

Kentucky Fried Chicken Solo Baru Indonesia in Addressing Global Issues to Maintain Customer Loyalty

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Abstract:

The global issue surrounding products perceived to be affiliated with Israel, following the fatwa issued by the Indonesian Ulema Council (MUI), led to a decline in customer numbers at KFC Solo Baru. Effective issue management strategies are crucial in handling such global issues to prevent company decline. This study aims to explore how KFC Solo Baru's issue management strategy maintains customer loyalty and restores brand image amid the growing KFC boycott issue. A qualitative approach is used to provide an overview of the events that occurred at KFC Solo Baru related to the boycott. Data collection involved in-depth interviews with KFC management and customers, observations, and documentation. The data analysis followed Miles and Huberman's qualitative technique. The validity of the data was tested using source triangulation and method triangulation. The Image Repair Theory by William L. Benoit, which outlines five key factors in image recovery strategies—denial, evasion of responsibility, reducing offensiveness, corrective action, and mortification—was used to analyze the findings. The results indicate that KFC Solo Baru's image repair strategy was not fully effective due to the lack of an approach that resonates with consumers' emotional and moral values, leading to insufficient messaging to change negative perceptions. However, customers remained loyal to KFC due to rationality, habit, convenience, and product innovation.

Keywords: Issue Management, KFC, Customer Loyalty, Boycott of American Product

Introduction:

Israel's aggression against Palestine has sparked a global backlash, including from the Islamic world, which has launched various acts of condemnation and criticism. One global response is the Boycott, Divestment, and Sanctions (BDS) movement, which calls for boycotts and social sanctions against companies that support Israel. This boycott aims to reduce demand for related products and provide moral support for the Palestinian people's struggle. The movement also

hopes to pressure Israel by reducing financial and political support. The impact of this boycott is significant, not only in terms of decreased sales but also potential company closures and structural changes in related industries. Boycotting products affiliated with Israel is seen as a form of moral support for the Palestinian people and a protest against Israel's actions, which are considered genocide. The aim of this boycott is to reduce demand for related products in local and

international markets, thereby putting pressure on Israel (Mariza et al., 2024). The crisis in Gaza demonstrates that digital media plays a crucial role in shaping global perceptions in an unbalanced manner. Platforms like X (formerly Twitter) and global online media outlets serve as a vehicle for governments, activists, and civil society to disseminate narratives about the conflict, influence public opinion, and shape global perceptions of the situation in Gaza.

KFC, as an American company, was affected by a boycott calling for the rejection of products deemed supportive of Israel. Issue management strategies are key to handling this crisis and restoring the company's image. According to William Benoit's Image Repair theory (Benoit, 2015), there are two important components to repairing a company's image during a crisis: first, the organization must take responsibility with concrete actions, and second, those actions must consider the long-term effects with positive consumer reactions, including increased sales. In general, in managing corporate community conflict, communication plays a crucial role in escalating or defusing tensions (Palapah et al., 2024). As Servaes (2020) emphasizes, "conflict does not always have to end in prolonged confrontation or violence; it can serve as a catalyst for positive change if properly managed through open and constructive communication."(Servaes, 2020)

The boycott of Israeli-affiliated products has had a significant impact on KFC in Indonesia. PT Fast Food Indonesia Tbk, the company that manages KFC, recorded a net loss of IDR 152.41 billion in the third quarter of 2023, an 815.69% increase compared to the previous year (Binekasri, 2023).. Declining revenue occurred in several regions, including Solo Baru, Central Java, due to calls for a boycott that led to a decrease in purchases by the local community. KFC Solo Baru sales transaction data shows the real impact of this boycott. Since the Israeli-Palestinian conflict escalated in late 2023, boycotts against KFC have intensified, leading to declining sales and store closures. In 2024, 47 KFC stores were closed and more than 2,000 employees were laid off. Sunarko, Manager of KFC Solo Baru. Dyliau et al. stated that crisis communication in the digital era has shifted from simply conveying information to a process involving active public participation in shaping narratives and decision-making. Although digital media allows for rapid and widespread dissemination of information, public engagement still tends to be passive, especially in the form of content reproduction without deeper interaction (Dyliau & Achmad Nurmandi, 2025). Sunarko, Manager of KFC Solobaru, stated that the impact of the boycott call led to a decrease in purchases by the local community, as can be seen in the KFC Solobaru sales transaction data below.

