The efficiency of a boycott campaign: the case of BDS

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The efficiency of a boycott campaign: the case of BDS

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I would like to dedicate this thesis to the Palestinian people, resisting oppression for 77 years. They are an example of resilience and dedication for my generation. No one is free until Palestine is free.

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1. Introduction

Since 1948, the Palestinian question has been a crucial issue in international affairs. Over the past 77 years, the Palestinian people have faced dispossession, expulsions, colonialism, and an apartheid regime. Since October 7 and the intensification of Israeli attacks on Gaza following 17 years of illegal blockade, thousands of protests have taken place around the world in support of the Palestinian people, calling on states and institutions to end their complicity in what protestors describe as genocide. Amnesty International, Human Rights Watch, B'Tselem, and many other NGOs have reported that Israel is indeed committing a genocide. But what does this "complicity" that protestors denounce mean?

In July 2025, Francesca Albanese, UN Special Rapporteur on the situation of human rights in the Palestinian Territories, published a report titled *From Economy of Occupation to Economy of Genocide*. In this report, Albanese explains how the occupation and illegal settlements have become a lucrative business in which corporations are deeply involved. These corporations not only enable the oppression of the Palestinian people but also help sustain the system. As the occupation has escalated into genocide, the occupation economy has become what she calls a genocide economy. The report does not provide an exhaustive list of companies profiting from this system, but it illustrates how it operates. Nonetheless, several sectors and companies are explicitly mentioned, including the military industry, technology firms such as HP, financial institutions such as AXA, and even corporations in the tourism sector such as Booking.com.

Since 2005, the largest coalition of Palestinian civil society, under the banner of Boycott, Divestment, Sanctions (BDS), has consistently identified specific companies as highly complicit and designated them as targets for boycott and divestment. The goal is to pressure these corporations to end their involvement in violations of Palestinian rights.

This study aims to assess a specific aspect of the BDS strategy as part of the global struggle for Palestinian rights: the pressure exercised on corporations and the conditions under which this pressure can be sustainably effective. For boycotts to be effective, they must generate financial consequences for targeted companies. The study therefore focuses on stock prices and returns, as these reflect the market's independent evaluation of boycott campaigns. If boycotts are effective, the targeted companies should experience a negative impact observable in the stock market.

Two methodologies are used. The first is the classical method commonly applied to assess boycott effectiveness: event study methodology. While useful, this method is limited because it captures only short-term effects and does not establish causality. The second method is synthetic difference-in-differences, an innovative approach that allows the assessment of long-term impacts. However, the relatively small sample size makes this method highly sensitive to outliers and idiosyncratic effects. For this reason, the study does not claim to reach definitive conclusions, but rather to provide preliminary results and serve as a foundation for further research.

Finally, contextual information about the BDS strategy—such as the distinction between boycott and divestment and the criteria used to select corporate targets—was collected through an interview personally conducted with Asmaa Zeroual, a Belgian BDS activist.

2. Literature review

Boycott, Divestment, Sanctions (BDS) is a global, Palestinian-led movement launched in 2005. Its main goal is to pressure the Israeli government to comply with international law regarding Palestinian rights, specifically with respect to the colonization of Palestinian territories, the equal rights of Arab citizens of Israel, and the right of return for Palestinian refugees as stipulated in UN Resolution 194.

The movement's strategy centers on three pillars: (i) boycotting goods, services, or cultural activities linked to Israel's violations of Palestinian rights; (ii) pushing institutions such as universities, churches, and unions to divest from companies complicit in Israeli policies; and (iii) advocating for governments to impose sanctions on Israel. In this study, divestment is treated as a form of boycott, since BDS divestment targets often overlap with consumer boycott targets, and vice versa.

To fully understand the movement's strategy, boycott must be defined both scientifically and historically. What is a boycott? What are its origins? What are the key historical examples? Can a boycott be considered an efficient strategy according to qualitative and quantitative studies? And finally, under what conditions can boycott campaigns succeed?

2.1. What is boycott?

The origin of the word "boycott" dates back to a group of Irish farmers who decided to boycott their British landlord after a rent dispute. His name was Mr. Charles Cunningham Boycott, and he was one of the oppressive British estate managers (Friese, 2000).

Several definitions of the term exist. The most commonly cited is that of Friedman (1985), who defines a boycott as "an attempt by one or more parties to achieve certain objectives by urging individual consumers to refrain from making selected purchases in the marketplace."

Garrett (1987) offers a more precise definition: "A concerted, but not mandatory, refusal by a group of actors (the agents) to conduct marketing transactions with one or more other actors (the target), for the purpose of communicating displeasure with certain target policies and attempting to coerce the target to modify those policies."

Black's Law Dictionary (1983) defines a boycott as a "concentrated refusal to do business with a particular person or business in order to obtain concessions or to express displeasure with certain acts or practices of the person or business."

A more activist perspective is provided by Cesar Chavez, a founding member of the United Farm Workers, who defined a boycott as "a means to make a cause a public question when the legal system fails to do it justice" (Klein et al., 2004).

Boycott is an activist tool widely used to contest specific behaviors. According to Ulker-Demirel et al. (2021), 42% of multinational companies and 54% of prominent brands have faced boycotts for various reasons.

There are several historical examples, such as the Montgomery Bus Boycott (1955–1956), which was a mass protest by African Americans in Montgomery, Alabama, against racial segregation on public buses. It was sparked by Rosa Parks' arrest for refusing to give up her

seat to a white passenger. Led by Martin Luther King Jr., the year-long boycott successfully ended with a Supreme Court ruling that declared bus segregation unconstitutional, after nearly pushing the company into bankruptcy (Garrow, 1989; Gray, 1995; Burns, 1997; Thornton, 2006).

Other famous examples are the Nestle Boycott because of its aggressive baby formula advertisements in the global south countries, which cost Nestle a lot of money (Boyd, 2012) and Starbucks boycott calls for not paying taxes (Baker, 2012). More recently, Tesla is facing a boycott calls because of Elon Musk's support for radical far right ideas (Le Vif, 2025).

The anti-apartheid boycott in South Africa is the case that inspired the BDS movement (Barghouti, 2011). Unfortunately, there is no significant literature that explores this historical boycott, especially from an economic perspective.

Even before the foundation of BDS in 2005, boycotts in favor of Palestinian rights were organized at the state level. The Arab boycott of Israel, initiated by the Arab League, began as early as 1945 and was formally institutionalized in 1951 with the creation of the Central Boycott Office (CBO) in Damascus (Fershtman and Gandal, 1996). The boycott had three levels:

1. A primary boycott of Israeli firms,
2. A secondary boycott of companies doing business with Israel, and
3. A tertiary boycott of firms dealing with those blacklisted companies.

Less organized and more spontaneous boycott calls in support of Palestinian rights also occurred. In 2001, Amazon.com faced boycott calls after reports indicated that its partnership with the Jerusalem Post was benefiting Israeli soldiers (Armbruster, 2002).

BDS uses various types of boycotts. Instrumental boycott, defined as a boycott with the aim of achieving a clear goal (Friedman, 1999), and expressive boycott, defined as an expression of frustration and a means to denounce (Friedman, 1999), are both used. For instance, the "Boycott Carrefour" campaign is an instrumental boycott because BDS calls on Carrefour to withdraw from illegal settlements in the West Bank[1]. On the other hand, the "Boycott McDonald's" campaign is an expressive boycott because it aims to denounce McDonald's support for Israeli soldiers, without a clearly defined objective[2].

BDS calls for both non-governmental and governmental boycotts (Al Shebil et al., 2011), particularly through "ethical public procurement" campaigns urging public authorities to exclude targeted companies from procurement contracts, and under the banner of "divestment," calling on public institutions to divest from those companies.

BDS advocates for "micro-boycotts" (Abosag, 2010), which target specific firms or products due to their corporate policies, and "macro-boycotts," which are directed at state policies or the actions of a government, such as the Muslim boycott of Danish products following the Prophet Muhammad caricatures (Post, 2007). In the case of the Palestinian question, the boycott concerns Israeli products and companies, which the BDS movement advocates boycotting more for their complicity than for their nationality, unlike the Muslim boycott of Denmark. In this

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[1] See BDS movement website : https://bdsmovement.net/boycott-carrefour
[2] See BDS movement website: https://bdsmovement.net/Guide-to-BDS-Boycott

study, the focus will be on "micro-boycotts," as examining the majority of Israeli companies would not be productive for isolating the boycott effect.

2.2. Boycott participation and conditions of success

Boycott is a form of consumer activism, defined as a political action expressed through consumption choices (Lightfoot, 2019). Boycott is also defined as "political consumerism", which gives power to the consumer to influence corporate behavior (Neilson, 2010). The main challenge to make it an efficient form of activism is a massive consumer participation in boycott campaigns (Holzer, 2006).

In the last months, the world has witnessed large-scale protests in support of the Palestinian cause. An increasing number of individuals are getting involved, at least by sharing information about the genocide or by participating in the many demonstrations organized around the world. Involvement with the cause is the most obvious political factor of boycott participation (Albrecht et al., 2013).

Al Serhan and Boukrami (2015) argue that boycotts are motivated by religion, war, economics, culture, and, finally, environmental and ethical concerns. Consumers' motivation to participate in BDS boycotts can be multiple: it stems originally from ethical concerns provoked by war and injustice, especially in response to the emotions triggered by the horrific images from Gaza, while religious solidarity partially motivates Muslim consumers (Awaludin et al., 2023). Primary emotions are a driving factor of boycott participation (Misiewicz et al. 2024).

