadburry, Pringles, Oreo, Lays, Cheetos, Aqua, Ades and Koko Crunch.
2.	Fastfood Restaurant	KFC, McDonald's, Burger King, Pizza Hut and Subway.
3.	Condiments	Royco, Kecap Bango, Bumbu Knorr, Maggiand Sambal Jawara
4.	Personal Care	Axe, Clear, Closeup, Dove, Lifebuoy, Pepsodent, Rexona, Sunsilk, Vaseline, St. Ives, Tresemme
5.	Coffee Shop	Starbucks and Dunkin

No.	Product Categories	Brand
6.	Ice Cream	Walls
7.	Sports Equipment	Puma, Adidas and Nike
8.	Cosmetics	L'Oreal, Ahava, Dr Fischer, Saboon and Moroccanoli
9.	Milk	Similac, Materna, Dancow and Bear Brand
10.	Detergent and Cleaner	Cif, Downy, Fairy, Flash, Lifebouy, Molto, Rinso, Sunlight
11.	Baby Care	Pampers and Zwitsal

Source: https://economy.okezone.com (2023)

The drive to boycott Israel and its allies has prompted many Indonesians to switch to local products. More people, particularly those who support Palestine, have called for the use of local items of equal or higher quality than international products. Product-origin research suggests that consumers stereotype product origins based on past experiences with similar items (summary effect) or a general view of the country (halo effect) (Bilkey and Nes, 1982; Han, 1989; Johansson et al., 1985). The approach is based on the attitude theory, which states that favorable product assessments precede positive product intents. Shimp and Sharma (1987) found that consumers prefer home-country products, even if they are not perceived as superior. This contradicted the theoretical foundation underlying product origin studies at the time. In certain situations, consumers may form product intents without making the expected product judgments, as predicted by attitude-theory.

Consumer boycotts may be triggered by a company's unethical behavior that harms consumers and society (Klein et al., 2004; Park & Park, 2018). Consumers have different perceptions of the company's egregiousness. Consumers may consider the business's actions as unethical (Park & Park, 2018). Consumer reluctance to buy products owing to boycotts is a prominent phenomena in Southeast Asia, particularly in Jakarta, and is influenced by a variety of sociopolitical variables. Boycotts are frequently motivated by consumer resentment, which might be generated by political conflicts, culturaldifferences, or unethical commercial activities by foreign corporations. This unwillingness to buy can be an effective form of protest, allowing people to express their dissatisfaction and put pressure on corporations and governments.

Economic uncertainty, cultural preferences, and changing consumer behaviors have all had an impact on customer hesitancy to buy in Southeast Asia. One notable tendency in the region is a cautious approach to implementing new payment options such as Buy Now, Pay Later (BNPL). This strategy has gained popularity, but it has also been questioned due to concerns about debt buildup and financial stability (Global-is-Asian, 2024). Furthermore, the region's distinct market dynamics, which include a significant unbanked population and high internet penetration, contribute to diverse consumer purchasing habits. The development of e-commerce, as well as the emphasis on expediency and safety during the epidemic, have exacerbated reluctance to purchase certain products or from specific platforms (McKinsey & Company, 2022).