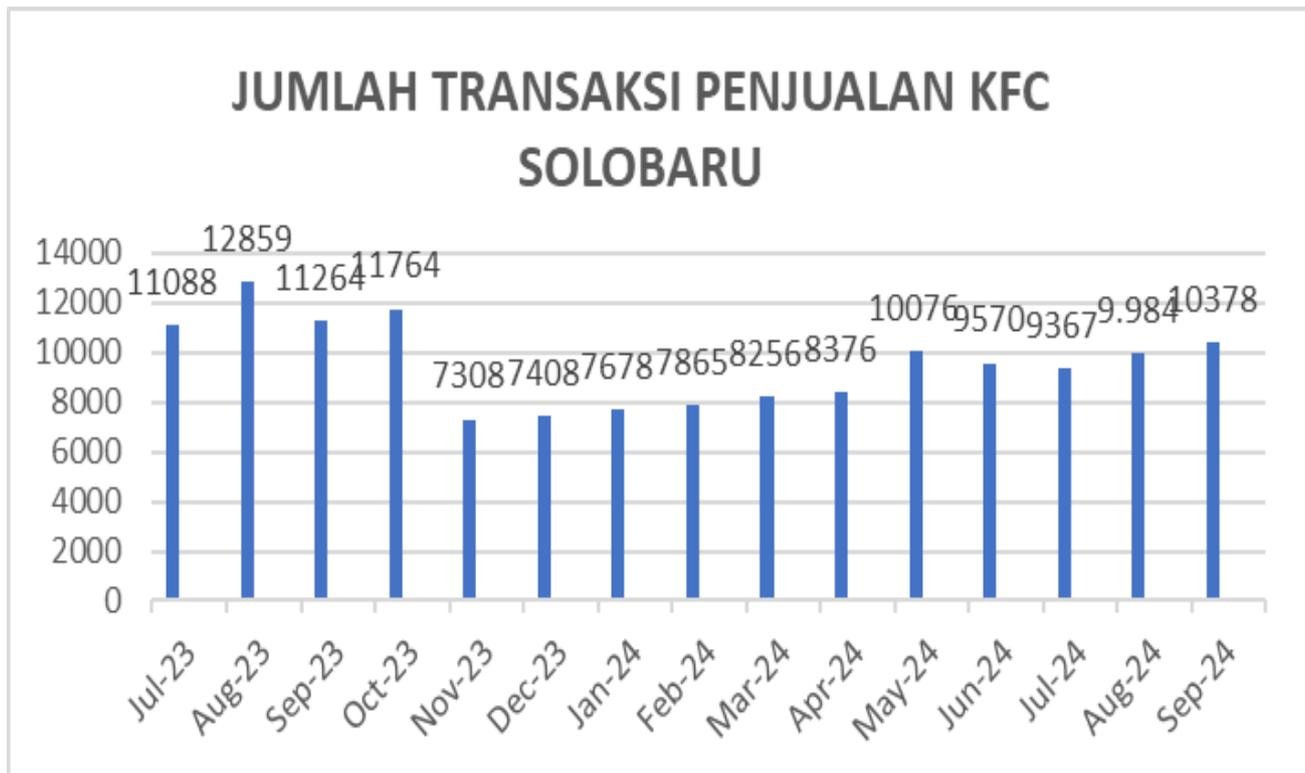


Figure 1: KFC Solo Baru Sales Transactions (source: research results)

Strategy is the process of determining a management plan for an organization's long-term goals, along with developing methods and efforts to achieve these goals. Customer loyalty can be seen from a customer's willingness to continue supporting a company in the long term, by purchasing and using its products or services based on their liking. Meanwhile, a strategy for maintaining customer loyalty is a company's way of maintaining customer loyalty so that company goals can be achieved. This strategy is implemented to support loyalty levels so that from this loyalty, the public will feel needed. No matter how perfect a strategy for maintaining customer loyalty, mistakes can occur. The negative potential of unhappy customers must be handled appropriately. Unhappy customers must be quickly made to feel that the company cares about them.

The manager of KFC Solo Baru acknowledged that maintaining customer loyalty and restoring its brand image are significant challenges amidst this situation. Therefore, KFC Solo Baru needs to implement an effective issue management strategy to increase sales and brand image. Issue management is the proactive process of managing potential issues that impact a company, both negatively and positively, and turning them into opportunities to enhance its reputation. According to Heath and Coombs, an issue is a contentious difference of opinion that is crucial for the stakeholders (Prayudi, 2016). Meanwhile, Regester and Larkin define issue management as an effort to improve the understanding and effectiveness of a company's involvement in the public policy process (Nugroho, R. A., & Mucharam, 2021). Sunarko, the manager of KFC Solo Baru, realized that the boycott issue must be addressed by finding the best solution to maintain customer loyalty to KFC outlets. The sharp decline in product sales must be addressed immediately to ensure the company's survival and ability to support its employees. Based on the explanation above, this study aims to explore the strategies employed by KFC Solo Baru managers in dealing with negative issues to prevent a negative impact on the company.

