

# THE IMPACT OF BRAND REPUTATION AND NEGATIVE EWOM ON CONSUMER PURCHASE DECISIONS TOWARD BOYCOTTED PRODUCTS

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## Abstract

This study examines the influence of brand reputation and negative electronic word-of-mouth (eWOM) on consumer purchase decisions toward consumer products. Using a quantitative approach with survey data from 250 respondents, this research employs multiple regression analysis to test the hypothesis. The findings reveal that brand reputation has a significant positive effect on purchase decisions ( $\beta = 0.412$ ,  $p < 0.001$ ), while negative eWOM demonstrates a significant negative impact ( $\beta = -0.358$ ,  $p < 0.001$ ). The interaction between both variables shows that strong brand reputation can partially moderate the negative effects of eWOM. The results indicate that 47.3% of the variance in purchase decisions can be explained by these two factors. This study contributes to consumer behavior literature by demonstrating how brand equity and digital communication dynamics interact in controversial market contexts. Managerial implications suggest that companies facing Boycott movements should prioritize maintaining brand reputation while actively managing negative online narratives.

**Keywords:** Brand Reputation, Negative eWOM, Boycott, Consumer Purchase Decision, Consumer Behavior.

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## 1. INTRODUCTION

In the era of rapid digitalization, the dynamics of the relationship between brands and consumers have undergone a fundamental transformation. Consumer boycotts of certain products or brands have become increasingly common, triggered by issues ranging from political controversies and business ethics to social and environmental concerns. This phenomenon is further amplified by the presence of social media, which allows the dissemination of information—both factual and opinion—on a massive scale and at unprecedented speed.

Brand reputation has long been recognized as a crucial strategic asset for business success. According to Walsh and Beatty (2007), brand reputation represents stakeholders' overall assessment of a company based on their reactions to its products, services, communications, and interactions. In a competitive marketplace, a strong reputation can be a key differentiator and a source of sustainable competitive advantage. However, when a brand becomes the subject of a boycott movement, the strength of the reputation built over many years faces a significant test.

On the other hand, electronic word-of-mouth (eWOM) has become one of the most influential forces in shaping contemporary consumer perceptions and behavior. Hennig-Thurau et al. (2004) define eWOM as positive or negative statements made

by potential, actual, or former consumers about a product or company, which are made available to a wide range of people and institutions via the internet. In the context of boycott movements, negative eWOM can spread rapidly, creating a viral effect that can substantially damage a brand's image. Social media platforms such as Twitter, Facebook, Instagram, and TikTok have become arenas where negative narratives are constructed, amplified, and disseminated to millions of users within hours.

Several cases of global boycotts over the past decade demonstrate the complexity of this phenomenon. For example, boycotts of certain multinational brands linked to geopolitical conflicts have demonstrated that even companies with strong global reputations are not immune to the negative impacts of organized boycott campaigns. Data from various case studies show significant sales declines in certain quarters in regions at the epicenter of boycott movements, although the long-term impact remains a matter of academic debate.

While there is extensive literature on brand reputation and eWOM separately, research exploring the interaction between these two variables in the context of a boycotted product is limited. Crucial questions that need to be answered are: how effective is a brand reputation built over many years in mitigating the negative impact of massive eWOM during a boycott period? Will consumers who already have a positive perception of a brand remain loyal even when faced with a wave of criticism and negative information on social media?

This study attempts to fill this gap by exploring the complex dynamics between brand reputation and negative eWOM in influencing consumers' purchasing decisions towards boycotted products. By understanding the mechanisms of influence between these two factors, this study is expected to provide theoretical contributions to the consumer behavior literature, particularly in the context of brand crises and reputation management in the digital era. Practically, the findings of this study can provide strategic insights for marketing practitioners in designing effective communication and reputation management strategies when facing crises or boycott movements.

Furthermore, this research is also relevant to issues of corporate social responsibility and business ethics. In many cases, boycott movements are triggered by consumer perceptions of company actions or policies deemed unethical or contrary to social values. Understanding how consumers process negative information and make purchasing decisions in this context can provide valuable lessons for companies in developing more responsible business practices that are responsive to stakeholder expectations.

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## 2. METHODOLOGY

This study used a quantitative approach with a cross-sectional survey design. Data were collected through an online questionnaire distributed to 250 respondents selected using a purposive sampling technique with the following criteria: (1) at least

18 years old, (2) actively using social media, and (3) aware of a boycott movement against a particular product in the last 6 months.

