

## OVERCOMING BOYCOTTS: UNILEVER'S STRATEGIES TO SUSTAIN REVENUE ON THE GLOBAL STAGE

Delia Rizal<sup>1)</sup>, Cyndi Wahyuni Putri<sup>2)</sup>, Mohammad Aliman Shahmi<sup>3)</sup>

<sup>1,2,3)</sup>Universitas Islam Negeri Mahmud Yunus Batusangkar, Indonesia

Corresponding author: [deliarizal340@gmail.com](mailto:deliarizal340@gmail.com)

### Abstract

*The multinational company Unilever has faced a crisis due to boycott calls initiated by several countries worldwide, significantly impacting the company's revenue. This study aims to analyze the business strategies implemented by the company in responding to boycott threats and to understand their impact on consumers and Unilever's business sustainability. The research employs a qualitative approach using a literature review method, relying on secondary data from various credible sources. The findings reveal that Unilever has adopted a business strategy known as the Unilever Sustainable Living Plan (USLP), which focuses on sustainability and corporate social responsibility. This strategy not only helps Unilever maintain its reputation amidst global criticism but also contributes to increased revenue despite the pressure from consumer boycotts. By integrating sustainability principles into its business operations, USLP adds value to consumers and other stakeholders while preserving the company's competitiveness in the international market. This study provides insights into the importance of innovative, sustainability-oriented business strategies as an effective response to global challenges, including boycott threats arising from social and political issues.*

**Keywords:** Business Strategy, Boycott, Company Income

### Introduction

Globalization has become one of the main factors driving the massive entry of foreign markets and their rapid development in Indonesia and globally. In this context, understanding and responding to market dynamics is the primary key to creating competitive advantage for companies. This phenomenon is reflected in the increasing number of companies operating, which directly causes increased competition in the market. Many companies present similar products and services, thus competing for consumer attention and preference. Therefore, companies must be more sensitive and open to market developments to maintain competitiveness and relevance (Bowie, 2019; Cassagnard & Espinosa, 2022).

To face these dynamics, companies are required to not only understand consumer needs but also be able to identify emerging market trends. The application of innovation in products and business processes is a strategic step to differentiate themselves from competitors. In addition, mastery of digital technology is also an essential factor in expanding market reach and increasing operational efficiency. By adopting a data-based approach and market analysis, companies can optimize marketing and production strategies to meet consumer expectations more effectively. In this context, the flexibility and adaptability of companies are the keys to sustainability amidst increasingly competitive global competition (Brenkert, 2019; Swaminathan et al., 2022).

However, global challenges come from market competition and non-economic threats, such as boycott movements that can significantly impact the company's sustainability. Boycott movements are often triggered by social, political, or environmental issues involving the company, directly or indirectly. In this situation, companies must maintain their reputation and apply the principles of corporate social responsibility (CSR) accurately and consistently. A transparent and responsive communication strategy to public concerns is essential to reduce the risk of boycotts and restore consumer trust. Thus, companies must build strong relationships with various stakeholders, including consumers, local communities, and governments, to create a positive image that can act as a bulwark against external threats such as boycotts (Arshed et al., 2024; Khan et al., 2024).

In the context of a multinational company like Unilever, the implementation of corporate social responsibility (CSR) not only serves as a means to maintain reputation, but also as an integral part of a sustainable business strategy. Unilever has long been known as a company that integrates sustainability principles into its operations, from environmentally friendly supply chain management to launching social campaigns relevant to global issues. However, to face challenges such as the boycott movement, the CSR approach taken must be more than just symbolic; the company needs to ensure that every CSR initiative has a real, measurable impact, both socially and environmentally. Transparency in reporting CSR results and direct engagement with affected communities are important steps to strengthen credibility and

mitigate reputational risks (Alemany Oliver, 2022; Hoffmann et al., 2020; Mocciaro Li Destri et al., 2024).

Furthermore, Unilever can leverage its position as an industry leader to drive transformation in global business practices through collaboration with strategic partners. For example, the company can partner with international organizations to develop innovative solutions that address environmental issues, such as reducing plastic waste or increasing energy efficiency throughout the supply chain. In addition, Unilever can also strengthen its communication approach by involving digital technology to get closer to consumers, listen to their aspirations, and respond to complaints quickly and effectively. By adopting a holistic approach that encompasses sustainability, innovation and active engagement with stakeholders, Unilever has not only been able to survive global challenges, but has also strengthened its position as a pioneer of responsible business in the international market (Shivji, 2024; Zhang et al., 2024).

