

**Corporate Decision-Making in Geopolitical Crises: A Comparative Analysis of MNC  
Responses to the Invasion of Ukraine**

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## Table of Contents

	Page
Introduction	2
Literature Review	4
Methodology	10
Findings	18
Huawei	18
Auchan	20
Pfizer	23
PepsiCo	25
IKEA	27
McDonalds's	29
Analysis	32
Limitations	38
Conclusion	40
References	42

## **Introduction**

In today's globalized world, multinational corporations (MNCs) have become one of the most influential non-state actors in the international system. The role that these firms play in shaping economic relations, public norms and even political expectations in the countries where they are present is essential to understand the complexities of world politics. Their size, reach and visibility make them powerful actors to influence the international environment (Wettstein, 2012). At the same time, multinational corporations, while operating across borders, cannot overlook the global networks of trade, finance and communications, meaning that they are directly affected by geopolitical tensions. This dual position makes them especially vulnerable during geopolitical crises, taking careful consideration to their corporate decisions. These global crises are sudden or escalating events that involve international politics, economic or military tensions, and can include armed conflicts like the Russia-Ukraine war or the Arab-Israeli conflict, policy threats like sanctions or trade restrictions or other moral controversies associated with international relations. In these complicated situations, multinational corporations find themselves at the intersection between economic interests, moral expectations and political pressures. However, consumers, governments, media and advocacy groups expect a form of response from the MNCs, even if the conflict is not directly related to their core business activities. As a result, corporations need to navigate the complexities of geopolitical tensions by choosing a corporate strategy, that differs widely across companies. While some companies respond quickly with a strong public stance or operational changes, others choose to remain silent or have a more delayed response. Understanding the rationale behind why multinational corporations respond so differently and the factors that determine their decision is essential to explain the evolving role of MNCs in a world where business and politics are becoming harder to separate.

This thesis examines how multinational corporations responded to the 2022 Russian invasion of Ukraine and why there was a diversity of responses across companies. Methodologically, it uses a comparative case study design, analyzing six multinational corporations: Huawei, Auchan, Pfizer, PepsiCo, IKEA and McDonald's. Each company is classified using a six-point scale of corporate response, ranging from no response to complete withdrawal from the Russian market. The study then compares these cases across several explanatory variables, including consumer pressure, brand visibility, firm size, market exposure to Russia, competitor behavior and country of origin. The findings suggest that consumer pressure is one of the strongest drivers of corporate response, but that its influence depends heavily on wider conditions. In particular, consumer pressure appears to be most effective when firms are based in countries politically aligned with Ukraine and when they operate in industries where consumers can easily switch to alternative brands.

The thesis proceeds in six sections. The literature review first examines existing scholarship on multinational corporations, corporate social responsibility, consumer activism, reputational risk and corporate behavior during geopolitical crises. The methodology section then explains the research design, the six-point response scale and the variables used to compare the selected companies. The findings section presents the six case studies individually, outlining each company's response and the pressures surrounding its decision-making. The analysis section then draws comparisons across the cases to identify broader patterns in corporate behavior. The limitations section reflects on the constraints of the research design and the use of publicly available data. Finally, the conclusion summarizes the study's main argument and considers what the findings suggest about the political role of multinational corporations in contemporary international relations.

## **Literature Review**

Multinational corporations are increasingly recognized not only as economic actors but also as political and social actors with responsibilities that go beyond profit maximization. Scholars argue that given their global reach and influence, MNCs have quasi-governmental capacity in certain contexts, having the obligation to uphold human rights and broader social justice (Wettstein, 2012; Scherer & Palazzo, 2011).

As the influence of multinational corporations becomes more relevant, the expectations placed on them by different stakeholders have grown significantly. The literature shows how MNCs operate under a range of social pressures that go far beyond profit maximization. In a 2023 PwC global investor survey, 75% of investors found it essential to be aware of a company's social and environmental impact and action (PwC, 2023). Moreover, according to a Weber Shandwick survey, 82% of consumers expect companies to take a public position on social issues like human rights and 65% of employees say companies have a responsibility to speak up (2023). Therefore, this has contributed to the rise of "corporate diplomacy", where firms strategically shape their strategies to align with global norms and maintain legitimacy in the eyes of diverse stakeholders.

Companies understand the importance of Corporate Social Responsibility (CSR), referring to a company's voluntary actions to operate in a socially and environmentally responsible way, including ethical labor practices, charitable contributions or other efforts to reduce environmental impacts or act in socially unfair situations (Bhattacharya et al., 2010; Crane et al., 2019). In order to evaluate their performance with fair practices, ESG (Environmental, Social and Governance) measurable criteria are used to assess their environmental impact (carbon emissions or resource use), social responsibility (employee treatment or human rights) and governance (board structure or transparency) (Basnet et al., 2022). Companies with a strong CSR (Corporate Social

Responsibility) and ESG (Environmental, Social and Governance) reputation tend to issue early public statements to clarify their stance, showing their commitment to an ethical response and more likely being considered morally right (Bhattacharya et al., 2010; Basnet et al., 2022).

Nevertheless, some multinational companies have decided to stay quiet and continue regular operations after global crises have sparked. Research justifies their inaction claiming that taking a stand can enhance loyalty among those consumers that share those values, but it could also entail backlash from others, depending on how polarized the issue is (Hydock et al., 2020). However, the cost of inaction is usually higher, as appearing complicit or indifferent to social issues carries bigger reputational and financial risks (Burlea-Schioiopiu et al., 2017).

Many studies highlight the role of consumer activism, particularly, in shaping corporate behavior in cases like geopolitical crises. Research shows that consumers often respond to crises adjusting their purchasing behavior (Gale, 2024; Tsougkou, 2025). For instance, a Weber Shandwick survey proved that 55% of consumers would take action to oppose or support a company based on their positions, directly affecting their sales data (Weber Shandwick, 2023). Consumers, as individuals with ideals, reward brands that align with their values and punish companies that support a political stance opposed to their own, considering them unethical and switching to competitors (Bhattacharya et al. 2006). In this digital era, boycott calls and social media campaigns become viral rapidly, spreading criticism and allowing individuals to collectively pressure companies to take action. Therefore, consumer expectations are usually one of the main factors that shape how corporations assess their responsibilities and public image to maintain their reputation (Campbell et al., 2020).

Studies of risk management argue that reputation is not simply an intangible asset for MNCs, but it is a form of protection against long-term economic harm (Coombs, 2007). When

companies do not respond to crises, the public opinion towards that firm becomes more negative, questioning the firm's values or viewing it as complicit. That usually increases the risk of customer loss, investor skepticism or brand damage, affecting ultimately their financial statements and business performance (Dodd & Supa, 2014).

In this way, MNCs, in their attempt to show moral positioning, protect their long-term reputation and align with the values of the stakeholders, they also demonstrate corporate integrity, and strengthen, mainly, their consumer trust (Bhattacharya et al., 2006; Coombs, 2007). These external pressures from stakeholders make companies respond to crises with public statements, symbolic gestures or operational changes. However, these pressures are not uniform and the intensity of demands of the stakeholders can vary across industries, regions, and brands, creating different levels of urgency (Mimoun, 2022).