BDS typically employs language and arguments aligned with widely recognized international normative frameworks, such as international law, UN resolutions, and human rights declarations and conventions. This strategic choice lends significant legitimacy to its boycott campaigns and allows them to have a broader impact than campaigns that may appear primarily political (Sutrisno, 2024).

Among all the types of activism, consumer activism has several strengths. It is a highly accessible form of engagement, unlike attending meetings or organizing street protests. Making informed purchasing decisions requires less time and effort, making it a low-threshold form of political participation. Additionally, boycotts allow for transnational solidarity: BDS enables individuals in Europe, North America, and elsewhere to act in support of Palestinian rights, especially since its targets are multinational corporations (Lightfoot, 2019).

Boycott also empowers politically marginalized communities, ensuring large participation and giving them a voice in the market. However, it is important to note that wealthier consumers often exert more impact than lower-income participants, highlighting inequalities in boycott power (Lightfood, 2019).

Boycott participation is also influenced by age and gender. Women tend to be more consistent in their participation when the campaign involves ethical concerns (Kim et al., 2023), while younger consumers are more likely to translate their opposition to unethical situations into consumption behavior (Tuan et al., 2023).

Another important political factor of participation is the credibility of the boycott call; credible social movements have the power to influence consumers' purchasing intentions. (Albrecht et al., 2013; King, 2011). A random call may receive little attention or support. BDS, as the largest

coalition of Palestinian civil society, benefits from a high level of credibility, despite attacks and accusations from some governments.

Nevertheless, consumers do not perceive the credibility of a boycott call as a sign of its success. Rather, the perceived likelihood of success is what drives participation (Albrecht et al., 2013). In the case of BDS, past victories—such as those involving Orange or Puma—are often cited to encourage involvement.

This perceived likelihood of success is, in turn, influenced by the perceived participation of others: the more people visibly join the boycott, the more likely a consumer is to view it as effective and to join in (Sen et al., 2001; Braunsberger and Buckler, 2011; Balabanis, 2013). As the movement of solidarity with Palestine grows, social pressure plays a role in individuals' participation, especially concerning social media (Hosseini et al., 2023).

The belief that participating in a boycott is not only morally justified but also politically effective has an impact on the consumer's decision to engage or not in boycott; it is the "attitudes toward the behavior" factor as explained in the Theory of Planned Behavior (Ajzen, 1991).

The Theory of Planned Behavior (Ajzen, 1991) is a psychological model that explains how individuals make decisions to engage in a specific behavior—in this case, to participate in a boycott.

- Attitudes toward the behavior: in this context, the belief that participating in a boycott is morally justified and politically effective.
- Subjective norms: the perceived social pressure to boycott, or the fear of disapproval if one does not participate.
- Perceived behavioral control: the belief that the targeted brand can be avoided and that credible alternatives exist.

Together, three factors—attitudes, subjective norms, and perceived behavioral control—shape consumers' intention and ultimately influence their boycott behavior toward global companies (Kim C. et al 2023).

The existence of credible alternatives is a major factor in boycott success (Lightfoot, 2019). One of the reasons of environmental boycotts failures is the absence of credible alternatives. The other reasons are the lack of coordination among consumers and the presence of free riders (Delacote, 2009).

Shalpegin et al. (2023) find that firms in markets with limited competition and scarce alternatives are less financially affected by boycotts, whereas those in more competitive environments face stronger economic consequences. This outcome is supported by another study, which demonstrates that companies operating in highly concentrated markets with limited alternatives experience 30–40% lower sales impacts (Yu et al., 2024).

In response to such challenges, the BDS movement strategically targets a specific subset of complicit companies based on clear and transparent criteria, rather than addressing all firms implicated in Israeli apartheid. BDS targets multinational companies with a global presence, which facilitates international coordination and pressure against these firms.

The goal is to focus collective action on a limited number of highly complicit clear targets, and only when credible alternatives are available. This strategic selectivity explains why BDS, for example, does not call for a boycott of Amazon or Google.

This strategy ensures clear and achievable demands, an important factor of success. Boycotts are more effective when the objectives are simple and actionable (Lightfoot, 2019).

Despite BDS's coordinated strategy, many unofficial boycott calls have emerged on social media, creating confusion. The overabundance of information, and particularly misinformation, can dilute the movement's credibility and coherence (Lightfoot, 2019). For example, Starbucks has been widely targeted by online boycott campaigns, despite no verified evidence of its complicity in violations of Palestinian rights—illustrating the risk of misdirected activism.

Boycott campaign's major challenge is the brand loyalty and brand affect, which may serve as barriers to boycott participation (Platon, 2019). The more emotionally attached a consumer is to a brand, the less likely they are to participate (Albrecht et al., 2013). In the case of BDS, this may apply to very popular brands such as McDonald's or Coca-Cola.

In the case of Japan-Korean trade conflict and the consumers' attitudes towards it, consumer affinity and animosity toward a brand or country demonstrate a significant impact on an individual's likelihood of participating in a boycott (Kim C. et al. 2022).

In addition to the brand strength and consumer loyalty toward it, corporate social responsibility (CSR) negatively influences consumers' intention to participate in a boycott. When a brand is perceived as socially responsible prior to the campaign, consumers are less likely to participate in boycott (Kim C. and Kinoshita A., 2022; Macchion, 2024; Fei and Zhu, 2024).

One way to face this challenge is to create a strong boycott campaign branding (Lightfoot, 2019). Strong campaign branding – recognizable slogans and visuals help mobilize public support. BDS has successfully used branding in major campaigns. For instance, it parodied Carrefour's slogan "Act for food" as "Act for blood," creating a strong symbolic impact.

Targeting brand reputation is the most effective way to create long-term impact on an allegedly complicit firm (Pujiastuti, 2023; Fei and Zhu, 2024), as it can influence even the perception of the brand among non-boycotting consumers (Nasir et al., 2024).

Boycott efficiency varies between consumer product companies, which are more vulnerable to sales declines, and less visible B2B firms, as demonstrated by the boycott of Israeli-affiliated companies in Indonesia (Fadzilah et al., 2024).

When combined with strong brand loyalty, the availability of online purchasing options reduces consumer participation in boycotts—a pattern particularly pronounced in non-metropolitan areas (Nakami et al, 2022). In the context of BDS, this insight may apply to companies that offer products or services through online channels.

Another online factor is social media. For instance, Filipino consumers consider both the strength of boycott campaigns and the responses of brands on social media as influential factors in their decision to participate (Allam et al. 2024). Few companies targeted by BDS have issued public responses to the campaign's accusations, which may influence consumers' likelihood of participating in the boycott.

2.3. Empirical studies

The earliest credible empirical investigation into boycott effectiveness is Pruitt and Friedman (1986). The authors analyze 21 diverse boycott announcements in the United States, covering various causes and motivations between 1970 and 1980, with event selection based on Friedman's (1985) earlier qualitative work. The effectiveness is measured by the firms' stock abnormal returns following the event (boycott announcement).

The methodology is an event study employing the market model, with an estimation window of 200 trading days (-220 to -21 relative to the announcement) and an event window spanning -20 to $+60$ days. The results show a statistically significant -1.256% immediate abnormal return over days -1 and 0, followed by an additional -4.667% significant abnormal return over days $+1$ to $+30$. The effect dissipates by days $+31$ to $+60$.

Afego and Alagidede (2021) use the same methodology to analyze the effect of joining the "Stop Hate for Profite" boycott campaign against Facebook. The expected effect in this case is positive abnormal returns for the firms that took a stand for a moral and a corporate socially responsible cause.

The sample studied is 27 US-listed firms that publicly joined the boycott. The estimation window is also 200 days before the event (-210 to -11 days). The event window is smaller (-5 to +5 days around announcement), therefore, the focus is on the shorter term. The results are tested with parametric t-tests, Boehmer et al. test and non-parametric sign test.

The study concludes +2.68% significant cumulative abnormal returns over +1 to +4 days post announcement.

Afego & Alagidede (2021) apply an event study methodology to assess the stock market reaction to firms' participation in the "Stop Hate for Profit" boycott campaign against Facebook. Given the boycott's framing as a moral and corporate social responsibility (CSR) initiative, the expected effect is positive abnormal returns for participating firms.

The sample comprises 27 U.S.-listed companies that publicly announced their participation. The estimation window covers 200 trading days prior to the event (-210 to -11), while the event window spans -5 to $+5$ trading days, focusing on short-term effects.

The study reports a statistically significant cumulative abnormal return (CAR) of +2.68% over the (+1, +4) post-announcement window.

The same event study methodology is applied to local boycotts of Israeli-affiliated firms in Indonesia (Fadzilah et al., 2024; Avianuari and Hendranastiti, 2024). Both studies are specific to the Indonesian stock market and reflect Indonesian consumer behavior.

Fadzilah et al. (2024) examine the abnormal returns of eight Israeli-affiliated Indonesian firms' stock prices surrounding a national boycott call. Using a large event window (-100 to $+100$ trading days), the authors find no statistically significant difference in abnormal returns before and after the boycott.

