

Impact of the Palestine-Israel War and Boycott issue on Beverage Consumption and Supply in Dhaka

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Abstract

The Palestine-Israel conflict has affected markets in many parts of the world including Bangladesh. In Dhaka, sales of popular drinks like Coca-Cola have dropped by around 23% because of boycotts regarding the conflict. Most of the studies usually talk about the global trade or political side of the issue but not so much about local consumer markets. This study investigates how people in Dhaka are changing their buying habits and how the beverage supply chain is dealing with it. Applying a qualitative exploratory method data was collected from 40 retailers and 40 consumers using semi-structured questionnaires. To understand the price side and imports, World Bank reports were also checked. The findings showed three clear things. First, many consumers (about 78%) moved to local brands such as Mojo because of ethical reasons. Second, retailers reported supply problems, like higher costs and irregular stock. Third, social media had a big role, since 62% of people said online posts and campaigns influenced their choice. In the end, it seems that the conflict has reshaped Dhaka's beverage market. Local brands are now stronger, and businesses as well as policymakers need to adjust to make the benefits long last they are getting in these circumstances. Future research can focus more on whether these changes will last or if things will go back to normal later.

Keyword

Palestine-Israel War, beverage consumption, supply chain disruption, consumer behavior, boycott effect, Dhaka market, local brand preference, geopolitical conflict, import dependency, market stability.

Introduction

In recent years, the geopolitical conflicts have indirectly impacted global trade, commodity movements along with consumer markets. Such impacts haven't just stayed on the battlefield; they've also affected economics and consumption patterns in distant regions (Al Jazeera, 2024). The ongoing Palestine – Israel war not only caused humanitarian worries but also significant shifts in consumer behavior and

supply chain issues specially in Muslim majority countries. In Bangladesh the beverage sector saw a 23 % decline in sales following boycott campaigns against companies perceived to have ties with Israel.(The Independent, 2024; Al Jazeera, 2024; Dhaka Tribune, 2024). Local reports show that people are supportive of boycotts; sales of global cola brands such as Coca-Cola and Pepsi went down and at the same time, demand for local alternatives like Mojo; Pran went up (Reuters,2024;The Business Standard, 2024).

A common issue In the field of supply chain and consumer behaviour research is understanding how global crises shape local market demand and disruption networks. Studies done earlier have usually examined direct trade disruptions but less is known about symbolic responses of consumers – for example boycotts or changes in brand liking – in the context of Bangladesh’s beverage industry(Atlantis Press, 2024; Peng,2025).This research addresses that gap by investigating shifts in demand for imported versus local brands, supply chain interruptions affecting availability and the link between political sentiment and purchasing behaviour in Dhaka the capital and trade centre of Bangladesh. This research focuses on the perceptions and experience of beverage consumers and retailers. It uses a mixed approach combining consumers survey, retailer interview and trade data analysis to record the market’s responses to the conflict.

Literature Review

Introduction

From the beginning of civilization, social movement and political conflict always had strong effects on the behavior of markets, especially in industries with strong brand identities. A boycott movement, defined as the voluntary abstention from purchasing goods or services from targeted companies, can lead a notable change in market. According to Mulyono, H., & Rolando, B. (2025), consumer boycotts have emerged as a significant force in modern markets, with research indicating that up to 42% of multinational corporations and 54% of prominent brands have been affected. This review shows how the beverage industry of a developing country like Bangladesh has shifted its demand completely from an international brand like Coca-Cola to a local brand such as Mojo, highlighting the gap in research concerning the Bangladeshi market.

Consumers behaviour

Consumer boycotts are often motivated by a combination of political ideology, ethical considerations and social pressure (John & Klein, 2003). The Theory of Planned Behavior (Ajzen, 1991) suggests that such decisions are influenced by attitudes toward the boycott, perceived social norms and perceived behavioral control. In the context of political conflicts, research shows that consumers who perceive their purchases as symbolic acts are more likely to alter their buying habits (Braunsberger & Buckler, 2011). Temporarily or for long-term, depending on the intensity of media coverage, public mobilization, and the availability of substitute products.

