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The Impact of Boycott Sentiment on Returns and Risk in Consumer Sector Stocks

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ABSTRACT

The purpose of this study is to examine the impact of product boycott sentiment on the returns and risks of six stocks in the consumer sector listed on the Indonesia Stock Exchange. The six stocks are UNVR, FAST, MAPI, MAPA, MAPB, and PZZA. The results show that PZZA experienced the highest decline in returns of -362.84%, followed by FAST at -303.91%, UNVR at -221.65%, MAPB at -180.84%, and MAPA at -72.09%. The only stock that experienced an increase in returns was MAPI at 88.09%. Based on the risk proxied by variance, FAST experienced a fairly high variance rotation from 0.00031 to 0.00175. UNVR, MAPA, and MAPB showed a decrease in variance, indicating a calmer market despite their negative performance returns. PZZA was the only company with stable risk but significantly negative returns. MAPI was the only stock with positive returns and increasing variance. Based on the mean difference test, PZZA's p-value of 0.02695 (<0.05) indicates a positive and significant effect of the boycott on PZZA's declining returns. Other issuers, UNVR, FAST, MAPI, MAPA, and MAPB, were not statistically significant, having p-values >0.05.
***Keywords**: Boycott; Israel-Palestine Conflict; Portfolio Risk.*

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INTRODUCTION

Boycott campaigns led by civil society and certain institutions have driven changes in consumer preferences, with consumers choosing not to buy products from companies that are considered to support or have affiliations with Israel. In Indonesia, as the country with the largest Muslim population in the world and high sensitivity to global humanitarian issues, public response to the Palestinian issue is very strong (Saputra Affandi et al., 2024). This is reflected in the emergence of various calls for boycotts of certain multinational products that are claimed to have financial or historical ties to business entities in Israel. These changes have the potential to affect the sales performance, brand image, and even the stock prices of these companies.

Theoretically, the capital market reflects investors' expectations of a company's future value. When negative sentiment, such as calls for boycotts, spreads widely, investors may anticipate a decline in revenue and reputation, which will impact stock prices (Handayani, 2024). In addition, the level of risk—both in terms of price volatility and changes in stock beta—has the potential to increase as a result of market uncertainty. This poses a particular challenge in investment and portfolio management, especially for investors who have invested in this sector. However, the phenomenon of boycotts as a determinant of stock risk and *return* has been relatively little studied in depth, especially in the context of emerging markets such as Indonesia. Market conditions that are not always efficient and public sensitivity to social issues make the impact of boycott campaigns in Indonesia potentially greater than in developed markets (Ibtisamah Laila et al., 2024). In addition, this study is also important to provide strategic insights for institutional and retail investors in designing portfolios that are resilient to social and reputational pressures. Against this backdrop, this study aims to empirically examine the impact of boycott campaigns on the returns and risks of consumer goods stocks, as well as to analyze whether there are significant differences in returns and risks before and after the boycott. The urgency of this study is, first, the academic urgency related to the limited literature on boycotts and capital markets, particularly in the context of developing countries and Muslim markets.

This research will fill a gap in *behavioral finance* research, particularly regarding the influence of non-economic sentiment on asset prices. Second, it has practical urgency by providing *early warnings* to investors and investment managers in developing strategies to mitigate reputational and social risks. It helps issuers anticipate market risks resulting from consumer confidence crises that can depress stock prices. Third, it helps the public understand the economic consequences of boycotts in the context of investment. This research is expected to benefit science and technology, particularly in the use of data analytics and sentiment technology. This study encourages the use of social media sentiment analytics technology to measure the impact of public opinion on stock performance. This contribution is technological in nature because it links non-financial data (boycott campaigns on social media) with quantitative financial models, giving rise to a big data finance approach.

