Consumer Activism and Its Consequences: Analyzing the Impact of Boycotts on Brand Reputation and Loyalty in Malaysia

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ARTICLE INFORMATION

ABSTRACT

McDonald's is one of the world's leading fast-food chains that has been a prominent player in Malaysia since 1982. With over 300 outlets in Malaysia, McDonald's serves millions of customers emphasizing convenience, quick service and digital innovations. Despite its popularity, McDonald's has faced periodic challenges including consumer boycotts caused by various reasons. This paper analyzes the impact of boycotts on McDonald's in Malaysia aiming to understand the motivations behind these actions and their effects focusing on consumer boycotts action, corporate image and reputation, social media amplification, consumer loyalty and perceived performance. By utilizing a quantitative approach involving 102 customer surveys, this study investigates the impacts of boycotts on its public image. The survey results reveal that consumer boycott actions significantly influence brand reputation and consumer loyalty with socio-cultural factors in Malaysia amplifying their impact. This finding offers valuable insights into how consumer activism works and how McDonald's responds to the impact of boycotts in influencing business practices.

Keywords: Consumer Boycotts Action; Consumer Loyalty; Corporate Image and Reputation; Perceived Performance; Social Media Amplification

INTRODUCTION

McDonald's Corporation was founded in 1940 by Richard and Maurice McDonald in San Bernardino, California. The company's "Speedee Service System" introduced a new standard of efficiency and speed in the fast-food industry. McDonald's began to grow significantly after Ray Kroc joined the company in 1954 and later acquired the franchise rights, opening the first McDonald's outlet in Illinois. Today, McDonald's serves over 36 million customers daily in more than 100 countries, operating through approximately 36,000 outlets worldwide. The company is well-known for its distinctive marketing strategies, strong customer relations, focus on quality, and adaptability, making it one of the most prominent symbols of global fast food (Santos & Sotelo-Drequito 2024).

In recent times, however, McDonald's has come under intense scrutiny due to global boycott campaigns related to the Israel-Palestine conflict. The controversy began when the Israeli franchise of McDonald's provided free meals to Israeli soldiers, which sparked widespread protests, especially in Muslim-majority countries like Malaysia (Abdullah, 2024). This backlash significantly affected the company's performance, leading to its lowest global sales since the 2014/2015 fiscal year. The Malaysian franchise reported that the boycott has impacted more than 21,000 workers, most of whom are Muslim, highlighting the economic consequences of consumer-led activism on multinational corporations (Chong, 2025).

Although McDonald's has attempted to remain neutral in the political conflict and has made donations to humanitarian efforts in Gaza, the brand is still widely associated with the boycott list endorsed by pro-Palestinian advocates. In Malaysia, customer loyalty has been deeply shaken. Many Malaysians, showing solidarity with the Palestinian cause, have supported the BDS (Boycott, Divestment, Sanctions) movement and included McDonald's under its targeted brands. Despite repeated statements from McDonald's Malaysia asserting its political neutrality and operational independence from McDonald's Israel, the brand has been pulled into controversy, particularly after reports emerged of McDonald's Israel donating to the Israeli Defense Forces (Loheswar, 2024).

The financial impact has been severe, with some local outlets reporting an 80 percent drop in revenue. Beyond the financial losses, this situation has threatened the livelihoods of employees and placed the company at the center of heated public debate. This example underscores how consumer activism, driven by political awareness, can directly affect business operations. As calls for sustained boycotts continue, McDonald's faces mounting pressure to regain consumer trust and maintain sales in a world increasingly shaped by political and ethical consumer behavior (Elshaer et al., 2025).

The boycott campaign in Malaysia has significantly damaged the perceived performance of the McDonald's brand (Abdullah, 2024). The company, once seen simply as a fast-food provider, is now viewed by many Malaysians as politically affiliated. This perception has been reinforced by viral content on social media, which has become a powerful tool for encouraging boycotts and promoting narratives around corporate responsibility and ethical consumption (Dalakas et al., 2023). Some outlets have seen sales decline by up to 80 percent, a clear indication of the long-lasting effects of consumer activism.