One of the factors cited in the literature that shapes how intensely corporations experience reputational pressure is the level of brand visibility. Those MNCs that are highly recognized globally tend to be more scrutinized during geopolitical crises as their profile is an easy target for activism, media attention and consumer backlash. Companies with lower visibility can operate with fewer expectations or less public pressure, prioritizing their operations or finances. Therefore, the more a brand is globally known, the chances of generating public criticism if it remains silent or inactive during crises are higher (Nuortimo et al., 2024; Li et al., 2019).

Additionally, competitor behavior also influences the reputation of a company. Literature on institutional isomorphism, explain how organizations become similar to one another over time to conform external norms (DiMaggio & Powell, 1983). Moreover, peer effect plays a role in how company observe and imitate the actions of close competitors, especially in situations of uncertainty and politically sensitive environments. When a company decides to take decisive

action, others in the same industry might follow it to not be perceived as lagging behind or less responsible. Therefore, competitor behavior could create a standard of the acceptable behavior (Lieberman & Asaba, 2006).

In addition to that, media has an essential role in shaping public opinion, amplifying both consumer pressure and reputational risk for MNCs (Ausat, 2023). News coverage, social media posts can help determine which companies are seen as responsible and which are not. The narratives of media can also exacerbate consumer frustration, accelerating calls for boycotts. In this case, public opinion, magnified by media visibility, becomes a powerful driver of corporate behavior, not only responding to consumer demands but also to societal expectations as a whole.

Beyond reputational risks, the economic and operational risks remain a concern during geopolitical crises. International business scholars highlight that the degree of exposure to the affected region's market also shapes the strategic options (Vekasi, 2019; Basnet, Blomkvist, & Galariotis, 2022). Companies with big investments, supply chains, workforce presence or revenue dependency in a country facing a crisis would have higher financial and logistical costs if they decide to withdraw or suspend operations, making them more cautious in their response to political or social pressures. Additionally, in case of having production facilities affected, their considerations go beyond economics, trying to protect their assets and ensure well-being of employees on the ground (Hydock et al., 2020).

Finally, national identity and cultural affinity also form how companies perceive geopolitical risks. MNCs headquartered in countries that share historical, linguistic or cultural ties with the affected region may feel an added layer of sensitivity or obligation when crises spark (Edman et al., 2024). While multinational corporations operate across borders and often, globally, the location of the headquarters could influence the company's highest-level decisions. The

geographical proximity can also determine the degree of perceived threat, shaping the expectations of stakeholders (Vekasi, 2029).

While the existing literature offers different variables to consider when discussing the differences in corporate strategies during geopolitical crises, it rarely investigates the circumstances that drive some companies to adopt more aggressive responses than others. Previous researchers have described the different strategies that MNCs have chosen, ranging from withdrawal, partial suspension or symbolic statements to complete silence. However, there is a clear gap in the literature in explaining why firms make these choices in a structured way.

In order to fill this gap, my project will use the 2022 Russian invasion of Ukraine as a case study to explore this question. The selection of the conflict is justified by the magnitude of the war, both in terms of its duration and its devastating human cost. Since the full-scale invasion by the Russian Federation began in February 2022, more than 6.9 million Ukrainians have fled the country as refugees and 3.7 million are internally displaced as of February 2025 (United Nations High Commissioner for Refugees, 2025). Additionally, the human cost continues to increase with 49,900 confirmed civilian casualties and nearly 13,900 people killed as of July 2025 (Statista, 2025). After years of missile and rocket strikes, Ukrainian communities are living with constant loss and destruction with most of its citizens lacking access to water, electricity, heating, healthcare, education and social protection due to the energy crisis caused by damaged infrastructures. The United Nations had estimated that in 2025 12.7 million people will be in need of humanitarian assistance, including 2 million children (United Nations High Commissioner for Refugees, 2025).

These numbers make us understand the trauma that continues to be suffered in this region despite the widespread media attention and global resonance. Therefore, the actions of

governments, institutions and multinational corporations remain essential to move towards a peaceful resolution. In the case of multinational corporations, Yale's School of Management provided a list of over 1,000 MNCs that have publicly curtailed their operations in Russia (2022). Of these companies, hundreds have fully exited the region like Levi's, McDonalds, Starbucks, Ford or Sony Music Group (Sinani, 2024), while others have reduced investments or suspended activity. However, other studies have estimated that only around 8.5% of Western firms operating in Russia had divested at least one of their Russian subsidiaries by November 2022 (Evenett and Pisani, 2022). This wide variation from complete withdrawal to continued engagement raises questions about the factors that shape corporate strategy during geopolitical crises.

My research aims to analyze these corporate responses in order to identify the conditions that make some firms more likely than others to adopt stronger or more decisive actions during international crises. Understanding the rationale behind the decision making of corporate strategies is essential given the influence of multinational corporations as non-state actors in shaping the trajectory of geopolitical conflicts. Moreover, it also provides explanations into how business navigate the intersection of ethical responsibility, stakeholder pressure and operational risk in a globalized world. By analyzing patterns in corporate behavior, my study provides practical insights for policymakers, investors, and society as a whole about what types of companies are likely to take action in moments of global tension. It also contributes to continuous debates on the role of multinational corporation as political and social actors, proving that firms do not only respond but only shape the international environment.

## **Methodology**

My research analyzes multinational corporations' response during geopolitical crises. In order to study that, I focus specifically on the 2022 Russian invasion of Ukraine and how MNCs reacted to that crisis. Therefore, the timeline examined begins in February 2022, when Russia launched its full-scale invasion of Ukraine. The project uses a mixed method of qualitative content analysis and quantitative indicators to code the variables.

### **Dependent variable**

The dependent variable of the study is corporate response. The study conducted by the Yale School of Management (2022) developed a five-category scale to track corporate response to the Russian invasion. The categories were: Complete exit, Full Suspension, Major Reduction, Limited Pause and Business as Usual. However, I decided not to use this scale because it only focuses on operational decisions (withdrawal, suspension, scaling back) and it leaves out a critical dimension, public communication. Therefore, in order to measure corporate response as my dependent variable, I used a six-point ordinal scale, where each level corresponds to a specific operational action. The main difference between the scale used by the Yale School of Management and the one I used is that I also want to take into account decisions like issuing statements, expressing moral positions or engaging in symbolic actions, to better analyze both what businesses say and do during geopolitical crises.

The six-point scale is the following:

<b>Score</b>	<b>Definition</b>
0- No response	Complete absence of organizational reaction to the Russian invasion of Ukraine. Company did not issue a public statement, made no operational changes and did not acknowledge the conflict in any official communication channels.
1- Symbolic statement	Generic or broadly humanitarian statements that express concern, hope for people, or sympathy for affected populations without any substantive corporate action. Rhetoric is vague and avoids attributing responsibility or committing to changes in business conduct.
2- Moral stance/ donation	Value-driven statements condemning violence or expressing support for Ukraine combined with a measurable philanthropic act, such as humanitarian donation. However, the company continues normal commercial activity in Russia.
3- Partial operational adjustment	Limited but noticeable actions that signal disapproval or caution, but without significantly reducing their core business presence in Russia.
4- Partial suspension	Substantive but incomplete withdrawal, halting operations like production, physical stores, or logistics, but retaining assets, intellectual property, employees or the option to return.
5- Complete withdrawal	Fully exit the Russian market, divesting its assets, ending sales and production entirely and making no commitment to return.

