



The Role of Social Capital in Boycotting Socially Irresponsible Firms

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Introduction

Boycotting irresponsible firms is regarded as an important mechanism by which society is able to reduce the occurrence of business practices that damage the natural environment or severely break social rules (Klein et al. 2004). In a typical product boycott (also called a consumer boycott) one or more parties attempt “to achieve certain objectives by urging individual consumers to refrain from making selected purchases in the marketplace” (Friedman 1985, p. 97) or “get many others to refrain from doing business with that organization” (Tomhave and Vopat 2018, p. 125). Thus, the essence of a product boycott is using consumer power

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to induce a certain firm to abandon practices that negatively affect people or the environment. In other words, consumer boycotts may protect the common good by mitigating harmful business operations.

Protests against corporations such as Shell, BP or Bank of America showed that socially damaging business practices can be hampered by the market mechanism itself, thanks to committed consumers. However, this mechanism only works if a large number of people join a certain protest. Cross-cultural surveys have demonstrated large differences among countries in consumer participation in boycotts of socially irresponsible firms (ESS 2018). On one hand, there are countries where more than 40% of people take part in these protests; on the other, there are countries with a boycott rate of around 5%. Without consumer support, a product boycott is unlikely to be effective (i.e., it would not be able to impose any significant effects on a firm). This is why marketers from countries with low levels of consumer activism, including Poland, do not typically take consumer boycotts seriously; conversely, in countries with high consumer involvement up to 50% of firms that are targeted by consumer protests meet the demands of boycotters and refrain from irresponsible practices (Braunsberger and Buckler 2011).

Although people's involvement in a boycott determines its effectiveness, few studies have addressed cross-country differences in consumer participation in boycotts. The majority of existing studies have addressed the economic and psychological antecedents of taking part in boycotts against irresponsible firms, such as the ratio of personal costs and benefits to the consumer (Hutter and Hoffmann 2013), the perceived egregiousness of corporate activities (Hahn and Albert 2017) or the volume of products purchased by a consumer (Albrecht et al. 2013).

The present paper assumes that boycotting products of an irresponsible firm requires support from consumers who are ready to protect the environment or other people and their rights. The vast number of sociological studies proved that social capital facilitates civic engagement. Bearing in mind that product boycotts typically aim to reduce harmful corporate operations, the main objective of this paper is to obtain a better understanding of the role of social capital in boycotting the products of socially irresponsible firms. Specifically, this study aims to answer the following question: 'How does a country's level of social

capital influence consumer participation in boycotts against irresponsible firms?’ In order to answer that question, this study develops a theoretical framework that elaborates the concept of social capital and its relation to consumer boycotts. Then, the research methods are described and the results are presented. The paper ends with conclusions and suggestions for future studies.

Theoretical Framework

Social capital theory was popularised in the 1980s by Pierre Bourdieu and James Coleman. Bourdieu defined social capital as “the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition” (Bourdieu 1983, p. 249). Such a definition places Bourdieu among the representatives of the resource notion of social capital. The second outlook on social capital is, as represented by Coleman and Robert Putnam, a network perspective which perceives the capital not as a resource per se but as the network of ties which gives access to different resources controlled by members of the network (Coleman 1988, 1990). Coleman defines social capital as various entities which have two common features: “they all consist of some aspects of social structures, and they facilitate certain actions of actors – whether persons or corporate actors – within the structure” (Coleman 1988, p. 98). According to Putnam, at the centre of social capital theory is the value of social networks. This capital is related to trust, social norms and ties which can increase the efficiency of society. It facilitates social trust, taking coordinated actions and strengthening ties within the society (Putnam 2008).

It is worth noting that scholars are not unanimous about the components of social capital. Table 1 shows different sets of its elements but one has to bear in mind that this representation is not finite; research on social capital is still developing. Nevertheless, the most frequently mentioned components are social networks as well as norms and values, among which trust and reciprocity are vital elements. Taking into consideration the main aim of the paper, which is the examination of

Table 1 Components of social capital

Name	Components of social capital
James Coleman (1988, 1990)	Obligations, expectations and trustworthiness of structure information channels Norms and effective sanctions (reciprocity and trust, common good)
Pierre Bourdieu (1983)	Resources gained thanks to belonging to relationships network, acquaintances and mutual trust Access to specific benefits
Robert Putnam (2008)	Trust Social norms Associations networks Participation in civil society
Francis Fukuyama (1997)	Trust
Henk Flap and Beate Völker (2001)	Spontaneous social behaviour Number of people in a personal social network who are ready to help in need Strength of relationship which determines readiness to help Resources of network members
Maria and Theiss (2007)	Social ties Social norms and principles of cooperation Trust Structures and social institutions Information channels and connections Patterns of realising values and business Solidarity Habits and customs Norms and values Social networks Social consequences (built common good)

Source Own elaboration

the influence of social capital on boycotting, and the available data, the most important components for further analysis are social networks and trust, which are tightly intertwined.