Despite the Malaysian franchise clarifying that it has no connection with McDonald's Israel and condemns any form of political unrest, public sentiment remains largely unchanged (Chong, 2025). The franchise has also contributed to humanitarian causes in Gaza, but these efforts have not been enough to fully repair its image. Furthermore, McDonald's employees have faced community harassment and negative treatment due to their association with the brand. This not only lowers staff morale but also fuels the

belief among consumers that purchasing from McDonald's is equivalent to supporting a political stance (Royle & Rueckert, 2022).

As a result, McDonald's Malaysia is now dealing with two major challenges: restoring consumer confidence amid ongoing political tension and managing the financial and reputational fallout from the boycott. This situation demonstrates how quickly global events and public perception, particularly on digital platforms, can impact a multinational corporation (Meyer & Brouthers, 2023).

Social media has played a pivotal role in amplifying the boycott movement against McDonald's Malaysia, especially in the context of the Israel-Palestine conflict. Activists and users have used social platforms to spread calls for boycotts, linking McDonald's to broader geopolitical issues. In Malaysia, where public sentiment on the conflict is especially strong, these campaigns have been highly effective. The BDS movement has also utilized social media to coordinate its efforts, raise awareness, and encourage consumers to reconsider their support for companies seen as aligned with Israeli interests (Loheswar, 2024).

The impact of these digital campaigns is evident not only in public discourse but also in consumer behavior, as many Malaysians have withdrawn their support for McDonald's. Despite efforts by the company to clarify its position and promote its humanitarian work, the narrative driven by social media remains dominant. In today's digital age, online platforms wield immense influence over consumer perception and brand reputation (Mukhopadhyay & Jha, 2025).

This paper aims to explore the power of consumer activism and its economic and reputational consequences for corporations. It focuses specifically on the impact of the McDonald's boycott in Malaysia. The following sections present the research methodology, review of relevant literature on consumer boycotts and corporate image, analysis of survey findings on the boycott's effects, and finally, recommendations and conclusions.

LITERATURE REVIEW

Consumer Boycott Actions

Consumer boycotts are perhaps the most recognized and impactful form of consumer activism. Through collective refusal to purchase certain goods or services, consumers express dissatisfaction and exert economic pressure to influence corporate behavior. These actions are typically motivated by ethical, social, or political concerns, prompting companies to reevaluate their practices (Friedman, 2002; Garrett, 1987). In Malaysia, the boycott targeting McDonald's in 2024 was primarily driven by allegations linking the brand to operations in the Gaza Strip. Despite McDonald's Malaysia legally refuting these claims and providing evidence to disprove them, public sentiment remained largely unchanged. This persistence reflected a widespread belief that the company's perceived involvement in global controversies was ethically unacceptable within the Malaysian cultural and religious context (Abdullah, 2024).

Importantly, the boycott in Malaysia was not initiated by formal non-governmental organizations but grew organically from social media discussions and public sentiment. Research shows that such organic movements often capture raw and sincere public opinion, especially when rooted in cultural or religious values (Abdullah, 2024; Al-Hyari et al., 2012). Social media played a critical role in amplifying these voices, making it easier for users to share concerns, mobilize support, and spread awareness. The use of hashtags, viral posts, and influencer engagement became powerful tools to encourage

participation in the boycott. This highlights how technology has transformed consumer activism into a fast-moving force capable of driving widespread change (Nwodo et al., 2025). It also aligns with the findings of Utama et al. (2020), who emphasized that McDonald's success in culturally sensitive markets depends heavily on its ability to adapt to local values and expectations.

In response to the growing public backlash, McDonald's Malaysia attempted to manage the crisis by donating RM1 million to the Palestinian Humanitarian Fund. However, this gesture failed to ease public anger or bring the boycott to an end. This situation underscores the complex role of perceived corporate responsibility and the limitations of financial contributions in crisis resolution (Carroll & Shabana, 2010). While such actions may demonstrate goodwill, they often fall short of public expectations, especially in contexts where culture and religion are key decision-making influences. In Malaysian society, ethical considerations rooted in moral pragmatism often outweigh economic or symbolic gestures, placing pressure on multinational corporations to align their conduct with deeply embedded cultural standards (Francis, 2024).

