

# EXPLORING THE INFLUENCE OF ONLINE CONSUMER BRAND BOYCOTTS ON BRAND EQUITY

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## Abstract

*When something detrimental to consumer's principles occurs, they tend to criticize the situation and to take up action, using the Internet to virally spread their opinions and adopting a resistance behavior, thus punishing the company and refusing to buy its brands. On social media platforms consumers can become increasingly vocal through boycotts and consumers dissatisfactions spread almost instantaneously on the Internet. Such consumer-led boycotts can affect a company's long-term branding efforts. In this context, the management of brand equity, and especially of brand trust, brand affect and brand loyalty, poses a challenge for companies that do not act or communicate in a suitable way. This paper tries to identify the types of consumer boycotts, the reasons why boycotts can occur, their impact on brand equity and it aims at presenting some recommendations for managing consumer boycotts.*

**Keywords:** brand trust, brand affect, brand loyalty, boycott, social media.

## 1. Introduction

A consumer boycott is an important issue for every company because it can affect its general development in a negative way in the long term. Since nowadays consumers can almost instantaneously spread negative information about a brand or a company on social media, it is important to immediately react and solve any problem that can lead to a crisis. Ignoring consumers' complaints can have a great impact on a company's branding efforts. When consumers are deceived by a company or a brand, they distrust the company and its brands and their attitude changes. Consumers are usually involving themselves in boycotting activities as a sign of disapproval and protest and they can refuse to buy certain brands when something detrimental to their principles or beliefs occurs. Although the operationalization of a boycott is represented by the refusal of purchasing a certain brand, the implications of a boycott are much broader. All these actions may have serious consequences, triggering a crisis of brand image, brand trust, brand affect, brand loyalty or even brand equity overall.

The reasons why consumers engage in boycotting actions are numerous and it is important to identify each driver. This paper aims to form the basis for investigating the factors prompting consumer boycotts and for analyzing the relationship between consumer brand boycotts and brand equity. This paper also aims to identify the reasons why consumers engage in boycotts, to study their potential harm to brand equity and it aims to emphasize the importance of adopting a

suitable strategy for managing consumer boycotts and protecting the brand against future boycotts.

## 2. Consumer brand boycotts

The term *consumer boycott* was defined by Friedman (1985) "as an attempt by one or more parties to achieve certain objectives by urging individual consumers to refrain from making selected purchases in the marketplace"<sup>1</sup>. According to Kozinets and Handelman (1998) a boycott appears when it exists an actively organized and collectively encouraged behavior to punish a company by refusing to buy its brands<sup>2</sup>. Thus, a boycott can be an individual act of resistance and unwillingness to buy a certain brand, but it usually takes the form of a collective activity or reaction.

On social media individuals can be easily influenced and usually a boycott becomes a collective refusal or resistance to purchase certain brands. Consumers' attitude can be easily influenced on social media because the sense of community makes the individuals to feel bonded. The social influence is an important factor involved in this process. Opinion leaders have the capacity to voice opinions and influence others to perform certain behaviors, including calling for boycott campaigns. Although on social media people generally express their personal opinions, their actions are a result of a collectively reaction created around a certain subject of discussion.

An important aspect of consumer boycott is the boycott attitude. The term *boycott attitude* refers "to the opinions and feelings that a consumer has regarding

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<sup>1</sup> Hsien-Kuei Chiu, "Exploring the Factors Affecting Consumer Boycott Behavior in Taiwan: Food Oil Incidents and the Resulting Crisis of Brand Trust", *International Journal of Business and Information*, Vol. 11, No. 1 (March 2016): 51.

<sup>2</sup> Carmen-Maria Albrecht, Colin Campbell and Daniel Heinrich, "Exploring why consumers engage in boycotts: toward a unified model", *Journal of Public Affairs*, Vol. 13, No. 2 (2013): 180.

boycott activities”<sup>3</sup>. As it can be seen, the boycott attitude involves both rational and emotional aspects. According to Chiu (2016), boycott attitude can be driven by: perceived deception, animosity or emotional factors (anger, contempt and umbrage), altruism, and perceived risk. According to Albrecht et al. (2013), other factors that can motivate a consumer to engage in a boycott are: “the perceived success likelihood of a boycott, a consumer’s susceptibility to normative influences, the costs associated with the boycott, such as availability of substitutes or preference for boycotted products, instrumental and clean hand motivations, expressive motivations, the desire for social change, self-enhancement, and the perceived egregiousness of the company’s actions”<sup>4</sup>.

Besides adopting a boycott attitude, consumers involve in the actual boycott due to many reasons. Consumers’ involvement “implies that a boycott topic represents an exciting and therefore motivating issue”<sup>5</sup> for them. “Boycott effectiveness is highly reliant upon consumer willingness to engage or disengage in the boycott activities”<sup>6</sup>.

