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# Marketing Management Crisis and Brand De-identification: A Qualitative Study on the Multinational Product Boycott Movement in Indonesia

**Yulita[1], Leni Sugiyanti[2], Ayu Ambarwati[3], Ratna Sari Dewi[4], Rendy Permana[5]**
[1,2,3,4,5]Politeknik Bina Madan, Indonesia
Correspondence Author: yulita.wibowo0579@gmail.com

**Abstract:**

This research explores the phenomenon of consumer boycotts against multinational brands in Indonesia driven by socio-political issues. Using a qualitative descriptive approach with a triangulation technique, this study examines the mechanism of brand image deconstruction and the shift in consumer loyalty. Data were gathered through in-depth interviews, digital observation, and documentation. The results reveal four key findings: first, the deconstruction of brand equity as consumer priorities shift toward "Ethical Equity"; second, the failure of rigid global narratives to meet local empathetic expectations; third, the rise of consumer ethnocentrism providing momentum for local brands; and fourth, the necessity of a "Hyper-localization" strategy involving authentic social action for brand recovery. This study provides a strategic framework for multinational companies to navigate ethical crises in a sensitive market.

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## Introduction

The global marketing management landscape over the past five years has undergone a significant paradigm shift, where ethical values have begun to surpass functional product attributes in determining consumer choice. This shift demands that companies excel not only in quality and price but also in moral integrity (Firmansyah, 2021). In Indonesia, the boycott phenomenon based on geopolitical and humanitarian issues has become a severe test for the marketing management of multinational companies operating in the domestic market. This crisis creates unique challenges because the triggers are often outside the control of local operations but directly impact sales performance (Setiawan, 2023).

Digital activism has accelerated the spread of negative sentiment through social media exponentially, creating waves of resistance that are difficult to dampen with conventional advertising. Smith and Jones (2022) emphasize that digital tribalism allows consumers to form highly organized collective movements to punish brands perceived as unethical. The massive boycott movement occurring between 2023 and early 2026 in Indonesia shows that humanitarian solidarity factors have become the primary driver above brand loyalty. Hidayat (2023) notes that brand loyalty, previously considered stable, is actually very fragile when faced with cognitive dissonance related to moral values.

The economic impact of this movement is real, with significant revenue declines reported by various global brand licensees in the Fast-Moving Consumer Goods (FMCG) sector. Al-Haddad (2024) explains that in Muslim-majority countries, boycott narratives are often closely related to personal identity and effective forms of passive protest. Marketing management in Indonesia often finds itself caught in a dilemma between the global neutrality policies of headquarters and the local adaptation demands of consumers. Ramadhan (2025) states that crisis communication that is general and does not touch the roots of consumers' emotional concerns tends to be perceived as a form of neglect. The emergence of "alternative brands" from local producers poses a long-term threat to the dominance of established brands currently hit by the crisis.

Prasetyo (2024) found that crises in global brands provide momentum for "local champions" to capture market share through culturally relevant marketing strategies. Consumer psychology plays a crucial role where purchasing behavior is now viewed as a form of political and moral statement. According to Hidayat (2021), purchasing certain products is now seen as a form of support or rejection of an ideology represented by the corporation. The spread of information on social media, including narratives that trigger strong emotions, often outweighs factual data in forming public perception of a brand. Santoso (2022) argues that marketing management must be able to navigate the "post-truth" era with radical transparency. The role of Generation Z is dominant in this boycott movement because they have high digital literacy and great social concern.

Wulandari (2023) notes that Gen Z tends to curate their shopping lists based on corporate ethics profiles spread on the internet. Communication gaps between overseas headquarters and the reality of market sensitivity in Indonesia often hinder crisis mitigation steps. Tanaya (2024) emphasizes the importance of strategic autonomy for local management to respond to public sentiment quickly and accurately. Conventional Corporate Social Responsibility (CSR) strategies are now often suspected as attempts at diversion or "greenwashing." Lestari (2025) suggests that today's consumers demand consistent real action and a direct impact on the issues being debated. The importance of stakeholder mapping has become very urgent for companies affected by a reputation crisis.

Putra (2022) explains that voices from the digital community now have power equivalent to board of directors' decisions in influencing business sustainability. The evolution of social media platforms into spaces for activism has fundamentally changed the way brands interact with audiences. Nugroho (2023) states that real-time interaction forces marketing managers to always be alert to any shift in public sentiment that could trigger a new crisis. Therefore, this study aims to explore in depth how marketing management in Indonesia navigates this ethical crisis through a qualitative approach. The primary focus of this research is to understand the mechanism of brand de-identification and the most effective recovery strategies amidst ongoing social turbulence (Susanto, 2026).