For the purpose of my study, I did a comparative case study analysis, with a company that had a response that would fall into each of the six-point scale. In that case, I researched Huawei (no response), Auchan (symbolic statement), Pfizer (moral stance/donation), PepsiCo (partial operational adjustment), IKEA (Partial suspension) and, McDonald's (complete withdrawal). The classification of companies is based on their consistent and stable position (as of November 2025), not only during a certain stage, considering the response escalated over time.

## **Justification of Case Studies**

The companies selected to study as case studies represent a stable and consistent position within its response category. For the no-response category, I chose Huawei because most firms that remained silent were Asian multinationals and Huawei stood out as one of the most globally recognizable companies. For the symbolic statement category, it was hard to find a company that had a stable response as several major companies initially issued only symbolic or humanitarian statements but later escalated their responses. Out of the companies that maintained that position, the French supermarket Auchan was the most stable and recognizable case as they justified staying in the Russian market for humanitarian purposes to feed the local population. Moreover, the decision to study this company was intentional, as it is a smaller, regionally (Europe) focused firm, allowing for analysis of how the variables may affect it differently. A similar situation happened for the moral stance/ donation category, since many companies began with donations but later expanded to operational response. Pfizer was the most globally recognizable (especially after its COVID vaccine) and stable in its response in this category, as they framed its continued presence in Russia as ethically necessary to maintain access to essential medicines. PepsiCo was selected for the partial operational adjustment category because the company suspended some soda production and marketing campaigns in Russia but continued selling essential goods. Therefore, it was a clear example of a very recognizable brand. IKEA was also a suitable fit for the partial suspension category as they halted operations, closed stores, paused production and froze imports and exports but they retained the assets and left open the option to return to the Russian market. Finally, McDonald's was chosen for the complete withdrawal category because it was the most unambiguous and most documented case of full market exit. Overall, I prioritized the most recognizable company in each category based on my knowledge, while intentionally selecting

firms across diverse industries and geographic regions to enable a more meaningful comparative analysis. The sample includes companies from technology (Huawei), food retail (Auchan) furniture retail (IKEA), pharmaceuticals (Pfizer), food and beverage (PepsiCo), and fast food service (McDonald's), reflecting key differences in industry dynamics. Geographically, the selection is primarily composed of Western companies, mainly from the United States and Western Europe, while deliberately incorporating a Chinese firm (Huawei) to introduce a non-Western perspective.

### **Independent Variables**

In order to explain the different type of corporate responses, I looked into different variables as explanatory factors. My main independent variable was consumer pressure, referring to the level of public demand for a company to take action during the Russian invasion of Ukraine. To analyze this variable, I looked at three observable indicators. First, trending boycott campaigns on social media served as signal of public pressure. In order to assess that, hashtags with key terms like #BoycottMcDonalds or #BoycottPepsi in platforms like X/Twitter were searched. Focus on the specific period or context was placed, meaning that these hashtags were being used using the first months of the conflict or with some indication that the boycott was due to the company's actions regarding the Russian conflict. Second, companies were evaluated based on their inclusion in the Ukrainian government's "International Sponsors of War" list, which identified entities that were supporting Russia economically during the invasion. Third, clear criticism and coverage by major international news articles addressing the company's actions. Each of these indicators was coded as a binary variable (yes/no), with a "yes" indicating verifiable evidence of social media campaigns, inclusion on accountability lists or relevant media criticism. After evaluating all three, the overall level of consumer pressure was classified into three categories. Companies with no

indicators out of the three were considered to face low pressure. Those with one indicator were classified as facing moderate pressure and companies with two or more indicators were categorized as facing high pressure, indicating strong public scrutiny. With these three indicators, it was visible whether companies were shaping public discourse, there was institutional acknowledgement of public concern and their actions received sustained critical attention. To ensure the accuracy of measurement of consumer pressure the classification into three categories seemed to be the most systemic, replicable and objective approach.

To better understand the factors that determine multinational corporations' response to the Ukrainian conflict, I took other factors into account. To begin with, I analyzed the level of brand visibility, referring to how recognizable and publicly exposed a company is to global consumers. Those companies that are highly visible face stronger expectations to take a stance. In this case, visibility was measured using social media followers as a proxy, to be able to collect quantifiable data. Instagram followers served as the primary indicator, using the global account of each company, when possible. This social media channel was selected because it reflects brand promotion and follower engagement, showing clearly how visible a company is to the general public. X (formerly Twitter) was used as a secondary indicator to complement this measure, ensuring that visibility is not underestimated for those companies that may rely more heavily on X for information sharing or corporate communication rather than brand-focused content.

Additionally, I measured the firm size, referring to the overall scale and capacity of the company, which can affect both its vulnerability in geopolitical crises and its ability to absorb costs from changing operations. To measure it, I used metrics like annual revenue and number of employees in the year 2022, when the conflict started. Annual revenue provided a direct measure of the economic scale of each company while employee count served as a marker of organizational

size and operational reach. Number of employees was only used as a secondary check as accurate data was harder to find for some companies. These numbers were collected from company annual reports and industry sources.

Moreover, another factor to take into account was the market exposure to Russia of each company, meaning the significance of the Russian market to the company before the invasion. This variable was operationalized as the percentage of total company revenue derived from the Russian market in 2021, prior to the invasion of Ukraine. This allowed for a consistent and pre-conflict comparison across companies. The revenue shares were collected from company reports. For comparison, companies were classified into three categories: low exposure (below 2%), moderate exposure (approximately 2–5%), and high exposure (above 5%). This classification captures the relative economic dependence of each firm on the Russian market and the potential cost associated with altering operations.

Competitor Behavior was also an important variable to study, as the actions taken by other firms in the same industry or market could influence the responses of a company. I analyzed the responses to the Russian invasion of the direct competitors of each to compare them and understand if that operated as another layer of pressure to react. In that way, it could be understood if industry norms, competitive pressures or sector-specific expectations influence corporate responses to geopolitical conflicts. For each company, the two direct competitors were identified: Huawei (Apple, Samsung), Auchan (Carrefour, Tesco), Pfizer (Moderna, Johnson & Johnson), PepsiCo (Coca-Cola, Nestlé), IKEA (JYSK, Amazon), and McDonald's (Burger King, Yum! Brands). This variable captured whether competitors fully withdrew from the Russian market, partially adjusted operations, issued moral statements or donations, or maintained business as usual to then compare it to the companies of our case study and assess alignment or divergence.

<b>Corporate response (Dependent variable)</b>	<b>Consumer Pressure</b>	<b>Brand Visibility (Instagram/ X followers)</b>	<b>Firm Size (2022 Revenue/ Employees)</b>	<b>Market Exposure to Russia</b>	<b>Competitor Behavior</b>	<b>Company Origin</b>	<b>Cultural Affinity</b>
<b>0- No Response (Huawei)</b>	Low	2M/ 10.2M	\$104B / 211,000	2%	Apple and Samsung had stronger, visible responses	China	Neutral. Affinity with Russia
<b>1-Symbolic Statement (Auchan)</b>	Moderate	143k/ 63.9k	€60B / 352,000	10%	Carrefour partially restricted operations, Metro exited; partial alignment	France	Strong affinity with Ukraine
<b>2-Moral stance/ Donation (Pfizer)</b>	Low	124k/ 472k	\$100B / 79,000	0.50%	Moderna and Johnson & Johnson had similar partial operational adjustments	United States	Strong affinity with Ukraine
<b>3-Partial Operational Adjustment (PepsiCo)</b>	High	2.3M/ 2.4M	\$94B / 309,000	4%	Coca-Cola fully suspended, Nestlé partially adjusted.	United States	Strong affinity with Ukraine
<b>4-Partial Suspension (IKEA)</b>	Moderate	1.7M/ 322.3k	\$47B / 217,000	4%	JYSK continued operations, Amazon partially restricted.	Sweden	Strong affinity with Ukraine
<b>5- Complete Withdrawal (McDonald's)</b>	High	5.5M/ 4.5M	\$23.2B / 205,000	9%	Burger King and Yum! Brands eventually exited/ suspended operations; aligned	United States	Strong affinity with Ukraine

I also considered the country of origin of each company or where its headquarters are located. The political stances of the government in that country, as well as the historical relation can shape corporate decisions. Related to this variable, I will consider the cultural affinity of the country of origin to both Russia and Ukraine. Understanding the degree of cultural, historical or economic closeness is important for understanding the corporate reluctance or willingness to act.