Therefore, the 2024 boycott of McDonald's in Malaysia serves as a vivid example of consumer activism fueled by cultural sensitivity and collective action. It illustrates how a lack of consumer satisfaction, amplified by social networks, can directly influence corporate decisions and public image (Chong, 2025). This case also calls attention to the importance of understanding cultural differences and the limitations of conventional crisis management strategies in diverse markets. Companies operating in multicultural environments must go beyond generic responses and develop culturally nuanced approaches to maintain consumer trust and brand resilience.

Corporate Image and Reputation
Corporate reputation plays a vital role in determining the outcome of consumer boycotts because it directly influences consumer trust and long-term brand value. In the case of McDonald's Malaysia during the 2024 boycott, the company's reputation suffered significantly, despite efforts to distance itself from the geopolitical conflict. McDonald's Malaysia clarified that it is locally owned and operated, and does not channel profits or royalties to any political causes (Fombrun & Van Riel, 2004). Nevertheless, these official statements were overshadowed by widespread public narratives portraying the company as complicit in international conflicts (Loheswar, 2024).

Research suggests that reputational damage during a boycott is not easily reversed, even when companies implement corrective actions. Negative public perception often persists and outweighs factual clarifications (Klein et al., 1998). Furthermore, consumer behavior in the fast-food industry is strongly influenced by perceived ethical conduct and cultural alignment, as emphasized by Utama et al. (2020). In McDonald's Malaysia's case, social media platforms such as Twitter amplified the backlash. The company's decision to pursue legal action against boycott organizers triggered further criticism and was seen by many as an aggressive response that undermined its claims of neutrality.

Crisis management literature consistently highlights the importance of timely communication, transparency, and sincerity in rebuilding public trust. McDonald's response to the boycott revealed important dynamics regarding organizational accountability, cultural ethics, and social responsibility, particularly within the Malaysian context (Chong, 2025). The brand's handling of the situation was closely scrutinized, and its failure to effectively resonate with the cultural and emotional sensitivities of local consumers further deepened reputational harm.

The significance of effective crisis response is also evident in studies on brand loyalty during periods of disruption. For instance, during the COVID-19 pandemic, McDonald's succeeded in maintaining customer trust by enhancing food safety protocols and adopting digital platforms for ordering and delivery (Edeh et al., 2021). However, in politically charged scenarios such as the 2024 boycott, conventional crisis strategies may not be sufficient unless paired with cultural sensitivity and ethical alignment. This underscores the need for multinational corporations to adopt a more localized and values-based approach when managing their corporate image and reputation in diverse markets.

Social Media Amplification

Social media has become a powerful tool in driving consumer activism by enabling fast dissemination of information, promoting boycott campaigns, and facilitating real-time coordination. The 2024 boycott of McDonald's Malaysia was largely organized and amplified through platforms such as Twitter, TikTok, and Instagram, where trending hashtags generated widespread awareness across digital communities. These platforms allowed users to voice concerns, coordinate actions, and rally public support, thus creating significant momentum for the campaign (Mulyono & Rolando, 2025). Social media acted as a digital megaphone, amplifying individual voices and uniting participants in a shared cause, making the boycott more impactful.

This form of empowerment aligns with findings in the literature, which suggest that digital platforms enhance the emotional appeal and collective dynamics of boycotts compared to traditional methods (Ning et al., 2024). In Malaysia, social media became the central engine behind the boycott movement. Critics of McDonald's used these platforms not only to condemn what they perceived as unethical corporate behavior, but also to encourage consumers to support local businesses instead. Through targeted posts, emotionally charged videos, and personal testimonies, users created a compelling narrative that resonated widely and emotionally with the Malaysian public.

The rapid exchange of information and the strong emotional response further demonstrate how social media serves both as an informational resource and a mobilization platform. However, this speed of dissemination also presents challenges. The uncontrolled spread of misinformation, including fake news and misleading claims, made it difficult to manage narratives during the crisis. In the case of McDonald's Malaysia, social media transformed the boycott from a short-term protest into a sustained movement with long-lasting reputational consequences (Kaplan & Haenlein, 2010; Hagen et al., 2018).