THEORETICAL BASIS AND HYPOTHESIS DEVELOPMENT

Liquidity Theory and Efficient Capital Markets

Information is a fundamental requirement for investors in making decisions, and transparency of information can reduce the risk of uncertainty (Idzharotun et al., 2024). The ease of accessing information, whether it be past information, current information, or unpublished information, greatly determines success in trading (Sukanto, 2011). It is because of this information that a *trader (*investor) will lose out to other *traders*. The defeat of investors who lack information (*uninformed traders)* is a profit for investors who have information (*informed traders).* Therefore, information is very meaningful when its existence causes investors to successfully trade in the capital market. Information is one of the important dimensions that determine liquidity through several indicators such as *relative spread, total depth*, and *depth to relative spread.* Research conducted by Irma (2013) entitled "Analysis of the Effect of Disclosure Levels on Stock Liquidity" ( ) states that the higher the level of corporate information disclosure, the lower *the relative spread* of stocks, meaning that liquidity is higher. Conversely, the higher the level of information disclosure, the higher the *total depth and depth to relative spread* of stocks, meaning that liquidity is lower. Research that attempts to examine the effect of corporate information disclosure on stock liquidity levels using *bid-ask spread* as *a proxy* for liquidity includes research conducted by Brahmanda et al. (2022), which states that stocks have *a* positive and *significant effect* on dividend payments in companies listed on the Indonesia Stock Exchange, and stock liquidity has *a* negative and *significant effect* on *corporate governance of companies listed on the Indonesia Stock Exchange.* In addition to *spread,* the *depth* dimension needs to be considered in measuring stock liquidity because if *dealers* believe that *traders* with superior information are increasing, then to protect themselves from potential losses, *dealers* will increase their spread or, alternatively, dealers will offer fewer shares. The *depth* dimension has a different signal from *the spread,* where the greater the *depth* dimension in a stock, the more liquid the stock is. This is contrary to the *spread* dimension because the smaller *the spread (*transaction cost) of a stock, the higher the liquidity level of the stock (Brahmanda et al., 2022; Khomsiyah & Susanti, 2003).

The discussion of efficient capital markets is intended to reemphasize the importance of information availability and transparency for investors and for achieving liquidity (Corbet et al., 2020). It is through this transparency that activities in the capital market will become more efficient (Khomsiyah & Susanti, 2003). One important finding in the development of financial theory that has received much attention and has been empirically tested in almost all capital markets around the world is the efficient market theory. Since it was proposed in 1970 by Fama, the efficient market theory has become a magnet for financial researchers to continue testing its validity. In an article entitled *"The Theory of Corporate Finance: A Historical Overview"* (Jensen & Smith, 1984) ,it is stated that the efficient market theory is an important milestone in the development of financial theory and is referred to as one of the *fundamental building blocks* of finance. Roll (1984) expressed a similar view.

The concept of capital market efficiency originated from Kendall's research in 1953, which found that commodity price changes were unstable, random, and did not follow a specific pattern, known as a random walk (Foster et al., 2009). Prices seemed to wander unpredictably. Stock prices change erratically, rising or falling every day without being influenced by the previous day's stock prices. If stock price changes do follow a random walk pattern, then historical data (past data) cannot be used to predict future price changes and cannot be used by investors to obtain *abnormal returns.*

These stock price fluctuations indicate market inefficiency, whereas in a highly efficient capital market, all available information, both fundamental and macroeconomic, is reflected in stock prices and vice versa. Market efficiency theory has become a widely studied reference and the most interesting topic in the development of corporate finance theory. Empirical evidence presented so far tends to support the hypothesis that the capital market in the United States tends to be semi-strong efficient. This means that the information that shapes prices in the market is still dominated by historical (past) information and published information. However, many anomalies have also been found that undermine the concept of an efficient market itself. In reality, it is difficult to find markets that are truly efficient according to the required assumptions. For example, not all available information can be accepted by investors; in this case, there are *informed traders* and *uninformed traders*, and no transactions are carried out without costs. These conditions loosen the assumption of an efficient market.

An efficient capital market is defined as a market where security prices reflect all available information (Purwoto & Tandelilin, 2004). The faster new information is reflected in security prices, the more efficient the capital market is, making it very difficult for investors to earn above-normal profits (Husnan, 2000). (Fama, 1970) defines an efficient capital market as "... *market efficiency hypothesis to be a simple statement that security prices fully reflect all available information"*. An efficient market is one in which stock prices reflect available information. Capital market efficiency has two aspects, namely internal and external efficiency. External efficiency indicates that the market is in equilibrium, so that stock trading decisions based on available information cannot provide returns above the equilibrium level. Internal efficiency indicates that the capital market not only provides the "right" price, but also provides various services needed by buyers and sellers at the lowest possible cost. From the above definitions, it can be concluded that in capital market efficiency, the market will be considered efficient if stock prices quickly and fully reflect all new and relevant information available.

Based on the distribution of information, a market is said to be efficient if prices reflect information (Andrianto & Mirza, 2016). An efficient market is a market in which security prices quickly and fully reflect all available information about the asset. If the market reacts quickly and accurately to reach a new equilibrium price that fully reflects the available information, then this market condition is said to be an efficient market (Jogiyanto, 2010).

