

Business-to-business marketing: Tobacco companies and retailers in Jakarta, Indonesia



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Background and Methods

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.

POS advertising and retailer incentive programs are generally allowed in Indonesia. However, some provincial governments like Jakarta have adopted stronger provisions like a ban on indoor and outdoor advertisements at POS. This study explored retailers' interactions with tobacco companies regarding advertising and promoting tobacco products in Jakarta, Indonesia.

Between February–March 2024 we conducted interviews with 30 small-independent retail store owners/managers in Jakarta who currently engage with at least one tobacco company salesperson. We asked about their interactions and agreements with tobacco company salespeople and how they make POS tobacco advertising decisions. The transcripts were translated and thematically analyzed.

Key Findings

Most retailers we interviewed described interacting with salespeople from more than one tobacco company weekly or bi-weekly. Visits by tobacco company salespeople to retailers were typically limited to the sale of tobacco products.

Tobacco company 'deals' and incentives

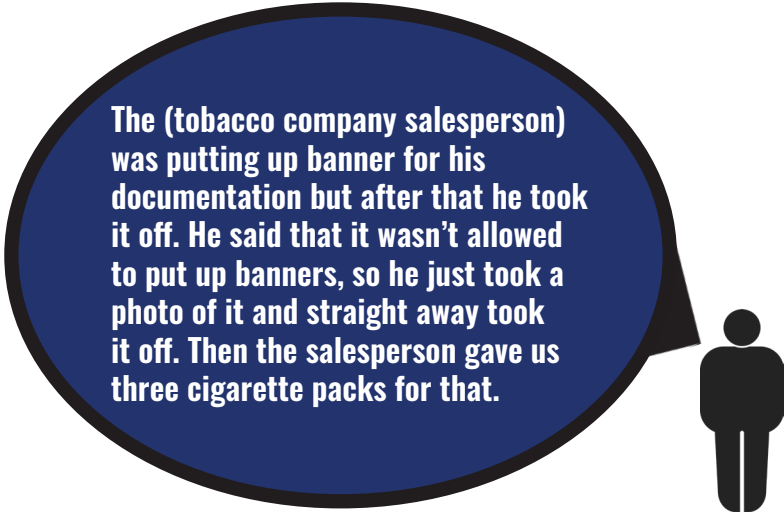
Retailers described receiving cash, free products, or gifts (e.g., lighters, display cases) in exchange for actions like displaying branded banners or stickers, collecting empty cigarette packs, or prominently displaying specific tobacco products.



Tobacco product banner outside point-of-sale in Jakarta from October 2025 (Photo credit: RUKKI).

Many retailers said they received incentives for displaying tobacco branded banners outside their stores, despite the tobacco company salespeople knowing it is not allowed.

Some retailers noted that the salespeople only cared about taking a picture of the banner up for their own documentation. Retailers said that when asked by authorities to take down banners, they comply.



The (tobacco company salesperson) was putting up banner for his documentation but after that he took it off. He said that it wasn't allowed to put up banners, so he just took a photo of it and straight away took it off. Then the salesperson gave us three cigarette packs for that.

Retailer perceived benefits


Advantages retailers cited for having relationships with tobacco companies included the convenience of purchasing products directly from salespeople, sometimes at a slightly cheaper price than wholesalers, and the free replacement of expired products.

Retailer attitudes towards stronger advertising laws


Most retailers were indifferent to the idea of more strongly enforced tobacco advertising and promotion laws.



Customers will still ask for cigarettes even though there are no advertisements.



Actually doesn't affect that much for government to forbid the cigarette advertisements and all because cigarettes still being produced and there are still a lot of them. For me, it doesn't affect that much.



Customers will still come and buy. To them cigarettes is like their primary needs, so it doesn't matter whether there is banner or not.

Implications

Tobacco companies are incentivizing retailers in Jakarta to illegally display tobacco product branded banners outside their stores. Tobacco companies need to be held accountable for incentivizing retailers to illegally advertise tobacco; the government can make the tobacco product display ban legally enforceable to limit consumer exposure to tobacco advertising.