




# Two tobacco retailer programmes in Banyuwangi, Indonesia: a qualitative study

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## ABSTRACT

**Introduction** The tobacco retail density in Indonesia is very high, and tobacco companies are creative at promoting their products at point of sale (POS). The study explores the strategies employed by tobacco companies through their retailer programmes in Banyuwangi, Indonesia.

**Methods** In 2019 we conducted observation and in-depth interviews with the owners/keepers of 12 retailers with Sampoerna Retail Community (SRC) signs and 6 retailers with Gudang Garam Strategic Partnership signs placed as store names in front of their stores. We analysed the data to identify key strategies used by each tobacco company.

**Results** Gudang Garam promoted more visibility of their own products, while Sampoerna promoted their products in a power wall and also rearranged other products sold in the store to attract more customers. Sampoerna educated their retailers to attract and retain more customers by using schemes such as reward points and coupons. Sampoerna also developed and promoted the use of a mobile application for online sales.

**Conclusions** Both programmes promote product and brand display at retailers to create brand loyalty. The SRC mobile application for online sales is potentially attractive to young customers and allows for data collection about retail and customer purchase behaviours that can be used for tailored marketing. Tobacco sales promotion strategies should be strongly regulated. Banning indoor tobacco advertisement, promotion and tobacco display at POS should be encouraged.

## INTRODUCTION

Indonesia has a high density of tobacco retailers, including those located near schools. A 2020 study reported 1.1 tobacco retailers per 100 m in East Java,<sup>1</sup> and a 2019 study found 97% of schools in Bali had at least one tobacco retailer within 250 m.<sup>2</sup> Tobacco retailers are a vehicle for tobacco advertising. Research has shown that tobacco advertising among retailers is omnipresent in Indonesia. In East Java, almost 80% of outdoor tobacco advertisements (OTA) are on stores and half of the locations studied had OTA on stores that are close to schools and sports complexes.<sup>3</sup>

Tobacco advertisements attract adolescents and encourage the creation of loyal peer smoking groups.<sup>4</sup> A systematic review and meta-analysis has shown that exposure to tobacco product displays at point of sale (POS) increases both smoking and smoking susceptibility.<sup>5</sup> Indonesian regulations prohibit tobacco sales to children <18 years old;

however, our previous study reported that >60% of retailers did not know about the prohibition of sales to minors.<sup>1</sup> Only 43.6% of retailers ever refused to sell cigarettes to adolescents.<sup>1</sup> Unsurprisingly, smoking prevalence among adolescents aged 10–18 years in Indonesia increased from 7.2% in 2013 to 9.1% in 2018,<sup>6</sup> far from the target of 5.4% in 2019 set by the national government.<sup>7</sup> Given their role in both advertising and sales to minors, tobacco retailers play an important role in recruiting new, young smokers in Indonesia, thereby maintaining growth of the tobacco market.

In addition to advertisements attached to stores, three major tobacco companies in Indonesia have retailer programmes: Sampoerna Retail Community (SRC) by HM Sampoerna (a company owned by Philip Morris International), Gudang Garam Strategic Partnership (GGSP) by Gudang Garam, and Djarum Retail Partnership (DRP) by Djarum. Sampoerna claims SRC, which was established in 2008 and currently has >110 000 traditional retailer members, is a community-based retailer economic empowerment programme.<sup>8</sup> Publicly available information about GGSP from Gudang Garam and DRP from Djarum is scarce. From 2009, PT Surya Madistrindo, a Gudang Garam-owned company, became the only company that controls all distribution and field marketing strategies of Gudang Garam products in Indonesia.<sup>9</sup>

A 2016 study by the Indonesian Association of Public Health Experts in the country's capital city Jakarta and surrounding cities reported that the three retailer programmes sign retailers to contracts for some amount of money and incentives, such as store makeover, free tables and chairs, and packages of merchandise such as clocks, ashtrays, T-shirts and umbrellas, in exchange for placement of cigarette pack displays in the form of power wall shelves and glass boxes and/or banners at POS.<sup>10</sup> Similar retailer programmes are found in Malaysia, the Philippines, Vietnam and Cambodia.<sup>11</sup> An analysis by a major investment bank reported that such community-based programmes are important in sustaining customer loyalty among sponsored retailers and improve cigarette brand recognition.<sup>12</sup> No other studies of such programmes are available, especially from small towns far from Jakarta.