Some assumptions related to efficient markets are: (1). There are rational investors who are oriented towards profit maximization and actively participate in the market by analyzing, evaluating, and trading stocks. These investors are *price* takers and cannot influence the price of securities. (2). There are no costs (transaction costs, taxes, information costs, etc.) to obtain information, and information is freely available to market participants at approximately the same time (with no significant differences).
(3). Information is obtained in a random manner, meaning that every announcement in the market is independent and unaffected by other announcements (Fama, 1970).

Based on the level of information absorption, there are three forms of market efficiency (Fama, 1970), often referred to as *the efficient market hypothesis*, namely weak form efficient markets, *semi-strong form* efficient markets, and *strong form* efficient markets. (1). *Weak Form* Efficient Market Weak form efficiency states that stock prices only reflect past information on traded stocks (historical data), which includes stock prices and trading volume. Historical data analysis provides no benefit to investors in their efforts to make a profit. (2) *Semi-Strong Form* Efficient Market The semi-strong form of efficiency states that stock prices reflect not only past information but also current information on traded stocks. Investors are unable to obtain *abnormal returns* simply by analyzing published data/information, whether past or present. (3). *Strong Form* Efficient Market The strong form efficiency states that stock prices reflect not only past information and current information, but also *insider information* or unpublished information on traded stocks. This hypothesis states that stock prices reflect all relevant information, both published and unpublished, which is usually only known to a few parties, such as company management, the board of directors, and creditors.

Event Study Theory

A model that is often used to analyze the form of the capital market, whether it is weak, semi-strong, or strong, is the *event study* method *(Harijono, 1999)*. Event study is a research method in finance

and economics used to analyze the impact of a particular event on security prices or company market value (Mackinlay, 1997). The events in question can be internal (e.g., dividend announcements, mergers, rights issues, management changes) or external (e.g., government policies, regulatory changes, natural disasters, global crises, geopolitical conflicts). The aim is to see how the market reacts to these events through abnormal returns from stocks or other financial instruments (Kritzman., 1994).

Event studies demonstrate technical financial analysis that observes the impact of a particular *event* on a company's share price. For example, stock market analysts try to study the impact of mergers and acquisitions on a company's share price (Antoniadis et al., 2014). This analysis is not easy to carry out given the existence of other influencing variables such as macroeconomic variables (GDP, inflation rate, interest rates, and company profits). Research conducted by Indupurnahayu et al. (2022) on the analysis of the merger of three government-owned Islamic banks, namely Bank Republik Indonesia Syariah (BRIS), Bank Negara Indonesia Syariah (BNIS), and Bank Syariah Mandiri (BSM) into Bank Syari'ah Indonesia (BSI) and the reaction of stock prices to the announcement of the merger of the three Islamic banks. This study analyzes whether there were abnormal returns around the merger announcement during the 14-day period before and after the merger. Using daily BRIS stock prices, market indices, and trading volumes, it was found that there were insignificant abnormal returns before and after the merger. Statistical tests revealed that stock returns and trading volumes reacted positively after the merger announcement and were significant at the 5% alpha level.

3. Expected Utility Theory

In conventional economics, the pricing of securities is viewed solely from a macroeconomic perspective, based on several assumptions, including the absence of transaction costs and the existence of perfect information. The capital market is viewed as *a "black box economy,"* where the process of *market equilibrium* is not observed because the mechanism at work is *market clearing,* where sellers and buyers have *a willingness to sell and to buy.* In microeconomic theory, the price of a good is determined in *market equilibrium,* which is marked by the intersection of the demand and supply curves for goods/services, resulting in a price equilibrium. However, this theory cannot explain how the trading mechanism works until market equilibrium is achieved. What forces cause the interest in selling/buying to produce a meeting point so that market equilibrium is achieved? Are securities prices on the stock exchange formed naturally according to economic theory through *the Walrasian auction* mechanism? Are there no other factors that influence securities prices? These limitations gave rise to the micro market structure theory, which provides a different, more in-depth, measurable, and structured view of the capital market.

The development of a more formal and rational concept of *market equilibrium* began with the emergence of the theory of expected *utility* (Morgenstern & Neumann, 1944), which recommends that decision makers choose the alternative with the highest *expected utility*. *The expected utility* of investors in investing is none other than *return (*R). However, an investment plan cannot rely solely on *return*, but must also consider the level of risk (Markowitz, 1952). What Harry Markowitz (1952) said about the need to consider *return* and risk in investing subsequently inspired Sharpe (1963) to model the relationship between these two variables in *the capital asset pricing model (*CAPM), marking the birth of *capital asset pricing theory.*