Nevertheless, recent research shows that effective communication strategies and transparency on social media can help mitigate reputational damage. For instance, during the COVID-19 pandemic, McDonald's Malaysia successfully leveraged social platforms to communicate food safety measures and maintain consumer trust (Edeh et al., 2021). This highlights the importance of proactive digital engagement in crisis management and reputation recovery. The McDonald's boycott thus exemplifies both the opportunities and risks that social media presents for global brands in politically sensitive contexts.

Consumer Loyalty

Consumer loyalty plays a critical role in sustaining a company's operations, particularly during periods of turbulence. However, consumer boycotts present significant challenges, often rooted in moral and ethical concerns that compel consumers to reassess their brand affiliations. This study found that McDonald's Malaysia experienced a substantial decline in consumer loyalty during the 2024 boycott, despite its

longstanding presence and strong market position. While some consumers acknowledged and appreciated the company's efforts to clarify its position, many others redirected their spending to local brands that were perceived as more culturally aligned and ethically appropriate (Loheswar, 2024).

Previous research on consumer loyalty emphasizes the importance of trust, perceived value, and emotional connection in maintaining long-term customer relationships (Sirdeshmukh et al., 2002). These factors become even more critical during sensitive situations such as boycotts, where consumers expect brands to demonstrate genuine social responsibility and cultural awareness. The ability of a company to communicate its values clearly and empathetically often determines whether loyalty can be preserved or restored (Markovic et al., 2018).

In response to the crisis, McDonald's Malaysia implemented strategies that highlighted its local ownership and contributions to humanitarian causes, aiming to resonate with Malay cultural values. While these efforts were commendable, public reactions remained divided. This reflects the complexity of fostering loyalty in a multicultural market, where cultural sensitivity can significantly influence consumer perceptions and behavior.

Ultimately, this case illustrates the dual challenge faced by multinational companies: maintaining the loyalty of their regular customer base while also addressing broader societal and ethical concerns. The McDonald's Malaysia boycott shows that loyalty is not guaranteed, especially when cultural identity and ethical considerations become central to consumer decision-making (Kee et al., 2021). Companies must therefore develop nuanced strategies that address both business continuity and social responsibility in culturally diverse environments.

Perceived Performance
Perceived performance refers to the process by which consumers evaluate a company's ability to deliver on promises related to quality, service, and ethical standards. During the 2024 boycott, McDonald's outlets in Malaysia experienced a significant decline in sales and customer traffic, largely driven by changes in consumer perceptions regarding the company's ethical conduct. Research indicates that consumer boycotts can diminish confidence in a company's overall performance, even when the reasons for the boycott are unrelated to product quality (Sen et al., 2001).

In the case of McDonald's Malaysia, its perceived association with international controversies overshadowed its actual operational performance. This created ethical concerns among consumers, who began to question the brand's integrity despite its consistent service delivery (Markovic et al., 2018). The incident illustrates that perceived performance is closely linked to corporate reputation and consumer trust.

McDonald's Malaysia responded to the crisis by implementing public relations efforts and engaging in Corporate Social Responsibility (CSR) initiatives aimed at restoring public confidence. These included clarifying the company's local ownership and supporting humanitarian causes. While these actions were aligned with efforts to rebuild perceived performance, their long-term effectiveness remains uncertain (Kee et al., 2021).

This case highlights that consumer perception of ethical behavior can heavily influence how a company's performance is evaluated. In markets where cultural and moral expectations are strongly held, restoring perceived performance requires more than operational excellence. It calls for genuine, transparent, and value-driven engagement with the public.

Conceptual Framework
The study framework model is depicted in Figure 1.