In Indonesia, East Java is the province that produces the most tobacco: a total of 84 524 tons of dried tobacco leaf and the largest tobacco plantation with an area of 100 658 ha in 2019.<sup>13</sup> Banyuwangi is a district in the most eastern part of East Java. In contrast with East Java's overall reliance



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on tobacco, this district is famous for its ecocultural tourism industry. In 2016 the district of 1.7 million people<sup>14</sup> enacted a ban on OTA in selected locations.<sup>15</sup> However, in 2017 we found that almost 80% of tobacco advertisements were located on stores and that two of four locations with all OTAs on stores were close to schools and sports complexes.<sup>3</sup>

As information on this retailer programme strategy has been limited to only one study in the capital city and its surrounding cities in 2016,<sup>10</sup> this study aims to explore the details of such programmes in Banyuwangi District.

## METHODS

This study was conducted in Banyuwangi District, East Java, Indonesia between September and November 2019.

Our 2019 mapping (methods detailed elsewhere<sup>16</sup>) revealed that stores placed retailer programme signs along with their store name at the front of their stores. There were 41 retailers that placed SRC signs and 11 retailers that placed GGSP signs.<sup>16</sup> Similar to a mapping study in Bali, no stores with DRP signs were found.<sup>17</sup> These constituted our sample.

On each interview day, we randomly selected from a list the stores to visit that day to invite owners/keepers to participate in audiotaped, indepth interviews in Indonesian language. We continued the interviews based on the list of stores until we judged we had obtained saturation, indicated by small variations in answers and no additional new information generated from additional interviews.

After the consenting process, the store owner/storekeepers were asked about SRC and GGSP and to describe the history of their association with SRC and GGSP in their own words. Interviewers used a list of guiding questions. These questions included the history of how the banner/sign was placed on their store, their contract, obligations, and perceived benefits or drawbacks and whether they would recommend that others join the programme. During the interviews we observed cigarette advertisements and placement of cigarette displays in stores and took sample photos.

Following the interviews, we used qualitative analysis to categorise data relating to key study topics. Two teams of two researchers (DMSKD and GA; SIP and RPH) read through the transcripts of the interviews and individually identified segments of data that related to the key topic areas from the interviews. The results were compared by SKS and differences were discussed with the team members. This resulted in a consolidated list of topics approved by a minimum of two researchers for each recording. Segments of data by topic from all interviews were compiled and the final results were discussed among all researchers for final confirmation. After this analysis, we revisited all stores, except for two SRC stores which were found to be closed after two visits, to clarify details about the retail rewards system and to confirm what information the tobacco industry had provided the retailers with regard to sales to children and adolescents. Due to the COVID-19 pandemic, the length of time between the initial interviews and the clarification visits was 6 months. The interviewers were trained to probe to ensure that the answers given during the second visits were for the time prior to the first interview.

## RESULTS

Twelve of fourteen SRC store owners/storekeepers and six of eight GGSP store owners/storekeepers approached agreed to participate. SRC stores had participated in the retailer programme between 3 months and 11 years, while GGSP stores

**Table 1** Characteristics of respondents at the time of interview

Store identification	Owner/keeper	Total time under programme contract (as of October/November 2019)
Sampoerna Retail Community (SRC)		
SRC 1	Owner	6 months
SRC 2	Owner	3 months
SRC 3	Owner	1 year
SRC 4	Owner	10 years
SRC 5	Keeper	1.5 years
SRC 6	Owner	9 years
SRC 7	Owner	4 months
SRC 8	Owner	9 months
SRC 9	Owner	11 years
SRC 10	Owner	1 year
SRC 11	Owner	2 years
SRC 12	Keeper	–
Gudang Garam Strategic Partnership (GGSP)		
GGSP 1	Owner	4 years
GGSP 2	Owner	10 months
GGSP 3	Owner	2 years
GGSP 4	Keeper	10 years
GGSP 5	Owner	1 year
GGSP 6	Owner	1 year

had been in the programme for a range of 10 months–10 years (table 1).

## General details of the retailer programmes

### SRC programme

The interviewees defined SRC as a retailer programme created by Sampoerna for stores selling Sampoerna cigarette products to improve sales and communicate with Sampoerna and other retailers. Retailers reported that they agreed to sign either a 6-month or 12-month contract with Sampoerna and received Indonesian rupiah (IDR) 700 000–750 000 (US\$49.30–52.82), as well as a Sampoerna cigarette store makeover, online marketing platform and training (table 2). SRC stores were easily identified by a banner/board with store name, SRC logo and a tag line ‘near, economical and friendly’ (English translation for ‘dekat, hemat, bersahabat’) (online supplemental figure 1A, left). The stores were also provided with a power wall or a glass box to display Sampoerna products. The power wall is a large designated shelf without glass covering with a Sampoerna sign placed on a wall behind or beside the cashier to be used for Sampoerna cigarette packs display (online supplemental figure 1B, left). A glass display is a box placed on the counter next to the cashier. There was no clear pattern on how the amount and length of contract were decided.

