

**SUSTAINABILITY RELATED FACTOR THAT AFFECTS THE CONSUMER
BOYCOTT BEHAVIOUR**

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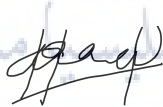
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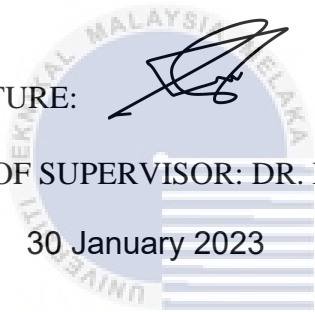
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Report submitted in fulfillment of the requirements for the Bachelor Degree of
Technopreneurship



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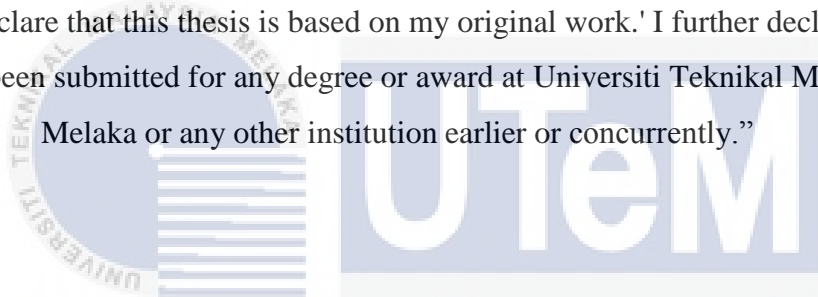
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DECLARATION OF ORIGINAL WORK

“With the exception of citations and quotations that have been properly acknowledged, I hereby declare that this thesis is based on my original work.' I further declare that it has not been submitted for any degree or award at Universiti Teknikal Malaysia Melaka or any other institution earlier or concurrently.”



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Date: 30 January 2023

DEDICATION

I want to thank my dear parents for supporting me mentally and financially.

Special thanks to the supervisor Dr. Nabil Hasan Saleh Al-Kumaim and team who guided me through the entire research work, and thank my friends for helping me during the research process.



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ABSTRACT

The sustainability factors affects the way a consumer protest against their stance. This research aims to identify the sustainability factor that affects the consumer boycott behaviour. The objective of this research is to identify the sustainability related factor that affects the consumer boycott behaviour and to identify the most influencing sustainability factor that affects the consumer boycott behaviour. As a data collection instrument, the investigator used the survey form, the questionnaire. The formulated questions are based on the objectives of the analysis. The final survey was conducted using 406 respondents who had some experience with consumer boycotting. This research uses quota sampling as non-probability sampling where samples were selectively chosen. This research also use Partial Least Squares (PLS) which is a component-based SEM approach, to examine the relationships between dependent and independent variables using Smart PLS 4 software. The researcher able to identify that environmental concern, waste avoidance and local economy support are the accepted factors that affects consumer boycott behaviour. The most affecting factor was environmental concern. This factor can help a company to identify the problems in the product they output should not harm the environment. This reason can lead to consumers boycott the product and gives the company bad image reflection.

KEYWORDS: Sustainability, consumer boycott behaviour, social, economic, environmental

ABSTRAK

Faktor kemampanan mempengaruhi cara pengguna membantah pendirian mereka. Penyelidikan ini bertujuan untuk mengenal pasti faktor kemampanan yang mempengaruhi tingkah laku boikot pengguna. Objektif kajian ini adalah untuk mengenal pasti faktor berkaitan kemampanan yang mempengaruhi tingkah laku boikot pengguna dan mengenal pasti faktor kemampanan yang paling mempengaruhi yang mempengaruhi tingkah laku boikot pengguna. Sebagai instrumen pengumpulan data, penyiasat menggunakan borang tinjauan iaitu soal selidik. Soalan yang dirumus adalah berdasarkan objektif analisis. Tinjauan akhir telah dijalankan menggunakan 406 responden yang mempunyai sedikit pengalaman dengan boikot pengguna. Penyelidikan ini menggunakan persampelan kuota sebagai persampelan bukan kebarangkalian di mana sampel dipilih secara selektif. Penyelidikan ini juga menggunakan Partial Least Squares (PLS) yang merupakan pendekatan SEM berasaskan komponen, untuk mengkaji hubungan antara pembolehubah bersandar dan bebas menggunakan perisian Smart PLS 4. Pengkaji dapat mengenal pasti bahawa kebimbangan alam sekitar, pengeluaran sisa dan sokongan ekonomi tempatan adalah faktor yang diterima yang mempengaruhi tingkah laku boikot pengguna. Faktor yang paling mempengaruhi adalah kebimbangan alam sekitar. Faktor ini boleh membantu sesebuah syarikat untuk mengenal pasti masalah dalam produk yang mereka keluarkan seharusnya tidak membahayakan alam sekitar. Sebab ini boleh menyebabkan pengguna memboikot produk dan memberikan gambaran imej yang buruk kepada syarikat.