Avianuari and Hendranastiti (2024) analyze both abnormal returns and trading volume activity, but the focal event is 7 October 2023, a geopolitical escalation, rather than a boycott

announcement. Consequently, the boycott effect is not isolated; the study measures market reaction to the geopolitical shock instead. The sample includes 10 Indonesian-listed companies. Multiple event windows are tested (5-day, 30-day, and 120-day). For the 5-day window, both average abnormal returns and trading volume activity are significantly different before and after the event. For the 30-day window, only trading volume activity remains significant, while for the 120-day window, neither measure shows a significant difference.

This methodology is well-suited for capturing immediate short-run effects but is ill-equipped to identify the long-term impact of a boycott announcement. A key limitation is the risk of confounding events: the longer the event window, the greater the probability that unrelated firm-specific, sectoral, or macroeconomic events influence returns, thereby diluting the estimated boycott effect. In practice, controlling for all potential confounders across a large sample of companies and sectors over an extended period is virtually impossible.

A further limitation is the absence of a counterfactual. Without a synthetic or real control group, it is not possible to isolate the boycott effect from other concurrent influences, especially in wide event windows. A counterfactual framework enables the extension of the analysis to wider event windows while more effectively isolating the causal impact of the boycott.

Tomlin (2019) examines the effect of 125 boycott announcements on stock returns in the United States, using an event study methodology. Unlike most other studies, this analysis constructs a counterfactual with a synthetic control group and applies placebo tests. The author concludes that boycott announcements reduce shareholder wealth (stock returns) by between 3% and 30%.

The main limitations of this study is its reliance on a short event window of only 10 days after the boycott announcement. If the effect does not persist, the boycott cannot be considered effective in the long run. The synthetic control method is not suitable for large samples (Arkhangelsky et al. 2021).

3. Methodology

3.1. Short run

Like previous studies on the subject (Pruitt and Friedman, 1986; Afego and Alagidede, 2021; Tomlin, 2019), the boycott's impact is assessed using the targeted firms' stock returns following the boycott announcement or action. The market's reaction to the event is considered an independent assessment of the event's potential impact on the firms, measured in terms of shareholder wealth (Tomlin, 2019). The abnormal return is a mean to assess the signal perceived by the stock market following the event (Afego and Alagidede, 2021).

The abnormal return is defined as the unexpected return. The normal, or expected, return is in this case a prediction generated by the market model (Tomlin, 2019, Miller, 2023). It represents the following scenario "what would have happened if the studied event had not occurred."

The market model:

$$R_{i,t} = \alpha_i + \beta_i R_{m,t} + \epsilon_{i,t}$$

Where:

$R_{i,t}$: return of firm i on day t

$R_{m,t}$: return of the market index on day t

$\epsilon_{i,t}$: the error term

The abnormal return (AR), considered as the difference between the actual return and the expected return (Miller, 2023):

$$AR_{i,t}=R_{i,t}-(\alpha_i+\beta_iR_{m,t})$$

Cumulative abnormal return (CAR) is the sum of AR over a specific period.

3.1.1. The sample

The events are primarily sourced from official BDS websites. The sample was originally composed of 31 companies that are currently, or have been in the past, targeted by BDS. Errea, G4S, and Motorola were excluded because they are not publicly traded. Volvo was excluded due to the absence of a clear date for a BDS-related action. After these filters, the first sample consists of 27 firms with 65 associated events[3]. The events have been filtered. Some events were overlapping because they were too close in time (Miller, 2023). The stock prices source is Yahoo Finance.

In the specific case of BDS, other methods and tactics employed by the movement are also treated as events in the short-run analysis for this first sample. BDS does not limit its actions to the initial boycott announcement; it often organizes or calls for "weeks of action" targeting specific companies, coordinates various direct actions, and renews boycott calls. Other direct or indirect BDS impacts involving trade unions, institutions, and similar actors are also included. For instance, Orange was condemned by French trade unions under pressure from BDS, and the date of the official letter is used as an event because it is considered part of the broader BDS strategy under assessment. Consequently, a targeted company may have multiple event dates corresponding to different actions carried out by BDS against it.

The second sample consists only of the first boycott announcements, in order to focus the analysis on the announcement itself rather than the entire BDS strategy. This restriction reduces the sample size, as clear first boycott announcements were identified for only 18 firms. Therefore, the sample contains 18 events corresponding to 18 firms. This is the same sample used for the long-run analysis.

3.1.2. Robustness tests

Two tests are run to assess the significance and robustness of the AR and CAR. The first is the t-test, and the second is the parametric sign test (Afego and Alagidede, 2021). The t-test measures whether the average AR is significantly different from zero; if not, the average AR is considered insignificant. However, because the t-test is highly sensitive to outliers, a parametric sign test is also employed.

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[3] See appendix C.

The parametric sign test counts how many events have positive or negative abnormal returns, then compares the resulting proportion to 50% using a binomial test. The binomial test is used to determine whether the proportion of "successes" in a sample is significantly different from an expected proportion under the null hypothesis. In the case of the sign test, if the average abnormal return is negative but the test is insignificant, the negative abnormal return is likely driven by outliers. This approach helps determine whether the majority of observations move in the same direction or whether the results are influenced by a few extreme values.

These two tests are complementary. If both are significant, this provides strong evidence that the average abnormal returns are consistent. If only the t-test is significant, the significance is likely driven by outliers. If only the sign test is significant, most events move in the same direction but without statistical significance. If neither test is significant, there is no consistent or significant abnormal return.

3.1.3. Estimation and event window

Using a market model, the estimation window follows the recommendation of Scholes and Williams (1977) and consists of 200 periods (Pruitt and Friedman, 1986; Afego and Alagidede, 2021; Tomlin, 2019). In this study, it corresponds to 200 trading days, from -220 to -21 days before the event.

The event window selected spans from -20 days before the event to +20 days after. The 20 days before the event are included for two main reasons. First, they allow for a comparison of abnormal returns before and after the event. Without this comparison, the results may be misleading, as pre-event trends could influence the conclusions. Second, this period helps detect any potential information leakage prior to the official announcement of the event.

The choice of 20 days after the event is intended to minimize the risk of confounding events. The longer the post-event boycott window, the greater the likelihood of such confounding effects. Long-term impacts will be assessed in the second part of the quantitative analysis.

3.2. Long run

To study the long-term effect of a boycott announcement, the most appropriate method is the *Synthetic Difference-in-Differences* (SDiD) approach. This method combines the traditional *Difference-in-Differences* (DiD) framework with the *Synthetic Control Method* (Arkhangelsky *et al.*, 2021).

The Difference-in-Differences method estimates the effect of a treatment by comparing the evolution of outcomes between a treated group and a control group that is sufficiently similar to the treated group during the pre-treatment period (Baker *et al.*, 2025).

$$Y_{i\,t} = \alpha + \beta \text{Treated}_i + \gamma \text{Post}_t + \delta(\text{Treated}_i \times \text{Post}_t) + \epsilon_{it}$$

Where δ is the difference-in-difference estimator.

The main assumption of the method is the *parallel trends assumption*, which implies that, in the absence of treatment, the treated and control groups would have followed the same trajectory over time. The control group serves as a counterfactual—i.e., a representation of what would have occurred had the treatment not taken place (Baker *et al.*, 2025). In the context of

boycott studies, satisfying this assumption is particularly challenging due to the inherent volatility of stock prices.

The *Synthetic Control Method* addresses this issue by constructing a statistical synthetic clone of the treated unit, based on a weighted combination of control units. In the case of boycotts, each treated company is matched with a synthetic counterpart composed of similar firms from the same sector (Abadie, 2021). The primary limitation of this method is that it is traditionally designed for use with a single treated unit.

However, by ensuring that each synthetic clone closely matches pre-treatment trends, the parallel trends assumption is effectively satisfied. Consequently, it becomes possible to construct a synthetic control group composed of synthetic counterparts for each treated (boycotted) company.

For a single treated firm T and a set of J control firms 1 … J, the synthetic counter-factual series is a weighted average of the controls:

$$ControlSynth_i = \sum_{j=1}^{J} w_j Y_{i,t} \ For \ every \ time \ t$$

Where:

$Y_{i,t}$: outcome (e. g. stock price) of control company j at time t.

w_j: non − negative weight assigned to control j.

$\sum_{j=1}^{J} w_j = 1$ (sum-to-one constraint)

Sector	Treated Group (Boycott date)	Control Group
Sport / Equipement	Puma (10/09/2018)	Nike, Under Armour
Insurance / Finance	AXA (30/07/2017)	Allianz, Zurich Insurance, Generali
Telecommunication / Tech	Dell (06/12/2024), Intel (18/03/2023), Microsoft (07/04/2025) , Siemens (05/10/2022)	Vodafone, Ericsson, Cisco, Acer, Asus
Distribution	Carrefour (11/12/2022)	Tesco, Walmart
Fast Food	McDonald's (08/10/2023), Pizza Hut (08/10/2023), Papa John's (08/10/2023), Domino's (08/10/2023), Burger King (08/10/2023)	Wendy's (WEN), Chipotle (CMG), Jack in the Box (JACK), Shake Shack (SHAK), Darden (DRI), Arcos Dorados (ARCO)
Tourism / Platforms	Booking (28/11/2021)	Marriott, Hilton, Accor, Trivago
Softwares / Services IT	CAF (08/08/2019)	Oracle, SAP, Salesforce
Energy / Oil	Chevron (05/10/2022)	Shell, BP, TotalEnergies
Real Estate	Remax (29/11/2014)	Anywhere Real Estate Inc. (HOUS), Redfin (RDFN), Zillow Group (Z), Compass (COMP), Opendoor Technologies (OPEN)
Entertainment	Disney (06/09/2024)	Comcast (CMCSA), Netflix (NFLX), Warner Bros. Discovery (WBD), Paramount Global (PARA), Fox Corp. (FOXA)

Table 1: Boycotted companies with their boycott date and similar not-boycotted companies of the same sector. Source: BDS websites.