Regardless of their chosen perspectives, researchers agree that social capital requires social networks perceived either as vital elements of the capital or as ties which provide access to certain resources within the network. Some people “do better because they are somehow better connected with other people. Certain people are connected to certain others, trusting certain others, obligated to support certain others, dependent on exchange with certain others. One’s position in the structure of these exchanges can be an asset on its own right” (Burt 2005, p. 4). Social networks are built through interactions with others and they differ according to the contact’s strength and frequency. Ties between family members, friends or neighbours, which are characteristic for bonding social capital, are strong because people within these groups meet often, trust each other and share similar norms and values. Information gained within these networks are often redundant and any benefits rarely go beyond the group (Putnam 2008; Patulny and Svendsen 2007). This is why some researchers emphasise the strength of weak ties (Granovetter 1973) and perceive them to be a source of better connections. Weak ties, also named “bridges”, create shorter paths between individuals, resulting in a faster information transfer over bigger distances (Grzesiuk 2015). Weak ties are the basis of bridging social capital and facilitate the usage of external resources and information flow (Putnam 2008). Bridging social capital is critical when creating a civil society as people with too many strong ties and not many weak ties are less creative, and reluctant to changes or to become involved in any initiatives as they function only within the network of their closest relatives and friends (Jędrych 2007).

As mentioned previously, another component of social capital is trust, a crucial element for the existence of a civil society. Trust is a mechanism based on common norms, assuming that members of society behave in an honest and cooperative way. It increases the efficiency of each group and institution (Fukuyama 1997). Fukuyama introduced the concept of a “radius of trust”, which differs depending on the level of social capital within a society (Fukuyama 1997, p. 170). This radius reveals the number of group members who we feel are trustworthy and who we are obliged to fulfil our duties for, using the reciprocity norm. In societies with high level of social capital, radius of trust might be wider than a group. In large organizations, on the other hand, it might only include

small groups within the entity (Fukuyama 2000). When trust becomes a common and frequently used norm within a society, there exists a culture of trust. Building such a culture requires actions from both citizens and their government because only in stable, transparent and predictable conditions can people trust each other a priori, meaning that people assume that others are trustworthy until they learn otherwise (Sztompka 2002, 2008).

Considering the purpose of this paper—to obtain a better understanding of the role of social capital in boycotting—we assumed that social capital plays an important role in protests against irresponsible firms for two reasons. Firstly, consumer boycotts involve a collective action problem (Klein et al. 2004). To become effective, these protests need to engage a multitude of people who should act together against the irresponsible firm. Thus, this kind of activity requires trust among consumers who want to manifest their dissatisfaction and stigmatise an enterprise which violates commonly accepted and shared norms. Given that social trust enhances cooperation among people, one can reasonably expect that in countries with a greater capacity for trust, more people would boycott the products of irresponsible firms. Secondly, to trigger public resistance against the irresponsible behaviour of a particular firm, information on that kind of behaviour is needed. Assuming that social ties enhance the spread of information, we expect that in a country with more social ties it would be easier to mobilise a significant number of people to boycott an irresponsible firm than in a country with fewer social ties.

Method of Research

In order to answer the question regarding how the social capital of a country affects consumer participation in boycotts against irresponsible firms, the study uses data from the sixth edition of the European Social Survey (ESS). In this survey, the sample consisted of 54,221 subjects from 29 countries. The average participant was 48.31 years in age, with a standard deviation of 18.59 years. Slightly more women than men (52.6 vs 47.4%) took part in this survey.

The ESS was selected as the source of the data because it measures the participation of people in product boycotts and includes several items that enable social capital operationalisation. With regard to participation in boycott, the respondents had to indicate whether they 'boycotted certain products' in the last 12 months. When it comes to social capital operationalisation, we followed Putnam who regarded generalised trust and social networks as the main components of social capital. Trust was measured by an indicator based on participants' responses to the following items: 'Most people can be trusted or you can't be too careful', 'Most people try to take advantage of you or try to be fair', 'Most of the time people are helpful or mostly looking out for themselves'. The answers to these items were made on a 0 (you can't be too careful) to 10 (most people can be trusted) scale. While operationalising social networks, we distinguished between weak and strong ties. As proxies for weak ties, we assigned such ties as contact with people who were politicians or government officials, working in political parties or action groups, being involved in voluntary work and members of a trade union or similar organization. To contrast, the study's proxies for strong ties included friends, the frequency of meeting them and having the opportunity to discuss personal matters with other people. To better evaluate the quality of strong ties, we also took into account receiving help from respondents and providing help to other people. More detailed information on social capital measurement is presented in Table 2.