Emerging markets

Many studies showed that a supply chain shock can open a new market for substitution goods as occurred during the Thailand flood in 2011 that created a global hard disk drive (HDD) supply shock accelerating the Demand for solid-state drive (SSDs). (Haraguchi & Lall, 2015). Similarly, the Russia–Ukraine war significantly disrupted the global export of sunflower oil, to which Ukraine alone contributed nearly half of global supply. Because of this incident, market began to use other oils like soybean oil, palm oil and other oil as substitution sunflower oil. Thus the demand of other oil across the world increased significantly (CBI, 2022).

Research gap

While many studies has explored the effects of boycotts in global markets, very little is known about how such movements influence consumer behavior and supply chains in South Asia, particularly in Bangladesh. No peer-reviewed study has empirically examined the beverage market’s response to the Palestine–Israel war in this context and how small local companies taking the place of dominant companies eventually benefiting from boycotts. This research addresses this gap by analyzing changes in consumer preferences and supply availability in Dhaka during the boycott period.

Research methodology

Sample and Data Collection:

Analysis :

This study adopted a qualitative exploratory research design. It applied a purposive stratified sampling technique dividing the study population into two strata or groups : 1) Beverage Consumers and 2) Beverage Retailers. The consumers were selected randomly whereas beverage retailers were purposely selected due to their relevance to the research topic.

Each strata included 39 Individuals from both Dhaka north city corporation and Dhaka South city corporation. Primary data was collected through kobo toolbox using semi structured questionnaires. Secondary data was obtained from the world bank’s Bangladesh statistics, particularly literate import inflation and consumption related indicators to provide contextual background and support data triangulation.

Analysis: Data was analyzed using SPSS and R software to perform statistical tests and interpret the results. The study is limited to the Dhaka metropolitan area and while it captures rich quality insights .

Results :

Summary Table: Frequency & Percentage by Category

1. Gender

Gender Count Percentage

Female	39	50.65%
Male	38	49.35%
Total	77	100%

2. Residential Area

Area	Count	Percentage
DNCC	34	44.16%
DSCC	36	46.75%
Blank	7	9.09%
Total	77	100%

3. Monthly Income

Income Range	Count	Percentage
Less than 10,000	22	28.57%
10,000–30,000	20	25.97%
30,000–50,000	11	14.29%
50,000–1,00,000	13	16.88%
1,00,000+	1	1.30%
Blank	10	12.99%
Total	77	100%

4. Educational Level

Education Level	Count	Percentage
No formal education	5	6.49%
Primary	5	6.49%
Secondary	11	14.29%
College/Diploma	8	10.39%
Graduate	28	36.36%
Post graduate or higher	17	22.08%
Total	77	100%

5. Consumer or Retailer

Type	Count	Percentage
Consumer	47	61.04%
Retailer	30	38.96%
Total	77	100%

6. Occupation

Occupation	Count	Percentage
Student	32	41.56%
Private sector	10	12.99%
Business owner	17	22.08%
Other	18	23.38%
Total	77	100%

7. Age Group

Age Group	Count	Percentage
Under 18	6	7.79%
18–24	37	48.05%
25–34	23	29.87%
35–44	7	9.09%
45–54	4	5.19%
55+	2	2.60%
Total	77	100%

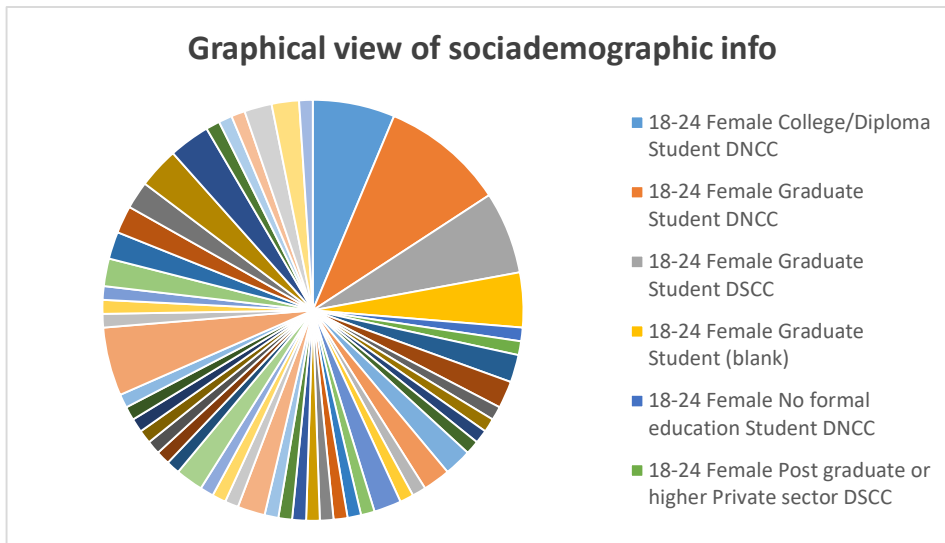


Figure 1: Overall demographic info considered in analysis.