3.2.1. **The sample**

The sample is filtered to include only companies with a clearly identified boycott announcement date. For many companies—especially when the boycott occurred more than 10 years ago—the exact announcement date could not be found. The BDS movement website does not maintain a complete archive, making it necessary to interview BDS coordinators or request access to their internal databases. Companies with ambiguous boycott dates could bias the results. Based on this criterion, the sample is reduced from 31 companies to 18.

In some cases, the synthetic counterpart of a treated company is constructed from only two or three untreated firms within the same sector. This represents a significant limitation, as the quality of the pre-treatment matching may not be sufficiently robust.

3.2.2. **Event day and windows**

The event day corresponds only to the date of the boycott announcement. The date of the boycott announcement varies across companies. Therefore, all time periods are expressed in *relative days*, with the date of the boycott announcement designated as *Day 0*.

Several event windows are examined to ensure that the effect is captured across different periods. Since sales disruptions may recover within 2–3 months after a boycott announcement (Yu et al., 2024), an event window is set at three months after the announcement, with the six months preceding it serving as the pretreatment period. Subtle market share erosion and reputation metrics tend to recover over 6 to 18 months (Gunn et al., 2024; Yu et al., 2024). Therefore, two additional event windows are used within this period: one at the beginning (six months after the announcement, 9 months before) and another at the midpoint (twelve months after the announcement, 18 months before). A final event window, after both recovery periods, is set at 24 months after the announcement (18 months before) to assess whether the boycott effect persists beyond these time frames.

For each event window, the sample size varies. In the first event window (three months after), the sample is complete with 18 firms. The second event window (six months after) includes 17 firms, with Microsoft missing. The two remaining windows contain 15 firms, with Dell, Disney, and Microsoft absent. The reason for these exclusions is related to timing: The Microsoft boycott began in April 2025, making it impossible to analyze stock price evolution six months after the event, while the Disney and Dell boycotts started less than a year ago.

The sample size is relatively small, which increases the risk of idiosyncratic effects, volatility-driven distortions, and outliers' effects.

3.2.3. **Variables**

Since boycott effects may vary depending on whether a firm's products are consumer-facing, companies that produce goods and services for direct consumer use tend to be more severely impacted (Fadzilah et al., 2024). Therefore, a dummy variable is created to control for this effect, with a value of "1" assigned to firms producing consumer-facing goods and services, and "0" otherwise.

The consumer-facing producers are: Puma, Carrefour, McDonald's, Coca Cola, Pizza Hut, Papa John's, Domino's Pizza, Burger King, Booking.com, Chevron, and Disney.

Market concentration affects the impact of a boycott. The more a company operates in a competitive market, the greater the boycott's impact on that company (Yu et al., 2024). Therefore, the number of competitors is included as a variable to measure this effect.

Competitors by Company

Company	Number of Competitors	Source
Booking	20	Marketing91
Orange	15	Owler
Airbnb	14	RentalsUnited
Carrefour	14	MBA Skool
Puma	12	MBA Skool
Hyundai	12	MBA Skool
Adidas	12	MBA Skool
Siemens	11	MBA Skool
Chevron	10	MBA Skool
Expedia	10	MarketBeat
Microsoft	10	MBA Skool
McDonald's	10	MarketBeat
Caltex	10	Owler
Texaco	10	Owler
Alstom	10	StockViz
Pizza Hut	9	MBA Skool
Papa Johns	9	MBA Skool
Domino's	9	MBA Skool
Reebok	9	MBA Skool
AXA	8	MBA Skool
HP	8	Marketing91
Disney	8	Investopedia
Coca Cola	8	MBA Skool
Burger King	8	MBA Skool
Volvo	8	MBA Skool
Intel	6	MBA Skool
Caterpillar	6	MBA Skool
Dell	5	MBA Skool
RE/MAX	5	Owler
Motorola	4	Marketing91
G4S	4	Craft.co
Tripadvisor	4	Other
Veolia	4	Craft.co
CAF	3	Other
SodaStream	3	Consumer Reports

Table 2: The number of competitors by boycotted companies with sources

3.2.4. The model

$$Y_{i\,t} = \alpha + \beta \text{Treated}_i + \gamma \text{Post}_t + \delta(\text{Treated}_i \times \text{Post}_t) + \psi(\text{Treated}_i \times \text{Post}_t \times \text{Cons}_i) + \Phi(\text{Treated}_i \times \text{Post}_t \times \text{Comp}_i) + \epsilon_{it}$$

Where:

Y_{it}: The stock price (in $)

δ : The average difference between the treated group and control group after the event (DiD estimator)

Ψ: The average difference of boycott impact between consumer-facing treated producers and non-consumer-facing treated producers after the event

Φ: The average impact of one more competitor on the boycott effect for treated firms

Treated_i: Group of boycotted firms

Post$_t$: After the boycott announcement

Cons$_i$: Dummy variable, 1 if the boycotted firm is a consumer-facing producer, 0 otherwise

Comp$_i$: The number of competitors

ϵ_{it}: error term

3.2.5. **Robustness checks**

The first way to check for robustness is to use multiple event windows. In this case, four event windows are applied. If the results are significant across all event windows, this indicates strong robustness.

Placebo tests (Tomlin, 2019) provide another method for testing robustness. There are several ways to conduct placebo tests: the date placebo, in which random event dates are assigned instead of actual boycott dates, and the sample placebo, in which a random sample is used while retaining the real boycott dates. If the results of the placebo tests are not significant, the robustness of the estimators is confirmed. Otherwise, the model may be capturing idiosyncratic, sectoral, or random effects.

In this study, both placebo tests are applied to all event windows. In the first, random boycott dates are assigned to the actual boycotted firms; in the second, non-boycotted firms serving initially as the control group serve here as the treated group, using the real boycott dates from the original sample.

The most important check is the pretreatment fit between the treated group and the synthetic group. They should have similar trends in average before the treatment; otherwise, the synthetic group is not a credible counterfactual.

Although the synthetic control method helps relax the strict parallel trends assumption, it remains essential to verify visually that this assumption is reasonably satisfied.

As shown in Figure 1, the treated and synthetic groups exhibit, on average, similar trends over the nine months preceding the treatment (*Day 0*). Figure 2 and figure 3 confirm this observation six and eighteen months preceding the treatment.
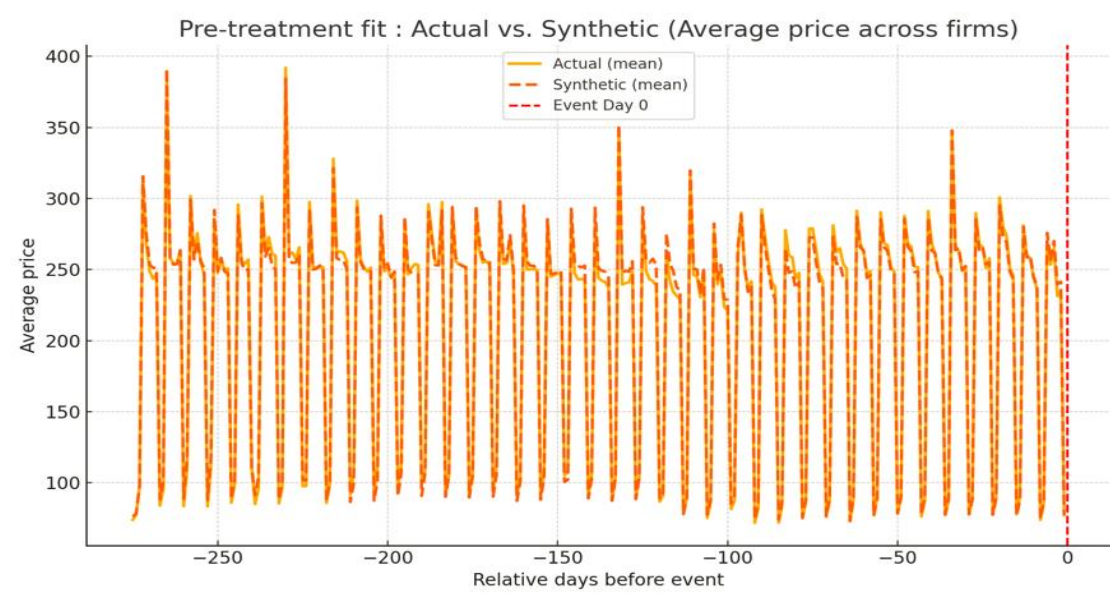
Figure 1: Pre-Treatment Fit test 9 months before the boycott date. Source: own computations based on the database
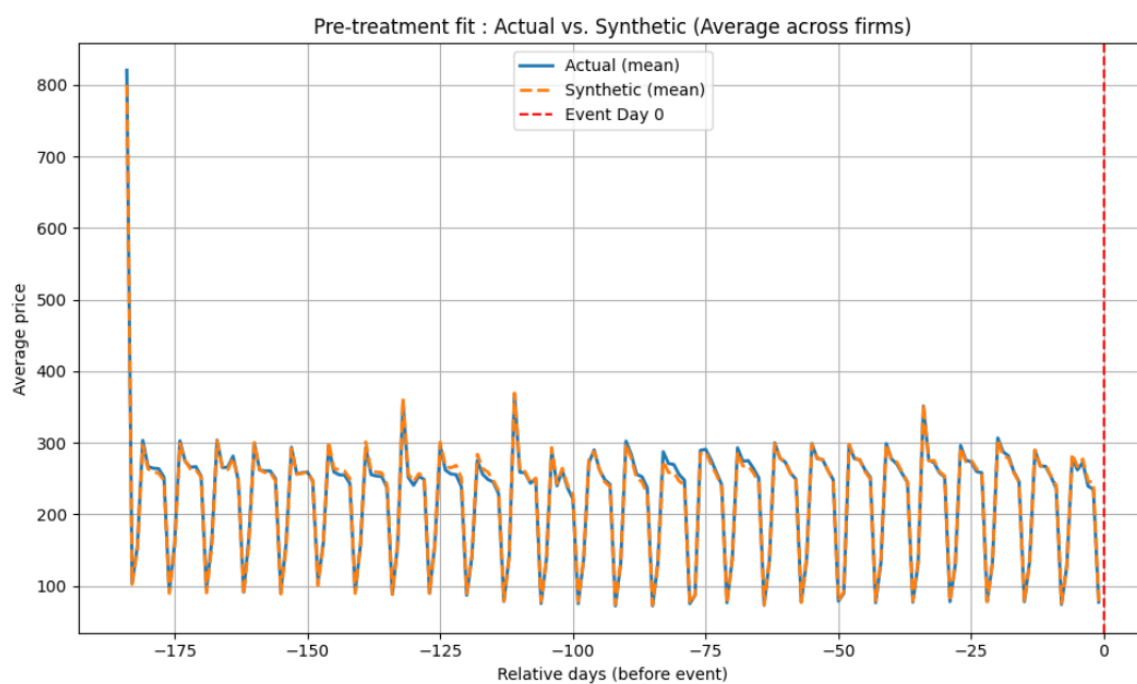