While investigating the relationship between consumer participation in boycotts against irresponsible firms and the social capital of a country, we began with a preliminary analysis in which we correlated percentages of boycotters against social capital variables. The results demonstrated that all the correlation coefficients were positive and statistically significant. With regard to the strength of these links, the number of people with whom one can discuss intimate and personal matters most strongly correlated with boycotting ($r = 0.79$, $p < 0.01$), whereas working for a political party (or action group) and boycotting had a weak correlation ($r = 0.39$, $p < 0.05$). All correlations are illustrated in Fig. 1.

We subsequently performed a k -means clustering analysis to identify three groups of countries with similar social capital structures. As the centroids show, these clusters largely differ in their social capital capacity

Table 2 Descriptive statistics for these variables at country level

Variables	Mean	Standard deviation	Range
The percentage of boycotters	15.7	11.8	0.7–42.8
Averaged generalised trust	5.1	0.9	3.54–6.82
<i>Proxies for weak ties</i>			
The percentage of respondents who contacted a politician or government official in the last 12 months	12.8	5.2	4.6–25.9
The percentage of respondents who worked in political party or action group in the last 12 months	4.0	2.2	1.1–10.1
The percentage of respondents who were involved in work for voluntary or charitable organizations (at least once every three months)	17.9	10.7	2.4–37.8
The percentage of respondents who are member of a trade union or similar organization	18.2	18.4	3.1–67.8
<i>Proxies for strong ties</i>			
Percentage of people who socially meet with friends, relatives or colleagues at least once a week	58.9	13.1	25.7–77.8
The percentage of respondents who have at least 4 people with whom they can discuss intimate and personal matters	31.4	14.9	7.5–58.2
The percentage of respondents who feel that they receive help and support from other people	87.8	5.5	73–95.2
The percentage of respondents who feel that they provide help and support to other people	92.2	4.2	80–97.1

Source Own study

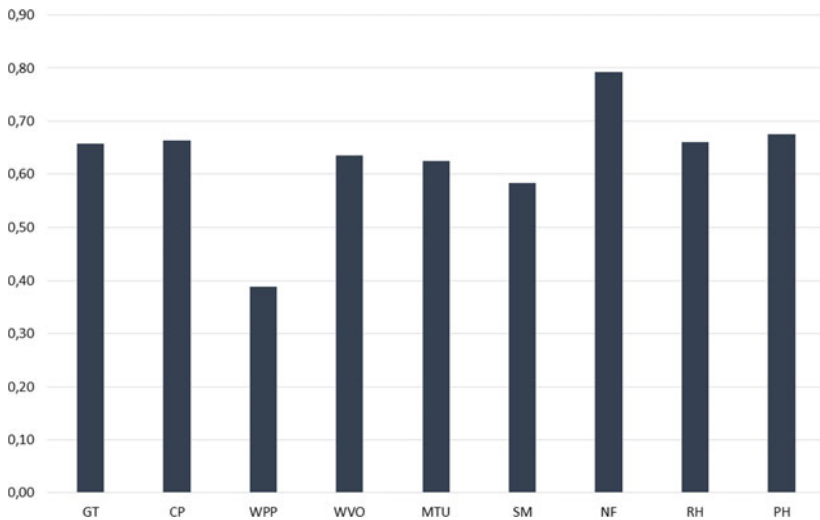


Fig. 1 Correlation coefficients between boycotting and social capital variables (Notes GT—generalized trust, CP—contacting politicians, WPP—working in political party, WVO—working for voluntary organizations, MTU—membership in trade union, SM—socially meeting, NF—number of friends, RH—receiving help, PH—providing help) (Source Own study)

(Table 3). Most of countries in our study fall into the low social capital cluster (i.e., 15 countries). Specifically, this cluster consists largely of Central and Eastern European countries alongside Portugal and Italy. The average social capital cluster contains eight rich Western countries and Israel. The cluster of countries with the highest social capital includes five Scandinavian countries: Denmark, Finland, Iceland, Norway and Sweden.