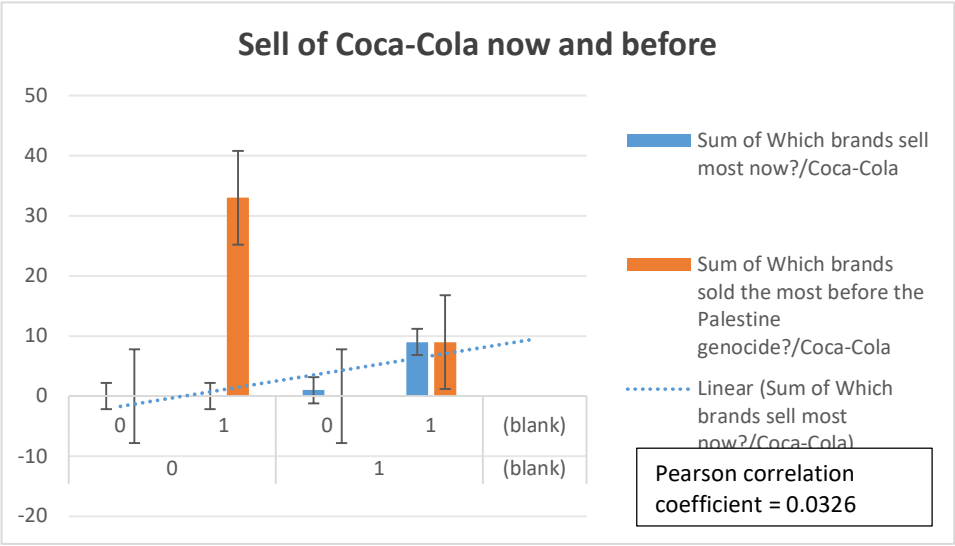


Figure 2: Graphical analysis of selling of beverage Pre and Post boycott season.

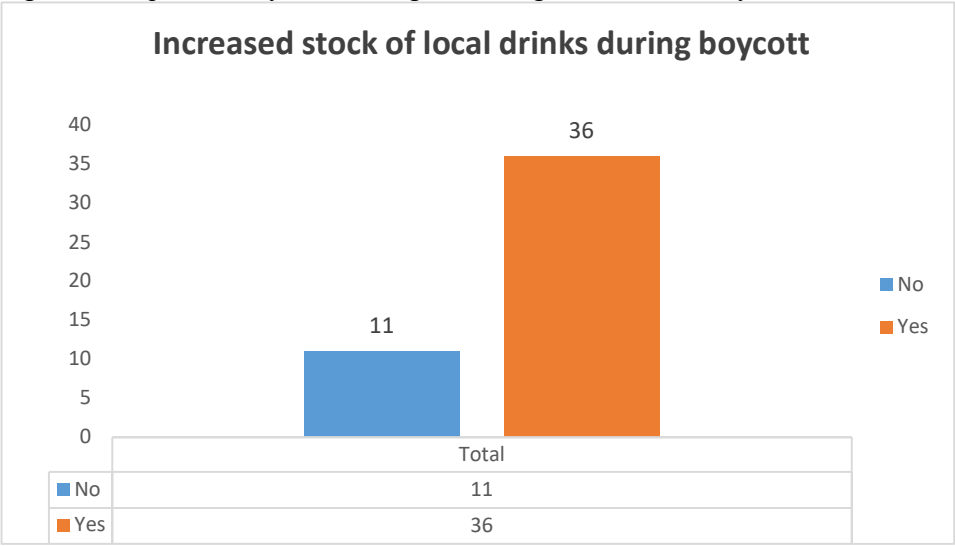


Figure 3: Frequency of local and international drinks stocked during boycott movement.



Figure 4: Graphical Analysis of drinks sold before boycott movement.