In the context of investment, *expected* returns are often referred to as *returns*, which include *expected returns* and *realized returns.* Expected returns are the rate *of return* that investors anticipate in the future. Meanwhile, realized *returns* are *the returns* that investors have obtained in the past, calculated based on historical data. Realized *returns* form the basis for measuring company performance and determining *expected returns* to measure future risk. Investors will obtain *realized returns* once they have completed their investment activities. *Expected returns* are *returns* that have not yet been realized but are highly anticipated by investors in the future. Husnan (2005) states that *the expected return* is the profit that investors will receive on their investment in the issuing company in the future, and this rate of return is greatly influenced by the company's future prospects. In reality, it is often found that *the realized return* deviates from *the expected return*. The amount *of return* is directly proportional to the level of risk. The higher the return, the higher the risk. Therefore, investors need to maintain a balance between risk and return. *Return* is defined as one of the factors that motivates investors to interact and is also a reward for investors' courage in taking risks on their investments (Tandelilin, 2001).

Return is also defined as the result obtained from investing, which consists of two main components, namely yield/dividends and *capital gains (losses)*. *Yield* is a component *of return* that reflects the cash flow or income obtained periodically from an investment. If you invest in a bond or deposit money in a bank, the amount *of yield* is indicated by the bond interest or deposit interest received. When investing in stocks, the yield is indicated by the amount of dividends received. *Capital gains (losses)* are the difference between the increase (decrease) in the price of a security (stock or bond), which can provide profits (losses) for investors. In addition to calculating *return,* investors also need to consider the level of risk of an investment as a basis for making investment decisions. Various studies have shown that investment plans that rely solely on *returns* or *expected returns* are unreliable. Where there are returns, there are risks, as many people say about the rule of investment*: "high risk, high return; low risk, low return."*

"Risk is the uncertainty that an investment will earn its expected rate of return." (Lintner, 1965) *"The existence of risk means that the investor can no longer associate a single number of pay-off with investment in any assets (Ang, 2015)."* In general, stock risk is divided into two types*: systematic risk* and *unsystematic risk*. Systematic risk is unavoidable risk (macro factors that can affect the market as a whole, such as economic and political conditions), while unsystematic risk is avoidable investment risk. Systematic risk is often referred to as market risk, *general risk*, *or systematic risk.* Systematic risk is generally systematic in nature and difficult to avoid. Examples of systematic risk include *interest rate risk*, *purchasing power/inflationary risk,* and high *market risk*. Some types of systematic risk faced by investors include *market risk*: This risk is often known as *interest rate risk,* which is an investment risk influenced by interest rates that cause variability in securities *returns*. The value of an investment will decrease when interest rates increase, resulting in *capital losses* for the investment owner. *Interest rate risk* affects bonds more directly than *common stocks.* 2. *Reinvestment risk* is an investment risk influenced by yield, which causes a decrease in the yield of an asset, resulting in variability in returns from the aggregate market (aggregate stock market) fluctuations . 3. *Default risk* is the risk that arises if the issuer of an asset fails to pay interest or even the principal of the asset. 4. *Inflation risk* This is the risk caused by a decline in the real value of assets due to inflation, which results in a reduction in investment capacity. 6. *Currency risk. This is* the risk of a decline in the value of assets due to a decline in the exchange rate of the currency used by the assets. 7. *Political risk.* This is the risk of a decline in the value of an asset due to changes in regulations or laws resulting from changes in government policy or changes in leadership. 8. *Business risk*. This is the risk that exists when conducting a business in a particular industry. 9. *Financial risk.* The central bank interest rate is assumed to *be a risk-free asset (*Rf) because it is considered unlikely that the country will default on its payments. This is the risk associated with a company's use of debt. The proportion of assets financed by debt and the variability *of returns* are the same. 10. Liquidity risk. This is the risk associated with the secondary market in securities trading. An investment that can be bought or sold quickly and without a significant price difference is usually liquid. The more uncertain the time element and price concessions are, the greater the *liquidity* risk. 11. *Political risk* is the risk caused by political turmoil in a government. Therefore, as international transactions increase, whether direct or indirect ( ), the stability and survival of a country's economy must be taken into account. Non-systematic risk is often referred to as specific risk, company risk, or *unsystematic risk.* Non-systematic risk can generally be avoided by using a portfolio or diversifying securities. An example of an investment portfolio is a mutual fund. Mutual funds generally consist of several types of stocks, bonds, or other financial products (diversification). Examples of unsystematic risk include *liquidity risk*, *financial/credit risk,* and *operational risk*.

RESEARCH METHOD

This study uses a quantitative approach, based on secondary capital market data, supported by relevant statistical and financial models. The type of research is descriptive-quantitative and explanatory, using the event study method. It aims to observe changes in stock or portfolio returns and risks before and after the boycott campaign. The approach and analysis techniques are as follows: (1) Determining stock returns, (2) Determining stock risk, (3) Determining the difference between stock returns and risk before and after, and (4) Analyzing the impact of product boycott sentiment on stock returns and risk.