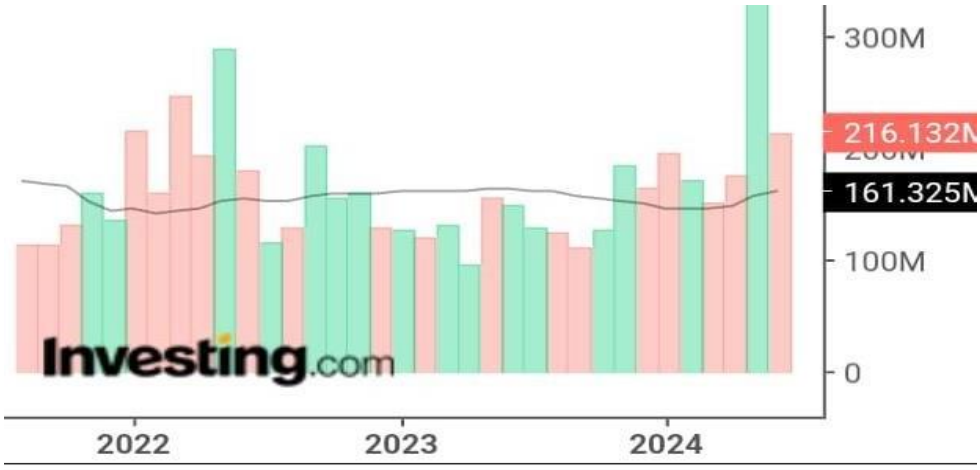


Figure 1.1 Strabucks Stock Price since 2022 until 2024

Source: https://id.investing.com/equities/starbucks-corp-chart

Based on the Figure 1.1, it can be seen how since the end of 2023 where the war started again, Starbucks stock price is declining until now but it's also can show they little stable in 2024. Nonetheless, the boycott movement remains active as of December 8, 2023. According to data, Starbucks Corporation suffered the highest market capitalization loss, totaling more than $12 billion, or Rp186.50 trillion (assuming an exchange rate of Rp15,542 per US dollar). On the same day, Starbucks' stock plummeted 1.6%, continuing an 11-day losing trend. This fall has reduced Starbucks' market value by 9.4%, or around $12 billion USD. The global boycott of brands seen to support Israel's aggression against Palestine is thought to

be the reason of the reduction in shares and market value of this corporation, ticker symbol SBUX. Starbucks' revenues have been dropping for some time, which has raised concerns. According to statistics compiled by Companies MarketCap, the market value of SBUX has declined multiple times over the last decade. In 2023, there was the third biggest fall in the previous ten years. The average market capitalization was US$ 109.62 billion on Friday, December 8, 2023, at 7:00 PM WIB, down3.72% from 2022.

Starbucks has become a central brand in the global Boycott, Divestment, and Sanctions (BDS) movement, significantly impacting the stock performance of PT Mitra Adiperkasa Tbk (MAPI), parent company of PT MAP Boga Adiparkasa (MAPB) that manages Starbucks in Indonesia. MAPI shares fell 19.60% to Rp 1,600 per share from Rp 1,990 on October 6, 2023 (Republika, 2023). Known for providing high-quality coffee, Starbucks primarily targets people aged 18 to 24, for whom coffee often becomes a lifestyle staple (Al Waleed, 2020). Negative campaigns against Starbucks are not new, with similar boycotts surfacing in 2006, 2007, 2010, and 2014, involving not just Muslim-majority countries but also Europe and the U.S., due to perceived associations with Zionist Israel (Dini Safitri, 2015). Tensions intensified recently when Starbucks Workers United posted pro-Palestine messages, prompting Starbucks to sue for trademark infringement, demanding that Workers United cease using the Starbucks logo and name (Kumparan, 2024). Social media has amplified the impact, with the hashtag #boycottstarbucks used 16,000 times, garnering 167 million views, predominantly expressing negative sentiment. This shows that boycotts not only reflect digital opinion but can also influence consumer behavior in real life, as seen in Starbucks' 8.96% stock price drop since November 16, 2023. The boycott, catalyzed by perceptions of Starbucks' stance on the Israel-Palestine conflict, has gained global traction, leading to customer protests beyond Indonesia (Hops.id, 2024).

Dunkin' Donuts has been embroiled in various disputes involving purported support for Israel, particularly its presence in the region and business operations. Since opening its first office in Israel in 1992, the company has grown its network to around 200 locations through agreements with local businesses

such as Strauss Group (GB Times, 2024). This has attracted criticism from the Boycott, Divestment, and Sanctions (BDS) movement, which opposes firms that operate in occupied territories and advocates for a boycott of their products. BDS and pro-Palestinian organizations also attack Dunkin' Donuts for continuing to operate in West Bank settlements, which are illegal under international law, as well as the company's collaboration with the Israeli military to provide coffee and food to soldiers, which has sparked fresh protests. Nevertheless, The corporation maintained that its participation in Israel is simply for business reasons and does not promote any one side in the conflict. (GBTimes, 2023). Dunkin' Donuts replied to this criticism by confirming its neutral position and refusing to take a political stance in the Israel-Palestine conflict, claiming that their supply chain adheres to human rights and labor norms. However, the lack of transparency in the supply chain has caused some opponents to question this commitment, sparking controversy and requests from pro-Palestinian groups to halt activities in Israel. (GB Times 2024; UlatSempat 2023).