After looking into the independent variables for each of the six case studies, an analysis was made to identify patterns that make some companies more likely to adopt decisive or stronger responses during geopolitical crises to better understand corporate decision-making in complex international contexts.

## **Findings**

The following section presents the findings of six case studies selected to represent each level of the six-point corporate response scale developed for this study. The companies described are Huawei (no response), Auchan (symbolic statement), Pfizer (moral stance/donation), PepsiCo (partial operational adjustment), IKEA (partial suspension) and McDonald's (complete withdrawal). For each of the companies, there is a brief overview of their company description, as well as information about their presence in Russia prior to the invasion and a more detailed explanation of their corporate response to the conflict. Following that, there is an evaluation of each of the independent variables (consumer pressure, brand visibility, firm size, market exposure to Russia, competitor behavior and country of origin) following the approach mentioned in the methodology section.

### **Huawei- No Response**

Huawei is a Chinese multinational corporation that focuses on the technology industry, especially in telecommunications equipment, consumer electronic, cloud computing and digital infrastructure. It was founded in 1987 and since 1997, its presence in Russia was established with an office in Moscow. Over time, Russia became one of Huawei's most important markets overseas.

Following the Russian invasion of Ukraine on February 24, 2022, Huawei did not issue a clear public condemnation of the invasion in solidarity with the Ukrainian community. They refrained from making explicit public political statements regarding the conflict, remaining in silence and maintaining a strategy of political neutrality.

While they did not position themselves, their operations were affected by the war. Huawei had to suspend new contracts with Russian telecom operators, close or reduce stores and relocate

some of their employees and offices, reflecting their reduced business activity due to supply shortages and declining demand. However, these operational adjustments were mainly motivated by sanctions or economic risk rather than a moral or political positioning. While their operations might have been affected by the conflict, they still found a way to continue doing market in Russia through different channels.

Based on the operationalization of consumer pressure explained in the methodology section, Huawei could be classified as having experienced low consumer pressure during the Russian invasion of Ukraine. The Chinese company did not face any significant global social media boycott campaigns with no boycott-related hashtags being trendy. It also was not included in any international accountability lists like the Ukrainian “International Sponsors of War” list, and the criticism of the Russian activities of this company was limited in major international media outlets.

While the consumer pressure in the context of this war was minimal, Huawei’s global brand visibility remains pretty high. As of February 2026, Huawei’s Instagram account had 2 million followers and its X (formerly Twitter) account had 10.2 million followers. The high follower count on their social media suggest that the global visibility of the brand is high.

In terms of the size of the company, Huawei could be considered a relatively large multinational firm with substantial resources. In 2022, the company reported an annual revenue of approximately CNY 642.3 billion, being USD \$92.4 billion, and employed about 207,000 people worldwide. Those numbers reflect a significant global presence in the telecommunications and technology markets.

Moreover, the year before the invasion of Ukraine, 2% of the revenue of Huawei came from the Russian market, indicating that the market exposure to Russia was relatively low and therefore, there was limited economic dependence.

Considering the corporate response of the competitors of Huawei, Huawei did not follow the same pattern. Apple publicly suspended all product sales in Russia, restricted services like Apple Pay, and removed apps linked to Russian state media from its platforms. At the same time, Samsung also suspended shipments of its products to Russia and contributed to humanitarian relief efforts in Ukraine. The difference in responses suggest that competitor behavior did not influence Huawei's actions, but the industry dynamics and geopolitical context of the countries in which they operate played an important role.

Huawei is a multinational corporation headquartered in China. China's relationship with Russia is characterized by a strategic political and economic partnership with a clear opposition to Western influence. Although China has officially maintained a position of neutrality regarding the invasion of Ukraine, the country has not condemned Russia and has continued to engage in economic and diplomatic cooperation. This context suggests that the higher degree of cultural and political affinity between China and Russia could explain Huawei's cautious response to the conflict.

### **Auchan- Symbolic Statement**

Auchan is a retail group founded in 1961 and headquartered in France that operates supermarkets, hypermarkets and e-commerce platforms in 12 countries across Europe, Africa and Asia. Auchan entered the Russian market in 2002 and has since then expanded into one of the most significant foreign markets.

After Russia's full-scale invasion of Ukraine of February 2022, Auchan did not withdraw from the Russian market, but it did issue public statements addressing the situation and positioning itself. The French company stated that it would continue operating in Russia to ensure access to essential goods for civilians, stating that "leaving Russia would be unimaginable from a human point of view" (Yves Claude, CEO of Auchan, 2022). The main argument was that food retail constitutes a basic necessity and that leaving would affect negatively the Russian population, including employees and consumers. In March 2022, the company public emphasized its responsibility toward its 30,000 Russian employees, its commitment to maintaining food supply for civilians and its intention to comply with international sanctions.

However, their communications in public statements acknowledged the crises but did not condemn the Russian government directly or describe the invasion as illegal. Instead, they focused on their business continuity and the humanitarian responsibility of the company. The company continued operations, maintaining its store networks and supply chains and without an announcement of divestment or sale of assets. However, there was a symbolic distancing with the suspension of new investment in Russia.

In 2023, several reports including the French newspaper Le Monde alleged that Auchan's Russian subsidiary had contributed goods that were later used to support Russian military mobilization efforts, but the company denied the intentional support to the military and stated that any assistance provided was humanitarian in nature.

Auchan could be classified as having experienced moderate consumer pressure during the Russian invasion of Ukraine. The French company was the target of some calls to boycott in social media, particularly in Europe, where most of its consumers are concentrated. However, the campaigns were less globally widespread compared to high-pressure cases. Auchan was included

in the Ukrainian “International Sponsors of War” list and there was some media coverage referencing public concern over Auchan’s continued operations in Russia. However, this pressure was mainly regional, appearing in European outlets, but it did not carry the same level of significance as major global brands.

Considering that Auchan maintains mainly a regional presence in Europe, their brand visibility is limited. Their biggest social media account is the French Instagram account with 143,000 followers and its X account with 63,900 followers. These numbers indicate that the public attention of this brand is more regional than global.

The size of the company is smaller compared to other companies in this research because of the regionally concentrated scale. While accurate data is limited in public sources, estimates indicate that the annual revenue for 2022 was around €32 billion and approximately 180,000 employees, primarily in Europe.

In 2021, the year before the start of the conflict, around 10% of the revenue of Auchan came from the Russian market, indicating a high level of market exposure and significant reliance on that region.