### GGSP programme

Retailers defined GGSP as a programme from Gudang Garam offered to tobacco retailers where they were given a 6-month to 12-month contract to display Gudang Garam products in glass boxes (online supplemental figure 1B, right). Since 2019, sales representatives have also placed banners on the stores of retailers who signed contracts. The banner features the GGSP sign, a tag line ‘Gudang Garam Strategic Partnership’ and the store name. Two of 11 GGSP stores on the sampling frame displayed a different banner, showing the GGSP sign, the store name and a cigarette brand (online supplemental figure 1A, right). Retailers

**Table 2** Comparison between Gudang Garam Strategic Partnership (GGSP) and Sampoerna Retailer Community (SRC) programme details

	SRC	GGSP
Length of contract	6 monthly or annually	6 monthly or annually
Amount of contract	IDR 700 000/US\$49.29–IDR 750 000/US\$52.84	IDR 600 000/US\$42.46–IDR 750 000/US\$52.84
What the industry provided	Paint store with Sampoerna colour. Lend shelves for any products, lend power wall for Sampoerna product. Sales representatives will place the banner and board on the store. Store rearrangement. Training to improve sales, use of mobile applications and creative marketing system using points and vouchers.	Lend glass display boxes to retailers. Lend GGSP banner. Sales representatives will place the banner on the retailers. Advertisement tax is paid by Gudang Garam.
Retailers' responsibility	Display complete types of Sampoerna cigarettes and only Sampoerna cigarettes in the power wall and SRC programme advertisement or promotion. Make sure store is clean and all merchandise visible to customers.  Store must not enter into contract with other tobacco companies.	Display complete types of Gudang Garam cigarettes and only Gudang Garam cigarettes in the glass display box.  Make sure that GGSP banner is visible and not covered by other advertisements. Store must not enter into contract with other tobacco companies.
Benefits felt by retailers	Store becomes more popular, more customer for stores, thus more income. Discounted cigarettes from wholesaler or an occasional bonus pack for every 10 packs purchased by store. Availability of mobile communication group for quick information.  Less work for storekeeper as customers pick their own items from shelves, faster service. Be invited to retailers' gatherings in nice places and availability of mobile communication group for quick information. Training to improve sales. Store is neat and organised. Money, prize or discount redeemable from reward points.	GGSP banners allow more costumers to know they sell Gudang Garam cigarettes and thus more customers and income for retailers. Cheaper cigarettes purchased from sales representatives or a bonus of one package for each big bundle (10 packages) purchased. Quick information on new products and price changes. Extra cash US\$41.98–52.47 annually. Some retailers use this cash to purchase more cigarettes to sell. Banner provided shade for the store.
Other incentives	Occasionally gives small tokens of appreciation, such as T-shirts, mobile phones, rice cooker and water dispenser. SRC routinely holds a competition among retailers, for example, competition for best store design and best sales.	Occasionally gives small tokens, such as T-shirts, umbrellas, mugs, matches or clocks and birthday gifts for big retailers. Sometimes holds a competition among retailers, for example, a competition to create wall decoration using empty packages of certain Gudang Garam brand to be placed on the retailers. They invited retailers to a function with free meal and the winner wins a refrigerator, mobile phones or fan.
Other promotion/discount for costumers	Optional marketing system such as vouchers system for customers that are linked to store reward points on mobile applications. The vouchers are used for sale of any item at a certain amount, not limited to cigarettes.  Cheaper price during SRC's anniversary.	There used to be a programme for customers to exchange 10 empty packs or more for tokens such as mugs or umbrellas.

IDR, Indonesian rupiah.

who agreed to sign a contract were provided with a glass box to display all types of Gudang Garam products and were paid IDR 600 000–750 000 (US\$42.25–52.84) for placement (table 2). There was no clear pattern on how the amount and length of contract were decided. Retailers were required to purchase and display at least one pack of all types of Gudang Garam products. Sales representatives arranged the cigarette displays and conducted visits to make sure that complete Gudang Garam products were still displayed in the box.