KATA KUNCI: Kemampanan, tingkah laku boikot pengguna, sosial, ekonomi, alam sekitar

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CHAPTER 1

INTRODUCTION

1.0 Introduction

This research conducted to investigate sustainability related factor that effect consumer boycott behaviour. In current growing marketplace in Malaysia consumers have the rights to choose the product based on the needs and wants of their choice. Due to this factor there are increase in number of consumers in a marketplace in Malaysia. The increase in consumers makes a consumer to resort to boycotting which means expressing their dissatisfaction on the product or on the company (Sen et al., 2001). This first chapter is primarily concerned with the topic's introduction. In the recent event, the consumers are more aware of what products they choosing to buy in Malaysia. This occur due to the exchanges in information sharing through digital media. The awareness makes a consumer to boycott a product or services if it was not the same as the information given. Consumer boycotting can collapse a company's brand. Consumer boycott may happen due to many factors. One of the factors that can be related to consumer boycott will be sustainability related factor. In this first chapter the researcher will discuss about background, problem statement, research for both questions and objectives, the study's scope, and significance, as well as a summary at the end of the chapter related to the research topic.

1.1 Background of study

Based on historical records, there's a gradual increase in boycotts since the sixties. Over three hundred boycotts were designed and implemented in 1990. The rise in data and experience

of boycott organizations in implementing their boycott activities has caused a rise within the range of boycotts. The rationale for the boycott is in order that the target company could take correct actions to satisfy the boycotters. The motive of the communicative boycott is to specific the discontentedness of customers (Delgado Ballester et al., 2019).

Boycotts is classified as direct or indirect looking on the target. Customers boycott the products of a corporation whose acts or practices are deemed objectionable during a direct boycott (Saddiq et al., 2020). However concerning the case of Uyghur ethnic that mostly are Muslims are operating as forced labor in manufacturing cotton in Xinjiang, China. The difficulty makes some brands confront the country concerning the difficulty that involves the ethnic of the country that majority of them are Muslims. This issue is kind of international brands like Nike, Adidas and plenty of a lot of came direct speak up concerning these matters however instead, the complete itself got backfire by China voters because the complete got boycott throughout the total country (Zachary Evans, 2020).

Consumer's refuses to use a company product in an indirect boycott based on the action taken by another consumer, not based on the companies approach to the actions. During this state of affairs, a company's merchandise are refused because of their links to the perpetrator. The reasoning behind the boycott is that the pained party would modification its contentious practices or apologize for its contentious behavior as a results of the loss of revenue and image. As an example, several components of the Muslim world have reacted angrily to comments created by French President Emmanuel diacritical mark within the wake of a young militants beheading a neighborhood instructor earlier this month. The comments, that are labelled "anti-Islam," have sparked entails a boycott of French product (Om Marathe, 2019).

Social media could be a tool that's changing into progressively necessary in our personal and business life. Individuals' experiences could also be influenced by social media (Tandon et al., 2021). It's reworked the business landscape since its allowed businesses to interact with customers a lot of effectively. Businesses are step by step discovering the worth of social media for consumer connections and communication, further as it's utility as a platform for death penalty on-line campaigns that embody selling activities. Despite its importance, there's an

absence of awareness of its impact on structure operations and the way media efforts influence the sales method, leading to structure benefits (Rodrigues et al., 2020).

This instance demonstrates that a country's businesses could face a boycott of their merchandise as a result of the government's arguable acts or policies. Customers boycott the companies of the sinning country, all merchandise created within the sinning country, and organizations with ties thereto country as a result of they lack direct access to the government of the sinning country. Boycotts are organized by client organizations with varied values, aims, and arguments to encourage company social responsibility and influence the social side of the business.