In contrast, Auchan’s main competitor adopted a different approach. Carrefour, another French supermarket, initially maintained its operations in Russia but publicly stated that it would halt further investments. On the other hand, Metro, a German supermarket, decided to continue its operations in Russia citing responsibilities toward its employees and customers. That proves that the retail sector, which is closely tied to the provision of essential goods, may have influenced the decision of companies to justify their operations on humanitarian grounds.

Auchan has its origin in a Western European state with strong political and economic ties to the European Union. France has been openly supportive of Ukraine since the beginning of the

invasion, aligning with EU policy and providing diplomatic, financial, and military assistance to Ukraine. At the same time, France's historical diplomatic and economic relations with Russia have deteriorated since the invasion. Within this context, it is understood that companies like Auchan, originating from a pro-Ukraine country, would face greater political pressure to take a stance against Russia.

### **Pfizer- Moral Stance/Donation**

Pfizer is one of the world's largest biopharmaceutical companies in the world. It was founded in 1849 and it is headquartered in New York. They develop and manufacture medicines and vaccines across therapeutic areas including oncology, immunology, cardiology and infectious diseases.

Prior to February 2022, Pfizer operated in Russia through the commercialization of innovative medicines and vaccines. They did not operate manufacturing plants in the Russian territory but had commercial presence through a Russian subsidiary. They had partnerships with local distributors and healthcare institutions to provide patented medicines, but Pfizer did not have physical infrastructure investments.

Shortly after the Russian invasion of Ukraine, Pfizer issued a public statement condemning the war and explicitly describing the invasion as a violation of international law and asking for solidarity with the Ukrainian people. The American company stated that they would continue supplying essential medicines to Russia, arguing that withdrawing pharmaceuticals would be harmful for civilians and not for the political sphere. Additionally, the claimed that withdrawing from the region would not align with the mission of "putting patients first".

However, Pfizer announced that they would donate all profits from its Russian subsidiary to support humanitarian relief efforts in Ukraine, as well as making substantial donations of medicines to Ukraine and other global humanitarian organizations helping Ukrainian refugees. Moreover, the pharmaceutical company announced the suspension of all planned investments in Russia as well as promotion spending. In that way, the company continued providing pharmaceuticals to the Russian citizens while maintaining supply-only operations and donating the profits to Ukraine.

Pfizer faced low consumer pressure during the Russian invasion of Ukraine. The company was not the focus of any organized boycott campaigns on social media with hashtags like #BoycottPfizer showing minimal activity. The company also faced little institutional pressure, not being listed in lists like the Ukrainian “International Sponsors of War”. While there was public criticism of the pharmaceutical industry in some significant media outlets regarding corporate ties to Russia, they did not target Pfizer specifically.

The visibility of this brand increased tremendously during the COVID-19 pandemic due to their distribution of the vaccine. However, their visibility remains moderate in comparison to other companies. Its Instagram account had 124,000 followers and its X account had 472,000 followers in February 2026. That suggests that while it is a recognizable brand to their products during the pandemic, consumers have not continued consuming its products and therefore, the visibility has remained moderate.

In 2022, with the COVID-19 still being very recent, Pfizer was one of the world’s leading pharmaceutical companies, generating \$101.2 billion in revenue and employing around 83,000 people globally. In that period, the company was highly profitable and had substantial resources to

respond to global events. Moreover, only 0.5% of its revenue came from Russia in 2021, indicating that the level of exposure to that market was low.

The approach in corporate response to the conflict of Pfizer's main competitors, Moderna and Johnson & Johnson, was similar. Moderna, which had already limited direct commercial presence in Russia, restricted its business activities and did not pursue any expansion after the conflict. Johnson & Johnson suspended some business operations and clinical trials while continuing to provide essential healthcare products. Like Pfizer, these companies emphasized the importance of maintaining access to medicines, being the type of industry a clear justification to their response. Unlike other sectors, pharmaceutical companies face ethical challenges as access to medicines is considered a humanitarian necessity.

Pfizer is headquartered in the United States, making its country of origin a major Western power with a leading role in the international response to the invasion. The United States has been one of the strongest supporters of Ukraine, providing extensive military, financial and humanitarian aid. The country also led the implementation of economic sanctions against Russia, following the adversarial relationship with Russia since the Cold War. As a result, American companies like Pfizer have faced greater expectations to align with pro-Ukraine positions.

### **PepsiCo- Partial Operational Adjustment**

PepsiCo is a New York-based multinational food and beverage corporation founded in 1965 through the merger of Pepsi-Cola and Frito-Lay. It is one of the world's largest producers of soft drinks, snack foods, and convenience products. The company entered the Soviet market in 1972 and expanded after the fall of the USSR. By 2021, Russia was PepsiCo's third-largest market in the world and PepsiCo owned the major Russian dairy brand Wimm-Bill-Dann.

Following the invasion of Ukraine, PepsiCo issued a public statement acknowledging the war and expressing concern for the humanitarian crisis. They did not use explicitly political or condemnatory language, but they have some operational actions as well as financial donations. The company announced that it would suspend the sale of Pepsi-Cola and other beverages like 7Up but will continue to produce and sale dairy products and baby food in Russia, arguing that they are essential goods. The company also halted advertisement and promotional activities as well as capital investments and new projects in the region. They donated millions of dollars to humanitarian organizations supporting Ukraine and provided food aid and assistance to migrants.

PepsiCo experienced high consumer pressure during the Russian invasion of Ukraine with widespread global attention due to its continued operations in Russia early in the conflict. The company faced significant public criticism with organized boycott campaigns that emerged on social media platforms using hashtags like #BoycottPepsi to aggregate public opinion and calls for corporate action. Additionally, PepsiCo was included in the “International Sponsor of War” list for contributing economically to Russia during the war. Major media outlets like *BBC*, *CNN*, or *The Guardian* also covered PepsiCo’s operations in Russia critically.

PepsiCo is a highly recognizable and visible brand, accounting with 2.3 million Instagram followers and 2.4 million X followers in February 2026. These figures on their social media indicate a high level of global brand visibility, reflecting the company’s broad international presence and strong recognition as well as how subject they are to public scrutiny.

The American company has an extensive global scale and operational capacity, with \$86.4 billion in annual revenue in 2022 and approximately 315,000 people employed worldwide. Moreover, in 2021, the year before the invasion, approximately 4% of the annual revenue of PepsiCo came from the Russian market, representing a moderate level of market exposure.

PepsiCo's main competitors, Coca-Cola and Nestlé, adopted similar approaches to the conflict. Coca-Cola paused production and sales in Russia entirely, signaling a stronger public stance aligned with Western sanctions. Nestlé, similar to PepsiCo, continued to supply essential food products while suspending investment and non-essential operations. While Coca-Cola's response was stronger, it is observable a similar response within the food and beverage industry, trying to balance humanitarian access to essential goods with reputational risks.

PepsiCo is an American multinational company. As previously explained in the case of Pfizer, the United States has strong political and cultural alignment with Ukraine and an adversarial relationship with Russia. This context means that the partial operational adjustments of companies like PepsiCo were influenced by the diplomatic relationships of the country of origin and Russia or Ukraine.

### **IKEA- Partial Suspension**

IKEA is a Swedish multinational furniture and home goods retailer founded in 1943. The company is known for affordable, flat-pack furniture and large warehouse style retail stores. It entered Russia in 2000 and was one of the most significant non-EU markets prior to 2022. IKEA operation in large shopping centers, several retail stores and through local sourcing partnerships with Russian manufacturers. It had extensive fixed assets and long-term infrastructure investments in Russia, including owned retail space and logistic networks.