Figure 1. Research Framework

The Power of Consumers: Analyzing the Impact of Boycotts
of McDonald's in Malaysia
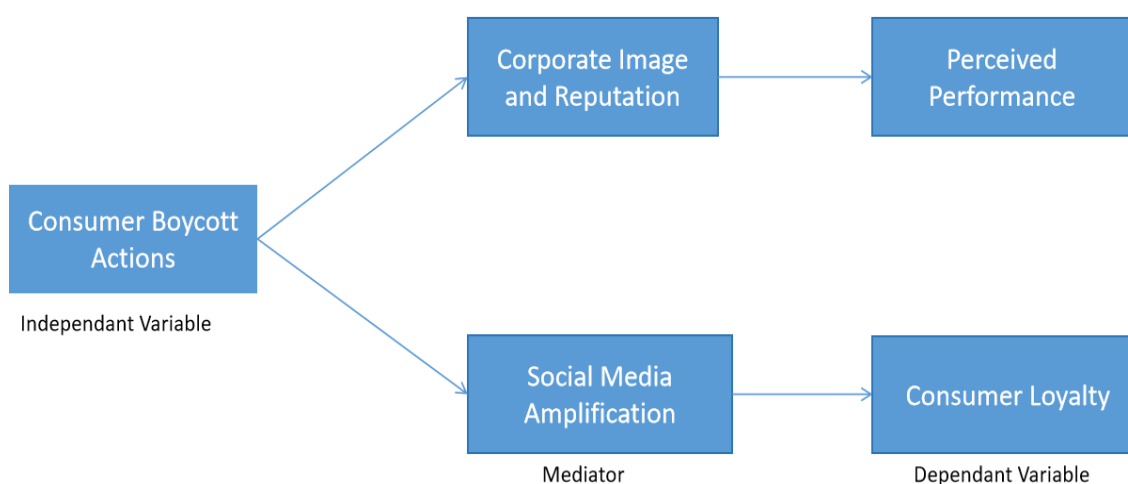
RESEARCH METHOD

This study employed a combination of quantitative and qualitative research designs to provide a comprehensive understanding of McDonald's perceived performance and consumer loyalty. The qualitative component utilized inductive reasoning through document analysis to identify key factors influencing public perception and behavior. This phase also included a literature review and the development of research hypotheses.

For the quantitative component, data were collected through a structured questionnaire created using Google Forms. The survey was distributed by team members through various social media platforms, including WhatsApp, Telegram, and Instagram. This approach enabled convenient and efficient data collection. A random sampling technique was applied to ensure a diverse and representative sample of respondents. In total, 102 responses were collected.

The questionnaire was divided into several sections covering consumer awareness, attitudes, behavioral intentions, perceptions of McDonald's, media influence, and ethical as well as psychological factors. Responses were measured using a 5-point Likert scale, where "1" represented strong disagreement and "5" represented strong agreement. Data analysis was conducted using SPSS version 27 to assess statistical significance and reliability.

However, the study is not without limitations. As the data relied on self-reported perceptions, response biases may be present. Additionally, external factors influencing public opinion, such as media narratives and ongoing social movements, could not be fully controlled. The use of digital surveys also restricted the ability to conduct follow-up questions or probe deeper into responses. Despite efforts to ensure clarity and simplicity

in the questionnaire design, differences in interpretation and comprehension among respondents may have influenced the results.

RESULTS

Table 1. Summary of respondent's demography (N =102)

Response	Frequency	Percentage (%)
Gender		
Female	56	54.9
Male	46	45.1
Age		
18 - 24	90	88.2
25 - 34	12	11.8
Ethnicity		
Chinese	20	19.6
Indian	19	18.6
Malay	63	61.8
Occupation		
Government Sector	1	1.0
Private Sector	13	12.7
Student	87	85.3
Unemployed	1	1.0
Monthly Income		
RM 10,001 or above	1	1.0
RM 4,850 or below	90	88.2
RM 4,851 to RM 10,000	11	10.8

Table 1 presents the demographic characteristics of the respondents. A majority of the participants were female, accounting for 54.9% (N=57), while 45.1% (N=46) were male. In terms of age distribution, most respondents (N=90, 88.2%) were within the 18–24 age group, followed by those aged 25–34 (N=12, 11.8%).