The research sample consists of consumer goods stocks, specifically companies whose products are explicitly involved in boycotts with the following ticker codes: UNVR, FAST, MAPI, MAPA, MAPB, and PZZA. The data used in this study are daily stock prices and market index data (IHSG). Data collection was conducted over two years, namely 2023–2024, and analyzed using IBM SPSS Statistics 25. The data collection technique in this study was a literature study conducted by collecting data through searching various literature, including books and notes from previous studies, to obtain a relevant theoretical basis. This study used quantitative analysis, namely descriptive analysis and mean difference test analysis. Descriptive analysis is a method used to explain or describe the characteristics of the collected data. The purpose of this analysis is not to draw conclusions or make predictions, but to provide an overview or summary of the data in the form of statistics, tables, graphs, or diagrams. Mean difference analysis is a statistical method used to evaluate whether there are significant differences between two or more means of data groups. The main purpose of this analysis is to determine whether the differences seen between the groups are purely coincidental or have real statistical significance.

RESULTS AND DISCUSSION

The data used in this study are daily *closing* stock prices and the Composite Stock Price Index (IHSG). The research sample consisted of UNVR (Unilever Indonesia Tbk PT), FAST (Fast Food Indonesia Tbk PT), MAPI (Mitra Adiperkasa Tbk PT), MAPA (MAP Aktif Adiperkasa Tbk PT), MAPB (MAP Boga Adiperkasa Tbk PT), and PZZA (Sarimelati Kencana Tbk PT). These six stocks cover major Israeli-affiliated brands that have high exposure in the media related to boycott calls, such as Starbucks, KFC, Pizza Hut, and Zara (Harish & Cupian, 2025). Based on Table 1, the pre-boycott period began on January 3, 2021, to December 25, 2022, while the post-boycott period was from January 1, 2023, to December 29, 2024. Table 1 below presents the average stock price summary.

Table 1. Overview of Average Stock Prices and Percentage Changes

Stock	Before Boycott	After Boycott	Difference	Percentage Decrease
UNVR	4,890	3,318	-1,572	-32.15%
FAST	974	672	-302	-31.01%
MAPI	879	1,653	+774	+88.09%
MAPA	268	779	+511	+190.7%
MAPB	1,548	1,973	+425	+27.45%
PZZA	648	347	-301	-46.56%

Source: SPSS 25 Processing Results

Based on the data presented in Table 1, PT Unilever Indonesia (TICKER code UNVR) had an average price of 4,890 before the boycott and 3,318 after the boycott, representing a significant decline of 32.15%. This significant decline in UNVR's share price reflects investors' negative sentiment towards multinational brands after the boycott, which is likely related to political/ethical issues affecting the company's image. UNVR also represents the consumer goods sector, which is highly exposed to public opinion. FAST (Fast Food Indonesia - KFC) experienced a 31.01% decline in its share price. This decline reflects negative market sentiment towards products affiliated with Israel. As a prominent foreign franchise, boycotts can have a direct impact on sales and public perception. This shows that the global fast food sector is quite vulnerable to value-based boycotts.

MAPI (Mitra Adiperkasa) experienced an increase of 88.09%, demonstrating MAPI's ability to take advantage of the post-boycott momentum to adjust its business strategy or diversify. This could also be a sign that the impact of the boycott was not uniform across all retail entities. Similarly, MAPA (MAP Active) experienced an increase of 190.7%. MAPA is a subsidiary of MAPI that focuses on lifestyle and sports. Demand for lifestyle products (especially sports brands) has increased significantly. Boycotts against foreign brands may not have much impact if the products are still needed and not directly related to the issue. MAPB (MAP Boga) experienced a moderate increase of 27.45%. Despite its association with international brands (e.g., Starbucks), MAPB does not appear to have been significantly affected by the boycott. This may be due to its more local reach or risk mitigation through product diversification or public perception management.

PZZA (Pizza Hut Indonesia) with the ticker code PZZA experienced a decline of 46.56%. The deepest decline. PZZA represents foreign fast food businesses that have been severely affected by the boycott. Consumers may avoid brands such as Pizza Hut because of the perception that they are symbols of foreign companies. This shows that public perception can have a major impact on franchise-based businesses. Based on general trends and patterns, shares of companies strongly associated with foreign brands (UNVR, FAST, PZZA) fell sharply after the boycott. Shares of companies focused on distribution or multi-brand retail **(**MAPI, MAPA, MAPB) rose. The boycott appears to have hit the fast food and consumer goods sectors harder than the sports or lifestyle retail sectors.