When the conflict started, IKEA's parent company, Ingka Group, issued a public statement expressing deep concern over the war and its humanitarian consequences. It was not a political condemnation of the Russian government, but the company announced humanitarian support for Ukraine, including financial donations and refugee assistance.

Additionally, IKEA had one of the most active responses among multinational retailers, announcing in March 2022 that they would temporarily suspend operations of all stores in Russia, pause all imports and exports to and from Russia and Belarus and suspend industrial production in Russia. While the stores closed to costumers, IKEA initially continued paying its employees as it was seen as a temporary suspension rather than a permanent exit. Overtime, IKEA reduced its Russian workforce and began selling off some assets and factories. However, the company retained ownership of commercial real estate assets with the hope and expectation to resume operations in Russia.

Moreover, IKEA experienced moderate consumer pressure during the time of the invasion. IKEA received some public attention due to its operations in Russia at the beginning of the conflict, including calls for boycotts on social media platforms like X and Facebook. However, IKEA was not included in the Ukrainian “International Sponsors of War” list, indicating limited institutional pressure. The media coverage of IKEA’s operations was present but relatively moderate, with regional European outlets showing more criticism and public concern than other major global outlets.

IKEA is a visible brand with its global Instagram account having 1.7 million followers. The presence of the company in the social media X is represented by 322,300 followers in the US and 49,000 followers in other regions. While the visibility on X is not clear, with Instagram it is seen how the company is highly visible and recognizable globally.

IKEA is also a relatively big multinational company, reporting €27.6 billion, approximately \$29 billion, in revenue the year 2022. The precise count of employees globally is not publicly available due to the franchising structure of IKEA. Additionally, when considering that in the year 2021, right before the invasion, IKEA generated about 4% of its revenue from the

Russian market, it is visible that the company had a moderate level of exposure and dependency to the market of that region.

In comparison to its main competitors, the response to the invasion of IKEA was somewhat different. JYSK, a Danish chain, continued operations in Russia with minimal public statements and Amazon, which had limited physical presence in Russia before the conflict, temporarily restricted sales and shipping of non-essential goods. Therefore, there was not a constant response across the industry to pressure IKEA to act.

IKEA has its operational headquarters in Sweden and legal and franchisor headquarters in the Netherlands due to its franchise structure. Both Sweden and the Netherlands are Western European countries that have strongly supported Ukraine since the beginning the Russian invasion, aligning with the European Union's stance. Consequently, IKEA, as a company that has its roots in Western Europe, has faced significant expectations to respond to the conflict, which helps explain why the company decided to suspend operations.

### **McDonald's- Complete Withdrawal**

McDonald's is an American multinational fast-food company founded in 1940 with headquarters in Chicago. It is one of the most recognizable brands globally, operating tens of thousands of restaurants in over 100 countries. McDonald's entered the Soviet Union market in 1990, opening the first restaurant in Moscow and becoming a symbolic moment in post-Cold War economic integration, being an American capitalist company in the Soviet market. Over the decades, McDonald's expanded throughout Russia, operating approximately 850 restaurants across the country. Unlike many other MNCs, McDonald's did not operate mainly through franchising in Russia, but the company owned most of its Russian locations directly. Therefore, the

company has extensive fixed investments in infrastructure, supply chain and logistic networks, food production and processing facilities and local supplier relationships. The operations of McDonald's in Russia were highly local, with approximately 84% of ingredients coming from domestic suppliers. That increased the financial significance of the Russian market for the corporation.

However, McDonald's announced a temporary suspension of operations in Russia within two weeks of the invasion of Ukraine. The company cited in public statements that this invasion made the continued operations in that region incompatible to its corporate values. In May 2022, McDonald's escalated its responses even further by announcing a permanent exit from the Russian market claiming its commitment to global corporate responsibility. McDonald's sold its entire Russian business to a local licensee, transferring the restaurant ownership and removing the branding, trademarks and intellectual property of McDonald's. Therefore, the company made sure that there was a complete removal of brand identity. The restaurants were later reopened under a new brand completely independent from McDonald's, "Vkusno i Tochka" ("Tasty and That's It").

The complete withdrawal has substantial financial costs for the company. On top of that, McDonald's also make several humanitarian donations in response of the conflict, although most of them were tied to employee support and charity programs. For instance, McDonald's continued to pay full salaries to its Ukrainian employees even while restaurants were closed due to the conflict.

McDonald's is one of the companies that experienced higher consumer pressure during the early days of the Russian invasion of Ukraine. The company was the target of widespread and highly visible social media boycott campaigns, using hashtags like #BoycottMcDonalds and aggregating to the public criticism for their actions. The company was also cited in institutional

accountability discussions like the Ukrainian “International Sponsors of War” list. Additionally, major media outlets like *BBC*, *CNN*, *The Guardian*, *The New York Times*, and *Reuters*, extensively reported on McDonald’s continued presence in Russia, suggesting the reputational risks and societal pressure to exit the market.

The high consumer pressure was mainly due to the high brand visibility of McDonald’s. Their social media accounts prove how globally recognizable the company is, with 5.5 million Instagram followers and 4.5 million X followers. These numbers show that the brand is significantly accessible and visible at the global level.

McDonald’s maintains a significant global footprint and large operational scale. Its annual revenue of the year 2022, when the conflict started, was approximately \$23.18 billion in revenue and the company had approximately 150,000 corporate employees (not including franchise workers). Additionally, in 2021, before the invasion, 9% of its revenue came from the Russian market, showing a high level of exposure and substantial economic ties to the country.

McDonald’s main competitors, Burger King and Yum! Brands (owner of KFC, Taco Bell, and Pizza Hut) had similar responses to the invasion of Ukraine. Burger King initially continued limited operations but eventually exited the Russian market, while Yum! Brands suspended operations in Russia. While it could be understood that there was a constant response within the fast-food industry, it is essential to note these three companies are based in the United States and therefore, do not represent, the overall industry.

In line with this broader United States context, McDonald’s, as a highly visible American multinational corporation, faced significant public and institutional expectations to align with pro-Ukraine positions. The diplomatic stance of the country of origin helps us understand the decision of McDonald’s of fully withdrawing from the Russian market.

## Analysis

This research study examines corporate response to geopolitical crises by analyzing the response of six multinational corporations (Huawei, Auchan, Pfizer, PepsiCo, IKEA and McDonald's) to the Russian invasion of Ukraine in February 2022. Each company was selected to represent a distinct level of corporate response, representing a six-point ordinal scale that ranges from complete silence to full market withdrawal. The companies were selected to represent different industries, geographic origins and firm sizes to allow for a comparative analysis of the factors that shaped their decisions. In the previous section, each company was evaluated across several variables including consumer pressure, brand visibility, firm size, market exposure to Russia, competitor behavior and country of origin. These findings are now synthesized to identify patterns across cases that can shed light on how multinational corporations navigate geopolitical crises.

Consumer pressure turned out to be one of the primary explanatory variables shaping corporate responses to the Russian invasion of Ukraine. Across the cases analyzed, a clear pattern is observable, where companies that faced high levels of public scrutiny and boycott calls, such as McDonald's and PepsiCo, adopted stronger and more visible responses. In contrast, companies that experienced lower levels of targeted public pressure, like Huawei and Pfizer, implemented more cautious or limited actions. The case studies suggest that public opinion and consumer activism influence corporate decision-making during a conflict.

