



# Analysis of the Influence of Israeli Boycott on Fundamental Factors and Economic Growth with Changes in Profits as Intervention Variables in Food and Beverage Franchise Companies Origin of the United States in Indonesia

Muhamad Wahyu Yusro\*, Sishadiyati

Universitas Pembangunan Nasional "Veteran" Jawa Timur, Indonesia

\*Correspondence: Muhamad Wahyu Yusro  
Email: [wahyuyusro22@gmail.com](mailto:wahyuyusro22@gmail.com)

Received: 04-08-2025  
Accepted: 11-08-2025  
Published: 30-09-2025



**Copyright:** © 2025 by the authors. Submitted for open access publication under the terms and conditions of the Creative Commons Attribution (CC BY) license (<http://creativecommons.org/licenses/by/4.0/>).

**Abstract:** This study aims to analyze the impact of the boycott of Israel on the fundamental factors and economic growth of food and beverage (F&B) companies from the United States, with changes in profits as an intervening variable. The independent variables analyzed include Net Profit Margin (NPM), Current Ratio (CR), and Total Asset Turnover (TATO), while the dependent variable is the company's economic growth. The method used is a quantitative approach with multiple linear regression and path analysis to test for direct and indirect influences. Data was obtained from the financial statements of multinational companies such as McDonald's, Starbucks, and Domino's Pizza that were affected by the boycott. The results showed that TATO had a negative and significant effect on changes in profit and economic growth directly, as well as an indirect effect on economic growth through changes in profit, which was proven to be significant through the Sobel test ( $Z = 2.55$ ;  $p < 0.05$ ). In contrast, NPM and CR did not show a

significant influence either directly or indirectly. Thus, the efficiency of asset utilization (TATO) is the most dominant factor in influencing the company's economic growth in situations of socio-political pressure such as boycotts.

**Keywords:** Boycott, Fundamental Factors, F&B Companies, Economic Growth

## Introduction

In recent years, global socio-political pressures such as consumer boycotts have had a real impact on the performance of multinational companies, especially those operating in the food and beverage sector. The issue of boycotting companies that are considered to support Israel has become one of the global movements that affects consumer perceptions and behavior in various countries. Companies like McDonald's, Starbucks, and Domino's Pizza are examples of brands that have seen a decline in public support due to this pressure. The decline raised concerns about the company's financial stability and long-term economic contribution.

Consumer boycotts are a form of social-political protest carried out collectively,

which has serious consequences for the company's reputation and market performance (Smith, 2020). In the case of the boycott of F&B companies from the United States, the impact is not only seen in terms of sales, but also in terms of fundamental aspects of the company such as profitability, liquidity, and asset efficiency. Therefore, it is important to quantitatively assess how the dynamics of these socio-political pressures affect the overall financial structure of the company. (Habibie & Hakim, 2024)

Furthermore, companies that are under pressure from the boycott will face the risk of a significant decline in profits. This decline in profit can disrupt business sustainability, reduce investment capacity, and have an impact on the company's contribution to the macroeconomy. In this context, understanding the role of changes in profit as an intervening variable is crucial, because profit can be a bridge between fundamental factors and the company's economic growth.

Based on Keynesian theory, corporate profits are an important component that drives economic growth. When profits decline due to external pressures such as boycotts, the company's investment and expansion activities will also be disrupted. In this context, financial ratios such as Net Profit Margin (NPM), Current Ratio (CR), and Total Asset Turnover (TATO) are important indicators in assessing the impact of a reputation crisis on a company's financial performance.

This study tries to further examine the influence of fundamental factors of companies on changes in profits and economic growth, as well as look at the role of changes in profits as a mediating variable. This study also answers the literature gap related to the influence of socio-political pressure on the financial and economic variables of multinational companies. With this research, it is hoped that it can provide academic contributions and strategic input for corporate policymakers in responding to global reputational risks.