Customer loyalty is a customer's commitment to a brand or company based on a positive attitude and reflected in consistent repeat purchases (Tjiptono, 2012). Customer loyalty is customer loyalty to a product or service through repeated purchases, which impacts the long-term sustainability of the

company. To maintain customer loyalty, companies need to have an appropriate and effective strategy. Factors influencing customer loyalty include satisfaction, trust, and convenience, which have a direct impact on the company's sustainability

This study aims to explore KFC Solo Baru's issue management strategy in restoring its brand image amidst the boycott issue. The boycott issue can be an opportunity or a threat to the company, depending on how it is handled. KFC Solo Baru strives to maintain customer loyalty by managing the issue effectively. The boycott issue, if handled wisely, can bring company profits, but conversely, if handled incorrectly, it can cause the company to slump or even go bankrupt. Realizing this, KFC Solo Baru strives to maintain customer loyalty. Before the boycott call, KFC Solo Baru's sales averaged Rp 20 million on weekdays and Rp 35-40 million on weekends. After the boycott call, KFC Solo Baru experienced a significant decline in sales, namely Rp 15 million on weekdays and Rp 25-30 million on weekends. This decline was caused by the sentiment of boycotting American products which resulted in reduced visits to KFC outlets, especially from consumers affected by the issue. KFC Solo Baru experienced a significant decline in visits, similar to other locations.

According to Klein et al. (2004), boycotts have become a primary method for consumers to express anger or displeasure at actions or situations related to a brand (Klein, J. G., Smith, N. C., & John, 2004). These boycotts not only target Israeli products but also products of multinational companies with business ties to Israel. A factor influencing consumers to boycott a product is an individual's level of religiosity, which is an internal condition and belief that drives a person to act in accordance with the teachings of their religion (Fakriza, R., & Nurdin, 2019). Global boycotts have proven effective in putting pressure on companies linked to Israel, as seen by significant stock declines in companies such as Starbucks, McDonald's, and Disney (Saubani, 2024). The impact of these boycotts depends heavily on their duration. If the boycott is short-lived, the impact is relatively small and insignificant on the overall economy. However, if the boycott continues for a quarter or more, the impact on the economy becomes greater (Ardhani, 2023). The boycott resulted in a decline in revenue and sales as loyal customers stopped

purchasing KFC products. It also resulted in job losses for employees.

Boycotts are certainly very detrimental to organizations or companies, as was the case at KFC Solo Baru. William L. Benoit stated that there are five strategies for image restoration: denial, evasion of responsibility, reducing the offensiveness of the fact, corrective action, and mortification (Coombs, T., & Schmidt, 2009). This theory seeks to protect individuals, companies, or organizations experiencing threats to their reputation. Denial is one strategy that can be employed when faced with attacks or accusations. The nature of denial is very simple: denying or rejecting the accusation being made. Evasion of responsibility is a less effective strategy. This strategy does not deny negligence, but it also demonstrates good intentions. This strategy aims to reduce offense from the injured party. Reducing the offensiveness of the fact is used by an organization in an effort to mitigate the negative impact of a crisis and foster a positive image. Corrective action, in which the organization attempts to repair the damage and promises to prevent a recurrence of the crisis. In this context, the organization may take certain actions without admitting guilt or innocence. Mortification focuses on acknowledging mistakes, apologizing, and showing genuine remorse. In this context, the parties involved (individuals, groups, or organizations) acknowledge their wrongdoing and express guilt for their actions. The goal is to repair the damaged image by demonstrating humility and a commitment to taking responsibility for those actions

Research conducted by Yahezkiel Ivandro et al. (2022) entitled Analysis of KFC's Strategy in Handling the Pork Content Issue (Qualitative Descriptive Study on the Operational Team of KFC Surabaya-Sidoarjo Outlets) (Ivandro et al., 2022), shows that KFC denied the issue of pork content in its products. KFC clarified and reinforced the statement with a halal certificate from the Indonesian Ulema Council (MUI). The issue stated that KFC products, such as burgers, soy sauce, and mayonnaise, contain pork, and