Closely related to consumer pressure, brand visibility plays an important role in shaping corporate responses by amplifying the level of public scrutiny that companies face. Firms with high global visibility, such as McDonald's, PepsiCo or IKEA are more likely to attract attention from

media and social media platforms, increasing reputational risks associated with inaction. These companies are more exposed to public expectations and are more likely to face targeted boycott campaigns and be the focus of discussions. At the same time, companies with lower levels of brand visibility, such as Auchan and Pfizer, experience more limited public scrutiny and do not attract the same level of pressure for their corporate actions.

However, brand visibility alone does not fully explain the variation in responses. While companies like McDonald's and PepsiCo combined high visibility with strong responses, the case of Huawei presented an important contrast. Despite its significant global recognition and large social media presence, Huawei did not face high levels of pressure or adopt a strong response. This case proved that visibility acts as an amplifier of existing pressure, rather than a driver that would generate it in the absence of other factors.

Therefore, consumer pressure does not operate in isolation but is instead shaped and conditioned by structural factors, meaning the broader environment in which a company operates. Variables like geopolitical alignment and industry characteristics proved to influence both the intensity of public scrutiny and capacity of consumers to act on their preferences, determining how strongly companies are pushed to respond to international crises.

The type of industry and nature of the market proved to be a good indicator of how consumer pressure operates. While consumer pressure and brand visibility determine the level of public attention, the extent to which that pressure is translated into corporate action depends largely on the ability of consumers to act on it. In industries like fast food and retail, consumers can exert strong pressure because the demand of the market in which they operate is highly elastic. That means that consumers can easily switch between alternatives when price or conditions change due

to the high substitutability, the low switching costs and the fact that competitors offer very similar products. The frequency of purchase and the relatively cheap price of their products also helps consumers to replace one brand with another without significant consequences. Therefore, companies in these markets are more vulnerable to boycott campaigns and reputational pressure and are pushed to have a stronger response. This helps explain why companies like McDonald's and PepsiCo faced high pressure and responded with significant changes.

However, companies like Huawei that operate in sectors such as telecommunications or technology are less exposed to this pressure as demand is typically more inelastic. The products offered by companies in this sector are usually more expensive, purchased less frequently and often embedded in broader systems (contracts, infrastructure or ecosystems), which makes switching to another brand highly costly and not as easy due to the limited availability of immediate substitutes. Therefore, even if consumers are aware of and concerned about an issue, like it is the case of the Russian invasion to Ukraine, their ability to act on that concern and exert pressure is constrained, reducing the effectivity of boycotts.

Moreover, a similar dynamic is observed in the pharmaceutical industry, although for different reasons. Companies like Pfizer provide essential goods, which reduces the legitimacy and feasibility of consumer boycotts. While firms operating in these types of industries may still face criticism, the demand for complete withdrawal in the region is limited due to ethical and humanitarian reasons. Moreover, essential medicines are among the most inelastic goods because a consumer cannot find a substitute for a life-saving drug that easily. Therefore, consumer pressure is not solely a function of visibility or public attention, but also of consumer power, defined by the ability to change purchasing behavior in response to political or ethical concerns.

Nevertheless, within the same industry, corporate response to the invasion varied. Considering that companies operate in a competitive environment, the actions of competitors could create another layer of reputational pressure and shape the expectations. When some industry leading companies take a strong stance, it is expected that other firms will have indirect pressure to follow the steps. However, the case study of Huawei suggested that competitor behavior is not a decisive factor on its own. Despite operating in the same industry as Apple and Samsung, Huawei had a far more cautious and low-profile response than its competitors. This difference indicates that companies do not simply follow industry norms, but their responses are shaped by other factors.

In this case, the main difference between Huawei, Apple and Samsung was the geopolitical context of China, United States and South Korea, respectively, where these companies are headquartered. The geopolitical alignment of the governments of these countries with either Russia or Ukraine influenced the decision of these corporations due to the normative pressure of the climate in which they operate. As stated by Kirste, the likelihood of market exit increases when countries had experienced a military threat from Russia and when the home country of the MNCs had imposed formal sanctions (2024). This structural explanation in the context of global relations helps us understand why American and Western European firms faced more pressure to respond to the invasion of Ukraine since their governments openly supported Ukraine, their media widely covered the conflict from a pro-Ukraine perspective and therefore, the public opinion in these countries was strongly against Russia, being more likely to criticize companies that continued operations in the region.

This can be seen in boycott campaigns, which focused mostly on American and European brands. Companies like McDonald's, PepsiCo and Coca-Cola were the ones most repeated on

social media and in the news, showing that their origin in the United States made them more visible targets. At the same time, companies like IKEA and Auchan faced a more regionally concentrated form of consumer pressure, due to their European origin and geographic proximity to the conflict. The invasion of Ukraine was seen in Europe not as a distant geopolitical issue but as a direct regional crisis, increasing the expectations placed on European companies to take a clear stance. Therefore, continuing operations in Russia might have been considered as inconsistent with widely shared political and social values. Even though the criticism for these companies was not as globally visible due to the size and visibility of the brands, they faced intensified pressure at a more local level. Despite that, companies like Auchan and Leroy Merlin (retail company not included in my case study) are interesting cases because despite being French, the pressure of European consumers was not enough, and they prioritized their continued operations due to the nature of their industry.

In the case of companies that originate in countries that did not take a strong pro-Ukraine stance, corporate responses were shaped differently. The case of Chinese companies like Huawei illustrates this dynamic clearly. The official position of the government of China shows neutrality, respecting Ukraine's sovereignty but also understanding Russia's concerns on NATO enlargement (US-China Economic and Security Review Commission, 2026). China has abstained from United Nations votes condemning the invasion and has objected Western sanctions against Russia (United Nations General Assembly 2022). This ambiguous political stance has created a very different normative environment for Chinese companies that do not face the same reputational pressure. On the contrary, Lenovo and DiDi, two Chinese tech giants that planned to leave Russia, faced backlash on Chinese social media (Carnegie Endowment for International Peace, 2023). That shows that the norms and expectations in China, like any other non-pro-Ukraine countries, does not

push companies to adopt a strong response against Russia. However, like it was the case of Huawei, these companies do not stay unaffected by geopolitical crises. Their operations and investments were affected mainly by the practical risks of international sanctions, although not for ethical motivations or reputational concerns. While trying to navigate this environment they had to comply with the sanctions imposed to avoid secondary penalties from Western institutions. That indicates how sanctions are the primary external force and how the broader international order led by the West shapes corporate decisions even when domestic pressures do not exist.

Additionally, market exposure to Russia was expected to be a variable that could determine corporate response to geopolitical conflicts. However, while it is a constraint, it did not prove to be a determining factor. Companies with higher share of revenue or operations in Russia faced significantly greater economic costs when withdrawing from the region, as leaving the market would result in a loss of established infrastructure, employees and revenues. However, the cases of McDonald's and Auchan, the two companies with the highest exposure to the Russian market in 2022 from my case studies, proved that this factor alone does not explain corporate response. Despite facing substantial economic losses, McDonald's chose to fully withdraw from Russia, while Auchan continued its operations. Therefore, market exposure should be understood as a limiting condition that influences the cost of action but not as a primary driver of corporate behavior.