The research instrument adapted validated scales from previous studies: the Brand Reputation Scale from Walsh and Beatty (2007), the eWOM Negative Scale from Park and Lee (2023), and the Purchase Decision Scale from Shah et al. (2024). All items were measured using a 5-point Likert scale (1 = strongly disagree to 5 = strongly agree). The validity and reliability of the instrument were tested using Confirmatory Factor Analysis (CFA) and Cronbach's Alpha, with the results showing factor loading values > 0.70 and alpha > 0.85 for all constructs.

Data analysis was performed using multiple regression analysis techniques with SPSS version 26 to test the direct effect (H1 and H2) and hierarchical regression to test the moderating effect (H3). Classical assumption tests (normality, multicollinearity, heteroscedasticity) were performed before hypothesis testing.

### 3. FINDINGS AND DISCUSSION

#### 3.1 Respondent Characteristics

Of the 250 respondents who participated in this study, the majority were aged 25-34 (42%), followed by those aged 18-24 (31%), 35-44 (19%), and those aged 45 and above (8%). The gender composition was relatively balanced, with 52% female and 48% male. Most respondents had a higher education (67% undergraduate and 18% postgraduate), and 73% actively used social media for more than 3 hours per day.

##### 3.1.1 Hypothesis Testing Results

Table 1 below presents the results of multiple regression analysis to test the influence of brand reputation and negative eWOM on consumer purchasing decisions.

**Table 1. Results of Multiple Regression Analysis**

Variables	Beta ( $\beta$ )	t-value	p-value	Conclusion
Brand Reputation	0.412	7,853	< 0.001	Significant
Negative eWOM	-0.358	-6,742	< 0.001	Significant
<b>R<sup>2</sup></b>	0.473			
<b>Adjusted R<sup>2</sup></b>	0.469			
<b>F-statistic</b>	110,847		< 0.001	

Source: Processed primary data, 2026

Table 1 shows that brand reputation has a significant positive effect on purchasing decisions ( $\beta = 0.412$ ,  $t = 7.853$ ,  $p < 0.001$ ), thus supporting H1. This result indicates that every one-unit increase in perceived brand reputation will increase purchasing decisions by 0.412 units, assuming other variables remain constant. This finding is consistent with research by Helm and Tolsdorf (2023) which shows that brand

reputation functions as a psychological buffer that protects brands from the negative impacts of crises.

In contrast, negative eWOM showed a significant negative effect on purchase decisions ( $\beta = -0.358$ ,  $t = -6.742$ ,  $p < 0.001$ ), supporting H2. The negative coefficient indicates that increasing the intensity of negative eWOM will decrease the probability of purchase decisions. Interestingly, although the coefficient of negative eWOM is smaller than that of brand reputation (in absolute value), its psychological impact is still substantial, in line with the negativity bias theory which states that negative information has greater cognitive weight.

The  $R^2$  value of 0.473 indicates that 47.3% of the variation in purchasing decisions can be explained by the combination of brand reputation and negative eWOM. The significant F-statistic ( $F = 110.847$ ,  $p < 0.001$ ) indicates that the regression model is a good overall fit and has good predictive ability.

**Table 2. Results of Moderation Analysis**

Model	$R^2$	$\Delta R^2$	p-value
Model 1: Main Effects Only	0.473	-	< 0.001
Model 2: With Interaction Term	0.521	0.048	< 0.001
<b>Interaction Term (BR × eWOM)</b>	$\beta = 0.287$	$t = 4.126$	< 0.001

Source: Processed primary data, 2026

Table 2 shows the results of testing the moderating effect of brand reputation on the relationship between negative eWOM and purchase decisions. Model 2, which includes the interaction term, shows an increase in  $R^2$  of 0.048 (from 0.473 to 0.521), which is statistically significant ( $p < 0.001$ ). The positive interaction coefficient ( $\beta = 0.287$ ,  $t = 4.126$ ,  $p < 0.001$ ) indicates that brand reputation does indeed moderate the negative relationship between eWOM and purchase decisions, thus supporting H3.

A practical interpretation of this moderating effect is that the negative impact of eWOM on purchasing decisions will be weaker for brands with strong reputations. In other words, consumers with strong positive perceptions of brand reputation tend to be more resistant to negative information circulating on social media. This finding supports the theoretical argument from the resource-based view that brand reputation is a strategic resource that can protect a company from the negative impact of external crises.

