

B2B Marketing: Relationships Between Tobacco Companies and Retailers in Jakarta, Indonesia

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Background

- Tobacco companies offer retailers incentives to advertise their products
- Exposure to point-of-sale (POS) advertising is associated with increased smoking experimentation, initiation, and relapse
- **We sought to** explore how tobacco companies and retailers interact to advertise and promote tobacco products at the POS in Jakarta, Indonesia

Methods

- 30 interviews with small-independent retail store owners/managers in Jakarta who engage with at least one tobacco company representative
- Interviewees were asked about their interactions and agreements with tobacco company salespeople and how they make POS tobacco advertising decisions
- Translated transcripts were thematically analyzed

Results

- Most retailers interacted with salespeople from more than one tobacco company weekly or bi-weekly in short professional visits, usually limited to the sale and purchase of tobacco
- Benefits to retailers included cash, free products, or gifts (e.g., lighters, display cases) in exchange for actions like displaying branded banners or stickers, collecting empty cigarette packs, or prominently displaying specific products
- Retailers found relationships with companies convenient for direct purchasing of products, sometimes at a slightly reduced price than from wholesalers and free replacement of expired items

Conclusions

- Tobacco companies provide incentives, including illegal branded banners for display outside of stores, to small independent retailers in Jakarta in exchange for limited time “low-effort deals”
- In Indonesia, tobacco advertising, promotion, and sponsorship (TAPS) provisions are implemented at the local level; these findings may not generalize to all jurisdictions
- In localities where TAPS provisions limit outdoor advertising, tobacco companies should be held accountable for incentivizing illegal tobacco advertisements, and in all localities, for exposing consumers to tobacco advertising

Tobacco companies engage with Jakarta retailers to sell their products and offer incentives in exchange for advertising placements, including incentivizing them to illegally display branded banners

Retailer Comments

“(H)e (tobacco company salesperson) gave lights as a gift, like toy lights to put (on the product display), so that it will look pretty.”

Retailer comment on deals with tobacco companies

“...(W)e just let Satpol PP to take down the banner as long as we have told the salesperson before.... (T)hey (tobacco company salesperson) also know cigarette banner is not allowed.”

Retailer comment regarding legality of branded banners



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