

Product Sales Boycott Issues: Impact on Retail Store Product Sales Volume

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ABSTRACT: *This research aims to determine the impact of the pro-Israel product boycott on the sales volume of Dewi retail store products in the Kediri district. The research method used is qualitative, with field studies. This research design uses a qualitative approach. Data collection was carried out using observation, interviews and documentation techniques. The data analysis used coding, descriptive and inferential statistics and qualitative analysis to conclude. The research results show that the issue of boycotting pro-Israel products did not affect sales activities in retail stores, sales only experienced a slight decline at the start of the issue, but the decline was not significant so sales volume remained stable and normal.*

Tujuan dari penelitian ini adalah untuk mengetahui dampak isu pemboikotan produk pro Israel terhadap volume penjualan produk toko ritel Dewi di kabupaten Kediri. Adapun metode penelitian yang digunakan adalah metode kualitatif dengan studi lapangan. Desain penelitian ini menggunakan pendekatan kualitatif. Pengumpulan data dilakukan dengan teknik observasi, wawancara, dokumentasi. Adapun analisis data dilakukan coding, statistik deskriptif dan inferensial dan analisis kualitatif untuk menarik kesimpulan. Hasil penelitian menunjukkan bahwa isu boikot produk pro Israel tersebut tidak memengaruhi aktivitas penjualan di toko retail, penjualan hanya mengalami sedikit penurunan di awal isu beredar, namun penurunan tersebut tidak signifikan sehingga dapat dikatakan volume penjualan tetap stabil dan normal.

Keywords: *Product Boycott, Boycott Impact, Sales Volume.*

I. INTRODUCTION

KIP or the Israeli-Palestinian Conflict is a conflict that emerged in the military and political fields that lasted from the 19th century to the 21st century. The conflict was started by the Zionists who tried to establish a homeland for the Jewish people in Palestine. Jewish immigrants finally entered Palestine, causing hundreds of thousands of Palestinians to flee (Eliandy et al., 2023). This gave rise to decades of conflict between Israel and Palestine. KIP was marked by violence, including terrorist attacks by Palestinian militants and military operations by Israel. The number of dead and injured reached hundreds of thousands, including children. The main issues of this conflict include the ownership status of Jerusalem, Israeli settlements, borders, security and water rights as well as Palestinian freedom of movement (Nabila et al., 2024). The conflict that occurred had a significant impact on international media so that there were parties who were for and against Israel and Palestine. Many multinational or global companies are pro-Israel, and Israel is

currently considered negatively by the whole world, even by the UN. This support for Israel has led to boycotts of products produced or provided by these global companies (Laili et al., 2021).

Boycott or what can be called starting is an action of not using, buying or dealing with a person or item that reflects an act of protest against it. Boycott can also be interpreted as a refusal to cooperate with a particular company (Jaelani & Nursyifa, 2024). Boycotting company products that pro or support Israel is one of the actions taken by citizens worldwide, especially Indonesia. This action was taken because companies that support Israel use funds or proceeds from product sales to give to Israel as a form of assistance (Aulia et al., 2024). Boycotting these products will not only impact the companies that produce them but also retail stores and even countries that import these products, especially Indonesia. Will boycotting products from pro-Israel companies affect retail store sales? Will boycotting pro-Israel products reduce retail store profits? This article will discuss the impact of boycotting products on retail stores in Indonesia.

II. METHOD

The research method used is qualitative, with field studies. This research was conducted at the Dewi retail store in Kediri district. This research design uses a qualitative approach to understand the boycott's impact comprehensively. Data collection was carried out using observation, interviews and documentation techniques. Observation: Direct observations in the field to see changes in consumer behaviour and sales volume of pro-Israel products before and after the boycott campaign. Interviews: Semi-structured interviews with store owners or managers to gain their views on the boycott's impact on sales. Documentation: Secondary data collection from store sales reports before and after the boycott campaign for sales trend analysis. The data analysis was carried out in the following stages; First, qualitative analysis of observation and interview data using coding techniques. Second, quantitative questionnaire and sales data analysis using descriptive and inferential statistics. Third, the integration of qualitative analysis results is used to conclude.

III. RESULT AND DISCUSSION

Boycott of Pro Israel Products

1. Boycott history

Boycott comes from the name Charles Boycott who was an agent and land manager from England. In ancient times, farmers asked Charles Boycott to reduce the price of cultivating agricultural land, but this request was rejected (Khoiruman & Wariati, 2023). Charles' rejection was met with rejection by the farmers. They agreed not to work on agricultural land, which finally made Charles relent. He was responsible for the strike movement carried out by the farmers and then he resigned from his position. In the 1950s to 1960s, boycotts were included in the actions taken to fight for civil rights in America. The boycott action aims to fight the social and political disparities that occur (Munandar et al., 2023).