KFC was even considered anti-Islamic. However, KFC successfully handled the issue with an effective issue management strategy. Paramesthi and Kusumawardhani in their article entitled Consumer Perception of Kentucky Fried Chicken (KFC) Brand Reputation in the Boycott Movement, the results of the study show that consumers are involved in the boycott for moral reasons and solidarity with Palestine, although taste and price factors still influence purchasing decisions (Paramesthi & Kusumawardhani, 2024). This study differs from previous studies that focused on handling the issue of pork content and consumer perceptions of the boycott. This study emphasizes issue management strategies to maintain customer loyalty and restore KFC's image, especially in KFC Solo Baru. The main focus is how KFC Solo Baru manages the boycott issue to improve its brand image and retain customers

Methodology

Using a qualitative approach to gain deeper insight into KFC Solo Baru's issue management strategies. The method used is descriptive, which provides an overview of situations and events (Rakhmat, 2024). The descriptive method is used to provide an overview of events that occurred at KFC Solo Baru related to the boycott of products affiliated with Israel. The researcher will also describe the issue management strategies employed by KFC Solo Baru in managing the boycott issue. This study uses data collection methods in the form of observation, interviews, and documentation. The research data analysis technique through the process of data reduction, data presentation, and conclusions from (Milles, Matthew B & Huberman, 2014). This technique is applied in this study by recording information and simplifying the interview data, after which the researcher presents the interview results in narrative form in a table, finally the researcher evaluates the interview data. This study uses the Image Repair Theory presented by William L. Benoit which is known for its 5 main factors of image recovery strategies. These strategies include denial, evasion of responsibility, reducing the offensiveness of the fact, corrective action and mortification. Based on this theory, research questions were submitted to the KFC Solo Baru manager as below

Table 1. Interview Guide

No.	Theory Indicators	Question
1.	Denial	To what extent does KFC show that it is not the party to blame for this action?
2.	Evasion responsibility	KFC seems to be avoiding direct involvement in these international political issues. Is that a deliberate decision, and if so, what are the reasons behind it?
3.	Reducing the offensiveness of the fact	Is KFC trying to reduce the impact of this issue by diverting attention to the positive aspects of the company?
4.	Corrective action	Are there any corrective actions taken by KFC to address the negative perceptions associated with it?
5.	Mortification	How does KFC Solo Baru try to show empathy for the feelings of customers who may be affected by this issue?

Source: research results

Results and Discussion:

Result

1. KFC Solo Baru's Issue Management Strategy

To analyze KFC Solo Baru's issue management strategy, we conducted issue monitoring and strategic initiatives, conducted proactive communication, and aligned products with local tastes. First, issue monitoring and strategic initiatives were implemented by adapting marketing and promotional campaigns to the current situation and avoiding associations that could trigger negative sentiment. Sunarko, Manager of KFC Solo Baru, explained:

"We launched a campaign that focuses on the values of togetherness, family, and local culture that are very important to Indonesian society. We are committed to improving communication with consumers about our contribution to the local economy and job creation. Furthermore, we ensure our products meet high quality standards with an eye on sustainability, such as using local raw materials and environmentally friendly practices. In this way, we build a positive image that is relevant to the needs of Indonesian consumers." (Interview, January 20, 2025)

Maintaining customer loyalty amid the boycott of American products requires a strategy. Issue management and crisis communication strategies are interconnected, as both aim to safeguard a company's reputation. Issue management aims to prevent an issue from escalating into a crisis,

while crisis communication aims to minimize the impact of an existing crisis. Identifying and understanding the root cause of a situation is crucial in crisis communication. Sunarko acknowledged that facing calls for a boycott can be quite challenging, especially given that the boycott list includes the Indonesian Ulema Council (MUI) label. However, this presents a challenge for KFC to maintain its product offering due to a significant decline in visits over a period of time, particularly among consumer segments affected by the boycott sentiment. KFC Solo Baru recognizes that the boycott issue could cause some customers to feel anxious or disappointed. Maintaining open and honest communication with customers is crucial. KFC Solo Baru is ready to listen to customer complaints or concerns and is always ready to provide transparent explanations. Improving product and service quality is crucial to maintaining customer trust. Thus, KFC Solo Baru shows its concern and strives to have a positive impact on the community.