Pizza Hut is facing backlash for allegedly supporting Israel after its Israeli branch released a photo of Israeli Defense Forces (IDF) soldiers eating free pizza, sparking fury on social media. Some users are calling for a boycott of Pizza Hut because it is seen as siding with Israel in the conflict with Palestine, and the hashtag #BoycottPizzaHut has become a trend on various platforms as a form of protest against actions seen as supporting Israel's military operations in Gaza (AverageBeing, 2024; Hindustan Times, 2024). This dispute continued in January 2024, when Pizza Hut Israel uploaded photographs of IDF soldiers eating pizza, eliciting a significant response on social media (Currently, 2024). The boycott had a considerable impact in numerous countries, including Jordan and Kuwait, where the number of customers visiting Pizza Hut and other foreign companies plummeted dramatically. This boycott has also resulted in an increase in popular support for local products in the region, as people seek to avoid anything believed to support Israel's activities in Gaza. (Business Standard 2024).

KFC has been one of numerous fast-food brands facing boycotts from Muslim communities around the world owing to claimed support or ties to Israel, particularly during the Gaza conflict. This boycott is motivated by public outrage

over Israel's actions in Palestinian lands, with some groups accusing KFC of having economic ties that indirectly benefit Israel. As a result, in other countries, including Malaysia and Algeria, certain KFC locations saw a drop in customer traffic or even temporary closures as a result of public protests opting to boycott American products seen to be pro-Israel. (Business Standard, 2024; Rakyat Post, 2024). In addition, KFC received criticism in numerous countries for being viewed as unsympathetic to the situation in Gaza. for example, a post by KFC Antigua with the slogan "No Tents, Just Chicken" sparked public outrage as it was perceived as a mockery of Palestinian refugee camps, even though it was later revealed that the advertisement was actually related to a local incident in Antigua, not Palestine. This misunderstanding shows how global brands can easily be misinterpreted and provoke negative reactions in the context of global conflicts. (The Rakyat Post, 2024). In Algeria, KFC faced protests that led to the closure of its branch because it was perceived as supporting Israel, prompting calls for a boycott of this American brand. This situation reflects the impact of public perception linking the presence of international brands with conflicts in the Middle East, illustrating broader concerns about Western companies having business ties with Israel. (GB Times, 2024).

Unilever, which owns brands such as Axe, Dove, Lifebuoy, Pepsodent, Rexona, Sunsilk, Vaseline, St. Ives, and TRESemmé, has faced criticism for its relationship with Israel after its subsidiary, Ben & Jerry's, halted sales in the occupied Palestinian West Bank in 2021, sparking international outrage because it contradicted the parent company's policy. Although Unilever allowed Ben & Jerry's to take an independent moral stance, they eventually sold the company's operating license in Israel to a third party so that the products could continue to be sold in the region, prompting criticism from various parties who saw it as indirect support for Israel. (Kawn 2024; Paketmu 2023). Alan Jope, Unilever's CEO, has openly stated the company's commitment to doing business in Israel, including significant investments and the creation of thousands of jobs, which has been criticized by pro-Palestinian activists who accuse Unilever of contributing to the economy that supports the occupation of Palestinian territories. Organizations supporting Palestine, such as BDS (Boycott, Divestment, and Sanctions), are

calling for a boycott of Unilever and its affiliated brands as a means of protest against the company's alleged complicity in human rights violations in occupied areas. (Paketmu, 2023; The Times of Israel, 2024). This episode underscores the delicate interplay between global business and politics, as Unilever, which sells a variety of popular products around the world, is embroiled in an international discussion about its continued support for corporate operations in Israel. Activists believe that Unilever's presence, while commercial in nature, contributes to policies that oppress the Palestinian people, and the environmental impact of the company's operations in the region raises concerns about Unilever's ethical accountability. (Kawn, 2024). The Unilever case reflects growing consumer concern about companies' roles in social and political issues, with many calling for a boycott as a form of economic pressure on multinational corporations to be more responsible in their operations in conflict zones, and it demonstrates how consumer actions can drive policy changes in large corporations regarding social and ethical responsibility. (Paketmu, 2023; The Times of Israel, 2024).

Many well-known brands, like Nescafe, Milo, Corn Flakes, Buavita, Lipton, Sariwangi, Coca Cola, Sprite, Fanta, Minute Maid, KitKat, Cadburry, Pringles, Oreo, Lays, Cheetos, Aqua, Ades and Koko Crunch, are receiving scrutiny for supposed ties to Israel, particularly in light of the continuing Israeli-Palestinian conflict. These firms are frequently referenced in talks about consumer boycotts, with campaigners pushing consumers not to buy products made by companies that support Israeli policies or operations. According to reports, Nestlé's Nescafe and Milo products are among those thought to favor Israel. (Terriorial, 2023; Kabar24, 2024). Furthermore, Coca-Cola and its various beverages, including Sprite and Fanta, are frequently mentioned in boycotts against Israeli products due to the company's business operations and historical context, prompting calls for consumers to avoid these products in protest of Israeli actions in Palestine. (Edisi Indonesia, 2023). Other companies, such as Lipton and Minute Maid, have also been chastised for their ties to Nestlé, which connects them to the larger debate about corporate responsibility and ethical shopping. (Kabar 24, 2024; Edisi Indonesia, 2023). The boycott includes snack brands such as KitKat, Oreo, and Pringles, as well as health and beauty items like Vaseline