Chiu (2016) mentions that consumers tend to participate in a boycott action because they believe that they can cause change. Consumers are becoming more socially aware that their opinions matter and that their behavior and attitude can affect companies. Thus, according to Paek and Nelson (2009), boycotting is perceived by the individuals as a form of socially responsible consumer behavior. Consumers are generally boycotting in order to push companies toward more ethical or responsible practices. Adopting a boycott attitude is considered an altruistic behavior by some consumers because “it is driven by a motivation in which consumers perceive themselves as helpers who can protect others from harmful causes”<sup>7</sup>.

According to Sen et al. (2001), boycotts can be classified in two main categories<sup>8</sup>:

- *economic boycotts*: they occur when consumers intend to change the unfair marketing or business practices of companies,
- *social/ethical control boycotts*: they occur when consumers try to force companies toward specific ethical or socially responsible behaviors.

In today’s marketplace, consumers tend to judge companies against social responsibility criteria and, according to Klein et al. (2004), they “expect companies to act in an environmentally and ethically

responsible manner”<sup>9</sup>. If companies ignore these expectations and fail to act in a socially responsible way, they can easily become the target of consumer resistance behavior.

According to Fazel (2015)<sup>10</sup>, boycotts are usually triggered for two main purposes, therefore they can be also classified in two main categories:

- *instrumental boycotts*: they occur when consumers intends to force a company to change a disputed procedure or policy,
- *expressive boycotts*: they occur when consumers are displeased by the actions of the company.

Consumers can exert a social control over companies through the collective power that they gain when they decide to engage in a boycott. By their decision to buy or not to buy certain brands “boycotters intentionally use their ‘purchase votes’ to favour (or disfavour) firms that make (or do not make) positive societal impacts”<sup>11</sup>.

### 3. Brand equity

It is already well-known that brand equity is one of the most valuable assets a company can possess. When a call to action request appears in the form of a boycott much of the branding effort can be affected. In traditional marketing, “the marketer has enormous control over the use of one-way communications that build and enhance brand equity”<sup>12</sup>. But the growth of social media changed the way consumers communicate and poses some important challenges in the management of brand equity, especially of brand trust, brand affect and brand loyalty. In this context, marketers need to become proactive in protecting their brand equity. Any type of information, detrimental to consumer’s principles or beliefs, can easily make a brand vulnerable to online consumer boycotts.

Although it is well-known that consumer boycotts have an impact on brand equity, it is very difficult to establish the value of the financial losses attributable to online consumer boycotts because “there are no publically known metrics that help firms measure the discontent and actual boycott behavior”<sup>13</sup>.

In general, on social media consumer brand boycotts have a short-term manifestation, but some of

<sup>3</sup> Chiu, “Exploring”, 53.

<sup>4</sup> Albrecht, Campbell and Heinrich, “Exploring”, 181.

<sup>5</sup> Albrecht, Campbell and Heinrich, “Exploring”, 181.

<sup>6</sup> Hesham Fazel, “Brand Credibility to Mitigate Brand Boycott Preventive Strategy of Brand Globalness and Brand Endorsement: Theoretical Perspective”, *Journal of Economics, Business and Management*, Vol. 3, No. 7 (2015): 694.

<sup>7</sup> Hye-Jin Paek and Michelle R. Nelson, “To Buy or Not to Buy: Determinants of Socially Responsible Consumer Behavior and Consumer Reactions to Cause-Related and Boycotting Ads”, *Journal of Current Issues and Research in Advertising*, Vol. 31, No. 2 (2009): 77.

<sup>8</sup> Albrecht, Campbell and Heinrich, “Exploring”, 181.

<sup>9</sup> Albrecht, Campbell and Heinrich, “Exploring”, 180.

<sup>10</sup> Fazel, “Brand”, 695.

<sup>11</sup> Fazel, “Brand”, 694.

<sup>12</sup> Joyce A. McGriff, “A conceptual topic in marketing management: The emerging need for protecting and managing brand equity: The case of online consumer brand boycotts”, *International Management Review*, Vol. 8, No. 1 (2012): 49.

<sup>13</sup> McGriff, “A conceptual”, 49.

them “have the potential for greater long-term harm”<sup>14</sup>, influencing consumers’ trust or even loyalty.

A significant competitive advantage for many companies, with strong effects on their commercial success, is the consumers’ brand loyalty. The customer’s loyalty is considered a key factor for long-term success of companies and, because of this, brand loyalty came to be compared by Kapferer (2005) to “a Holy Grail for marketers”<sup>15</sup>. Loyalty is a complex concept and two of the main perspectives from which it is usually approached are: *the behavioral brand loyalty approach* (the action or intention to repeat the purchase of a certain brand) and *the attitudinal brand loyalty approach* (the consumer’s psychological involvement and commitment towards a certain brand)<sup>16</sup>. As presented in the specialized literature, the main determinants of brand loyalty are *brand trust* and *brand affect*<sup>17</sup>.