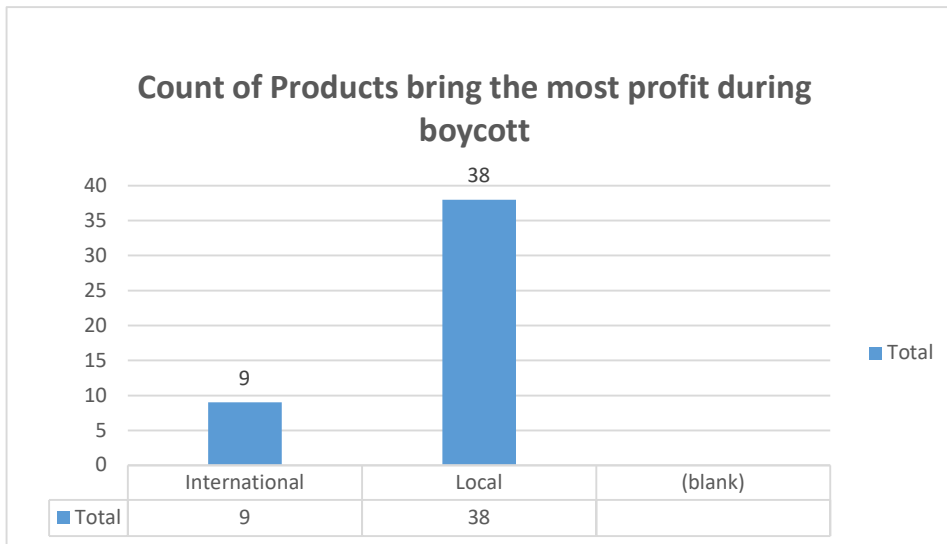


Figure 5: Bar diagram shows the frequency of beverage sold during boycott issue

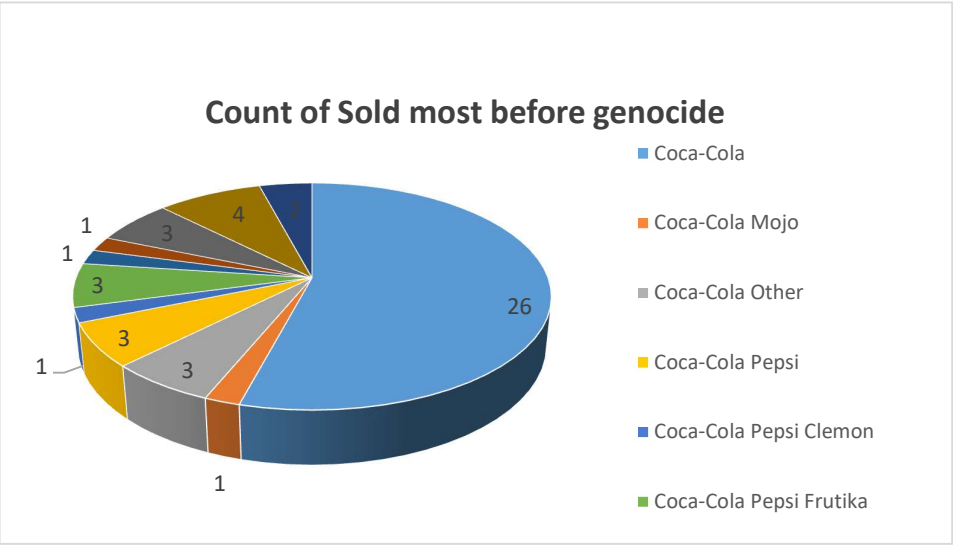


Figure 6: Pie chart shows the frequency of drinks sold before boycott movement by retailer