Figure 2: pretreatment fit test 6 months before the boycott date. Source: own computations based on the database
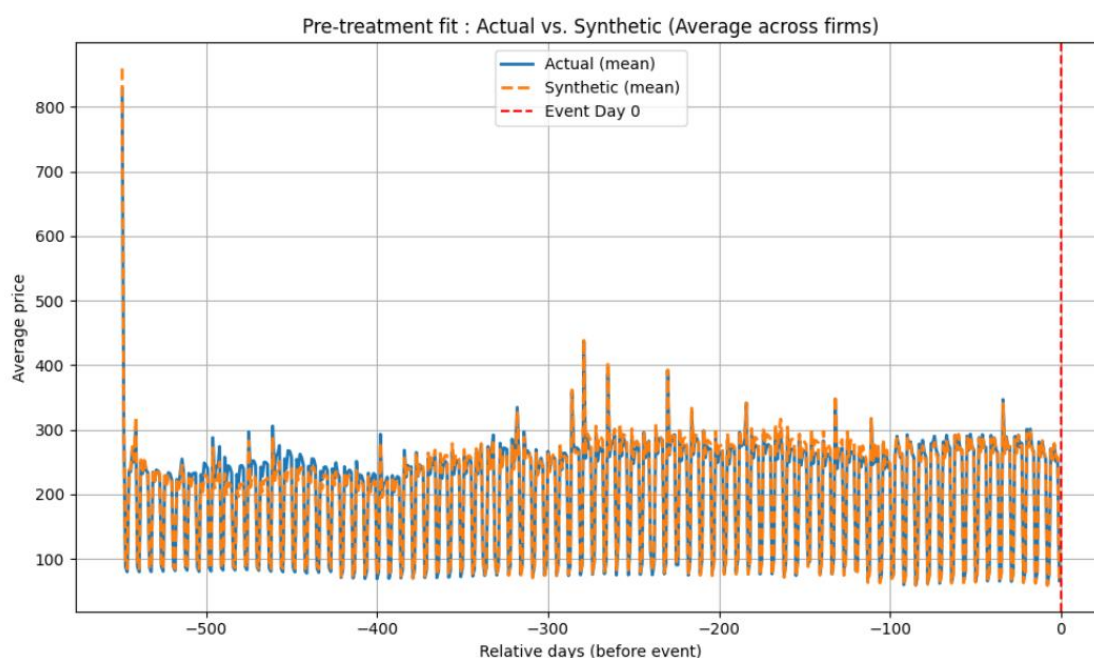
Figure 3: pretreatment fit test 18 months before the boycott date. Source: own computations based on the database

Since the pretreatment fit test appears satisfactory, the parallel trends assumption is considered to hold. This suggests that the synthetic control group adequately captures the treated group's pretreatment patterns and can therefore serve as a credible counterfactual.

4. Results

4.1. Short run sample one results[4]

Only a few abnormal returns are significant across the 41-day period studied. A negative abnormal return of 0.5% is observed twelve days before the event, suggesting potential market anticipation or a confounding event. On the sixth and eighteenth days after the event, a positive abnormal return of 0.3% is recorded, which may indicate an adjustment by the boycotted firms in response to the event or the influence of another confounding factor.

Day -13 shows a statistically significant positive abnormal return, and day -17 shows a statistically significant negative abnormal return; however, the sign tests indicate that these results are driven by outliers. One day before the event, a significant abnormal return of 0.4% is observed, but this result is also driven by outliers. Notably, 35 of the 65 events show negative abnormal returns on day -1. The proximity of this result to the event date may suggest market anticipation of these events.

Cumulative abnormal returns (CAR) are computed across several day windows. The results show only one significant positive CAR of 2.2% for the [0;20] day window. This is likely due to a potential adjustment by the boycotted companies or the influence of one or more confounding effects. The other day windows did not show any significant CAR.

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[4] See Appendix A.

4.2. **Short-run sample two results[5]**

Before the event, a significant positive abnormal return of 0.6% is observed on day -13, likely due to another event. Two days after the event, a significant negative abnormal return of 0.08% is recorded, which could reflect a market reaction to the event or the influence of another confounding factor. Eleven days after the event, the results show a significant positive abnormal return of 0.6%, possibly due to company responses or another confounding event.

Cumulative abnormal returns show nearly the same effect as sample one. Only one day window [0;20] shows a significant 4.6% CAR, which is more than double the result of sample one result.

4.3. **Long run results**

Variable/Window	3m	6m	12m	24m
DiffInDiff	-6.35*** (2.10)	-12.48*** (1.57)	-10.55*** (2.14)	-11.41*** (2.12)
Competitors	-4.84*** (1.47)	-11.65*** (1.18)	-11.72*** (1.59)	-12.01*** (1.48)
Consump-Dummy	-8.54*** (2.00)	17.58*** (2.02)	23.09*** (2.64)	-1.84 (2.61)

Stars: *** $p<0.01$, ** $p<0.05$, * $p<0.10$. Coefficients with robust (HC3) SEs in parentheses.

Table 3: Synthetic difference-in-difference regression results for the different windows. Source: own computations based on the database

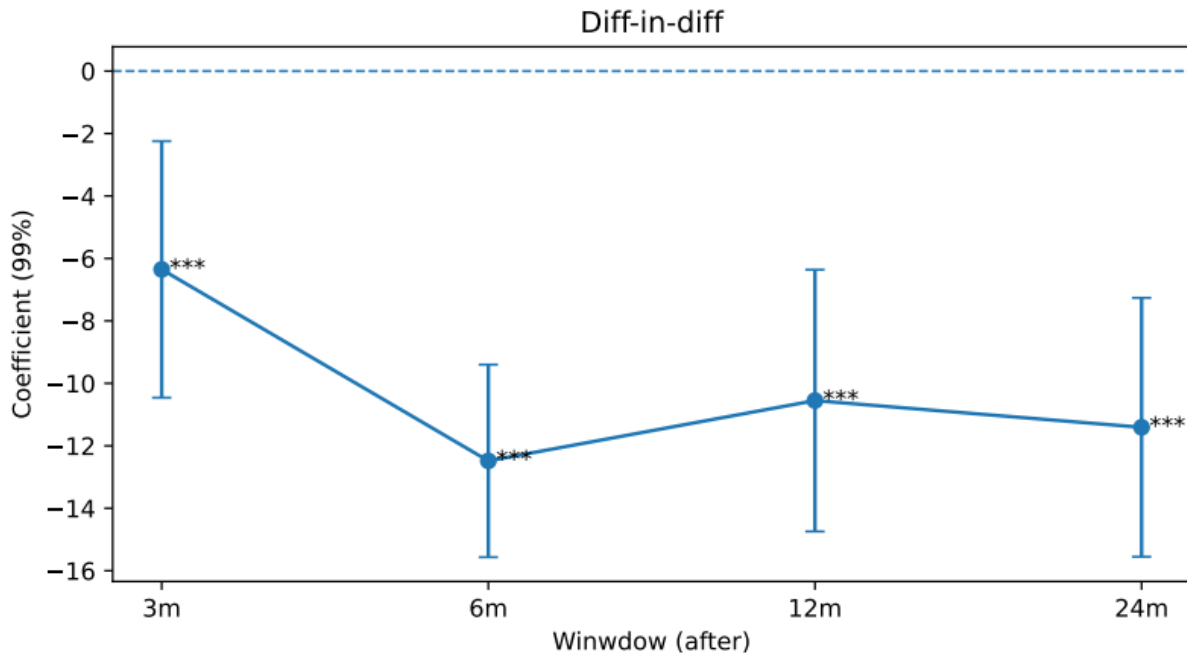**Figure 4: diff-in-diff estimator evolution over time. Source: own computations based on the database.**

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[5] See Appendix B.