The conflict between Israel and Palestine has become one of the global issues that has triggered a boycott movement against Unilever products in various countries, especially in regions with significant Muslim populations. The boycott is often driven by the public perception that multinational companies have an ethical responsibility to be neutral or take concrete action on humanitarian and political issues. In the case of Unilever, involvement or perception related to this conflict has made its products the target of criticism, triggering a consumer reaction that has decreased market interest in specific brands under the company's umbrella. The impact of this boycott movement on Unilever is not only limited to decreased sales but also includes damage to the company's reputation in the eyes of the global public. A damaged reputation can weaken consumer confidence while increasing pressure from investors concerned about the ongoing risks caused by the boycott movement. In the worst-case scenario, investors may withdraw their support, considering the potential threat to the company's financial and operational stability. Therefore, Unilever needs to adopt a comprehensive risk mitigation strategy, including strengthening public communication, building solid relationships with the international community, and ensuring that company policies reflect ethical values that align with the aspirations of global consumers (Bowie, 2019; Van Cranenburgh et al., 2013; Vormedal & Meckling, 2024).

The mitigation strategy should also thoroughly evaluate the product portfolio and target markets. Unilever needs to consider a responsive approach that is not only oriented towards business interests but also encompasses broader social and political dimensions. In addition, increasing transparency in the company's operations can be a crucial step in rebuilding public trust. By implementing strict sustainability standards, affirming its commitment to humanitarian issues, and involving local and international stakeholders in strategic decision-making, Unilever can mitigate the negative impacts of the boycott movement while strengthening its position as a globally responsible company. On the other hand, the company also needs to conduct proactive risk assessments of geopolitical dynamics and culturally sensitive issues to prevent similar conflicts in the future. This approach will strengthen Unilever's business resilience and make the company a role model in business practices that integrate the principles of ethics, sustainability, and social responsibility. In doing so, Unilever can transform existing challenges into strategic opportunities to create long-term value for its consumers, business partners, and shareholders (Bowie, 2019; Cassagnard & Espinosa, 2022; Vormedal & Meckling, 2024).

## **Methods**

In the analysis process, researchers use a descriptive approach to identify, interpret, and synthesize relevant information from various sources. This approach allows researchers to describe in depth the phenomena studied by referring to the established theoretical framework. In addition, data validity is guaranteed through source triangulation, which aims to compare and integrate information from various references to obtain comprehensive and academically accountable conclusions. Thus, this study is expected to provide significant contributions to the development of knowledge in relevant fields and offer new perspectives in understanding the issues raised.

## **Results and Discussion**

### **Unilever's Boycott: Navigating Reputational Risks in a Hyper-Connected World**

The boycott against Unilever in 2024 underscores the growing influence of ethical consumerism and the rising expectation for multinational corporations to uphold not only economic performance but also social and environmental accountability. As a global market leader known for its commitment to sustainability and corporate responsibility, Unilever's involvement in controversies that triggered the boycott reveals a complex interplay between corporate actions, public perception, and consumer behavior. This incident illustrates the vulnerability of even the most established corporations to reputational risks in an era where transparency and values alignment are critical to maintaining consumer trust and loyalty. The

targeted countries, including Indonesia, Malaysia, Morocco, and Kuwait, represent markets with significant consumer bases, many of whom are increasingly influenced by ethical considerations in their purchasing decisions. For Unilever, the boycott not only disrupts its revenue streams but also highlights deeper challenges in aligning its global strategies with local values and expectations. In countries like Indonesia and Malaysia, where socio-religious values are strongly intertwined with consumer behavior, perceived missteps in addressing local concerns can have outsized impacts on brand reputation and market performance (Brenkert, 2019; Hoffmann et al., 2020; Swaminathan et al., 2022).

Moreover, the global attention generated by the boycott reflects a broader trend of interconnected markets and rapid information dissemination through social media and digital platforms. Negative public sentiment in one region can quickly escalate into a global issue, intensifying the pressure on companies like Unilever to respond promptly and effectively. This incident raises critical questions about the adequacy of current corporate social responsibility (CSR) strategies in addressing diverse cultural and ethical expectations across different regions. For Unilever, the boycott serves as a stark reminder of the importance of proactive engagement with stakeholders and the need to balance economic goals with social and environmental commitments. Moving forward, the company must reassess its policies and communication strategies to ensure they resonate with global consumers while respecting regional sensitivities. This includes fostering genuine dialogue with local communities, adopting more transparent reporting practices, and reinforcing its commitment to ethical business practices. By doing so, Unilever not only has the opportunity to recover from this crisis but also to strengthen its position as a leader in sustainable and responsible business practices. (Bowie, 2019; Cassagnard & Espinosa, 2022; Vormedal & Meckling, 2024)