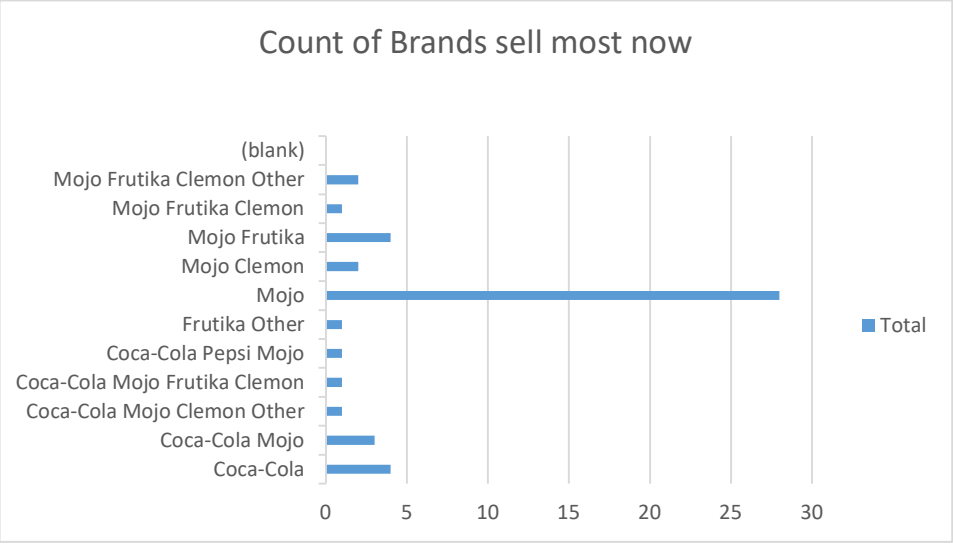


Figure 7: Horizontal bar diagram shows the frequency of beverage sell most during boycott issue.

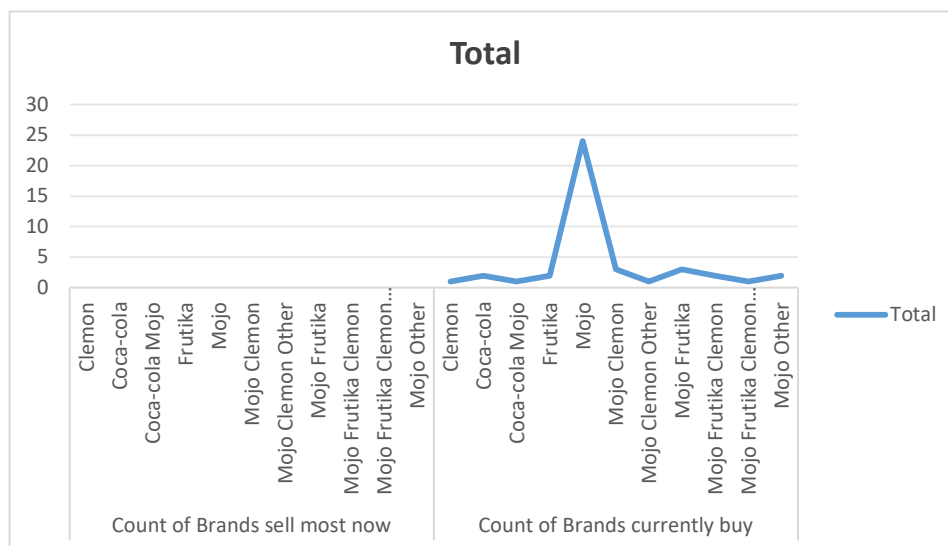


Figure 8: Reflects the amount of brands customer bought during boycott season.

Discussion:

This study explored changes in consumer behavior and market dynamics. Attitudinal or political events influenced purchasing behaviour of consumers primarily regarding stocking/consumption levels rather than more traditional economic/health concerns (considerable proportions reported an increased purchase and consumption at a local beverage brand);

Before the conflict, this former tranquillity had already been tainted by powerful international brands — like Coca-Cola/iconic presence—illustrating how entrenched and formidable a grip multinational corporations have on existing markets. But the broader increase in profitability and visibility for CBOs that follow a big, traumatic boycott does imply back-of-the-bus consumer activism. This is congruent with broader literatures on ethical consumption wherein people may buy things for political or moralmatic reasons, (e.g., Klein et al. 2004; John and Klein 2003).

Unsurprisingly, the move was most dramatic amongst younger participants — students in particular which ranged from 18–24 years old. Perhaps more plugged into wider world events and issues of social import than their older counterparts? The sway of this demographic on market forces is a reminder that at the small-scale consumer level, policy might not necessarily be needed to change local economies.

These findings apart this study is limited by small sample size (n=77), wide volatility concentrations within DNCC as a whole. Additionally, this reliance on self-reported data could be another source of bias and it may take some leap to attribute changes in behaviour to a single geopolitical event. Thus, in future research also longitudinal patterns and more regional variance should be studied including for instance other age cohorts.