and Tresemme. The BDS movement (Boycott, Divestment, and Sanctions), which campaigns for Palestinian rights, explicitly targets these brands because they are perceived to support Israeli policy, urging consumers to seek alternatives. (Territorial, 2023; Edisi Indonesia, 2023). This has spurred much debate regarding the impact of consumer choices on global political issues. Individuals and organizations are more interested in learning about the ramifications of their purchases as the discourse about boycotts and consumer responsibility evolves. Websites and groups that create lists of Israeli items, such as Bdnaash.com, assist consumers in making better educated purchasing decisions. (Kabar 24, 2024; Edisi Indonesia, 2023).

This is in fact the impact of the animosity that's been going since the war started. The link between consumer Animosity and boycott participation is well documented in academic literature, demonstrating how negative attitudes toward a country can cause customers to avoid purchasing its products and engage in boycotts. Xie, Choo, and Lee (2023) discovered that in the context ofthe Xinjiang cotton embargo, consumer hostility directly boosts boycott intentions, as mediated by cognitive and affective assessments. Similarly, Ali (2021) found that Kurdish consumers' hatred against Turkish items had a considerable impact on boycott participation and purchase aversion. These findings highlight the importance of emotional and intellectual responses in transforming hostility into active boycott behaviors. Smith (1999) and Klein et al. (2004) discovered that increased perceived consumer efficacy, or the idea that one's participation will have an impact, considerably boosts the chance of boycott participation. This link is based on the premise that when consumers believe individual activities have an influence, they are more motivated to engage in collective actions such as boycott.

According to research (Jensen, 2008; Knudsen et al., 2008), using symbols that are not aligned with human values can lead to negative emotions and boycotts of specific items or brands. This research focuses on Israel, as stated by Sari et al. (2017a). Sari et al. (2017a) found that in Indonesia, people'sreactions vary greatly due to varying levels of literacy. Klein, Ettenson, and Morris, 1998. Even when consumer antipathy is low, it still has a detrimental impact on purchasing intentions. (Cui, Wajda, and Hu, 2012) Unlike ethnocentrism, which favors local

items over international ones (Shimp & Sharma, 1987), consumers' antipathy entails selecting products from multiple foreign countries. Klein, 2002. When consumers reject items from hostile nations, modifications are needed to gain a worldwide edge (Amine, Chao, & Arnold, 2005; Pamar, 2004). Consumers may boycott foreign items from hostile nations, which can reduce the possibility of purchasing from offending countries (Mrad, Ye Sheng & Hart, 2013). According to Braunsberger and Buckler (2011), boycotting can stop harmful behavior or policies and demonstrate consumer power by impacting companies' profits. According to Elliott and Cameron (1994), when customers accept products from a hostile nation, they prioritize product quality over antagonism and hostility, resulting in a significant preference for quality. Improving the hostile situation and focusing on product quality can boost brand equity despite enmity. Lastly, thisresearch is use Reluctance to Buy as a mediating variable When consumers see a company's or country's behavior as unethical or detrimental, they are more likely to boycott the product. This phenomenon is caused by customer antipathy, in which bad feelings toward a certain entity lead to intentional avoidance of its products. For example, Pranay Verma's (2022) study on Sino- Indian disagreements shows that hatred can cause consumer boycotts, dramatically boosting reluctance to buy products from the offending country.

Based on the current phenomenon of boycotts of Israel-affiliated products in Indonesia, as well as a lack of research into boycotts in Indonesia, the primary goal of this study is to determine the effects of consumer animosityand consumer efficacy on boycott participation associated with Israel using reluctance to buy as a mediator.