1.2 Problem statement

Consumer boycott is existed for centuries with support of social media it's reaching wide range. A simple local boycotting act could reach out worldwide through social media. Sensitivity matters among humans are decreasing when there is a drastic growth in technology this why boycott existed. In the past consumer boycott happens due to lack of sensitivity among humans such as the case a land agent increases rent price which inhumanely evicting the tenant. Some boycott also existed due to sensitive issue that is linked about religion or faith. Several issues concerning groups of different religions or believes had surfaced.

At the height of the second Palestine Intifada in 2008, a boycott was established based on the alleged direct and indirect involvement or support extended by American and western firms to Zionist Israel in their atrocities against Palestine. The ongoing boycott campaign was supported by an alliance of more than 50 Malaysian Non-Government Organisation (NGO). Soon after it was known as Viva Palestine Malaysia which strongly advocates and promotes the boycott in the ultimate mission of ending the Palestine-Israel conflict to achieve freedom and independence of Palestine.

The research gap that triggered the researcher to do this study is the lack of studies that investigate about boycott phenomena from sustainability perspective. Based on the research, that the researcher read it was said that there is a lack of studies in the area of economic, social and environment. In this research it is given it is based on Corporate Social Responsibility (CSR). This research needs support behalf of environmental, economic and social pillars to fully understand the weightage of the consumer boycott via sustainability factor (Zeng, 2020).

At the current era there are various factors that affecting the consumer boycott. One of the topic involved is the avoidance of outrageous tax avoidance. Some company will earn revenue over million but to decrease cost they will lower the expenses of paying tax to the government which leads consumer boycott. When a consumer boycott in this modern age it will spread wide through social media or become a viral issue. The age of technology changes the way of a consumer boycotting behaviour. Twitter become a boycotting activism where around 1.91 million English-language tweets were based on the boycott topic.

1.2.1 Corporate Social Responsibility (CSR) issues

The most viral issues will be based on sustainability related factors which will force a consumer to boycotting act. In the recent years the world witnessed a fast growing boycotting act on environment affecting issues from a consumer due to a product had failed fulfil its Corporate Social Responsibility (CSR) (Assisah et al, 2019). For example a company is producing a product with plastic packaging which will be harmful to nature and could harm the environment so it will lead a consumer to protest about it. Consumers' participation in product boycotts is impacted by their moral judgement, according to the studies, which frequently address religious affiliation and obligation, group reference, and group membership considerations. Furthermore, while being seen as a universal humanity concern, certain issues are more likely to affect persons with backgrounds corresponding to the overwhelming of the victims of the issue (Ishak, 2017).

1.2.2 Economic disruption

In the sustainability components there exists three pillars which are social, economic, and environment. Economical wise consumer boycotting will affect the GDP rate of a country. Consumer boycott will affect the company directly so it will indirectly decline a countries economic for certain percentage (Jamal Ali, 2021). This will make the company to use that plastic to produce the product they wanted to output if the boycott was successful. In one of the case study stated that emotion toward a sustainability factor will lead to consumer boycotting. Over half of the research participant were acted on boycott due to the care for the nature and to stop the pollution (Thanh Hoai Nguyen, 2018).

1.2.3 Environment pollution

Individual boycott campaigns can target either a single business or all of the companies in a certain country, and the result is a refusal to buy specific items from that company or country. When individuals consider a company's (micro boycotting) or a country's (macro boycotting) action to be heinous, they engage in boycotting. As a result, the object of a boycott might be directly or indirectly linked to the offending party. A mini boycott occurs when customers find a company's practises unbearable and decide to stop buying its products. In a macro boycott, the targeted company acts as a stand-in for the party whose activities are being criticised (Estoque, R. C., 2020).

1.3 Research Question

1.3.1 What are the related sustainability factors contributes to consumer's boycott behavior?

1.3.2 What are the most influencing sustainability factors that affects consumer boycott behaviour?

1.4 Research Objectives

1.4.1 To identify the related sustainability factors contributes to consumer's boycott behaviour.

1.4.2 To determine the most influencing sustainability factor that contributes to consumer boycott behaviour.

1.5 Scope of study

This study aimed to identify the sustainability factor that affects the consumer boycott behaviour. The target respondents were the consumers in Malacca between age 18 to 45 years old and above whom boycotted a product based on the factors that the researcher drawn out. The online questionnaire will be distributed to 200 to 250 respondents of consumers via the google forms. The research context and environment were based on the product buyers toward the consumer boycotting and what are the most affecting sustainable factor that push a consumers in Malaysia to boycott a product. This study investigates the relationship between sustainability factors that influence the consumer boycott behaviour. This research then determines and evaluate which factor that affects the most in Malaysia towards boycotting a product.