Brand trust is one of the most important elements that form brand equity. “Brand trust involves the credibility, integrity, and benevolence that a consumer attributes to the brand”<sup>18</sup>. In order to build trust, companies have to communicate in a transparent manner with their consumers, in both favorable and unfavorable contexts, and to provide a sense of honesty, openness, respect, responsibility and reliability.

Like brand trust, brand affect is another important element that leads to the development of brand equity. Brand affect represents a consumers’ emotional response towards a certain brand. A consumer becomes emotionally and psychologically attached to a brand following positive experiences with it. The main effect of this type of commitment and attachment “is to make consumer behavior more resistant to change by fixing brand choice in the minds of consumers”<sup>19</sup>. For companies and their brands it is very important to ensure positive experiences for consumers. This way, in time, they can develop a close relationship between the brand and consumers. Long term consumer-brand relationships and loyalty are “built on the foundation of brand affect”<sup>20</sup>.

#### 4. The influence of online consumer brand boycotts on brand equity

When linking online consumer brand boycotts and brand equity it is important to analyze the effect of the factors prompting consumer boycott attitude on some of the most important elements of brand equity, namely brand trust, brand affect and brand loyalty.

In general, if a company or a brand deceives consumers through a certain type of behavior or attitude, consumers will start to distrust it. The lack of trust further affects consumers’ purchase intentions. Building brand trust takes a lot of time and effort, but its collapse can be instantaneous. “Brands failing to earn or maintain trust will inevitably find themselves out of favor”<sup>21</sup> and in the case of a boycott, companies risk to diminish their brand trust.

In this context, the factor that could help a brand is the consumers’ attachment towards it. A strong brand affect from a highly committed customer “might be a protective barrier to boycott calls”<sup>22</sup>.

Considering that brand trust and brand affect represent the basis of a strong brand loyalty, it is also important to determine whether an increased loyalty makes a customer less likely to participate in a boycott activity. “With respect to boycotts, increased loyalty to a particular brand should increase the psychological ‘cost’ of engaging in a boycott”<sup>23</sup>.

Taking into consideration the main four drivers of a boycott attitude, proposed by Chiu (2016), namely: perceived deception, perceived risk, emotional factors and altruism, and the two main drivers of brand loyalty, namely: brand trust and brand affect, a conceptual model regarding the relationship between all these elements is presented in figure 1.

<sup>14</sup> McGriff, “A conceptual”, 49.

<sup>15</sup> Hossein Nezakati, Chua Pool Yen and Maryam Akhouni, “Antecedents impact on brand loyalty in cosmetics industry”, *Journal of Applied Sciences*, Vol. 13, No. 1, (2013): 126.

<sup>16</sup> Geok Theng Lau and Sook Han Lee, “Consumers’ trust in a brand and the link to brand loyalty”, *Journal of Market Focused Management*, Vol. 4, No. 4 (1999): 341.

<sup>17</sup> Gheorghe Orzan, Otilia-Elena Platon, Cristian Dragoş Ştefănescu, Mihai Orzan, “Conceptual Model Regarding the Influence of Social Media Marketing Communication on Brand Trust, Brand Affect and Brand Loyalty”, *Economic Computation and Economic Cybernetics Studies and Research*, Vol. 50, No. 1/2016: 144.

<sup>18</sup> Chiu, “Exploring”, 52.

<sup>19</sup> Albrecht, Campbell and Heinrich, “Exploring”, 182.

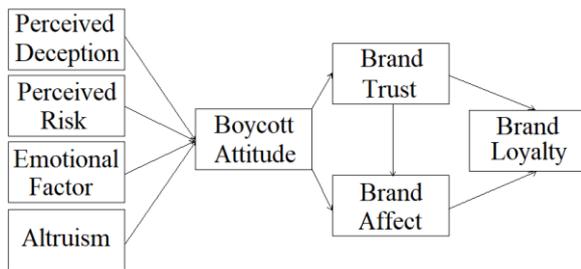
<sup>20</sup> Ebru Tümer Kabadayi, Alev Koçak Alan. “Brand trust and brand affect: their strategic importance on brand loyalty”, *Journal of Global Strategic Management*, Vol. 6, No. 1 (2012): 80;

<sup>21</sup> Chiu, “Exploring”, 52.

<sup>22</sup> Albrecht, Campbell and Heinrich, “Exploring”, 187.

<sup>23</sup> Albrecht, Campbell and Heinrich, “Exploring”, 182.