Second, proactive communication. Proactive communication is a customer relationship cycle strategy used to increase customer loyalty. This strategy is used to provide customer service and build credibility through personalized customer management to anticipate common questions. This is used to reduce customer frustration and mitigate customer service issues before they arise. KFC also strives to build good communication with the community, establish positive relationships, and demonstrate a commitment to product quality and innovation. Public Relations (PR) plays a crucial role in building communication with customers, one of which is proactive communication. Ari Shera, MC & Promotion KFC Solo Baru, said:

"To maintain customer engagement, we run programs through public relations and marketing. One strategy used to maintain KFC customer engagement is to offer promotions or discounts for a limited time, encouraging repeat customers to return within a specific timeframe with attractive offers and benefits. After that, we have an event party program, targeted at young children. After that, we conduct flyering to introduce our products, services, and events widely and practically." (Interview, January 20, 2025).

There are 3 things in maintaining customer interest, namely discount promotions (including Crazy Deal The Best Thursday, Bounce Back Vouchers, and Drive Thru Combo), party events (including Birthday Events, Flour Party Events, Burger Party Events, and Chaki Goes to School Events). These Party Events are targeted at young children by offering the excitement of playing with the Chaki Mascot, and finally flyering. Flyering is the process of distributing brochures with the aim of introducing products or services to customers in order to maintain customer loyalty.

Third, aligning corporate values with local values. To maintain customer loyalty, KFC maintains high product quality, service, and cleanliness, and adapts products to local tastes. KFC demonstrates that they respect the culture and values of Indonesian society. As expressed by informant Ari Shera: "To adapt our products to local tastes, we have several new menus, namely KFC Nasi Uduk for 19 thousand rupiah, KFC Noodles for 15 thousand rupiah, and KFC Tahu Bakso Pangsit for only 15 thousand rupiah. We will continue to make breakthroughs in the menu by adapting to the tastes of typical Indonesian cuisine" (Interview, January 20, 2025). The addition of KFC Solo Baru's menu with food variants from typical Indonesian cuisine is expected to attract the attention of customers. Nasi uduk, noodles, and bakso pangsit are popular foods. Moreover, the selling price is not too high, so it is tempting someone to enjoy.

Harrison, as cited in Kustiawati (2019), explains that issues can be divided into two categories based on their impact: defensive issues and offensive issues. Defensive issues are those that pose a threat to the organization, necessitating self-defense in the hope of preventing reputational damage. Meanwhile, offensive issues can be leveraged to enhance the company's reputation.

Unlike crises, which have a defensive impact, issues can also have a positive impact if managed properly (Kustiawati et al., 2019). KFC Solo Baru has successfully addressed both types of issues. To avoid defensive issues, KFC Solo Baru has conducted various campaigns and promotions to attract customers. The campaigns utilize both traditional and new media. Ari Shera explains, "One way to build loyalty is to ensure that the products and services offered meet or even exceed customer expectations. Providing added value, such as special discounts, bundled offers, or other bonuses, can encourage customers to repurchase."

If issues are managed well, they can lead to offensive issues. KFC Solo Baru managers proactively communicate with customers. Maintaining good and honest communication is crucial. Even products that initially met KFC's fast-food standards are now expanding into Indonesian cuisine. This is done in the hope of maintaining customer loyalty.

2. Strategi Pemulihkan Citra Merek KFC Solo Baru

William L. Benoid's theory is used to analyze the issue. This theory seeks to protect individuals, companies, or organizations experiencing threats to their reputation. Image Repair Theory is used as a strategy to restore KFC Solo Baru's brand image, with the following explanation

- **Denial.** Denial is a strategy that can be used when faced with attacks or accusations. The nature of denial is very simple, namely by denying or rejecting the accusation being made. To explain this denial attitude, the question asked is: To what extent does KFC show that KFC is not the party to blame for this action? Sunarko, the manager of KFC Solo Baru, explained: "We want to emphasize that we are not involved in political statements or actions taken by other entities. We focus on providing the best service and quality products to customers. We really respect the diversity of views and beliefs of our customers, but we remain committed to not being involved in such matters." (Interview, January 20, 2025).

According to a Bloomberg Technoz report on January 3, 2024, with the article title "Product Boycott Issues Are Rampant, Is It True That KFC Supports Israel?", KFC Indonesia firmly stated that it is not involved or supports Israel. This official statement was delivered in 2022, where they emphasized their commitment to respecting

all religions and cultures, including Palestine." (Technoz, 2024). In facing this issue, KFC Solo Baru emphasized its commitment to remain politically neutral, not being involved in political statements or actions taken by other entities. The main focus is to provide the best service and quality products. Even though KFC is being attacked by boycott issues, KFC Solo Baru remains steadfast and provides the best service to customers. Even though KFC was attacked by boycott issues, KFC Solo Baru remained resilient and provided the best service to customers. Customer Magenta Arum in an interview conducted on January 21, 2025 said: "Initially, we were affected by the boycott issue and thought about stopping buying KFC. But my children really like KFC chicken. Every weekend the children always ask to come here." A similar thing was also stated by customer Iffa Mahendra when asked whether she was affected by the issue because she had liked KFC for a long time. The taste is just right, and I always wait for the latest promotions." Both Magenta Arum and Iffa Mahendra were not affected by the boycott issue. Customers are still loyal because KFC is a very popular fast food.