### **Research Method**

This study uses a quantitative approach with statistical analysis to examine the influence of corporate financial variables on changes in profits and economic growth of the Food and Beverage (F&B) sector in the United States during the period 2009-2023 (Sugiyono, 2016). Secondary data was obtained from the financial statements of companies affected by the boycott, as well as data on Indonesia's economic growth from the central statistics agency, which was analyzed using SPSS software version 22. The sample was selected purposively based on the criteria of the company having complete financial statements and being directly affected by the boycott during the observation period. The analysis includes validity, reliability, and multiple linear regression analysis to test the relationships between variables, as well as supporting the interpretation of results empirically to obtain valid and reliable conclusions (Hardani, 2020).

## Operational Variables and Definitions

### Variable dependent

#### Economic Growth (Y)

Economic growth refers to the percentage change in Gross Domestic Product (GDP) in a given period, which reflects an increase or decrease in economic activity in a country or region (Ariani, 2021).

$$Y = C + GFCF + \Delta \text{Inventori} + X - M$$

Y (Income)	= GDP Expenditure
C (Consumption)	= Final consumption
GFCF (Gross Fixed Capital Formation)	= Gross fixed capital formation
$\Delta$ Inventory	= Inventory change
X	= Export
M	= Import

### Independent Variables

#### Net Profit Margin (X)

Net Profit Margin (NPM) is a financial ratio used to measure the proportion of net profit a company generates from its total sales. This ratio provides an overview of the company's level of efficiency in controlling costs and optimizing profits (Lestari, 2021). The higher the NPM value, the better the company's ability to generate profits from its operational activities.

$$\text{Net Profit Margin} = \frac{\text{Net Profit}}{\text{Revenue}} \times 100\%$$

#### Current Ratio (X2)

Current Ratio (CR) is one of the liquidity indicators used to assess a company's ability to pay off short-term liabilities using its current assets. This ratio reflects the extent to which the company is able to maintain financial stability in the short term (Kasmir, 2021).

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

#### Total Asset Turnover (X3)

Total Asset Turnover (TATO) is an efficiency ratio used to assess the effectiveness of a company in utilizing all its assets to generate sales.

$$\text{Total Asset Turnover} = \frac{\text{Net Sales}}{\text{Total Assets}}$$

## Variable intervention

### Profit Change (Z)

Changes in profit refer to the difference between the profit that the company generates in a certain period compared to the previous period (Nababan, 2019). To measure this change, pre-tax profit is used as the main indicator so that the results are not distorted by differences in tax rates between periods.

$$\Delta Y_t = \frac{Y_t - Y_{t-1}}{Y_{t-1}} \times 100$$

$\Delta Y_t$  = Change in profit in a given year

$Y_t$  = Profit of a particular company with a certain period

$Y_{t-}$  = Profit of a particular company in a given period

The analysis model is carried out twice, according to the path analysis approach:

1. First model: Influence of X1, X2, X3 on Z
2. Second model: Influence of X1, X2, X3, and Z on Y

## Results and Discussion

The classical assumption test shows that the results of the normality test with a significance value of  $0.000 < 0.05$  can be concluded that the distribution of data in this study is not normally distributed. The problem of abnormal data must be corrected in order to obtain a good regression model. One way to overcome this data is by transforming the data using the LN formula, because insignificant data is moderate negative skewness. After the data transformation, it can be found that the magnitude of the significance value of the Kolmogorov-Smirnov is 0.200 ( $0.200 > 0.05$ ), which is with a result greater than 0.05, which means that the residual data is normally distributed so that it is suitable for use, as presented in the following table 1.

**Table 1.** Kolmogorov-Sumirnov Normality Test

**One-Sample Kolmogorov-Smirnov Test**

		Unstandardized Residual
N		42
Normal Parameters <sup>a,b</sup>	Mean	.0000000
	Std. Deviation	.52302347
Most Extreme Differences	Absolute	.098
	Positive	.098
	Negative	-.054
Test Statistic		.098
Asymp. Sig. (2-tailed)		.200 <sup>c,d</sup>

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

d. This is a lower bound of the true significance.

The Multicollinearity test aims to test whether the regression model finds a correlation between independent variables. Based on the output results in table 2, it shows that of the four variables tested, only Total Asset Turnover (TATO) and Profit Change have a significant effect on economic growth, with significance values of 0.015 and 0.008, respectively. Meanwhile, Net Profit Margin (NPM) and Current Ratio (CR) showed no significant influence, with significance values of 0.853 and 0.201, respectively. In addition, the results of the multicollinearity test showed that all variables had a Tolerance value above 0.10 and VIF below 10, indicating the absence of symptoms of multicollinearity in this regression model. Thus, the model can be said to be feasible for use in advanced analysis.