The financial performance decline of Unilever Indonesia highlights not only the immediate impacts of the boycott but also broader challenges faced by multinational companies operating in dynamic and socially conscious markets. Indonesia's strategic role, contributing more than 4% to Unilever's global revenue, underscores the critical nature of its market dynamics in shaping the company's overall financial health. The sharp drop in net profit and sales in 2023 signals vulnerabilities in Unilever's operational strategies, consumer trust, and market positioning within one of its key markets. A 10.51% decrease in net profit alongside a 6.32% decline in net sales reflects multiple layers of challenges. These could include diminished consumer confidence due to the boycott, shifts in consumer purchasing behavior driven by social and environmental awareness, or competitive pressures from local and regional players capitalizing on Unilever's weakened public image. Furthermore, the downturn suggests potential inefficiencies in crisis management and strategic adaptability, which are critical for navigating reputational risks in a socially conscious era. The reliance on emerging markets like Indonesia for global revenue growth also raises questions about the resilience of Unilever's global operations when facing localized socio-political disruptions. The economic significance of the Indonesian market implies that such financial declines could have a ripple effect on Unilever's global supply chain, investment strategies, and shareholder confidence (Alemany Oliver, 2022; Hoffmann et al., 2020; Mocciano Li Destri et al., 2024)

To address these challenges, Unilever must prioritize rebuilding consumer trust through transparent and actionable commitments to social and environmental causes. Additionally, a reassessment of its market strategies in Indonesia, including more localized and culturally sensitive approaches, is imperative. Enhancing engagement with stakeholders, from government entities to consumer advocacy groups, could also mitigate long-term reputational and financial risks. As markets increasingly demand corporate accountability, Unilever's ability to navigate such challenges in Indonesia will serve as a critical benchmark for its global sustainability and business resilience. This decline in performance shows the significant impact of the boycott on the sustainability of the company's business, especially in a market with a significant contribution such as Indonesia. In addition, this condition emphasizes the importance for multinational companies like Unilever to manage relationships with stakeholders and strengthen their commitment to social and environmental responsibility. With pressure from consumers who are increasingly aware of the importance of sustainability, Unilever needs to take strategic steps to mitigate the negative impacts of the boycott while maintaining its reputation and business sustainability in the global market (Arshed et al., 2024; Cui et al., 2023; Khan et al., 2024).

### **Localized Strategies and Digital Transformation in Emerging Markets**

Unilever has consistently demonstrated stable growth in its global financial performance, driven by the implementation of a well-crafted and focused business strategy. Central to this approach is the company's commitment to reinforcing its portfolio of flagship products, including globally recognized brands such as Dove, Axe, and Lipton. Beyond merely sustaining the competitiveness of these established

brands, Unilever actively fosters innovation by introducing new products that align with the evolving preferences and demands of global consumers. Complementing this product-centric strategy, Unilever executes meticulously planned and impactful marketing campaigns designed to enhance brand equity, cultivate deeper consumer loyalty, and penetrate untapped market segments. These campaigns leverage data-driven insights and creative storytelling to build enduring connections with a diverse consumer base. Through this combination of innovation and strategic outreach, Unilever not only secures its position as a market leader but also sets a benchmark for sustained success in an increasingly competitive global marketplace (Lewin & Warren, 2024; Zhang et al., 2024).

Through a well-structured and strategic expansion plan, Unilever effectively capitalizes on growth opportunities in emerging markets while maintaining a strong focus on understanding and adapting to local consumer preferences. This localized approach ensures that the company's products resonate with diverse cultural and regional demands, thereby enhancing market penetration and brand loyalty. The integration of advanced digital technologies further strengthens this strategy by streamlining operational processes, enhancing data-driven decision-making, and fostering personalized consumer engagement. Additionally, Unilever leverages digital platforms, particularly the rapidly expanding e-commerce sector, to diversify and optimize its distribution channels. This combination of market expansion, consumer-centric strategies, and technological innovation positions Unilever to sustain competitive advantage and achieve long-term growth in the global marketplace (Mateska et al., 2024; Shen et al., 2023).

Through a comprehensive and synergistic approach encompassing innovation, digital transformation, and integrated marketing strategies, Unilever has solidified its competitive advantage in the global marketplace. By continually adapting to shifting consumer demands and leveraging advanced technologies to optimize operations, the company not only enhances efficiency but also deepens customer engagement and loyalty. These efforts, coupled with strategic market expansions and a robust portfolio of globally recognized brands, enable Unilever to sustain significant financial growth. Consequently, the company has emerged as a leading force in the industry, setting benchmarks for resilience, sustainability, and long-term success in an increasingly dynamic global business environment (D'Arco et al., 2024; Vormedal & Meckling, 2024).