The Difference-in-Differences (DiD) coefficient indicates that the boycott announcement has a negative impact on the stock prices of targeted companies across the four event windows. On average, these companies experience a decline of 6.35 USD in their stock prices compared to their synthetic control counterparts three months after the announcement. The decline increases to 12.48 USD on average after six months and stabilizes at around 11 USD on average after one year and after two years. All results are statistically significant at the 99% confidence level. These results suggest that the boycott has an increasingly negative impact over time.

The variable controlling for the number of competitors indicates that a higher number of competitors in the treated group amplifies the impact of the boycott after the event. On average, each additional competitor for a boycotted company increases the decline in stock price by 4.84 USD three months after the announcement. The coefficient is significant across all event windows and rises to an average of 12.01 USD after two years.

A higher impact on companies operating in less concentrated markets is thus confirmed. The effect increases over time, likely because, as time passes, boycotters intensify their pressure on companies with more available alternatives, while sustaining pressure on companies with fewer alternatives becomes more difficult.
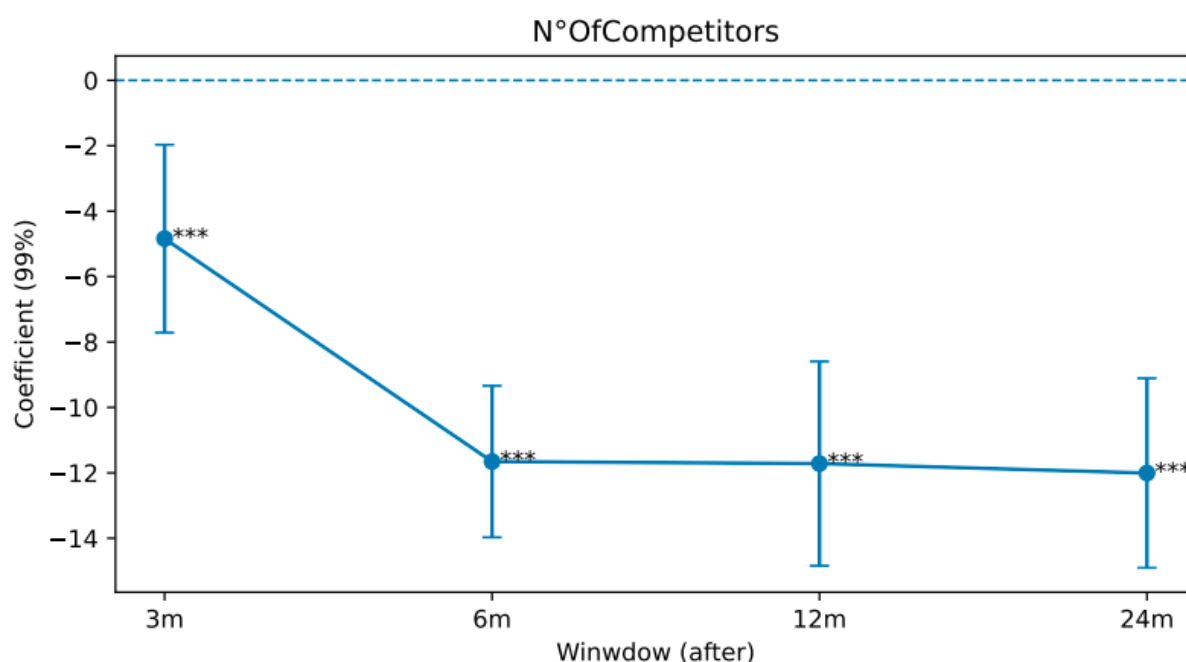
Figure 5: Number of competitors' variable evolution over time. Source: own computations based on the database.

The results for the consumer-facing producers dummy variable are less intuitive. After three months, the average effect of being a treated consumer-facing producer on the boycott impact is negative. After six and twelve months, the effect becomes positive, and after twenty-four months, it is not significant. The negative result after three months suggests that the boycott has a stronger impact on consumer-facing producers, confirming findings in the literature. The positive effect after six and twelve months suggests that consumer-facing producers recover more effectively than other companies and can mitigate the boycott's impact. The absence of significance after twenty-four months indicates that the boycott's effect is similar for consumer-facing producers and other firms.

These results are likely explained by the fact that sales disruption tends to disappear after three months, and sales disruption is the primary impact on consumer-facing producers (Yu et al., 2024; Pujiastuti, 2023). After six and twelve months, the main impact of the boycott is reputational (Gunn et al., 2024; Yu et al., 2024). Consumer-facing producers appear to be less affected by reputational damage but more by sales disruption. After eighteen months, the reputational impact disappears (Gunn et al., 2024; Yu et al., 2024). Therefore, the remaining impact on both consumer-facing producers and other companies stems probably from permanent changes in market structure and purchasing habits, affecting both groups (Yu et al., 2024).

The consumer-facing producers are likely to be less affected by reputational damage, maybe because they have a higher brand loyalty (Coca Cola, McDonald's, Carrefour…). To confirm this, a proxy of brand loyalty should have been used to measure its effect.
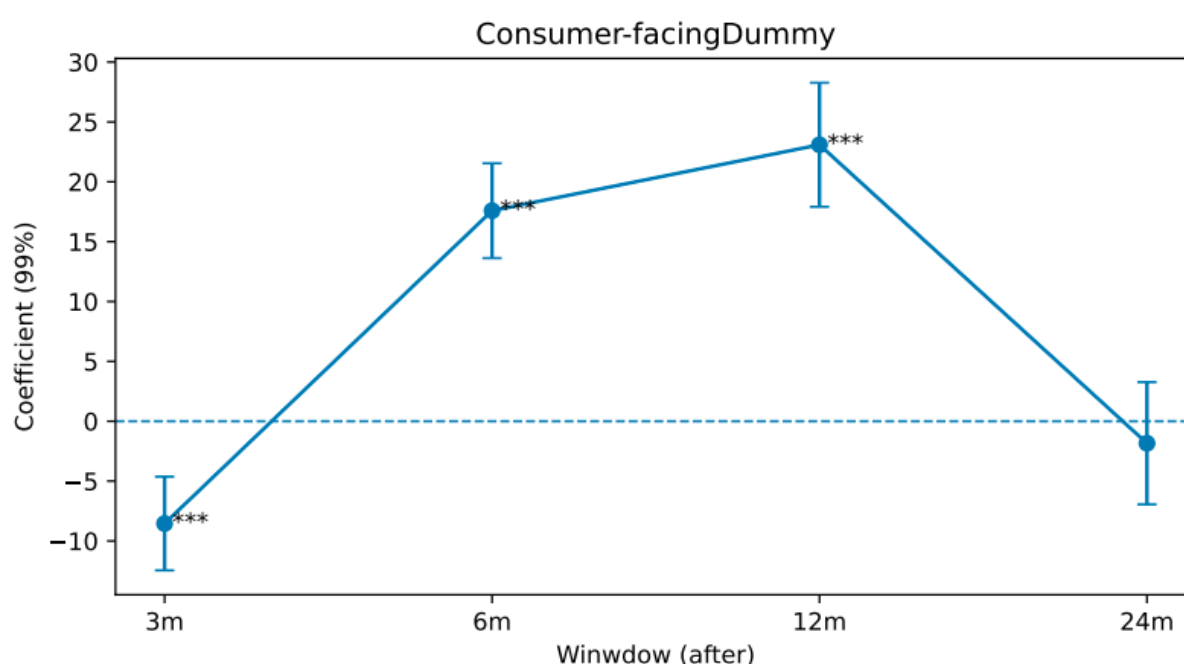
Figure 6: Consumer-facing producers dummy variable evolution. Source: own computations based on the database

4.3.1. Date placebo test

Variable	3m	6m	12m	24m
DiD estimator	0.48 (1.20)	-0.69 (1.12)	4.96*** (0.96)	0.94 (1.16)

Stars: *** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$. Coefficients with robust (HC3) SEs in parentheses.

Table 4: date placebo test results. Source: own computations based on the database

The difference-in-differences estimator in the date placebo test is not significant after three months, six months, or twenty-four months. However, it is significant at the 99% confidence level after twelve months, indicating a placebo positive effect from the fake boycott dates.

The date placebo results indicate that the model is not fully insulated from idiosyncratic effects, despite being insignificant across three event windows. The significant result is likely due to the limited sample size, which increases the risk of outliers effects. Therefore, the model's robustness cannot be considered perfect.

4.3.2. **Sample placebo test**

Variable	3m	6m	12m	24m
DiD Estimator	3.87*** (1.35)	0.19 (1.01)	1.10*** (0.25)	1.63*** (0.27)

Stars: *** p<0.01, ** p<0.05, * p<0.10. Coefficients with robust (HC3) SEs in parentheses.

Table 5: Sample placebo test results. Source: own computations based on the database.

The sample placebo test, in which a randomly chosen firm from the control group is treated as if it were targeted for each boycott date, shows a positive and significant difference-in-differences estimator across three event windows. Only the "six months after" event window yields an insignificant result.

These results suggest a potential substitution effect (Tomlin, 2019), whereby non-boycotted firms may have benefited from boycott announcements targeting their competitors.