**Table 2.** Multicollateral Test

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.974	.283		3.438	.001		
	LN1	-.019	.100	-.031	-.186	.853	.756	1.322
	LN2	-.425	.326	-.195	-1.303	.201	.936	1.069
	LN3	-.485	.190	-.569	-2.554	.015	.421	2.378
	LNZ1	-.163	.058	-.583	-2.819	.008	.488	2.050

a. Dependent Variable: LNY1

## Descriptive Analysis

Descriptive statistics are used to describe the characteristics of the research data. The variables analyzed include net profit margin, current ratio, total asset turnover, profit change, and economic growth. The data analyzed included 42 observations from 2009 to 2023. The results of the descriptive analysis presented in table 3 show that the average Net Profit Margin (0.047) and Total Asset Turnover (0.794) are still relatively low, reflecting the profitability and efficiency of the asset that has not been optimal. The Current Ratio of 0.565 indicates less than ideal liquidity conditions, while a negative average change in earnings (-56.37) indicates significant pressure on financial performance due to the boycott. Although the company's economic growth still shows a positive figure (0.26), the large variation between companies indicates an imbalance in the ability to survive and grow during the crisis period.

**Table 3.** Statistical Description

Variable	N	Min	Max	Mean	Std.Dev
Net Profit Margin	42	-0,26	0,2	0,047	0,03
Current Ratio	42	0,70	2,83	,565	0,47
Total Asset Turnover	42	0,9	,87	0,794	0,39
Perubahan Laba	42	-523,	32,5	-56,37	65,02
Pertumbuhan Ekonomi	42	-4,2	7,5	,26	2,29

## The Influence of Fundamental Factors on Changes in Company Profits

The first regression results presented in table 4 show that total asset turnover has a negative and significant influence on the change in profit with a coefficient value of -2.36 and a significance of 0.000. NPM also had a negative effect, but only significantly at the level of 0% ( $p = 0.085$ ), while CR had no significant effect ( $p = 0.723$ ). This means that only TATO and some NPMs affect the change in profit.

**Table 4.** First Regression Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.755	.742		2.365	.023
	LN1	-.476	.269	-.222	-1.770	.085
	LN2	-.326	.913	-.042	-.357	.723
	LN3	-2.316	.378	-.759	-6.123	.000

a. Dependent Variable: LN1

### The Influence of Fundamental Factors on Economic Growth Through Changes in Profit as an Intervening Variable

In the second model, presented in table 5, the total asset turnover again shows a significant direct influence on economic growth, with a coefficient of -0.485 and a significance of 0.05. net profit margin and CR do not show a significant influence on economic growth. This signifies that the efficiency of asset use is a major factor affecting the company's economic growth during the boycott pressure.

**Table 5.** Second Regression

		Coefficients <sup>a</sup>				
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.974	.283		3.438	.001
	LNK1	-.019	.100	-.031	-.186	.853
	LNK2	-.425	.326	-.195	-1.303	.201
	LNK3	-.485	.190	-.569	-2.554	.015
	LNZ1	-.163	.058	-.583	-2.819	.008

a. Dependent Variable: LNY1

### Mediation Test (Sobel Test)

The Sobel test was conducted to test the role of profit changes as an intervening variable between TATO and economic growth. The sobel results presented in table 6, show a sobel test value of -5.9238 with p-value = 0.000. Although the Z value is negative, in absolute terms, it exceeds the critical limit of .96, thus still showing the statistical significance of the influence of mediation. Therefore, it can be concluded that Changes in Profit (Z) have an important role as an intervening variable that bridges the relationship between asset use efficiency (TATO) and corporate economic growth, as well as exerting a significant influence

**Table 6.** Sobel Test

Input:	Test statistic:	Std. Error:	p-value:
a -2.316	Sobel test: -5.92380957	0.14778463	0
b 0.378	Aroian test: -5.9117255	0.14808671	0
s <sub>a</sub> -0.163	Goodman test: -5.93596805	0.14748193	0
s <sub>b</sub> 0.058	Reset all	Calculate	

### Coefficient of Determination (R-Square)

From the data presented in table 7, it shows that the second regression model has an R value of 0.478 and an R-Square of 0.228. This means that 22.8% of the variation in economic growth can be explained by variables in this model, while the remaining 77.2% is influenced by factors outside the model that were not analyzed in this study.