## Methods

This study employs a qualitative descriptive approach using a case study method to gain a profound understanding of the boycott phenomenon. Data collection was conducted through in-depth interviews with purposively selected informants, consisting of active consumers (K1, K2), a marketing practitioner (M1), and a consumer behavior expert (P1). To ensure data validity, the researcher utilized source and method triangulation techniques, comparing interview results with social media narrative observations and documentation studies of official corporate reports (Creswell, 2021). The research flow was systematically structured, beginning with crisis identification, followed by the collection of verbatim data, thematic analysis, and concluding with the formulation of strategic conclusions.


Figure 1. Conceptual Framework

This study employs a conceptual research model that traces the dynamics of brand image disruption and recovery during a socio-political crisis in Indonesia, beginning with a boycott movement as an external trigger, followed by a communication gap between multinational corporate strategies and consumers' moral expectations, which shifts consumer decision-making toward ethical equity; the model then explains the dual outcomes of loyalty loss and brand de-identification versus consumer ethnocentrism and switching to local brands, and proposes a hyper-localization recovery strategy comprising authentic social action, local managerial autonomy, and value-driven marketing to rebuild trust and restore the brand's social license to operate.

## Results

The research identifies that the marketing dynamics of multinational brands in Indonesia are currently facing a deconstruction of brand equity triggered by consumer ethical activism. Based on the triangulation process, the findings are categorized into the following four key points:

### Brand Equity Deconstruction Through Ethical Activism

Field findings through in-depth interviews indicate that boycott motivations in Indonesia have shifted from mere social participation to a need for individual moral satisfaction. Informant K1 (Consumer, 22 years old) explicitly stated, "Product quality is now secondary. Buying a brand that is ethically problematic makes me feel personally guilty, as if I am supporting the wrong values. My conscience is more important than brand loyalty." This phenomenon confirms the Brand De-identification theory by Ahmad (2023), where consumers consciously sever emotional ties to avoid cognitive dissonance. Analytically, this marks the emergence of "Ethical Equity" as a new pillar in brand equity in Indonesia, which according to Firmansyah (2021), has become a decisive variable in a market with high social collectivity. The researcher notes that when brand ethics are questioned, all functional product assets lose their relevance in the eyes of the consumer.

### Failure of Global Narratives and the Need for Message Localization

The inability of multinational brands to respond to this crisis is also fueled by communication bureaucratic barriers between global headquarters and local branches. Informant M1 (Marketing Manager) revealed a crucial internal constraint: "We in Indonesia actually understand the market sensitivity here very well, but instructions from Global HQ are often very rigid. We are forced to use neutral statement templates. For Indonesians, a neutral answer is perceived as 'indifferent'." This aligns with Tanaya's (2024) argument regarding the urgency of strategic autonomy for local managers in navigating cultural crises. Triangulation analysis reveals that companies tend to use a rational appeal through corporate facts, while public expectations reside at the ethical appeal level, demanding moral alignment. Consequently, as warned by Nugroho (2024), the digital crisis continues to escalate because companies fail to present a narrative that possesses cultural empathy.

### Leveraging Momentum by Local Brands as a Marketing Strategy

The socio-political crisis has generated a structural opportunity for local brands to reposition themselves within the consumer market in Indonesia. Brand switching is no longer driven merely by price sensitivity or product experimentation. Instead, it reflects a deeper value-based realignment between consumers and domestic producers. Local brands are increasingly perceived as morally congruent with national interests. This perception transforms market disruption into strategic momentum. Empirical evidence from consumer narratives demonstrates that switching behavior follows a gradual psychological transition. Initial resistance is rooted in habitual consumption and perceived switching costs.

Once consumers experience comparable or superior quality from local alternatives, functional barriers dissolve. Emotional comfort and moral reassurance replace brand familiarity. This process marks a decisive break from legacy brand dependence. The testimony of Informant K2 illustrates how ethical consumption generates emotional stability. Her experience highlights that moral alignment enhances post-purchase satisfaction beyond utilitarian benefits. Supporting domestic entrepreneurs becomes part of personal value fulfillment. This sense of contribution reinforces consumption choices. As a result, loyalty becomes ethically anchored rather than convenience driven. From a marketing perspective, this shift signals the consolidation of consumer ethnocentrism. Consumption is reframed as a civic and moral act rather than a neutral transaction. Global political issues function as catalysts for economic nationalism. Local brands benefit from symbolic proximity to national identity.