1.6 Significant of study

The result of the study will be helpful to the reader whom seeking to understand more about which type of sustainability makes a consumer to protest against a company in Malaysia. Besides that, the sustainability factor that contributes the most can be evaluated and solved by the government or involved parties. The study result can be used as a future reference for people who want to research more about preventing consumer boycott in Malaysia.

1.7 Summary of chapter

Throughout this chapter the researcher covered about the background overview, problem statements, research problem, objective of the study, scope of the study, and significance of the study about the this topic.



Chapter 2

Literature Review

2.1 Sustainability concept from marketing and economy perspective

In the marketing and economic perspectives, sustainable development and sustainability have emerged as concepts to help solve the negative economic, environmental, and social repercussions in this generation and future generations (Rodrigo. L, 2018). The phrases weak/strong sustainability are also critically important. These trends and notions have been the focus of the whole discussion and the answers offered. The essential and difficult question is how to meet current demands without jeopardizing the ability of future generations to meet their own needs equitably (Cristina, B., & Diana, A., 2014). The more with more principle, which is peculiar to an industrial society, must be abandoned, and the greater progress with less resources concept must be placed at the center of the economy, society, and environment interaction. These complex theoretical and practical difficulties coming from the intersection of environmental, social, and economic study appear to have substantial consequences for macroeconomic policy. However, little progress has been made in incorporating sustainability into macroeconomic theory and policy (Harris, Jonathan, 2001).

2.2 Types of sustainability concept from marketing and economy perspective

In the social sustainability perspective, the environment that effects a certain person to be effected and lead into negative or positive action. Defines sustainable development as "meeting the demands of the present without jeopardizing future generations' capacity to meet their own needs" via economic growth that "meets the requirements of the present without jeopardizing future generations' ability to fulfil their own needs" (Efrat et al, 2017).

In a constrained ecological area, defined the role of marketing and evaluated scientific methods to the establishment of environmental Economics. As a result, implementing balanced development marketing is a requirement for society's long-term growth, although the definition of this phrase is not defined in depth (Van Dam et al, 1998). Examined the stages of balanced development marketing's genesis, its interaction with rational nature management, and the progression of marketing's environmental impact.

In the perspective of economic, there are theories in the economics literature about the environmental, social, and sometimes even institutional sustainability of the economic system, there is little information on the economic sustainability of the economy (and thus not on the overall sustainability of the economy, which comprises all four components). Even fewer economic sustainability criteria have been proposed for the other aspects. This is all the more unexpected given that the economic viability of social security programs or environmental protection laws is a key policy concern (Spangenberg et al, 2005).

The stages of formulation and directions of balanced development marketing were outlined. However, in supporting the development plan, their interpretation of this concept primarily stresses compliance with the entity's environmental safety regulations. The question of balanced development is not addressed by the authors (Shershun et al., 2017).

Table 2.1: Types of sustainability concepts

Types	Author	Definition
Social	Van Dam et al, 1998	- Implementing balanced development marketing is a requirement for society's long-term growth, although the definition of this phrase is not defined in depth.
Economic	Spangenberg et al, 2005	- the economic viability of social security programs or

		environmental protection laws is a key policy concern.
Environment	Shershun et al, 2017	- Supporting the development plan, their interpretation of this concept primarily stresses compliance with the entity's environmental safety regulations.

2.3 Importance of sustainability concept

One of the most pressing challenges in the building sector is sustainability. In comparison to other industries, the highway infrastructure sector has significant financial issues due to the large amounts of capital required throughout the project lifespan. As sustainability measures are progressively included into the design, planning, building, and operation phases, stakeholders and investors require solutions to ensure financial viability. Consideration of sustainability-related cost components through long-term financial management, according to industry practitioners, may greatly increase evaluation credibility for highway projects. It has the potential to lower project risks and, as a result, encourage stakeholders to contribute more to long-term sustainability (Goh, K. C., & Yang, J., 2014).

Economic factors were discovered to be the most crucial aspect for businesses. When looking at the literature and current sources, this finding confirms that the companies' top aim is to attain sustainability through competing on economic criteria. In this sense, a company's own facilities, such as technology, speed, and human capital, as well as the elements that customers valued in the quality perception, such as the company's reliability and corporate reputation issues, can all be thought of as having a sustainable competitive advantage economically (Ozbekler, T. M., & Ozturkoglu, Y., 2020).