Figure 1 depicts a notable shift in the choice of consumers before and during the period of boycott due to the genocide issue. Coca-Cola has decreased its sales sharing from a dominant 64% before the boycott session to a mere 15% during the boycott session, whereas local brands like Mojo raised their sale figure. Besides that, despite having the value of correlation of only 0.0326 between the consumption of Coca-Cola before the boycott and after the boycott doesn't hold a relationship in linear form. The very high

stock level of local brands during pandemic sessions (77% for Mojo and 23% for Coca-Cola) noted as the sign of changing the retailer's stock to meet the residents' demand. In other words, the very weak value of 0.0326 of correlation shows that the consumption of Coca-Cola before the presence of the boycott couldn't determine how much of it could be consumed after the start of the boycott, as there is a lack of relationship which indicates a break point of consumer behavior or an indication of the potential impact of the genocide issue on purchasing decision. On the other hand, when you go through the stock level of the pandemic session, retailers held a highest stock level of local brands like Mojo, and shows 77% of local brands stock in against the 23% stock of Coca-Cola, which indicates that retailers changed their stock level in order to meet the demand of local brands during the period of reach for local products. Before the genocide, 31% of the sampled residents reported that they only consumed Coca-Cola, and 17% accustomed to mixing it with other international brands, and only 7% were opting the choice of Mojo in August 2024 and Preferred it over the international brands, and also a very weak but positive correlation of $r = 0.13$ was found between the increase in the stock of local brands and decrease in the consumption of international brands. And also when the data of the retailers was compared with the trend, from the sampled 47 retailers, 80% of the respondents reported additional profit margin on local products, which also indicates that Mojo is gaining its consumers with a good taste and profit. This also shows that the change of good taste is also highly demanded by the respondents as Mojo captured the whole space of Coca-Cola with a market selling of 56%, whereas previously Coca-Cola was controlling 54% of the market in term of supply and demand.

Public health wise, drinking more soft drinks (often a local drink that is less processed) could also have some benefits. But more research is required to understand wider nutrition impacts. The results for marketers imply that local brands have the chance to invest in ethically driven consumer groups, as long this is followed by transparency and quality.

Taken together, the study adds to a growing stream of research exploring where global politics intersect with consumer behaviour and ethical marketing. Those findings reinforce the idea of external events leading to change within a market and push supporters for further research into how sustainable these changes might be.

Conclusion:

The results of the study show that the Israel-Palestine conflict has highly influenced the beverage industry of Bangladesh in terms of supply chain management and consumers' purchasing habits. Retailers and consumers have exhibited changes, including price hikes and product shortages. The thematic analysis reveals that retailers have adjusted their procurement policies and stock management, while consumers have modified their purchasing behaviour through brand switching and changes in beverage purchasing frequency. The findings reflect the interconnectedness of global conflicts and the domestic market, showing that geopolitical conflicts, no matter how far apart, affect the local industry through supply chain disruption and consumer habits change. The outcome of the study adds value to the understanding of the effect of turmoil on developing countries like Bangladesh, and it might be beneficial for policymakers or related industries to develop a more resilient supply chain to mitigate such risk in the future. Besides, local brands need to think of strategies to keep the advantages they received in the market due to these kinds of issues. From analyzing the findings, it can be concluded

that the supply of Mojo was increased during the boycott period. And they got a trustworthy place in the market which is continued till now. But from the analysis, we conclude that the relation is not linear or constant. Once the supply increases, it doesn't always keep the flow which the correlation says. But from that graph data, we can conclude that the supply is higher in local brands during the boycott. And has a great impact on beverage market acceptance which is not always linear. Most of the people from young age were strongly participated in the boycott movement which is a notable matter in the future boycott. It will have a huge impact and a value-added impact on the domestic economy and market acceptance.

Author contributions

All the authors have contributed more or less equally. Corresponding author (Khatija Afroj Bristi) has initiated the

Idea, collected and analyzed the data, interpreted the findings, and presented discussion. Additionally she also constructed the Hypothesis. Co-author (Rafiha Farha) has written the abstract and Introduction section. Methodology and Discussion sections are completed by other co -author (Sumaiya Amreen Akhand). Another co-author (Kaushiky Saha) mainly focused on literature review. Again, other co-author (Zakiya Afroj Tamanna) build the questionnaire, collected data and analyzed data. She also edited the entire manuscript.

Conflict of interest statement

All authors have seen and agreed with the contents of the manuscript and there is no conflict of interest to declare. We certify that the submission is original work and is not under review at any other publication.

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