This dynamic elevates domestic products from substitutes to representatives of collective values. The transformation of brand switching into identity-based loyalty has profound implications. Once consumption choices become integrated into self-concept, reversal becomes unlikely. Financial incentives such as discounts lose persuasive power. Ethical consistency outweighs economic rationality. Loyalty thus evolves into a form of moral commitment. Research observations align with theories of consumer activism and market restructuring. When local brands deliver adequate quality, ethical narratives gain legitimacy. Narrative relevance strengthens symbolic capital. Market power shifts away from multinational dominance toward local ecosystems. This transition alters competitive hierarchies on a long-term basis. Strategically, local brands must institutionalize this momentum through deliberate marketing design. Storytelling should emphasize authenticity, contribution, and shared destiny. Quality assurance is essential to sustain trust. Ethical positioning must be consistent and verifiable. When these elements converge, local brands can convert crisis-induced switching into durable market leadership.

### Recovery Strategy: Hyper-localization and Real Action

As a mitigation step, the reconstruction of brand image cannot be achieved through conventional advertising campaigns or mere media clarifications. Informant P1 (Marketing Expert) emphasized the importance of authentic real action: "Multinational brands can no longer hide behind big names. They must prove themselves as 'Indonesian Citizens' through transparent collaboration with local humanitarian agencies. Consumers need evidence, not just promises in a press release." This hyper-localization strategy is an implementation of the Value-driven Marketing concept by Hardianto (2025), where corporate moral integrity must be proven through authentic social contributions. This study formulates that the recovery of consumer trust can only be achieved through an ethical recovery model that integrates the acknowledgment of public concerns, emotional message localization, and radical supply chain transparency. This is reinforced by Suryani’s (2025) theory that the sustainability of global brands depends heavily on their ability to remain ethically relevant in the eyes of the local community.

### Managerial Implications: A Strategic Shift for MNCs

The research findings signal a fundamental transformation in how multinational corporations must conceptualize managerial strategy in Indonesia. Traditional globalized marketing frameworks are increasingly misaligned with local socio-political realities. A standardized “one-size-fits-all” approach fails to capture the moral and cultural nuances shaping consumer behavior. Consequently, managerial decision-making must evolve from efficiency-driven uniformity toward contextual sensitivity. This shift is not optional but imperative for organizational survival. First, crisis communication must be redefined as a decentralized and adaptive function. Local subsidiaries should be granted full autonomy to interpret and respond to unfolding political and cultural dynamics. Centralized approval mechanisms often delay responses and exacerbate reputational damage. Empowering local managers enables real-time engagement with public sentiment.

This autonomy strengthens institutional legitimacy at the grassroots level. Second, MNCs must recognize that crises are no longer episodic disruptions but structural risks. Socio-political crises now intersect directly with consumption choices. Marketing managers must integrate political risk assessment into brand strategy. Failure to do so leaves brands vulnerable to rapid delegitimization. Strategic foresight thus becomes a core managerial competency. Third, the findings challenge the dominance of transactional marketing logic. Consumers increasingly evaluate brands through ethical and moral lenses rather than functional attributes alone. Price promotions and product quality are insufficient to restore trust once moral legitimacy is lost. Value-driven marketing must therefore replace purely rational persuasion models.

This approach requires a deeper alignment between corporate values and social expectations. Fourth, the concept of "Ethical Equity" emerges as a strategic asset rather than a symbolic gesture. Ethical commitments must be embedded into supply chain governance and labor practices. Transparency becomes a non-negotiable element of brand credibility. Community engagement should be continuous rather than reactive. These investments function as long-term reputation insurance. Fifth, managerial accountability must extend beyond compliance toward moral responsibility. Corporate silence or neutrality during ethical controversies is increasingly interpreted as complicity. Managers must proactively articulate value positions that resonate locally.

This does not imply political partisanship but ethical clarity. Brands that hesitate risk permanent consumer alienation. Sixth, organizational culture within MNCs must also undergo transformation. Internal alignment between global headquarters and local branches is essential. Ethical responsiveness should be institutionalized through training and performance metrics. Without internal coherence, external messaging lacks credibility. Cultural agility thus becomes a defining managerial capability. Finally, these managerial implications underscore a paradigm shift in global branding strategy. Market success is no longer determined solely by scale and efficiency. Moral legitimacy and cultural embeddedness are equally decisive. Managers who internalize this shift can convert crisis into strategic renewal. Those who resist risk long-term marginalization.

### The Sustainability of Boycott Impact: Permanent vs. Temporary Switching

The study critically examines whether consumer boycotts lead to temporary behavioral shifts or permanent loyalty realignments. Empirical evidence suggests that the current boycott has produced durable changes in consumption patterns. Brand switching is not merely situational but structurally reinforced. Consumers reassess brand identity through ethical frameworks. This re-evaluation alters long-term preference hierarchies. Interview data indicate that local brands have successfully capitalized on this transition. As long as product quality and availability remain consistent, consumer return to MNC brands is unlikely. Functional parity eliminates the incentive to revert. Ethical satisfaction reinforces the new choice.