**Table 7. R-Square****Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.974	.283		3.438	.001
	LNx1	-.019	.100	-.031	-.186	.853
	LNx2	-.425	.326	-.195	-1.303	.201
	LNx3	-.485	.190	-.569	-2.554	.015
	LNz1	-.163	.058	-.583	-2.819	.008

a. Dependent Variable: LNY1

### 1. The Effect of Net Profit Margin, Current Ratio, and Total Asset Turnover on Changes in Profit (Z) in Food and Beverage Sector Companies

The first regression model shows that only Total Asset Turnover has a significant negative effect on the change in profit, while the Net Profit Margin is significant at the level of 10%, and , the Current Ratio has no effect. This indicates that the decline in asset utilization efficiency has significantly reduced the company's profits amid boycott pressure. These findings are in line with (Viranisa & Oktoriza, 2023), as well as supporting the theory (Keynes, 1936) that external pressures on aggregate demand lower profits and hinder investment.

### 2. The Effect of Net Profit Margin, Current Ratio, and Total Asset Turnover on Economic Growth

Only TATO has a significant influence on economic growth, strengthening the position of asset efficiency as the key to corporate growth in crisis situations. These results are reinforced by research (Rosiana, D., & Lestari, 2022) and are in line with Keynesian theory, which emphasizes that economic instability due to external factors can affect aggregate demand and disrupt company productivity, particularly in asset utilization. Therefore, asset efficiency is a fundamental element that significantly affects the company's economic growth in situations of socio-political pressure such as boycotts.

### 3. The Effect of Net Profit Margin, Current Ratio, and Total Asset Turnover on Economic Growth Through Changes in Profit as a Variable Intervening

The results of the Sobel test show that only the mediated pathway of TATO through Profit Changes to economic growth is significant, proving that profit is an important connecting mechanism. This is in line with the findings (Cahyani, N. P., & Prasetyo, 2020) and the principle in Keynesian theory that profit determines investment capacity and expansion.

#### **4. There is one fundamental factor that has the greatest influence on economic growth directly**

The regression coefficient shows that TATO is the only variable with the most significant and direct influence on economic growth. These findings are strengthened by research (Handayani, S., & Pramudena, 2022) which states that TATO has a dominant influence on the growth of manufacturing companies, especially in volatile market conditions. This is in line with Harrod-Domar's theory of growth, which states that economic growth is highly dependent on the efficient use of capital and assets. When assets are not used optimally, for example because a boycott causes outlets to close, distribution is disrupted or demand plummets, then the contribution to economic growth decreases.

#### **5. There is one fundamental factor that has the greatest influence on economic growth indirectly**

Through the mediation test, TATO was also proven to be the only variable that had a significant effect indirectly through changes in profit. This reinforces the findings (Cahyani, N. P., & Prasetyo, 2020), which state that TATO plays a key role in shaping the company's long-term growth, both through revenue lines and profit productivity.

### **Conclusion**

The results of this study show that:

1. TATO has a significant effect on changes in profits and economic growth, both directly and indirectly.
2. NPM only has a significant effect on the change in profit at the level of 0%, and not significantly on economic growth.
3. CR has no significant effect on changes in profits or economic growth.
4. Changes in profit have proven to be a significant intervening variable between TATO and economic growth.
5. TATO is the most dominant fundamental factor in influencing the economic growth of F&B companies from the United States amid boycott pressure.

### **Suggestion**

For companies, it is important to focus on the efficiency of asset use in order to survive amid socio-political pressures. For subsequent researchers, it is recommended to add external variables such as inflation rates, exchange rates, or market sentiment to enrich the model. This research is also expected to be a reference in the policymaking of multinational companies that face global reputational risks.