Analysis of Stock Returns Before and After the Boycott

Table 2. Overview of Stock Returns Before and After the Boycott

Issuer	Return Before	Return After	Change
UNVR	-0.002661	-0.008546	-221.65%
FAST	-0.002244	-0.009053	-303.91%
MAPI	0.0062516	0.0117714	88.09
MAPA	0.0066231	0.001846	-72.09%
MAPB	0.0043166	-0.002941	-180.84%
PZZA	-0.003076	-0.01423	-362.84%

Source: Data Processing Results

The average return of UNVR (Unilever Indonesia) before the boycott was -0.002661 and after the boycott was -0.008546, indicating that UNVR experienced a sharp decline of 221.65% in its stock return after the boycott. This significant decline indicates that the boycott has affected investor confidence in Unilever's global consumer products. This negative impact could be caused by consumers and investors being more sensitive to international brands. The average return of FAST (Fast Food Indonesia - KFC) before the boycott was -0.002244 and after the boycott was -0.009053. FAST experienced a very sharp decline of 303.91%, which shows the very significant impact of the boycott on companies in the international fast food sector. FAST's dependence on international brands such as KFC, which are greatly affected by ethical or political boycotts, explains this large decline. Investors may be avoiding FAST shares due to increased uncertainty about their business future. MAPI (Mitra Adiperkasa) had an average return of 0.0062516 before the boycott and 0.0117714 after, showing a very positive increase of 88.09%. This increase indicates that MAPI may be more resilient to the impact of boycotts, and may even benefit from consumers who are more supportive of local or non-foreign brands. Extensive business diversification (with several international and local brands) may have helped MAPI mitigate the negative impact of boycotts on more sensitive foreign brands.

The average return of MAPA (MAP Active) before the boycott was 0.0066231 and after the boycott was 0.001846, indicating that MAPA experienced a 72.09% decline in its stock return after the boycott. Although not as sharp as FAST or UNVR, this decline still reflects the significant impact of the boycott. This may be due to MAPA's dependence on international brands in the lifestyle and sports sectors. Their association with global brands could make them more affected if the boycott of foreign

products lasts longer. The average return of MAPB (MAP Boga) before the boycott was 0.0043166 and after the boycott was -0.002941. There was a change of -180.84%, indicating that MAPB experienced a sharp decline of 180.84%, which shows a very significant impact of the boycott. Like FAST, MAPB operates in the international restaurant industry (e.g., Starbucks), which is likely to be affected by ethical boycotts or consumer perceptions of foreign brands. This decline indicates that international restaurants are more vulnerable to boycotts in markets that are increasingly sensitive to political and social issues.

The average return for PZZA (Pizza Hut Indonesia) before was -0.003076 and after was -0.01423. There was a change of -362.84%, indicating that PZZA experienced the largest decline of 362.84%. This shows that boycotts have a huge impact on companies that depend on international brands such as Pizza Hut. International restaurants that have strong associations with global brands are greatly affected by shifts in public opinion or policies that support boycotts of foreign products. This significant negative impact shows the high sensitivity of the fast food sector to boycotts.

Companies that depend on international brands such as FAST, MAPB, and PZZA experienced a significant decline in returns, with PZZA experiencing the sharpest decline (-362.84%). This shows that the boycott of foreign brands has greatly affected the fast food and international restaurant sectors. MAPI showed a positive increase (+88.09%), indicating that companies with product and brand diversification are more resilient to the impact of boycotts. MAPA experienced a moderate decline (-72.09%), which also reflects the negative impact of boycotts, but not as severe as that experienced by FAST and PZZA.

UNVR experienced a significant decline, although not as large as the restaurant sector, but the decline of -221.65% shows that foreign consumer products are also vulnerable to wider boycotts. Companies that depend on international brands and global expansion need to consider adjusting their marketing strategies to focus more on local products or not rely too much on international brands that could be targeted for boycotts. Companies such as MAPI, which have shown resilience to boycotts, can serve as models for other companies to reduce their dependence on foreign products and increase brand diversity and products that are more resistant to changes in market perception. UNVR and FAST experienced a significant decline in return on assets ( ) after the boycott. The percentage decline for FAST was the largest, at -303.91%, indicating that the fast food sector was significantly affected by the boycott. MAPI experienced a positive increase (+88.09%), indicating that the retail sector is relatively more resistant to boycotts and may have successfully mitigated their impact. MAPA experienced a decline (-72.09%), indicating that even though this sector is classified as retail, there was still a negative impact from the boycott. MAPB also experienced a large decline of -180.84%, indicating that this company may have a greater dependence on international products affected by the boycott. PZZA experienced the largest decline, namely -362.84%, indicating that the boycott had a significant impact on international restaurant sectors such as Pizza Hut.