In that same way, the size of a company only works as an enabling condition with larger firms like Huawei, PepsiCo or McDonald's having greater financial resources, operational flexibility and global infrastructure to absorb the costs associated with the decision of withdrawing or suspending operations from a major market like Russia. However, my analysis did not reveal a

consistent relationship between firm size and the strength of response, as companies with similar economic capabilities adopted very different strategies. Therefore, while firm size provides the ability to act, it does not explain the motivations behind corporate decisions.

Overall, the research shows that corporate responses to the Russian invasion of Ukraine cannot be explained by a single factor, but rather by the interaction of several variables. Consumer pressure emerges as the factor that most strongly influences corporate responses. However, the level of consumer pressure itself is not uniform and is shaped by broader structural factors. In particular, the type of industry and the geopolitical context in which a company operates play a role in determining how much pressure firms face. Industries where consumers can easily switch between alternatives allow for more effective boycotts and companies based in countries that were politically aligned with Ukraine, such as the United States or Western Europe, experienced higher levels of public scrutiny. Therefore, multinational corporations respond most strongly to geopolitical conflicts when they face high consumer pressure shaped by politically aligned contexts and operate in industries where consumers can easily act on that pressure.

### **Limitations**

My study faced several limitations that should be acknowledged. First, I looked at the specific case of the Ukrainian conflict to generalize about corporate response to geopolitical crises. However, geopolitical crises can also include policy threats, trade restrictions or other moral controversies. Isolating this armed conflict can limit the external applicability of the findings to other geopolitical events. Even in the case of other armed conflicts, specific political, cultural and economic contexts can shape corporate response differently.

Moreover, the selection of limited number of case studies, considering the six companies, restricts the generalizability of the findings even within categories. While the companies were chosen due to their visibility, diversity and representativeness, they do not constitute a random or statistically representative sample of the broader population of multinational corporations.

Additionally, the classification of corporate responses relies on publicly available information, leaving internal actions or strategic considerations that are not documented to the public aside. Additionally, the classification in six different categories relies on a degree of interpretation despite having described definitions to reduce subjectivity. However, in some case companies could be found in overlap between categories or there could have been escalation during the process of this research. Understanding that corporate response is not always static and can evolve throughout the conflict, the categories and classification were established by November 2025.

Moreover, while consumer pressure is considered as a main explanatory factor, the measurement involves qualitative and often subjective judgement. In my attempt to mitigate this bias, I tried to code it based on available public information to have a replicable way of operationalizing this concept. However, the method does not capture the complexity of public opinion, understanding that the observable digital indicators used in this research such as social media activity or media coverage do not include other forms of consumer activism.

In addition to not all public sentiment being expressed online, the initial design of the study aimed to operationalize this variable through content analysis of media coverage and social media activity. However, there were some practical limitations during the process that made harder to obtain precise and comparable data. Most social media platforms do not provide accessible metrics for the total number of posts containing specific keywords or hashtags over a defined period

without the use of specialized paid tools or restricted APIs. Many available tools are designed for marketing purposes and attempt to get engagement metrics more than measures of public discourse for research. As a result of this challenge, it was not possible to get a standardized numerical dataset of the frequency of mentions across the six companies and I used a qualitative assessment instead. Rather than relying on exact counts, I identified recurring patterns of the companies that were most present in social media boycott campaigns and major international news outlets. While there is an element of subjectivity, it was the most feasible assessment of consumer pressure based on verifiable data.

Finally, there are some other unobserved variables like the internal corporate culture, board-level political orientation or informal stakeholder influence (such as lobbies) that could also shape corporate responses, but they are difficult to quantify. Overall, these limitations do not undermine the analysis, they reflect the difficulties of measuring pressures and corporate behavior in the context of geopolitical crises.

### **Conclusion**

This research aimed to understand why multinational corporations respond so differently to geopolitical crises using the 2022 Russian invasion of Ukraine as a case study. Through the comparative analysis of six companies across different industries, geographic origins and levels of market exposure, the study concluded that corporate response cannot be attributed to a single factor but are instead the product of different variables that shape corporate decisions.

To begin with, it has been proved that companies adapt to pressures, being consumer pressure one of the most influential ones, as consumers are one of the most important stakeholders that drive revenue numbers. While consumer pressure directly translates into a stronger corporate response to geopolitical crises, the intensity of that pressure is not uniform and is shaped by the

broader context in which companies operate. The nature of the industry and the geopolitical alignment of the home country of a company were indicated to be the most influential factors. Companies that operate in elastic markets, where consumers can easily switch to an alternative, are more exposed to boycott campaigns and reputational damage, being more likely to adopt a stronger response that is aligned with consumer expectations. At the same time, firms based in countries whose governments have openly supported Ukraine operated in a domestic context shaped by strong public sentiment, media scrutiny, and political expectations that intensified the pressure to act. Conversely, companies headquartered in countries that did not adopt a clear pro-Ukraine position, operated under different norms and their corporate adjustments to the conflict were influenced by financial considerations of being excluded from the global market due to international sanctions rather than acting because of ethical considerations or consumer-driven demands.

Therefore, in order for a company to exit the market, being that the stronger response that an MNC can take after disagreeing with the geopolitical actions, several conditions need to take place. Multinational corporations are most likely to adopt a strong and visible response when consumer pressure is high, when that pressure is reinforced by a home-country political environment that is openly aligned against the aggressor, and when the nature of the industry allows consumers to meaningfully act on their concerns. If these three conditions happen, the cost of inaction for a company is more damaging for a company than the financial implications of withdrawing from an existing market. In case that one of these conditions is missing, companies face significantly less pressure and tend to adopt more cautious responses.

The findings of this study suggest that corporate accountability during geopolitical crises is not simply a matter of corporate values or ethical commitment, but it is fundamentally shaped by the structural environment in which a company operates. These results have implications at

different levels. To begin with, it is suggested how multinational corporations are not purely rational economic actors but respond to other contexts beyond financial incentives. These companies that operate across borders are embedded in social, political and cultural environments that shape what kind of response is expected of them and what the cost of inaction might be to their reputation and final sales. This study is important for corporations to understand the importance of understanding the normative landscape of their home country and the characteristics of their industry to choose a strategy that will anticipate the reputational risks during geopolitical crises.

At the same time, this research contributes to ongoing debates about the evolving role of multinational corporations as non-state actors in world politics. The findings of this study support the view that MNCs are increasingly political and social actors whose decisions reflect not only economic calculations but also the values, expectations and pressures of the societies in which they operate. Understanding the power of MNCs in shaping policy, this study highlights the limitations of relying solely on consumer activism to hold corporations accountable during international conflicts. Additionally, since corporate responses have indicated to be driven primarily by external pressures rather than genuine ethical commitment, it raises questions about the role of multinational corporations as moral actors.

As geopolitical tensions continue to reshape the global order, the question of which companies, why and under what conditions will only become more pressing over time. However, what this study made clear is that understanding corporate decision-making during moments of global crisis is no longer a peripheral concern in international relations. In a world where Walmart's annual revenue in 2025 exceeded the GDP of countries like Ireland, Australia, Nigeria or Argentina, the decisions of this powerful economic actors in moments of crisis are acts of political consequence. Understanding the rationale behind those decisions is essential to comprehending

how responsibility, accountability and power are distributed in the international order of the twenty-first century.

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