## References

- Ahmed, T. (2021) 'Corporate Profitability and Economic Growth: A Sectoral Analysis.', *Economic Modelling*, 67(5), pp. 89–102.
- Ariani, L. (2021). Analisis Pertumbuhan Ekonomi dan Pembangunan di Negara Berkembang.
- Athira, A. and Murtanto, M. (2022) 'Pengaruh Npm, Der, Tato Dan Cr Terhadap Pertumbuhan Laba', *Jurnal Ekonomi Trisakti*, 2(2), pp. 1229–1240. Available at: <https://doi.org/10.25105/jet.v2i2.14717>.
- Badan Pusat Statistik Nasional (2023) Laju Pertumbuhan PDB Industri Makanan dan Minuman. Available at: [bps.co.id](https://bps.co.id).
- Bekraf (2023) Laporan Ekonomi Kreatif Indonesia 2023, [kemenparekraf.go.id](https://kemenparekraf.go.id).
- BPS (2023) Statistik Industri Kuliner dan Restoran di Indonesia. Available at: [bps.co.id](https://bps.co.id).
- BPS-Statistics Indonesia (2024) PRODUK DOMESTIK BRUTO INDONESIA MENURUT PENGELUARAN 2019-2023. Edited by Directorate of Expenditure Accounts. Jakarta: BPS-Statistics Indonesia. Available at: <https://www.bps.go.id/id/publication/2024/05/31/ea145f324f198e80194043cd/produk-domestik-bruto-indonesia-menurut-pengeluaran--2019-2023.html>.
- Cahyani, N. P., & Prasetyo, A. (2020) 'The Effect of Asset Management on Company Performance: Evidence from the Manufacturing Sector.', *Journal of Business and Economics*, 8(1), pp. 45–58.
- Dewi, R. A., & Marhayanie, M. (2021) 'Liquidity and Its Impact on Company Growth: Evidence from Crisis-Affected Industries', *International Journal of Economics and Finance*, 13(4), pp. 112–120. Available at: [doi:10.5539/ijef.v13n4p112](https://doi.org/10.5539/ijef.v13n4p112).
- Fahmi, I. (2020) Analisis Laporan Keuangan. Bandung: Alfabeta.
- Fitria, A., & Yuliati, S. (2020) 'Perilaku Konsumen dan Inovasi Layanan Makanan di Era Digital. *Jurnal Ekonomi Kreatif*, 12(1)', pp. 23–35.
- Ghozali, I. (2021) Aplikasi Analisis Multivariate Dengan Program IBM SPSS 26 Edisi 10. Badan Penerbit Universitas Diponegoro.
- Handayani, S., & Pramudena, A. (2022) 'The Impact of Financial Ratios on Company Growth: A Study in the Retail Sector', *International Journal of Finance and Accounting*, 10(2), pp. 75–88.
- Hardani. (2020). Metode Penelitian Kualitatif & Kuantitatif. CV.Pustaka Ilmu Grup.
- Huang, Q. (2023) 'The Discursive Construction of Populist and Misogynist Nationalism: Digital Vigilantism Against Unpatriotic Intellectual Women in China', *Social Media and Society*, p. 9(2). Available at: <https://doi.org/10.1177/20563051231170816>.