- Evading Responsibility

This strategy is considered less effective, but within the strategy of avoiding responsibility, there is a strategy of good intentions. This strategy does not deny negligence, but it also demonstrates that good intentions were present. This strategy aims to reduce attacks from the injured party. According to Hirman, Assistant Manager of KFC Solo Baru:

"We recognize that sensitive issues can trigger strong reactions in the community. We choose to remain neutral and focus on our primary mission, not to avoid problems, but to ensure our customers' dining experience remains enjoyable and free from outside influences. We value diversity and want KFC to be a welcoming and inclusive place for all customers, regardless of their background or political views." (Interview, January 20, 2025)

KFC Solo Baru affirms the company's stance on current international political issues. While issues can evoke strong feelings and opinions among the public, KFC chooses to remain neutral and not directly engage. This decision is based on the company's principle of focusing on its core

mission: serving delicious and safe food to consumers. Furthermore, they are committed to ensuring that the KFC dining experience remains free from the influence of external issues unrelated to their products, for the convenience of consumers.

William L Benoit explains four ways that can be used in crisis communication strategies, namely: Provocation: Providing a response to the actions of other parties that are considered a threat or challenge to the organization, Good Intentions: Stating that the organization has done its best, but the results are felt to be less than optimal by others. This can help maintain a positive image of the organization. Accident: An unexpected and unplanned event, which can affect the organization's reputation. Defeasibility: Lack of information or the organization's inability to control the situation, which can lead to misunderstandings or crises (Kriyantono, 2014). This strategy can be used to overcome various types of crises, including reputational crises, financial crises, or operational crises. By understanding and implementing this strategy, organizations can reduce the negative impact of crises and maintain their reputation.

- Reducing Offensiveness

In this section, conceptually, the organization openly commits or at least acknowledges actions that cause a crisis related to its activities. This strategy is used by organizations to mitigate the negative impacts of a crisis and cultivate a positive image. KFC Solo Baru Assistant Manager Hirman explained in an interview on January 20, 2025:

"KFC makes several efforts to maintain customer loyalty, namely: Proactive Communication: KFC uses special discounts and interesting events to connect directly with customers and create positive experiences. Product Adjustment to Local Tastes: KFC adjusts its menu and flavors to be more relevant to consumer preferences in various regions, thus strengthening their position in the market and increasing customer loyalty. Respect for Diversity and Local Culture: KFC shows care for customers at a global level and also respects local diversity and culture, thus deepening customer loyalty. By making these efforts, KFC can maintain customer loyalty and strengthen their position in the market."

In response to emerging challenges, KFC Solo Baru prioritizes maintaining customer loyalty by offering programs that provide added value to consumers. Through proactive communication, such as special discounts and exciting events, KFC creates positive experiences that strengthen relationships with customers and increase their loyalty. Furthermore, KFC also adapts products to local tastes to strengthen its market position and increase customer acceptance. In this way, KFC demonstrates its commitment to both global and local customers, ultimately strengthening customer loyalty. According to online media reports, Dio May Avico, Director VII of PT Fast Food Indonesia Tbk (FAST), stated that the company would take proactive steps to respond to calls to boycott KFC Indonesia. In a written statement on June 28, 2025, Dio explained that the company's strategic steps include increasing open and transparent communication with customers to convey the company's position and stance. KFC Indonesia upholds the principle of business neutrality and respects the values of Indonesian society (Hartawan, 2025).

- Corrective Action

Through this strategy, the organization seeks to repair the damage and promises to prevent a recurrence of the crisis. In this context, the organization may take certain actions without admitting guilt or innocence. In this case, KFC also took corrective action, as stated by Hirman, Assistant Manager of KFC Solo Baru:

“KFC Indonesia has taken concrete steps to improve public perception by implementing corrective actions. One example is a donation of IDR 1.5 billion distributed through the Indonesian Red Cross (PMI) to help Palestinians affected by the conflict. This donation demonstrates KFC's commitment to supporting humanitarian and peace efforts. According to Achmad Baiquni, a representative of KFC Indonesia, this donation is expected to help ease the burden on the Palestinian people, especially children and women affected by the conflict. This step also reflects the company's social responsibility and demonstrates that KFC Indonesia upholds the values of humanity, brotherhood, and human solidarity” (Interview, January 20, 2025).