Regarding ethnicity, the majority of respondents were Malay (N=63, 61.8%), followed by Chinese (N=20, 19.6%) and Indian (N=19, 18.6%). As for occupation, students constituted the largest portion of respondents, comprising 85.3% (N=87) of the sample. This was followed by private sector employees (N=13, 12.7%), while government employees and unemployed individuals were each represented by one respondent (N=1, 1.0% respectively).

In terms of annual income, the majority of respondents reported earning less than RM4,850 or having no income at all (N=90, 88.2%). This finding aligns with the fact that most participants were students, who typically have limited or no personal income.

Table 2. Descriptive statistics, Cronbach's Coefficients Alpha, and Zero-order Correlations for all study variables

Variables	1	2	3	4	5
Consumer boycott actions	0.777				
Social media amplification	0.597**	0.576			
Corporate image and reputation	0.703**	0.585**	0.647		
Consumer loyalty	0.691**	0.593**	0.716**	0.680	
Perceived performance	0.631**	0.764**	0.701**	0.576**	0.874
Number of items	5	5	5	5	5

| Mean | 4.3188 | 4.3784 | 4.2314 | 4.3647 | 4.3333 |
| Standard deviation | 0.54124 | 0.40385 | 0.50089 | 0.43819 | 0.60252 |

Note: N = 102; *p < .05, **p < .01, ***p < .001. The diagonal entries represent Cronbach's Coefficient Alpha.

Table 2 presents the descriptive statistics, reliability coefficients, and zero-order correlations among the study variables. All measured constructs exhibit acceptable to high internal consistency, with Cronbach's alpha values ranging from 0.777 to 0.874. These results indicate that the survey items used to measure each variable are reliable. Furthermore, the zero-order correlations provide initial insights into the relationships between key variables under investigation.

Table 3. Regression analysis

	Perceived Performance (R^2 = 0.687)	Consumer Loyalty (R^2 = 0.600)
	Beta	Beta
Consumer Boycott Actions	0.082	0.308**
Social Media Amplification	0.515***	0.178*
Corporate Image and Reputation	0.344***	0.372***
F value	71.008	48.404
Durbin-Watson Statistic	1.746	1.867

Note: N = 102; *p < .05, **p < .01, ***p < .001.

Table 3 presents the results of the regression analysis, which examines the relationships between perceived performance, consumer loyalty, and all relevant independent variables and mediating factors. The analysis provides empirical support for social media amplification and corporate image and reputation as the two primary predictors influencing perceived performance and consumer loyalty, respectively.

Specifically, social media amplification emerged as the most significant predictor of perceived performance, with a standardized beta coefficient of 0.515. In contrast, corporate image and reputation showed the strongest effect on consumer loyalty, with a beta value of 0.372. These findings suggest that consumers' perceptions of McDonald's ethical performance and brand trust are strongly shaped by digital narratives and reputational factors during the boycott period.

DISCUSSION

The findings of this study provide valuable insights into the complex interplay between social media amplification, corporate image, consumer loyalty, and perceived performance in the context of consumer boycotts. One of the key findings is the strong positive correlation between consumer boycott actions and social media amplification. As boycott intensity increases, social media engagement tends to rise accordingly. At the same time, there is a negative correlation between consumer boycott actions and corporate image and reputation. This suggests that the more intense the boycott, the more likely it is to damage a company's public image.

The results further confirm that corporate image and reputation are positively associated with both consumer loyalty and perceived performance. This indicates that a strong, ethical, and well-managed brand image enhances how consumers view the company's overall performance and increases their likelihood to remain loyal. Regression analysis supports this by showing that social media amplification is the most significant predictor

of perceived performance, while corporate image and reputation are the strongest predictors of consumer loyalty. Specifically, social media amplification recorded the highest beta value (0.515) for perceived performance, and corporate image and reputation recorded the highest beta (0.372) for consumer loyalty.

These findings demonstrate how social media serves a dual function during boycott movements. On one hand, it amplifies negative narratives and facilitates rapid mobilization of public sentiment. On the other hand, it can also be used strategically by companies to communicate their values and social commitments. This duality highlights the importance of corporate responsiveness and transparency, especially during reputational crises.