Thus, loyalty becomes re-rooted rather than suspended. The concept of "Moral Satisfaction" plays a central explanatory role. Unlike price sensitivity, moral fulfillment is not easily substituted. Discounts and promotions fail to neutralize ethical disapproval. Consumers perceive ethical consumption as an extension of personal identity. This perception deepens emotional commitment to alternative brands. Moreover, the boycott has introduced a new loyalty threshold. Ethical considerations now function as a permanent control variable in decision-making. Consumers no longer evaluate brands in morally neutral terms. Ethical alignment is recalled in long-term consumer memory. This memory shapes future consumption even beyond the immediate crisis. The research also highlights the intergenerational implications of ethical switching. Younger consumers transmit ethical narratives within family and social networks.

This diffusion stabilizes new consumption norms. Brand rejection thus extends beyond individual choice. It evolves into collective moral positioning. From a theoretical perspective, the findings challenge classical models of consumer rationality. Loyalty is no longer governed by utility maximization alone. Moral coherence becomes an independent determinant. This reconfiguration requires a reconceptualization of brand equity models. Ethical capital must be treated as a core variable. Ultimately, the boycott represents a structural break rather than a cyclical disturbance. The likelihood of full brand recovery without ethical transformation is minimal. Temporary switching assumptions underestimate moral persistence. Brands that ignore this shift misdiagnose consumer behavior. Sustainability of loyalty now depends on ethical credibility.

### Framework for Ethical Brand Recovery

As a synthesis of the findings, the study proposes an ethical brand recovery framework grounded in moral legitimacy. Recovery is conceptualized as a cyclical, rather than linear, process. Symbolic gestures alone are insufficient. Each stage demands substantive organizational commitment. Ethical recovery thus becomes an ongoing discipline. The first stage, Acknowledgment, requires explicit recognition of consumer grievances. Silence or ambiguity undermines trust restoration. Public acknowledgment signals respect and accountability. It reframes the crisis as a shared moral concern. Without acknowledgment, subsequent efforts lack authenticity. The second stage, Value Alignment, focuses on harmonizing corporate principles with local societal values.

This requires reassessing global policies that conflict with local norms. Alignment must be reflected in governance structures and strategic priorities. Rhetorical alignment without structural change is ineffective. Consistency is the foundation of credibility. The third stage, Authentic Action, demands tangible and verifiable initiatives. Corporate actions must demonstrate ethical commitments in practice. Community development, labor protection, and fair sourcing are key arenas. Actions must be sustained rather than episodic. Visibility reinforces perceived sincerity.

The fourth stage, Accountability, institutionalizes ethical performance measurement. Transparent reporting mechanisms are essential. Independent audits enhance public confidence. Accountability transforms ethics from narrative into governance. This stage prevents regression into performative responsibility. The framework emphasizes that recovery is relational rather than reputational. Brands must reposition themselves as social participants, not external entities. Integration into the local social ecosystem is critical. Trust emerges from proximity and contribution. Distance breeds skepticism. In conclusion, ethical brand recovery is neither rapid nor cosmetic. It requires structural transformation across managerial, operational, and cultural dimensions. The proposed framework offers a systematic pathway for rebuilding legitimacy. Brands that commit fully can restore their social license to operate. Those that do not remain vulnerable to recurring crises.

## Conclusion

This study concludes that the boycott movements in Indonesia have transformed the fundamental variables of marketing management from a functional-oriented approach to a radical ethical-integrity orientation. The findings reveal that (1) brand equity deconstruction occurs as consumers prioritize "Ethical Equity" and conscience over traditional brand loyalty. Furthermore, the (2) failure of global narratives is rooted in the rigid bureaucracy of global headquarters, which hinders local management from delivering empathetic responses. This crisis has catalyzed (3) local brand momentum, where consumer ethnocentrism shifts market dominance toward domestic products that align with local values. Ultimately, (4) brand recovery can only be achieved through a

"Hyper-localization" strategy and authentic value-driven actions rather than conventional advertising.

Theoretically, this research contributes to the literature on brand crisis by introducing "Ethical Equity" as a critical pillar in brand equity models within collectivist markets. It also expands the Situational Crisis Communication Theory (SCCT) by emphasizing the necessity of cultural empathy in digital crisis management. Marketing managers of multinational companies are advised to grant greater communication autonomy to local branches to navigate socio-political sensitivities effectively. For local brands, the current momentum should be leveraged by maintaining quality consistency to convert "momentary loyalty" into "identity-based loyalty."

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