Table 3. t-Test: Paired Two Sample for Means

	UNVR		FAST		MAPI		MAPA		MAPB		PZZA	
	Return Before	Return After	Return Before	Return After	Return Before	Return Already	Return Before	Return Already	Return Before	Return Already	Return Before	Return After
Mean	-0.0027	-0.008	-0.0022	-0.0091	0.00662	0.0018	0.00625	0.01177	0.0043	-0.0029	-0.0030	-0.0142
Variance	0.0030	0.0019	0.00031	0.00175	0.00263	0.0031	0.00422	0.00322	0.0027	0.00251	0.00124	0.00122
Observation	103	103	103	103	103	103	103	103	103	103	103	103
P(T ≤ t) two-tailed	0.3803		0.13303		0.53402		0.52449		0.3277		0.02695	
t Critical two-tailed	1.9835		1.9835		1.9835		1.98349		1.9834		1.98349	

The mean difference test (paired two-sample t-test) is used to test whether there is a significant difference between returns before and after the boycott. The mean is the average return for stocks before and after the event, while the variance measures the extent to which the return value varies from the mean. Based on observations of 103 samples of stock prices before and after the boycott, the p(T<=t)

two-tail value or p-value from the two-tailed t-test used to measure the statistical significance of the difference in means between returns before and after the event is as follows: If the p-value is less than 0.05, we can reject the null hypothesis that there is no difference (meaning that there is a statistically significant difference). If the p-value is greater than 0.05, we cannot reject the null hypothesis. Two-tailed critical t: The critical t-value in a two-tailed t-test with a significance level of 5% (for a 95% confidence interval). This value is used to determine whether the calculated t-statistic is greater than the critical limit, which indicates a significant difference. The p-value of 0.3803 is greater than 0.05, indicating no significant difference between returns before and after the event. In other words, the change in UNVR returns may have occurred by chance. The FAST p-value of 0.13303 is also greater than 0.05, indicating no significant difference between the two periods. The MAPI p-value of 0.53402 is also greater than 0.05, indicating no significant difference in the change in MAPI returns. The MAPA p-value of 0.52449 is greater than 0.05, indicating that there is no significant difference between returns before and after. The p-value for MAPB is 0.3277, which is greater than 0.05, indicating that the difference between returns before and after is not significant. The p-value for PZZA is 0.02695, which is less than 0.05, indicating that there is a significant difference between returns before and after the event. PZZA shows a significant change in its returns. PZZA is the only stock with significant results, indicating a change that cannot be explained by chance alone. For other stocks, such as UNVR, FAST, MAPI, MAPA, and MAPB, no significant difference was found between returns before and after the event.

In the context of stock return data, variance is a statistical measure that describes the level of risk or volatility of returns. The greater the variance, the greater the fluctuation in stock returns over time, and this means that the investment risk in these stocks is also higher. The following is an interpretation of the risk of stock return variance before and after the boycott for each company.

Table 4. Risk Interpretation of Stock Return Variance Before and After the Boycott

Stock Code	Variance Before	Variance After	Change	Risk Interpretation
UNVR	0.0030	0.0019	Decreased	Risk decreased after the boycott. Although returns declined sharply, price fluctuations became more stable. This may indicate that investors adjusted their expectations and the market calmed down after the initial shock.
FAST	0.00031	0.00175	Increasing	Risk increases sharply. This indicates uncertainty and a more volatile market reaction to FAST after the boycott. Investors may be more concerned about its business prospects.
MAPI	0.00263	0.0031	Increasing	Risk has increased slightly, indicating that the market is somewhat more active in responding to events, but does not indicate extreme instability. This is in line with a fairly positive increase in returns.
MAPA	0.00422	0.00322	Decreasing	Risk is decreasing, although returns are also decreasing. This could be because investors are beginning to adjust and the market is becoming more stable despite the negative outlook.
MAPB	0.0027	0.00251	Decreasing	Risk is slightly decreasing, although returns are negative. This indicates stabilization after the initial shock.
PZZA	0.00124	0.00122	Stable	Relative risk is stable, despite a significant decline in returns. This means that even though returns are significantly negative, investors have already anticipated or accepted this risk, so volatility has not increased.