KFC Solo Baru has taken concrete steps to address negative perceptions by donating IDR 1.5

billion for humanitarian aid in Palestine, as conveyed by KFC PR representative, Achmad Baiquni. This step demonstrates KFC's commitment to supporting humanitarian efforts and improving the company's image by acting in accordance with the values of peace and humanity. This data is also supported by the media Liputan6.com which explains that KFC Indonesia donated IDR 1.5 billion to Palestinian children, as conveyed by KFC Indonesia representative, Achmad Baiquni. This donation is expected to help ease their burden in facing uncertain situations. KFC Indonesia also condemns all forms of violence and hopes that the conflict in Palestine will end soon (Tommy K Rony, 2023).

- Mortification

Mortification focuses on acknowledging mistakes, apologizing, and showing genuine remorse. In this context, KFC did not acknowledge the issue. They considered the error to be their fault. Hirman, Assistant Manager of KFC Solo Baru, explained in an interview:

KFC Solo Baru stated that it had no direct involvement in the policies or actions that triggered the boycott. As an independently managed franchise chain, KFC Solo Baru is committed to adhering to local rules and values. We strive to provide open explanations to our customers through transparency, clear communication, and consistent product quality. In addressing the ongoing issue, we are committed to placing greater emphasis on friendly and responsive service. Our focus is on maintaining customer trust and supporting the local economy, not involvement in the international issues that triggered the boycott. (Interview, August 10, 2025)

Based on the interview results, KFC Solo Baru management emphasized that they did not do anything wrong that triggered the boycott. Instead, they positioned themselves as the party affected by the negative perception of the global brand. This shows that KFC used the element of Mortification not to admit mistakes, but to acknowledge the existence of a crisis situation that was detrimental to their reputation, while also correcting public perception. In this case, KFC did not apologize for actions they did not commit, KFC chose to provide clarification by emphasizing that their operations in Indonesia are run by a local company and are not directly

connected to the policies or actions that triggered the boycott. In addressing the issues, KFC Solo Baru focused on friendly and responsive service as a form of extra attention. Furthermore, it emphasized the importance of listening and responding to customer feedback with understanding and a swift response. This demonstrates KFC Solo Baru's deep appreciation and concern for customer well-being and satisfaction.

Discussion

1. Customer Loyalty and Rationality

Despite the wave of boycotts, some KFC customers remain steadfast in their choice. For them, the decision to enjoy KFC products is not just about the brand, but also about innovation, convenience, familiarity, and irreplaceable taste. The Indonesian Ulema Council (MUI) fatwa recommending a boycott of Israeli-related products impacted KFC in Indonesia, a predominantly Muslim country. Customer reactions were mixed, with some reducing or stopping purchases in solidarity with Palestine, while others remained loyal due to convenience, taste, or the perception that KFC Indonesia was not directly affiliated with Israel. The impact of this fatwa forced KFC to adjust its image to maintain customer loyalty. Findings revealed that customers who were unaffected were non-Muslims, children, and KFC loyalists

Non-Muslim customers are less likely to be swayed by the Indonesian Ulema Council (MUI) fatwa on boycotting Israeli-affiliated products. They are freer to make choices based on personal preferences without moral or religious obligations. KFC has become part of their lifestyle due to its practicality, taste, and convenience. Furthermore, they are less likely to engage in the geopolitical debates underlying the boycott movement and are more focused on their personal needs, thus their consumption decisions are less influenced by the Israeli-Palestinian conflict. Children are also less swayed by the boycott issue because they are more focused on preferences, taste, and habits. KFC has developed special programs for children, such as Birthday Party and Chaki Goes to School, which create a fun experience and foster brand loyalty. Although parents make purchasing decisions, children have a significant influence on where the family eats. The desire to please their children often trumps ideological considerations, and KFC products that have become a habit are

difficult to replace. KFC loyalists remain loyal to the brand despite calls for a boycott because their consumption decisions are influenced by experience, taste preferences, and emotional factors. They are attracted to discount promotions and exciting new product launches, such as KFC Noodles and Nasi Uduk KFC. Product innovation and attractive promotions give KFC loyalists a strong reason to continue choosing KFC as their favorite dining destination, despite the growing boycott issue.