Consumer boycotts, historically used as economic tools to protest political or ethical concerns, are not a new phenomenon. Scholars such as Friedman (2002) have shown how boycotts, whether local or international, are strategic methods used by consumers to pressure companies into changing their behavior. This study reinforces that principle, as consumer boycott actions negatively impacted corporate image and ultimately weakened consumer loyalty.

Social media further intensifies these effects. As demonstrated by Klein et al. (1998), consumer activism in the digital age is more powerful due to the rapid spread of information and emotional engagement online. Platforms like Twitter and Instagram allow consumers to publicly express dissatisfaction, share personal experiences, and organize boycott movements quickly and effectively. The networked public sphere described by Castells (2008) emphasizes how new communication technologies shape public discourse and collective action, particularly in movements like the McDonald's boycott.

The research findings suggest that McDonald's must engage actively and transparently with its audience on digital platforms to manage reputational risks. Effective communication strategies during crises, as shown during the COVID-19 pandemic (Edeh et al., 2021), can help improve perceived performance and consumer trust. McDonald's should use social media not only as a reactive tool but as a proactive space for building relationships, expressing solidarity, and showcasing its commitment to ethical and social issues.

Moreover, maintaining a strong corporate image is essential in navigating the complexities of boycotts. A trusted brand image can shield a company from severe backlash by fostering resilience among loyal consumers. As supported by the work of Abdullah et al., (2014), brand trust plays a mitigating role against negative social media communication, especially for Generation Y. Even amid boycott campaigns, brands with high trust levels may still retain a portion of their consumer base (Bröckerhoff & Qassoum, 2021).

In Malaysia, the boycott against McDonald's gained traction due to allegations of its support for the Israeli regime during the Palestine-Israel conflict (Abdullah, 2024). Despite clarifications and a public statement distancing itself from the conflict, McDonald's faced backlash including threats to staff and significant financial losses (Elshaer et al., 2025). The company reported a total financial impact of approximately RM6 million, which included RM3 million in lost revenue, RM1.5 million in employee compensation, and RM1.5 million in expired materials.

The collective boycott of international brands such as McDonald's is consistent with research findings by Al-Hyari et al. (2012) and Klein et al. (1998), who found that

consumer-led movements often damage brand reputation and affect firm performance. Chikhani (2023) further explained that boycotts can result in significant financial decline and are particularly effective against brands that heavily rely on image and public goodwill.

Ultimately, the study highlights the central role of social media in shaping the scope and intensity of modern consumer boycotts (Dalakas et al., 2023). It underscores the need for companies like McDonald's to constantly monitor social sentiment, engage meaningfully with the public, and address concerns with sincerity and urgency. In an era defined by digital engagement and heightened consumer awareness, sustaining a strong and positive brand image through ethical business practices and corporate social responsibility is not only advisable, but essential.

By demonstrating a consistent commitment to social and environmental causes, McDonald's can rebuild trust and reduce the likelihood of future boycotts. Long-term loyalty is more likely to be preserved when consumers feel that their values are acknowledged and respected by the brands they support.

Research Implications
This study offers several important implications for businesses, consumers, and society at large. First, the findings underscore the critical need for proactive risk management in the face of rising consumer activism. McDonald's should consistently monitor social media platforms to detect early signs of boycott threats and engage in active listening to understand stakeholder concerns. A strong commitment to social and environmental responsibility is essential for building sustainable trust with consumers. Addressing ethical issues transparently and implementing effective mitigation strategies can significantly enhance the brand image and reduce vulnerability to future boycotts.

Additionally, the study highlights the importance of effective communication during periods of reputational threat. McDonald's must be prepared to manage the impact of consumer boycotts by maintaining open, transparent, and timely communication with stakeholders. Proactively addressing public concerns and demonstrating a willingness to resolve the underlying issues are vital steps in restoring consumer trust and organizational credibility. Although social media may intensify boycott movements, it can also be strategically leveraged to rebuild brand reputation and improve perceived performance if used effectively.