#### **Unilever's Resilience Amid Boycott Threats: Key Factors of Success**

The threat of boycotts has become a prevalent form of global protest, frequently employed by the public as a response to individuals or corporations perceived to have affiliations with pro-Israel issues. Among the prominent multinational corporations, Unilever once faced significant boycott threats from various countries. Despite the intensity of these challenges, the company's economic performance remained resilient, demonstrating its ability to weather such crises effectively. This resilience can be attributed to several critical factors, including Unilever's extensive market reach, its well-established and trusted brand reputation, and the high level of consumer loyalty it commands. Together, these elements have fortified Unilever's position, allowing it to navigate boycotts without substantial disruption to its growth trajectory (Bowie, 2019; Murphy et al., 2013; Van Cranenburgh et al., 2013).

Unilever has demonstrated exceptional crisis management capabilities in navigating a widespread wave of consumer protests. Leveraging its expertise in strategic communication, the company effectively mitigated the potential damage by issuing clear and positive public statements through various channels, including social media platforms and mainstream news outlets. These carefully crafted responses not only clarified the company's stance on the issue but also reinforced its brand image as a resilient and trustworthy entity. This proactive approach proved instrumental in neutralizing negative public sentiment, minimizing reputational risks, and sustaining consumer loyalty even under intense global scrutiny. By addressing the crisis with transparency and strategic foresight, Unilever not only preserved its market position but also set a benchmark for corporate responsibility and crisis communication in a highly interconnected and politically charged global business environment (Murphy et al., 2013; Parviainen et al., 2018; Vormedal & Meckling, 2024).

Unilever's ability to safeguard its reputation and sustain business stability during the crisis highlights the remarkable efficacy of its corporate communication strategy. By employing a proactive, transparent, and well-coordinated approach, the company adeptly managed complex challenges, minimizing the negative repercussions of consumer backlash. Unilever leveraged consistent and strategic messaging across multiple platforms, including social media and traditional news outlets, to address concerns and reaffirm its commitment to ethical and responsible business practices. This deliberate engagement not only mitigated adverse public sentiment but also reinforced trust and loyalty among its diverse stakeholders. By positioning effective communication as a central pillar of its crisis management strategy,

Unilever showcased the critical role of transparency and responsiveness in navigating controversies, setting a benchmark for resilience and strategic adaptability in the face of global reputational risks (Arshed et al., 2024; Baptista et al., 2024).

This resilience also highlights the critical role of a broad market base and robust brand management in protecting a company from reputational risks. With an extensive global reach and a strong portfolio of trusted products, Unilever was able to weather the storm, showcasing how diversified operations and a well-established consumer base can provide a buffer against even politically and emotionally charged issues. This adaptive capacity further reinforces the importance of aligning operational strategies with brand equity to safeguard long-term business viability. The case of Unilever offers valuable insights for other multinational corporations facing similar reputational risks in an increasingly interconnected and scrutinizing global environment. It serves as a reminder that effective reputation management extends beyond reactive measures to include proactive risk anticipation and robust stakeholder engagement. Multinational companies must prioritize strategic communication, market diversification, and brand reinforcement as integral elements of their global risk management framework to ensure resilience and sustainability in an era of heightened public accountability (Cui et al., 2023; Khan et al., 2024).

### Conclusion

The Unilever boycott of 2024 underscores the growing impact of ethical consumerism and the challenges multinational corporations face in balancing global strategies with regional values. Despite significant backlash, Unilever demonstrated resilience, underpinned by its robust brand reputation, extensive market presence, and strategic communication capabilities. The crisis highlighted the critical role of transparent and proactive corporate communication in mitigating reputational risks, maintaining consumer trust, and sustaining business stability. Additionally, it emphasized the importance of aligning global operational strategies with local socio-cultural expectations to navigate complex market dynamics. Unilever's ability to leverage digital platforms and its diversified market presence provided a strong foundation for managing the boycott's impacts, reaffirming its position as a leader in sustainable and responsible business practices. This case offers valuable lessons for other multinational corporations, illustrating that resilience in a hyper-connected world requires a proactive, adaptable approach that integrates ethical commitments, stakeholder engagement, and strategic market alignment to ensure long-term growth and sustainability in an increasingly scrutinized global environment.

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