This study found similarities with previous research conducted by Sindi Marantika, Alivia Salsabila, Vanissa Riva, and Vicky Sanjaya (2025) entitled "Consumer Responses to the Brand Reputation of Kentucky Fried Chicken (KFC) in the Boycott of Israel" (Marantika et al., 2025). The results of the study indicate that a strong brand reputation can influence consumer perceptions and behavior. Although KFC has stated that it does not support Israel, many consumers are still skeptical and express dissatisfaction because KFC is associated with this political issue. KFC consumers can be divided into two groups, namely those who are not affected by political issues and remain satisfied with KFC's products, services, and innovations, and those who are skeptical and dissatisfied because of this issue. For KFC, understanding the social and political dynamics that influence consumer decisions is crucial to maintaining its brand reputation amidst sensitive issues. This way, KFC can maintain consumer loyalty and increase public trust in its brand. It should be noted that some sources have stated that the boycott of KFC due to allegations of being "pro-Israel" is false and misplaced, as KFC Indonesia is owned by a local company and has no direct ties to Israel.

2. Loyalty and Improving the Work Ethic of KFC Employees

In a crisis situation such as the boycott issue, KFC Solo Baru employees play a crucial role in maintaining the company's operations. Employees demonstrate high morale and a strong work ethic, demonstrating the company's strong internal strength. Employee loyalty is reflected in their commitment and dedication, which are built on emotional attachment and a sense of belonging to the company. However, loyalty is also influenced by economic dependence, as many employees depend on their jobs for their livelihoods. KFC management also plays a crucial role in

maintaining employee morale through effective internal communication strategies, such as providing motivation and transparency of information. This helps reduce anxiety and maintain employee psychological stability, enabling them to provide the best possible service to customers despite the pressures the company faces. KFC employees work not only out of necessity, but also because they feel part of the company and want to contribute to the crisis. Feeling valued and given the space to contribute is a powerful driver of loyalty. KFC employee loyalty can be understood as the result of a combination of psychological, economic, and management strategies that support employee engagement and motivation.

These findings align with research by Yulita et al. (2024) entitled "Strategies for Building Employee Loyalty through Work Ethics and Ethics." (Yulita, et al. 2024). The study showed that employees with a strong work ethic tend to be more productive and loyal. Rewarding an exceptional work ethic can increase employee loyalty and create an ethical work environment, thereby improving overall organizational performance. Meanwhile, employee loyalty is crucial to a company's success. Loyal employees ensure the smooth operation and stability of the company, increase productivity, and create a positive work environment that supports innovation and long-term growth. Meanwhile, employees who lack loyalty to the company tend to be less active in carrying out their duties, not involved in additional projects or initiatives, and only perform the minimum required tasks.

3. Effectiveness of the Image Repair Strategy

KFC Solo Baru relied on a low-key public response approach and focused more on direct service at outlets and internal communications, emphasizing that KFC is managed by local workers and not affiliated with international political interests. However, the lack of public communication and the absence of a strong counter-narrative made this strategy ineffective, especially in the digital age where social media can be a crucial tool for communicating with customers. KFC Solo Baru's Image Repair strategy was less effective in restoring the trust of customers already disappointed or exposed to the boycott narrative due to the lack of clarification or symbolic approaches that addressed their values. The failure to build a strong and open counter-narrative makes this strategy incapable of reaching

ideological customers, so that the image cannot be repaired simply by a silent approach or improving services, but rather requires strategic communication that touches on consumer values and trust. This research is in line with Yogie Alwatan's research entitled "Police Crisis Communication: Polri Image Repair Strategy in the Kanjuruhan Tragedy", which shows that the image repair strategy is less effective because it focuses more on self-defense than core strategies such as apologies (Alwatan, 2023).

Conclusion

The MUI fatwa significantly impacted KFC Solo Baru's sales, but some customers remained loyal due to rational considerations such as taste quality, convenience, product innovation, and ingrained consumption habits. Customers who were not affected by the boycott issue included non-Muslim customers, children, and KFC Solo Baru loyalists who focused more on product aspects than brand affiliation issues. Amidst the pressure of the issue, the loyalty and work ethic of KFC Solo Baru employees increased, thanks to effective management support in motivating and maintaining work morale, thus maintaining operational stability during the crisis. KFC Solo Baru's image repair strategy in responding to the boycott issue was not fully effective due to the lack of an approach that touched on consumers' emotional and moral values, so that the message conveyed was not strong enough to change negative perceptions.

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