5. Limitations and discussions

5.1. **Event study limitations**

As explained earlier, this method has several limitations. It is suitable only for the very short run (a few days after the event) and does not establish causality. While the method can reveal a potential abnormal reaction to an event, the absence of a counterfactual means it cannot prove that the abnormal reaction was caused by the event. It is also possible that the entire market was affected by a broader event, rather than only the targeted company. The risk of confounding effects is also very high, and controlling for all of them can be particularly challenging when the event window is wide and the sample is large.

For a boycott to be truly effective, its impact must extend beyond short-term fluctuations and persist in the long run. Temporary disruptions in sales or stock prices may pressure a firm momentarily, but they often fail to alter corporate behavior if revenues and market value recover quickly. A sustained impact is more likely to influence strategic decisions, such as withdrawing from controversial markets, changing sourcing practices, or revising corporate policies, because it signals a lasting shift in consumer sentiment and market perception.

Long-run effects may take the form of persistent revenue loss, erosion of market share, deterioration of brand reputation, or increased cost of capital as investors perceive higher risk. These outcomes not only affect immediate profitability but also alter the firm's competitive position and growth prospects. Without such enduring consequences, the boycott risks being seen as a temporary public reaction rather than a credible, ongoing threat to the company's business model.

5.2. Synthetic difference-in-difference limitations

5.2.1. Synthetic control group

The synthetic clone of some firms does not perfectly match the actual firms. Abadie et al. (2010) note that the match between the synthetic clone and the real entity is left to the analyst's discretion and is therefore a highly subjective choice. Consequently, finding a perfect synthetic clone is very difficult without clear selection criteria.

In some cases, firms have very few comparable competitors within the same sector, resulting in a synthetic clone composed of only two or three firms, which may affect the quality of the pretreatment match.

5.2.2. Sample size

The sample size varies between 15 and 18 firms depending on the event window, but it could increase to 28 if the exact dates of boycott announcements were available for all firms. In this case, the small sample size is a serious limitation, as it increases the risk of outliers and idiosyncratic effects.

The date placebo test shows that a significant result is obtained for the "twelve months after" event window, despite the boycott date being randomly assigned. This finding indicates that there is a risk of biased results, particularly with such a small sample.

5.2.3. Consumer-facing producers dummy variable

The consumer-facing producers' dummy variable is highly subjective. For example, Microsoft sells products such as the Xbox (specifically targeted by the BDS boycott) directly to consumers, despite generally being perceived as a high-tech B2B firm. The frequency and price of a company's goods or services can also make classification ambiguous. For instance, if a boycotting consumer purchases a Coca-Cola can daily or shops regularly at Carrefour, their reaction to a boycott announcement is likely to be immediate. In contrast, a boycotting consumer who already owns a PC may respond more slowly to Dell's boycott announcement.

Therefore, two criteria could be used to categorize companies: first, whether the company is primarily B2C; and second, whether its products are purchased by consumers on a daily or weekly basis. To avoid arbitrary classifications, these criteria should be clearly defined and objectively measurable.

5.2.4. The number of competitors' variable

Scientific and official sources for the number of competitors for each firm are not freely accessible. Therefore, non-scientific internet sources are used in this case as an exception.

5.2.5. Missing variables

Boycott participation is negatively influenced by brand loyalty (Platon, 2019) and consumers' emotional attachment to a brand (Albrecht et al., 2013). This factor should be controlled for in the BDS case, as it may reduce the boycott's impact on popular brands such as McDonald's and Coca-Cola. Nevertheless, for inclusion in further studies, brand loyalty must be objectively measurable.

Combined with brand loyalty, the firms offering online services are likely to be less impacted by boycott, especially in rural areas (Nakami et al., 2022). In this context, this assumption has to be verified in further studies.

Another potentially mitigating factor is the responses of the targeted company to the boycott threat or announcement (Allam et al., 2024). Only a few responses of companies targeted by BDS have issued public statements, press releases, or other forms of public responses to the boycott campaigns' accusations. It would be useful for further studies to consider adding this variable after deeper research and eventual BDS coordinators' interviews or access to databases.

5.2.6. **Further studies**

Instead of boycott announcements, other events impacts can be studied in relation to boycotted firms. For instance, important geopolitical developments such as the events of October 7, the publication of the UN report on the "economy of genocide" (Albanese, 2025), or the International Court of Justice's 2024 ruling condemning illegal settlements and the occupation of the Palestinian territories (ICJ, 2024) may also have measurable impacts.

The sanctions dimension -arguably the most impactful element- of BDS's strategy has not yet been studied. Economic sanctions in general are relatively underexplored in the literature, as highlighted by Sergei Guriev, a Russian economist specializing in the subject at Sciences Po Paris, during the annual "Journées de l'Économie" in Lyon.

6. Conclusion

The objective of this study is to assess the effectiveness of the BDS boycott strategy. Two methods are employed. First, the event study methodology is applied to targeted firms' stock returns with two short-term samples. The event window covers 20 days before and 20 days after the event. One sample includes all types of BDS-related actions, while the other consists only of precise boycott announcement dates. Neither of the two samples yields conclusive results, largely due to the limitations of this method.

The second method is a synthetic difference-in-differences approach applied to the second short-term sample. For each firm, a synthetic clone based on similar competitors is constructed, and the regression compares the evolution of stock prices following the boycott announcement. The results suggest a significant negative impact at three, six, twelve, and twenty-four months after the boycott announcement. These findings are partially supported by placebo tests.

Nevertheless, the robustness of these results is limited. The most critical limitation is the small sample size, which increases the risk of idiosyncratic effects and sensitivity to outliers. Given this constraint, these preliminary results may be biased and no definitive conclusions can be drawn.

This study should therefore be considered as a basis for further research. With a larger sample size and additional robustness checks, the synthetic difference-in-differences methodology offers a promising framework to assess the long-term impact of boycott announcements.

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Appendix

Appendix A: short run sample one results tables

Table: Abnormal Returns results. Source: own computations based on the database.

rel_day	AR	t-test	sign test
-20	0.000	0.043	-0.124
-19	-0.000	-0.058	-0.372
-18	-0.001	-0.613	0.868
-17	-0.004	-1.944*	-1.364
-16	-0.000	-0.095	-0.372
-15	0.000	0.225	-0.372
-14	-0.003	-1.397	0.62
-13	0.004	1.917*	1.612
-12	-0.005	-3.192***	-2.357**
-11	-0.001	-0.365	-0.124
-10	-0.001	-0.612	-0.62
-9	0.000	0.169	-0.62
-8	-0.003	-1.337	-1.364
-7	0.002	1.185	1.116
-6	-0.002	-0.514	-0.868
-5	0.000	0.247	0.124
-4	-0.002	-0.644	0.62
-3	0.000	0.135	-0.62
-2	0.001	0.466	-0.372
-1	-0.004	-1.674*	-0.62
0	0.001	0.424	-0.868
1	-0.002	-0.433	1.612
2	0.001	0.274	0.124
3	-0.000	-0.025	-0.124
4	0.001	0.428	-0.124
5	0.002	1.362	1.861*
6	0.003	2.115**	2.357**
7	0.005	2.235**	1.612
8	0.001	0.78	0.62
9	-0.002	-0.894	1.116
10	-0.001	-0.71	0.124
11	0.002	1.114	0.372
12	0.004	1.624	0.124
13	0.001	0.379	-1.116
14	0.002	1.111	0.62
15	-0.001	-0.512	0.124
16	0.000	0.107	0.372
17	-0.001	-0.647	-1.364
18	0.003	1.877*	1.861*
19	0.003	1.173	0.868
20	-0.001	-0.225	0.124

Note: Asterisks denote statistical significance: * $p<0.10$, ** $p<0.05$, *** $p<0.01$.

Table: Panel CAR: Cumulative Abnormal Returns. Source: own computations based on the database.

rel_day	CAR	t-test	sign test
-20	0.000	0.043	-0.124
-19	-0.000	-0.017	0.372
-18	-0.001	-0.444	0.62
-17	-0.006	-1.469	0.124
-16	-0.006	-1.456	-0.372
-15	-0.005	-1.146	0.124
-14	-0.008	-1.527	-0.62
-13	-0.004	-0.79	-0.372
-12	-0.009	-1.74*	-1.116
-11	-0.010	-1.825*	-0.868
-10	-0.011	-2.004**	-0.62
-9	-0.011	-1.701*	-0.868
-8	-0.013	-1.874*	-0.372
-7	-0.011	-1.527	0.372
-6	-0.013	-1.964**	-0.62
-5	-0.013	-1.927*	-0.62
-4	-0.014	-1.971**	-0.62
-3	-0.014	-1.849*	-1.116
-2	-0.013	-1.702*	-0.372
-1	-0.017	-2.12**	-0.372
0	-0.016	-1.94*	-1.364
1	-0.018	-1.883*	-1.612
2	-0.017	-1.816*	-1.861*
3	-0.017	-1.764*	-1.364
4	-0.016	-1.63	-0.868
5	-0.014	-1.417	-0.62
6	-0.011	-1.119	-0.372
7	-0.006	-0.581	-0.372
8	-0.005	-0.441	0.124
9	-0.006	-0.59	0.124
10	-0.007	-0.7	0.124
11	-0.006	-0.54	0.124
12	-0.001	-0.123	0.868
13	-0.001	-0.066	0.62
14	0.002	0.143	0.372
15	0.001	0.065	-0.124
16	0.001	0.083	0.372
17	-0.000	-0.03	-0.124
18	0.003	0.285	0.62
19	0.006	0.544	0.868
20	0.005	0.519	0.62

Note: Asterisks denote statistical significance: * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Table: Event-Window CAR: Cumulative Abnormal Returns by Window. Source: own computations based on the database.