FAST showed the most significant increase in risk after the boycott, from a variance of 0.00031 to 0.00175. This reflects the market's unstable reaction and uncertainty about the company's future. UNVR, MAPA, MAPB, and PZZA showed a decrease or stability in risk, even though some of them experienced a decline in returns. This could mean that even though return expectations have declined, the market has adjusted its perception of risk and become calmer or more consolidated. MAPI, despite showing an increase in returns, also experienced a slight increase in risk, which may have stemmed from greater market activity regarding post-boycott profit prospects. High risk (large variance) causes *returns* to be more volatile, with the opportunity for large profits, but also high potential losses. Low risk (low variance) means more stable *returns*, suitable for conservative investors, but potentially with lower returns. Changes in variance after an event show how the market responds to uncertainty and sentiment toward the company. Risk (variance) must be analyzed alongside returns, as an increase in returns with an increase in risk can be reasonable (*risk-return tradeoff)*. However, a decrease in returns with an increase in risk (as in FAST) is a negative indication, as investors face higher potential losses with increased uncertainty.

CONCLUSION

This study aims to analyze the impact of boycotts on the stock returns of companies associated with international brands by comparing the average stock returns before and after the boycott using a paired t-test. Descriptively, there was a decline in average returns for most companies after the boycott, indicating the potential for negative sentiment from investors and the market towards companies affiliated with international brands. In descending order from the largest to the lowest decline, PZZA (Pizza Hut Indonesia) was -362.84%, FAST (KFC) at -303.91%, UNVR (Unilever) at -221.65%, MAPB (Starbucks, etc.) at -180.84%, and MAPA at -72.09%. The only stock that experienced a positive increase was MAPI (Mitra Adiperkasa) at 88.09%, indicating that companies with a more diverse brand portfolio, including local brands, tend to be more resilient. However, based on the mean difference test, only one company showed a statistically significant difference in returns before and after the boycott, namely PZZA with a p-value of 0.02695 (< 0.05), meaning that the change in PZZA's returns was most likely not a coincidence, but was actually influenced by the boycott. Other companies (UNVR, FAST, MAPI, MAPA, MAPB) had p-values > 0.05, which were not statistically significant, even though the percentage change in returns was quite large.

The boycott had a generally negative impact, especially on companies in the fast food and international restaurant sectors (PZZA, FAST, MAPB). PZZA was the most affected company, both in terms of percentage change in returns and statistical significance. UNVR and FAST experienced large declines, but these were not statistically significant, possibly due to market volatility, other external factors, or investor resilience to major brands. MAPI showed resilience to the boycott, possibly due to good brand diversification and exposure to local brands. MAPA and MAPB showed a significant negative impact but were not statistically significant, indicating a potential impact but not yet strong enough in terms of statistical evidence.

Companies that are highly dependent on international brands need to be aware of reputation and public sentiment risks, especially in geopolitical and social contexts. Diversifying product portfolios, both in terms of brands and market segmentation, can increase resilience to such negative sentiment. Investors and analysts need to consider non-financial factors such as ethical and political issues when assessing investment risk, especially for companies with strong global affiliations. Boycotts of foreign brands have a negative impact on the average stock returns of related companies, especially in the fast food and international restaurant sectors. However, only PZZA showed a statistically significant impact. Companies with good brand diversification, such as MAPI, appear to be more resistant to this impact. Therefore, diversification and adjustment strategies in response to market sentiment are important in addressing reputation risks arising from global issues.

In financial analysis, variance is used to measure the volatility of returns or the risk of a stock. The greater the variance value, the greater the uncertainty or fluctuation in the stock's returns, which means that the investor's risk is also higher. The company with the largest increase in risk, FAST, experienced a surge in variance from 0.00031 to 0.00175, indicating high uncertainty due to the boycott. This indicates that the market is still groping for the direction of FAST's business after the boycott. Companies with a decrease in risk, namely UNVR, MAPA, MAPB, and PZZA, showed a decrease in

variance, indicating that the market tends to be calmer despite negative return performance. This may reflect that investors are beginning to accept or anticipate the impact of the boycott, thereby reducing volatility. Companies with stable risk but significant negative returns PZZA is interesting because even though its return fell the most (-362.84%), its variance remained stable, indicating that the market has internalized negative expectations and is no longer showing a large volatile reaction. Companies with increased risk and positive returns MAPI is the only stock with positive returns and increased variance, indicating higher market activity (possibly speculation or positive expectations).

Increased variance indicates increased risk, meaning investors need to be more cautious about stocks such as FAST. A decrease in variance with a decline in returns (such as UNVR and MAPA) could signal that the market has adjusted, but still reflects a negative short-term outlook. Stocks such as MAPI are attractive because they are resilient and adaptive, even though the risk has increased slightly.

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