- Jelita Ningrum, A. and Aminulloh, A. (2024) 'Jurnal Komunikasi Nusantara Vigilantisme Digital dalam Aksi Boikot Produk Israel di Media Sosial', Universitas Negeri Malang 1 Jl. Veteran, 6(1), pp. 145–160.
- Kasmir (2021) Analisis Laporan Keuangan. Depok: PT RajaGrafindo Persada.
- Kasmir. (2021). Analisis Laporan Keuangan. PT RajaGrafindo Persada.
- Keynes, J.M. (1936) *The General Theory of Employment, Interest, and Money*. Harcourt Brace Jovanovich.
- Lee, Y & Zhang, X. (2020) 'Operational Efficiency and Its Macroeconomic Impact', *Journal of Productivity Analysis*, 22(1), pp. 34–47.
- Lestari. (2021). Pengaruh Return On Asset (Roa), Return On Equity (Roe) Dan Net Profit Margin (Npm) Terhadap Pertumbuhan Laba Pada Perusahaan Makanan Dan Minuman Yang Terdaftar Di Bursa Efek Indonesia Tahun 2017 – 2019. 28(53).
- Loveluck, B. (2020) 'The many shades of digital vigilantism. A typology of online self-justice. *Global Crime*', pp. 213–241. Available at: <https://doi.org/10.1080/17440572.2019.1614444>.
- Nababan. (2019). Pengaruh Rasio Keuangan Dalam Memprediksi Perubahan Laba Pada Perusahaan Foods and Beverages Yang Terdaftar Di Bei. 2(1).
- Nusraningrum (2021) 'Persepsi Dan Sikap Terhadap Keputusan Pembelian Produk Pangan Fungsional Pada Generasi Milenial', *Jurnal Bisnis dan Akuntansi*, 23(1), pp. 37–48. Available at: <https://doi.org/10.34208/jba.v23i1.767>.
- Rajendra, M.A. (2024) 'Jurnal Kajian Akuntansi , Auditing dan Perpajakan Dampak Pemboikotan Produk Pada Masa Konflik Israel-Palestina Terhadap Harga Saham Dan Volume Transaksi Pada Perusahaan'.
- Rosiana, D., & Lestari, R. (2022) 'The Impact of Asset Efficiency on Company Growth Performance in the Retail Sector', *Journal of Business and Management*, 10(2), pp. 45–58.
- Shella Gilby Sapulette, I.F.S. (2022) 'Intisari', PENGARUH KEBIJAKAN DIVIDEN, KEBIJAKAN HUTANG, DAN PROFITABILITAS TERHADAP NILAI PERUSAHAAN, 3(8), pp. 1–18.
- Siregar, ika musriana (2019) 'PENGARUH EKSPOR TERHADAP PERTUMBUHAN EKONOMI DI INDONESIA PERIODE TAHUN 2013-2017', *Ekonomi Pendidikan*, 7(ekonomi), p. 9.
- Smith, J. (2020) 'Impact of Consumer Boycotts on Multinational Corporations'.
- Smith, J. (2020). *Impact of Consumer Boycotts on Multinational Corporations*.
- Soeharyo, M & Hadi, S. (2020) *Pembangunan Ekonomi: Teori dan Implementasi di Indonesia*. Jakarta: Salemba Empat.
- Sugiyono. (2016). *Metode Penelitian (Kuantitatif, Kualitatif dan R&D)*. Alfabeta.

- 
- Sujarweni (2020) Analisis Laporan Keuangan. Yogyakarta: PUSTAKA BARU PRESS.
- Taylor, K & Brown, J. (2020) 'Liquidity Management and Macroeconomic Performance', *Finance and Economics Journal*, 14(6), pp. 45–63.
- Trottier, D. (2020) 'Denunciation and doxing: towards a conceptual model of digital vigilantism. *Global Crime*', pp. 196–212. Available at: <https://doi.org/10.1080/17440572.2019.1591952>.
- Viranisa, A.N. and Oktoriza, L.A. (2023) 'Pengaruh Net Profit Margin, Debt To Equity Ratio dan Total Assets Turnover Terhadap Pertumbuhan Laba (Pada Perusahaan Properti & Real Estate yang Terdaftar di BEI Tahun 2016-2022)', *Jurnal Manajemen dan Dinamika Bisnis (JMDB)*, 2(2), pp. 69–80.
- Welley (2021) 'Perbandingan Harga Saham Perusahaan Farmasi Bumn Sebelum Dan Sesudah Pengembangan Vaksin Virus Corona (Covid-19)', *Jurnal Ilmiah Manajemen Bisnis Dan Inovasi Universitas Sam Ratulangi*, 7(3), pp. 571–579. Available at: <https://doi.org/10.35794/jmbi.v7i3.31514>.
- Zakiah, T. (2019) 'Perubahan Laba: Kinerja Keuangan dan Firm Size Sebagai Antensedan', *JBMA: Jurnal Bisnis, Manajemen, dan Akuntansi*, VI(2), pp. 13–34.