Window	N	CAAR	t-test	Sign Z
[-20;20]	65	0.005	0.52	0.62
[0;20]	65	0.022	2.70***	2.11**
[-10;10]	65	0.003	0.28	0.87
[0;10]	65	0.009	1.38	1.61
[-5;5]	65	-0.001	-0.21	0.37
[0;5]	65	0.002	0.40	0.87

Note: Asterisks denote statistical significance: * p<0.10, ** p<0.05, *** p<0.01.

Appendix B

Short run sample two results

Table: Panel AR: Abnormal Returns. Source: own computations based on the database.

rel_day	AR	t-test	sign test
-20	-0.002	-0.832	0.000
-19	0.003	0.742	2.357**
-18	0.001	0.426	0.943
-17	-0.002	-0.563	0.000
-16	-0.004	-1.488	-0.943
-15	0.003	0.556	-0.471
-14	-0.003	-1.290	0.000
-13	0.006	2.601***	2.828***
-12	-0.005	-1.944*	-1.414
-11	-0.003	-1.109	-0.471
-10	-0.001	-0.372	-0.471
-9	-0.003	-0.584	-0.471
-8	-0.003	-0.961	-1.414
-7	0.004	1.096	0.943
-6	-0.005	-0.551	0.943
-5	-0.000	-0.116	0.000
-4	-0.003	-0.731	0.000
-3	0.004	1.106	0.471
-2	-0.001	-0.292	-0.943
-1	-0.008	-1.483	-0.943
0	0.000	0.092	-0.943
1	0.001	0.228	0.943
2	-0.008	-1.853*	-2.357**
3	0.001	0.376	-0.471
4	0.003	0.748	0.000
5	0.004	1.253	0.943
6	0.003	1.052	1.414
7	0.008	1.760*	0.943
8	0.003	1.121	1.414
9	-0.001	-0.225	0.943
10	-0.006	-2.338**	-1.414
11	0.006	2.797***	1.886*
12	0.005	0.990	0.471
13	0.001	0.295	-0.943
14	0.005	1.588	1.414
15	0.002	1.003	0.943
16	0.004	1.303	0.471
17	0.000	0.058	-1.414
18	0.004	1.008	1.414
19	0.008	1.494	0.471
20	0.001	0.237	0.000

Note: Asterisks denote statistical significance: * p<0.10, ** p<0.05, *** p<0.01.

Table: Panel CAR: Cumulative Abnormal Returns. Source: own computations based on the database.

rel_day	CAR	t-test	sign test
-20	-0.002	-0.832	0.000
-19	0.001	0.097	1.414
-18	0.002	0.333	1.886*
-17	-0.000	-0.001	0.943
-16	-0.004	-0.563	0.471
-15	-0.001	-0.170	0.000
-14	-0.005	-0.568	0.000
-13	0.002	0.215	0.943
-12	-0.004	-0.556	0.000
-11	-0.007	-0.876	0.471
-10	-0.009	-1.076	0.000
-9	-0.011	-1.273	0.000
-8	-0.014	-1.497	0.000
-7	-0.010	-1.026	0.471
-6	-0.015	-1.296	0.000
-5	-0.015	-1.410	0.000
-4	-0.018	-1.351	0.000
-3	-0.014	-0.992	0.000
-2	-0.016	-0.927	0.000
-1	-0.023	-1.236	0.000
0	-0.023	-1.164	-0.471
1	-0.022	-1.211	-0.943
2	-0.029	-1.501	-1.414
3	-0.028	-1.367	-1.414
4	-0.025	-1.156	-1.414
5	-0.020	-0.975	-0.943
6	-0.018	-0.844	-0.943
7	-0.010	-0.466	-0.943
8	-0.007	-0.315	-0.471
9	-0.008	-0.378	-0.471
10	-0.014	-0.654	-0.471
11	-0.008	-0.357	-0.471
12	-0.002	-0.106	0.471
13	-0.002	-0.079	0.471
14	0.003	0.159	0.000
15	0.005	0.247	0.471
16	0.009	0.464	0.471
17	0.010	0.470	0.471
18	0.013	0.626	0.943
19	0.022	1.141	1.414
20	0.022	1.166	1.414

Note: Asterisks denote statistical significance: * p<0.10, ** p<0.05, *** p<0.01.

Table: Event-Window CAR: Cumulative Abnormal Returns by Window. Source: own computations based on the database.

Window	N	CAAR	t-test	Sign Z
[-20;20]	18	0.022	1.17	1.41
[0;20]	18	0.046	4.49***	2.83***
[-10;10]	18	-0.007	-0.30	-0.47
[0;10]	18	0.009	1.02	0.94
[-5;5]	18	-0.006	-0.34	-0.47
[0;5]	18	0.003	0.32	0.94

Note: Asterisks denote statistical significance: * p<0.10, ** p<0.05, *** p<0.01.

Appendix C

BDS Boycott Actions Table

Company	Date	Nature of Action
Puma	10/09/2018	Palestinian football clubs call for Boycott Puma
Puma	15/06/2019	Global day of action
Puma	12/12/2020	Fourth global day of action (third was for general assembly)
Puma	18/09/2021	Sixth global day of action
Carrefour	11/12/2022	Boycott call by BDS
Carrefour	21/03/2023	Week of action
Carrefour	11/03/2024	Ramadan special call
Carrefour	26/02/2025	Ramadan special call
AXA	30/07/2017	Call from a coalition to boycott AXA
AXA	29/11/2020	Thousands of signatures on pledge and 270 organizations join
AXA	27/04/2021	HRW report and UN condemnation
AXA	25/04/2022	Global day of action
AXA	20/04/2023	Global week of action
AXA	11/04/2024	Call for escalation
AXA	16/10/2024	Investigation report
Orange	05/01/2011	Condemnation by Sud Ptt trade union
Orange	14/12/2013	Week of action
Orange	06/06/2015	National day of action in France
HP	25/11/2016	Week of action
HP	15/07/2017	Day of action
HP	18/04/2019	Dutch trade union drops HP as partner

HP	10/07/2019	Week of action
HP	15/04/2021	Unite (GB trade union) drops HP
HP	08/10/2023	Call for escalation
HP	12/12/2023	Renew call from BDS
Siemens	05/10/2022	Boycott call by BDS
Siemens	08/10/2023	Call for intensification
Siemens	18/10/2024	Direct action
Airbnb	04/12/2024	Call for action
SodaStream	06/11/2011	Boycott action
SodaStream	10/01/2014	International actions
CAF	08/08/2019	BDS Spain boycott call
CAF	18/11/2020	Call for actions
Intel	18/03/2023	Boycott call by BDS
Dell	06/12/2024	First boycott call
Caterpillar	26/06/2024	Norwegian fund divest
McDo	08/10/2023	Boycott call
Pizza Hut	08/05/2017	Boycott threat
Pizza Hut	08/10/2023	Boycott call
Papa John's	08/10/2023	Boycott call
Domino's Pizza	08/10/2023	Boycott call
Burger King	08/10/2023	Boycott call
Coca Cola	08/10/2023	Grassroots boycott call
Coca Cola	24/11/2024	Official boycott call
Chevron	06/10/2022	Divestment boycott call
Chevron	30/01/2023	Consumer boycott call
Chevron	01/02/2024	Demo at refinery
Chevron	06/09/2024	Boycott week of action
Chevron	29/01/2024	New boycott call
Hyundai	07/02/2017	BDS48 boycott call
Hyundai	06/06/2022	BDS renew boycott call

Booking	28/11/2021	Boycott call
Expedia	30/01/2019	Amnesty report (without boycott call)
Disney	06/09/2024	Call to boycott Snow White movie (Gal Gadot)
Disney	21/04/2025	Arab cinemas prohibit the movie
Microsoft	07/04/2025	Boycott call
Remax	29/11/2014	Week of action and boycott call
Remax	01/03/2016	Direct action
Alstom	22/02/2007	Legal action in France
Alstom	04/03/2009	Swedish fund divests
Alstom	27/10/2011	Saudi Arabia boycotts
Veolia	06/11/2006	Dutch bank divests
Veolia	22/02/2007	Legal action in France
Veolia	22/01/2009	Stockholm divests
Veolia	03/04/2009	Bordeaux divests

Source: BDS websites.

EXECUTIVE SUMMARY

This study evaluates the effectiveness of the Boycott, Divestment, and Sanctions (BDS) movement's boycott strategy by examining its impact on targeted firms' stock prices. Two methods are employed: a short-term event study with 20-day windows around boycott announcements, which produces inconclusive results due to methodological limits, and a synthetic difference-in-differences approach comparing boycotted firms with synthetic clones built from similar competitors. The latter indicates significant negative effects on stock prices at three, six, twelve, and twenty-four months after announcements, though robustness is limited by the small sample size, which raises the risk of outliers and idiosyncratic effects. Overall, the findings suggest that while synthetic difference-in-differences is a promising tool for assessing long-term financial impacts of boycotts, the current evidence remains preliminary, and further research with larger samples and stronger robustness checks is needed to draw firm conclusions about the economic effectiveness of BDS campaigns.

KEYWORDS: Event study, synthetic difference-in-difference, boycott

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