1.2 Problem Formulation

1.2.1 Problem Statement

The conflict between Palestine and Israel has significant ramifications for consumer behavior, particularly in nations with strong pro-Palestinian sympathies, such as Indonesia. One significant effect is the boycott of corporations seen to be pro-Israel, such as Starbucks. This study looks at how consumer resentment and customer efficacy affect boycott participation. Consumer antipathy, defined as enmity toward a country and its affiliated

businesses, has a substantial impact on Indonesian consumers' decisions to avoid purchasing from pro-Israel companies. Furthermore, customer efficacy, or the belief in the ability of one's purchasing choices to impact political and social change, drives boycott activity. This combination of emotional antagonism and perceived efficacy fuels a widespread customer backlash against Starbucks in Indonesia.

In this relationship, reluctance to buy plays an important mediating role. Reluctance to buy manifests latent consumer hatred and efficacy as real boycott measures. Indonesian consumers' political and societal motivations exacerbate this hesitancy, resulting in decreasing Starbucks usage. This hesitation not only reflects personal convictions, but it also represents a broader societal movement against perceived support for Israel. Thus, the mediation ofunwillingness to buy bridges the gap between consumer sentiments and real boycott participation, emphasizing the complex interplay between political issues and consumer behavior on a worldwide scale.

The study's goal is to determine how customer animosity and efficacy can influence boycott participation, whether directly or indirectly, using reluctance to buy as a mediator in the current conflict phenomenon. Previous research has also revealed that consumer animosity, efficacy, and ethnocentrism might influence boycott participation, thereby harming the company's trade performance.

1.2.2 Research Question

Based on the research background and problem statement above, the research questions can be identified as follows:

1. Does consumer animosity have a significant impact on boycott participation?
2. Does consumer efficacy have a significant impact on boycott participation?
3. Does consumer animosity have a significant impact on reluctance to buy?
4. Does consumer efficacy have a significant impact on reluctance to buy?
5. Does reluctance to buy as mediation have a significant impact on boycott participation?
6. Does reluctance to buy meditates the influence between consumer

animosity and boycott participation?

7. Does reluctance to buy meditates the influence between consumer efficacy and boycott participation?

1.3 Research Objective

Based on the research background, problem statement, and research question above, the research objectives can be identified as follows:

1. Test and analyze the significant impact of consumer animosity on boycott participation.
2. Test and analyze the significant impact of consumer efficacy on boycott participation.
3. Test and analyze the significant impact of consumer animosity have a significant impact on reluctance to buy.
4. Test and analyze the significant impact of consumer efficacy have a significant impact on reluctance to buy.
5. Test and Analyze the significant impact reluctance to buy as mediation have a significant impact on boycott participation.
6. Test and Analyze the significant impact reluctance to buy meditates the influence between consumer animosity and boycott participation.
7. Test and Analyze the significant impact reluctance to buy meditates the influence between consumer efficacy and boycott participation.

1.4 Research Contribution

1.4.1 Theoretical Contribution

The findings of this study will help to complement and fill gaps in previous research and future research, particularly for researchers interested in the influence of customer animosity and efficacy on boycott participation through ethnocentrism. They are confident that they will discover new insights for their research.

1.4.2 Practical Contribution

This research confidently will contribute to the organization and the marketers.

1. The Organization

   The study will look at the effects of consumer animosity and

customer effectiveness on the Palestinian-Israeli conflict, which culminated in a boycott of pro-Israel beverage firms, including Starbucks, in Indonesia. The study will look at how consumer hostility and belief in their ability to influence change affect their decision not to buy Starbucks products as a form of protest. Furthermore, the study will look at how the mediation of unwillingness to buy influences the relationship between customer hostility and boycott participation. The study employs a quantitative approach using survey methodologies to collect data from Indonesian customers, which is then evaluated to test the hypothesis proposed.

2. Marketers

Researching the effects of consumer hatred and customer effectiveness on the Palestinian-Israeli conflict, which led to participation in a boycott of pro-Israel beverage firms, including Starbucks, with the mediation of unwillingness to buy in Indonesia. The study's goal is to explore how unfavorable attitudes about international wars affect consumer behavior in home marketplaces, particularly in Indonesia, where political and humanitarian issues have a substantial impact on purchase decisions. The study's findings could help marketers understand the value of including emotional and political considerations in their marketing plans, as well as how to manage brand image in the face of global controversy..

1.5 Research Contextual Overview

According to data acquired from the website economy.okezone.com 69 derivative items in Indonesia are imported and associated with Israel, as indicated in Table 1.1. The stated product is also well-known in Indonesia, easyto find, and has a large customer base. As a result, the focus of this study is onIsraeli-related products. The study is to determine the effects of consumer animosity and consumer efficacy on boycott participation associated with Israelusing reluctance to buy as a mediator.