Figure 1. Conceptual model regarding the influence of boycott attitude on brand loyalty



Source: the author

The model poposes the hypothesis that a consumer’s boycott attitude influences brand trust and brand affect. The model also wants to analyze the direct effect of consumer’s brand trust and brand affect on brand loyalty and the indirect effect of brand trust on brand loyalty through brand affect. Model validation will be conducted through a future research.

**5. Case study: Gillette campaign “We believe: The Best Men Can Be”**

As it has been presented, consumers are generally boycotting in order to push companies toward more ethical or responsible practices. But what happens when a company decides to communicate a socially responsible message and the result is consumer resistance behavior and a boycott threat?

The newest Gillette campaign managed to be both appreciated for speaking up about redefining masculinity and also criticized for this attempt at the same time. The campaign called “We believe: The Best Men Can Be” was launched on January 13, 2019 and it was based on an ad addressing the issue of toxic masculinity. The central message of the campaign was that men must change their behavior in order to stop unacceptable behaviors like bullying, fighting and sexual harassment. A part of the message that Gillette posted on its official webpage in order to support the campaign was: “It’s time we acknowledge that brands, like ours, play a role in influencing culture. And as a company that encourages men to be their best, we have a responsibility to make sure we are promoting positive, attainable, inclusive and healthy versions of what it means to be a man. With that in mind, we have spent the last few months taking a hard look at our past and coming communication and reflecting on the types of men and behaviors we want to celebrate. We’re inviting all men along this journey with us – to strive to be better, to make us better, and to help each other be better”<sup>24</sup>.

Although the company intended to communicate a positive message about a social problem, the result managed to polarize the audience in two sides: those

who supported the campaign and those who called for the brand boycott.

Gillette started using the tagline “The Best a Man Can Get” since 1989 and for almost 30 years the brand successfully built its communication strategy around this statement. A reason why Gillette created this new campaign was that “there is recent research suggesting that millennials give more credit to brands using corporate social responsibility appeals”<sup>25</sup>. Unfortunately, the overall reaction on social media was overwhelmingly negative. After this campaign was launched, the hashtag #boycottgillette was used by numerous social media users on Twitter and other social media platforms. Many consumers criticised the message, claiming the brand was attacking masculinity. Consumers “slammed the company’s marketing strategy and said the ad alienated its entire customer base”<sup>26</sup>.

This situation was generated due to the fact that although the brand’s intent was right, addressing a key social issues, the execution of the ad was problematic, causing some men to feel insulted by the spot and to consider it offensive and sexist.

Fortunately, the backlash didn’t influenced the market share of the brand’s parent company P&G and the shares were up by 0.9 percent the day after the campaign was launched (as it can be seen in figure 2), as controversy still rumbled on. Although at the financial level the company wasn’t affected, it is important to determine to what extent the brand trust, brand affect and brand loyalty were influenced. It is important to watch over time if the ad has affected the sales and if Gillette somehow has alienated its longtime customers with this social message. Therefore, much more needs to be learned about the nuances of what is right and what is wrong when a brand decide to address a sensitive social problem.

Figure 2. Procter&Gamble’s market share on January 15, 2019



Source: Jennifer Smith and Erica Tempesta, “I just want to shave”.

<sup>24</sup> <https://gillette.com/en-us/the-best-men-can-be>

<sup>25</sup> Charles Taylor, *Why Gillette’s New Ad Campaign Is Toxic*.

<sup>26</sup> Jennifer Smith and Erica Tempesta, “I just want to shave”.

## 6. Conclusions

For every company the achievement of its objectives is dependent on the consumers' reactions and consent to their business and marketing practices. From an economic perspective, every unfair practice of a company will be immediately punished by the consumers through their refusal to buy certain products or services. From a social perspective, the companies that don't act in a socially responsible way, can easily become the target of a consumer boycott, thus being forced to adopt a specific responsible behavior. The consequences of a consumer boycott can be represented by a loss in sales or even an important damage of brand equity. Therefore, for companies it is important to identify the possible drivers of a consumer boycott and to prevent this kind of actions to happen.

In order to prevent a possible consumer boycott, companies must maintain trust among their consumers.

Every perceived deception or inconsistency can make the consumers no longer trust the brand. Ignoring the consumers' interests can lead to protests and boycotts.

Building a strong emotional connection between brands and consumers can also help to prevent a possible boycott.

To enable boycotting to become less harmful, marketers need to understand what makes consumers engage in boycott activities. Also they need to understand the relationship between consumer boycott attitude and three of the main element of brand equity: brand trust, brand affect and brand loyalty.

The proposed model, which will be analysed and validated through future research, aims at offering an input for a strategic analysis of the boycott situations. Researchers in marketing need to understand consumer protest behavior in order to assist managers who wish to develop appropriate strategic responses.

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