The study also sheds light on the influential power of collective consumer action, particularly when emotionally driven by perceived unethical behavior. Social media platforms empower consumers to amplify their voices, coordinate collective responses, and pressure companies into addressing social and environmental issues. While it is essential for companies like McDonald's to respect consumer freedom of expression, it is equally important for consumers to engage responsibly. Making accusations without adequate evidence may unjustly damage a company's reputation and cause significant financial and operational harm.

Future research is essential to further explore the complex dynamics uncovered in this study. Longitudinal studies could examine the lasting impact of boycotts on corporate performance, consumer loyalty, and brand equity. Cross-cultural research can offer insights into how these relationships differ across regional and cultural contexts. Moreover, future studies could explore the moderating role of corporate culture and internal values in shaping a company's response to boycott pressures. Such investigations will provide a more nuanced and comprehensive understanding of consumer activism and its implications for business strategy and public engagement.

CONCLUSION

The analysis of the McDonald's boycott in Malaysia highlights the profound impact of consumer activism driven by sociopolitical concerns, particularly in relation to the Israeli-Palestinian conflict. McDonald's experienced significant reputational damage, a decline in consumer trust, and financial losses as a result of perceptions that the company was associated with controversial geopolitical activities. Social media played a pivotal role in amplifying these effects by mobilizing public opinion and coordinating collective consumer actions.

The findings demonstrate that both consumer loyalty and perceived performance were adversely affected by the boycott. Many consumers chose to shift their spending to local businesses based on ethical and cultural considerations, emphasizing the challenges multinational corporations face in aligning global operations with local values. The study confirms that trust and reputation are fundamental to sustaining consumer loyalty, and once a brand's image is compromised, recovery is often difficult and complex.

McDonald's attempted to rebuild trust through corporate social responsibility efforts, including humanitarian support and clarifying its operational independence. However, public responses to these initiatives were mixed, reflecting the intricacies of managing ethical concerns in diverse cultural environments.

In conclusion, the case of McDonald's in Malaysia underscores the growing influence of consumers in holding companies accountable for perceived ethical misconduct. It highlights the necessity for strategic communication, cultural sensitivity, and responsible corporate behavior in maintaining consumer trust and brand loyalty. The study also reinforces the critical role of social media in shaping consumer behavior and public perception. For multinational businesses, effectively navigating sociopolitical issues and proactively engaging with stakeholders are essential strategies for preserving market position and safeguarding brand reputation in an increasingly connected and values-driven global landscape.

LIMITATION

This study acknowledges several limitations that may affect the interpretation and generalizability of its findings. First, the sample primarily consisted of young respondents with similar backgrounds, particularly students from Universiti Sains Malaysia (USM). This homogeneity limits the ability to generalize the results to broader demographic groups. Future research should consider involving a more diverse sample, including participants from various age groups, educational levels, and professional sectors.

Second, the study relied exclusively on self-reported data collected through an online survey, which may be subject to response biases and social desirability effects. To gain deeper and more nuanced insights, future studies could benefit from a mixed-methods approach by combining quantitative surveys with qualitative interviews or observational methods.

Third, the research focused only on the boycott of McDonald's within the fast-food industry, which may restrict the applicability of the findings to other sectors. Expanding the scope to include other fast-food chains, restaurants, or industries could provide comparative perspectives and enhance the validity of conclusions.

Furthermore, although the study considered key variables such as consumer loyalty and social media amplification, incorporating additional factors such as consumer trust,

cultural sensitivity, and the influence of traditional media would offer a more comprehensive understanding. Including perspectives from different layers of the community, such as employees, families, and civil society groups, would also provide a more holistic view.

Finally, this study was conducted exclusively within the Malaysian context. The absence of cross-cultural comparisons limits the study's relevance to global patterns. Future research should explore similar boycott phenomena in different cultural or regional settings to examine how responses vary internationally.

Despite these limitations, this study provides meaningful insights into the influence of consumer activism and social media on corporate reputation. Addressing these constraints in future research will help deepen the understanding of how boycotts affect multinational corporations like McDonald's, particularly in culturally sensitive environments.

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