2. Forms of boycott

Boycotts or initiations can be divided into three, namely Consumer Boycott, Business to Business, and Employee Walkout.

a. Consumer Boycott

A consumer boycott is an action where the general public is advised not to buy products from companies that are the target of a boycott. This action is usually organized by a social activist group or community. The purpose of this boycott is to protest against injustice or unethical activities

b. Boycott Business to Business

This boycott is carried out as an effort to protect one business against other businesses. This boycott can cause material damage, so this action is often called revenge.

c. Boycott Employee Walkout

The word boycott is better known as a labor strike where employees carry out work strike activities which reflect an action of protest against the company.

3. Boycott success factors

Boycotts are carried out to provide a certain social impact to the target of the boycott. Boycott actions have several factors that influence their success or failure. The success factors for boycott actions are as follows:

- a. Participation of Action Sympathizers
- b. When the Boycott Takes Place
- c. Figure or Organization
- d. Research

4. Retail store

Retail stores are business activities that sell various kinds of goods (such as household goods, food, drinks, etc.) and services. Retail stores began to appear in Indonesia in the 1960s, namely the Sarinah Building on Jalan M.H. Thamrin (Jakarta) which became the first retail store in Indonesia. Retail stores began to develop rapidly and diversify in the 1990s. Retail stores based on format or size are divided into several types, namely minimarkets, supermarkets, hypermarkets and department stores (Perpres No. 112, 2017).

5. Islamic economics

Islamic economics is a scientific system that highlights economic problems with Islamic values as the foundation and basis for its activities. Several experts define Islamic economics as a science that studies human behavior in an effort to meet needs with limited means of fulfilling needs within the framework of sharia. According to experts, this definition is considered weak because this definition encourages someone to be trapped in an a priori decision that is right or wrong and must still be accepted (Abdi et al., 2023).

Islamic economic activities have a legal basis which is the basis for thinking and determining economic concepts. The basis of Islamic economic law is the Al-Qur'an and Hadith. This aims to strengthen Islamic economic activities so that they can run in accordance with Islamic teachings and Islamic law (Khaer & Anwar, 2022). Islamic economics has the aim of providing harmony to life in the world, spreading the values of economic life according to Islamic teachings to all people on earth, fulfilling the essence of economic teachings based on Islamic law in order to achieve religious or philosophical goals (Anista, 2024).

The Impact of the Boycott on Dewi Retail Stores in Kediri Regency

The Boycott, Divestment and Sanctions (BDS) movement is a global initiative started in 2005 by Palestinian civil society to increase economic and political pressure on Israel. The goal is to end the Israeli occupation of Palestinian territories and fight for the rights of the Palestinian people. This campaign is supported by various groups around the world through boycotts of products from companies that support Israel. In Indonesia, the Indonesian Ulema Council (MUI), a prominent Islamic body, also issued a fatwa supporting the boycott of these products, significantly influencing consumer behaviour (Oktavia et al., 2024).

The boycotted products include daily necessities such as soap, fragrance, toothpaste, shampoo, food, drinks, cooking spices and flavourings. Consumers' decisions to participate in a boycott are greatly influenced by their knowledge of the products and companies supporting Israel.

Since the MUI fatwa on boycotting pro-Israel products was issued, several retail stores in Indonesia have experienced changes in sales patterns. However, the impact varies depending on many factors, including store location, consumer profile, and the marketing strategies adopted by the store. These factors influence the level of consumer awareness, the extent of their participation in the boycott, and the store's ability to adapt to changing consumer preferences (Pujiastuti, 2023).

Toko Dewi, one of the retail stores in Kediri Regency, provides various products, including products from pro-Israel companies. Despite increasing awareness and a boycott campaign among consumers, Toko Dewi indicated that this issue had little impact on their sales volume. A decline in sales did occur at the beginning of the circulation of the problem, but the decline was not large enough to be considered significant, and sales remained stable after that.

1. Changes in consumer behavior

Observation results show that some consumers at Toko Dewi are starting to choose alternative products that do not come from pro-Israel companies. However, these changes were uneven and more influenced by price and product quality factors than solely due to the boycott campaign.

2. Shop owner's perspective

From interviews with the owners and managers of Toko Dewi, it was found that they were aware of the boycott campaign but did not feel a significant impact on sales. The shop owner stated that although there was a decline in sales of pro-Israel products at the start

of the campaign, sales returned to normal after some time. They also revealed that customer loyalty to certain brands and limited knowledge about alternative products were the main factors for stable sales.

3. Sales data

Analysis of sales data shows a 10% decline in sales volume of pro-Israel products in the first month after the boycott campaign began. However, sales stabilized again in the following months. This decrease was not significant enough to substantially affect Toko Dewi's overall revenue.