At the next stage of analysis, we compared the average percentage of boycotters for the aforementioned clusters of countries. The data in Fig. 2 clearly show that the participation in product boycotts depends on the social capital capacity of a country. In order to see whether the identified differences are statistically significant, we used a one-way ANOVA analysis. In line with our expectations, the results showed the statistically significant effect of a country's social capital capacity on consumer activism, $F(2,25) = 31.080$, $p < 0.001$. However, this positive effect does not mean that all the differences among the clusters

Table 3 Classification of countries based on social capital clusters

Variables	Cluster		
	Low social capital	Average social capital	High social capital
The averaged generalised trust	36.0	59.9	81.7
The percentage of respondents who contacted a politician or government official in the last 12 months	9.6	14.5	19.8
The percentage of respondents who worked in political party or action group in the last 12 months	3.3	3.7	5.9
The percentage of respondents who were involved in work for voluntary or charitable organizations (at least once every three months)	9.5	28.2	24.8
The percentage of respondents who are member of a trade union or similar organization	8.0	15.0	54.2

Variables	Cluster		
	Low social capital	Average social capital	High social capital
Percentage of people who socially meet with friends, relatives or colleagues at least once a week	51.0	65.1	70.3
The percentage of respondents who have at least 4 people with whom they can discuss intimate and personal matters	19.8	43.5	46.5
The percentage of respondents who feel that they receive help and support from other people	84.2	90.1	94.4
The percentage of respondents who feel that they provide help and support to other people	89.5	94.5	96.0
	Albania, Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Italy, Lithuania, Poland, Portugal, the Russian Federation, Slovenia, Slovakia, Ukraine, Kosovo	Belgium, Switzerland, Germany, France, the United Kingdom, Ireland, Israel, the Netherlands	Denmark, Finland, Iceland, Norway, Sweden

Source Own study

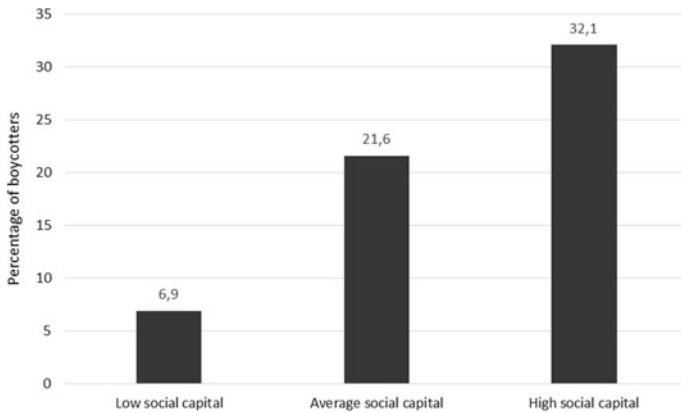


Fig. 2 Mean percentage of boycotters in social capital clusters (Source Own study)

were significant. Tamhane's post hoc test revealed that there was a significant difference in the mean percentage of boycotters between the low and average social capital clusters ($M = 6.9$, $SD = 4.5$ vs. $M = 21.6$, $SD = 9.3$; $p < 0.01$), and between low and high social capital clusters ($M = 6.9$, $SD = 4.5$ vs. $M = 32.1$; $SD = 7.6$, $p < 0.01$); whereas the difference between the average and high social capital clusters was insignificant ($M = 21.6$, $SD = 9.3$ vs. $M = 32.1$; $SD = 7.6$, $p > 0.05$).

Conclusion

Our study revealed significant differences in the percentage of boycotters between European countries depending on their level of social capital. In countries with high social capital, more than 30% of consumers wanted to control irresponsible firms by boycotting their products, while in countries with low social capital this percentage was only 6.9. This research finding clearly supports our theoretical framework, which predicted that within high social capital countries information about the violation of norms by firms flows quicker and reaches more people which can accelerate consumers' decision about participation in boycotts. On the other hand, low social capital level means low generalised trust and

less people within personal and professional networks; this results in consumers from those countries not having as many opportunities to talk about companies' irresponsible behaviour as citizens of countries with average or high social capital. Thus, our study shows that a social capital deficit in a country should be regarded as a substantial reason for low consumer activism, including boycotting irresponsible firms.

Knowledge about relations between the social capital level and boycotting also sheds some light on why firms may gain unjust profits in countries with low social capital, for example by offering products of lower quality in developing markets. At the same time, our study suggests that firms cannot afford unethical behaviour in countries with high social capital as losses might be detrimental and so trust in the brand may be violated and remain so for many years.

Although our research findings supported our predictions, this study is not free from several limitations. First, our analysis did not cover social ties in social media. Given that direct communication is gradually being replaced by virtual means (Piechota 2014, p. 233), the question of how social media networks influence engagement in boycotts against irresponsible firms arises. Another interesting problem that requires further investigation is the minimum level of social capital needed to launch an effective consumer boycott. Finally, future research could identify potential behaviour of governments or consumer organizations that could increase the level of social capital, or a sector that would be the most effective in increasing consumers' awareness and eagerness to punish irresponsible companies.

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