### 3.1.2 Discussion

The findings of this study make several important contributions to the literature on consumer behavior and brand management. First, the results confirm that, in the context of a boycotted product, brand reputation remains a strong determinant of

purchasing decisions. This suggests that long-term investments in building a solid brand reputation provide insurance value that can protect a company in the face of crisis or controversy.

Second, confirmation of the significant negative impact of eWOM strengthens the argument that in the digital age, online reputation management has become a strategic imperative. The ability of negative information to spread virally and influence consumer perceptions on a massive scale requires a proactive monitoring and response system from companies. This research shows that ignoring negative eWOM can result in a substantial decline in purchasing decisions, even for brands with relatively good reputations.

Third, and perhaps most importantly, is the finding that brand reputation can moderate the negative impact of eWOM. This provides empirical evidence for a “reputation reservoir” strategy whereby companies that have built a reservoir of consumer trust and goodwill can “draw” from that reservoir when facing a crisis. However, it is important to note that this moderation is partial—a strong reputation reduces but does not eliminate the negative impact of eWOM.

From a theoretical perspective, these findings integrate several previously relatively separate streams of literature: signaling theory in the context of brand reputation, negativity bias theory in the context of eWOM, and social identity theory in the context of boycott movements. This integration suggests that purchasing decisions in controversial contexts involve complex cognitive processes in which consumers must balance quality signals from brand reputation with negative information they receive from their social environment.

This research also has significant practical implications. For brand managers, these results underscore the importance of consistent investment in building and maintaining brand reputation, not just as a marketing strategy but also as a long-term risk management strategy. In the context of a crisis or boycott movement, companies with strong reputations have more room to maneuver and are more likely to retain their loyal customer base.

However, the research also shows that reputation alone is not enough. Active management of negative eWOM is still necessary. Strategies that can be considered include: (1) real-time monitoring of social media conversations for early detection of negative sentiment, (2) a quick, transparent, and empathetic response to consumer complaints, (3) engagement with influencers and opinion leaders to shape a more balanced narrative, and (4) amplifying positive testimonials from satisfied consumers to offset negative eWOM.

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#### **4. CONCLUSION**

This study successfully identified and quantified the influence of brand reputation and negative eWOM on consumer purchasing decisions on boycotted products. The

main findings show that: (1) Brand reputation has a significant positive influence on purchasing decisions with a coefficient of  $\beta = 0.412$ , indicating that brands with strong reputations have higher resilience in facing boycott movements, (2) Negative eWOM has a significant negative impact on purchasing decisions with a coefficient of  $\beta = -0.358$ , confirming the power of negative information in the digital era in shaping consumer behavior, and (3) Brand reputation significantly moderates the relationship between negative eWOM and purchasing decisions ( $\beta = 0.287$ ), indicating that a strong reputation can serve as a buffer against the negative impact of online information.

This research's theoretical contribution lies in the integration of signaling theory, negativity bias theory, and the resource-based view to explain the dynamics of purchasing decisions in a controversial context. This research expands understanding of how intangible assets such as brand reputation can function as a strategic defense mechanism in the face of external crises mediated by digital technology.

Practically, these findings offer strategic insights for managers in designing brand management and crisis communication strategies. Long-term investments in building a strong brand reputation have been shown to yield returns in the form of crisis resilience. However, proactive management of negative eWOM remains essential, given its significant impact on consumer behavior.

This study has several limitations that should be acknowledged. First, the cross-sectional approach limits the ability to draw definitive causal conclusions. Future longitudinal research could provide a better understanding of how the impact of brand reputation and negative eWOM evolves over time. Second, this study used self-reported measures, which may be affected by social desirability bias. Future research could use a combination of methods, including behavioral data and experimental designs, to validate the findings. Third, this study did not distinguish between different types or contexts of boycotts (political, ethical, environmental, etc.), which may have different dynamics.

Future research could explore several directions. First, an investigation into the specific psychological mechanisms that explain how brand reputation moderates the impact of negative eWOM—whether through selective attention, cognitive dissonance reduction, or other mechanisms. Second, an exploration of the boundary conditions of the moderating effect, for example, whether this effect differs based on consumer characteristics such as brand loyalty, involvement, or personal values. Third, cross-cultural comparisons to understand whether the dynamics identified in this study are universal or culture-specific. Fourth, an analysis of the most effective corporate response strategies in mitigating the impact of negative eWOM in the context of boycotts.

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