The stable sales of pro-Israel products at Dewi Stores despite the boycott campaign can be caused by several factors:

1. **Brand Loyalty:** Consumers who are used to a particular brand tend to find it difficult to switch to another brand, even if there is a boycott campaign.
2. **Limited Knowledge:** Not all consumers have complete information regarding the boycott campaign and alternative products available.
3. **Price and Quality Factors:** Product price and quality are often consumers' main considerations when purchasing, more than just the political background of the product.
4. **Effectiveness of Boycott Campaigns:** Boycott campaigns may not be powerful or widespread enough to significantly influence consumer behavior.

MUI Fatwa on Product Boycott

Boycotting pro-Israel products has become a concrete form of support for Palestine among the international community, including in Indonesia. The Indonesian Ulema Council (MUI) has issued a fatwa supporting this boycott, underscoring the importance of Muslim solidarity in facing global issues that affect their fellow believers. This fatwa is based on the teachings of the Koran and Hadith which encourage mutual assistance in goodness and piety, as well as opposing sins and violations.

1. Theological foundations

The Koran, as the main source of law in Islam, provides clear guidance regarding the importance of helping each other in virtue. In Surah Al-Maidah verse 2, Allah SWT says:

"And help you in (doing) righteousness and piety, and do not help in committing sins and transgressions. And fear Allah, verily Allah is very severe in punishment." (QS. Al-Maidah: 2).

This verse emphasizes the obligation of Muslims to cooperate in good deeds and prevent evil. The act of boycotting pro-Israel products is in line with this principle because it seeks to stop the flow of funds that could be used to support actions deemed to violate human rights in Palestine.

Apart from that, the Hadith of Rasulullah SAW also emphasizes the importance of solidarity and mutual assistance among fellow Muslims. As narrated by Abdullah bin Umar r.a., Rasulullah SAW said:

"A Muslim is a brother to a fellow Muslim, does not persecute him and will not allow others to persecute him. And whoever conveys his brother's wish, Allah will convey his wish. And whoever covers up a Muslim's troubles, Allah will cover up his troubles on the day of qiyamat, and whoever covers the nakedness of a Muslim, Allah will cover him on the day of qiyamat." (HR. Al-Bukhari and Muslim).

This hadith underlines the obligation of every Muslim to help his brothers who are in trouble, including by opposing actions that persecute them.

2. Social and economic implications

Boycotting pro-Israel products is not only a moral and spiritual act, but also has significant social and economic implications. By stopping purchasing products from companies that support Israel, Muslim consumers can exert real economic pressure on entities involved in this conflict. A decline in sales could affect companies' profits, which in turn could force them to review their policies and relations with Israel.

In Indonesia, the MUI fatwa on boycotting pro-Israel products became the basis for many organizations and individuals to organize boycott campaigns. This fatwa provides strong religious legitimacy, thus increasing public participation in boycott actions. Apart from that, this fatwa also functions as a moral guide that helps people make more ethical consumption decisions.

3. Challenges and criticism

Although many support this fatwa, quite a few also criticize the effectiveness and long-term impact of boycotting pro-Israel products. Some criticisms that often arise are:

- a. **Economic Effectiveness:** Skepticism about how big the economic impact of this boycott will be on large companies that have global markets. Some argue that boycotts from one country or community may not be significant enough to influence the policies of large companies.
- b. **Consumer Awareness:** The level of consumer awareness and knowledge regarding products related to Israel varies. There is a challenge in educating consumers broadly so they can make informed choices.
- c. **Alternative Products:** Availability of adequate alternative products. In some markets, products from pro-Israel companies may have such dominance that it is difficult for consumers to switch to other products without sacrificing quality or convenience.
- d. **Politics and Diplomacy:** Product boycotts can also affect diplomatic relations between countries. The government must balance national economic interests and international solidarity with Palestine.

The MUI fatwa regarding the boycott of pro-Israel products is based on the teachings of the Koran and Hadith which teach about the importance of helping each other in good and preventing evil. This fatwa provides a strong theological basis for Indonesian Muslims to participate in the boycott as a form of solidarity with Palestine. Despite several challenges, these boycott actions still have the potential to exert significant economic and political pressure on the entities involved in these conflicts.

By understanding and implementing religious teachings in a modern social and economic context, Muslims can contribute more effectively to supporting the Palestinian cause and demonstrating global solidarity. The existing challenges should be used as motivation to continue to increase awareness, education and product alternatives that support this noble goal. Thus, boycotting pro-Israel products is not just a response to political conflict, but also a manifestation of deep religious values.

IV. CONCLUSION

The boycott action that occurred was an action taken to support Palestine because by doing so the income or sales of products from companies that support Israel would decrease. The boycott that occurred also did not have a major impact on retail stores in Indonesia. Sales of boycotted products remained stable and sold even though the MUI Fatwa was issued. This shows that Muslim and non-Muslim communities still depend on products that have been boycotted (because most daily necessities come from pro-Israel brands such as Unilever).

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