#### Product placement and visibility

The GGSP and SRC were programmes for POS product display and advertisement focused on increasing product visibility (online supplemental figure 1B). GGSP only promoted more visibility of their own products and provided glass display boxes, while SRC promoted their own products in a power wall or a glass box and also rearranged other products sold in the store to improve the design and attract more customers.

GGSP provided banners, but SRC also provided store make-over as part of the contract. The store makeover included the following:

- ▶ Store painted with Sampoerna colours of red, white and grey.
- ▶ SRC representatives rearranged all merchandise so that customers could self-select products (modern mini-market style), instead of being handed products by the storekeeper, which was common in most small-scale stores. Shelves were provided by Sampoerna.
- ▶ Sampoerna products were arranged behind or near the cashier on a power wall or in a glass display box provided free. Power walls were provided for larger stores, while glass display boxes were provided for kiosks. Cigarettes from other companies were not allowed on the power wall or glass display box. Customers could choose cigarettes from the display and storekeepers handed them the products.

- ▶ Stores were provided with a banner/board with store name, SRC logo and tag line as mentioned above. The banner/boards did not show cigarette brands.

No provisions were made in either programme to prevent adolescents from seeing cigarette products. In both programmes retailers were visited by sales representatives from once a week to once a month. The monitoring visits were described as being conducted to ensure that tobacco products and banners were neatly arranged, in place and were visible. For SRC the neat arrangement of non-tobacco products was also monitored.

Retailers reported that the store name banner/board with GGSP and SRC signs attracted more customers because they gave customers the idea that the store sold the full range of cigarette products from Sampoerna and Gudang Garam. Retailers reported more customers and more sales after the banner/board was placed.

Business is better and [I] get more income. [I] used to sell 5 packs a day, now 10 packs a day. (GGSP 5, owner, male)

...as I mentioned, the benefit is the sales was usually 100 thousand [rupiahs], [now it] can reach 200 thousand [rupiahs]. (SRC 10, owner, male)

It is noteworthy that as of June 2020, one retailer (GGSP 5) did not extend his 1-year contract with GGSP as he observed no difference in sales. Similarly, SRC 8 (contract for 9 months) also did not extend his contract because he did not like to follow by the rules imposed and perceived them as unfair because he owned and funded the store. SRC 9 (contract for 11 years) did not extend the contract but did not provide reasons.

Although GGSP and SRC sales representatives threatened to take display boxes/power walls and banners from retailers breaking a contract, they were often left for the retailers to dispose of. This resulted in banners being left on because owners had no one to help them or the banner was needed to provide shade for their stores, providing additional free promotion for the programme.

...I was told that it was time to take [the banner] off, but if I take it off it will be hot [for my store], and secondly [I have] no one [to] help me to take it off. (GGSP 3, owner, female)

### Engagement with retailers and customers

Compared with GGSP, SRC had better engagement with retailers by providing training. Sampoerna also created online engagement with their retailers and customers by developing a mobile application (detailed in the Online marketing section).

Retailers described the training sessions as including the following:

- ▶ Store layout to attract more customers.
- ▶ SRC account registration and use of mobile application: "The training was on SRC account registration, explanation about features in the application, and if [we] still don't understand [we] can ask to the sales [staff] through wa [whatsapp] contact number given to retailers" (SRC 1, owner, female).
- ▶ Store reward system for online sales through the mobile application. Retailers collect points from purchases they make from wholesalers and from customers scanning QR (quick response) codes at their stores. Customers can collect online coupons (also called points by retailers) by purchasing items at SRC stores and showing their QR codes available in their mobile application to the retailer.
- ▶ Paper coupon system in which retailers purchase paper coupons to be given to customers for a certain value of purchase. The paper coupons are collected at the store for a

lucky draw at the store and later collected by SRC representatives for a lucky draw of gifts at the SRC office. The gifts included cash and motorcycles for the lucky draw at the SRC office and small gifts such as plastic containers at the store.

Sampoerna also routinely held competitions for SRC stores, such as for best sales, cleanliness, design and highest points reached.

### Prohibition of sales to children

According to the interviewees, neither of the retailer programmes provided training on how to prevent or refuse sales to minors. Some retailers of each programme reported that they were informed about the prohibition of sales to children, but said they were rarely reminded by the sales representative.

...once only reminded by the sales [representative]... (SRC 12, keeper, female)

It is shown on the banner and cigarette packs. Sales [representatives] do not often remind about prohibition [of] sale to children because [it is] assumed that [we] already know. (GGSP 4, owner, male)

During interviews, only one SRC store was observed to have a sign visible to customers about the prohibition of selling cigarettes to minors (online supplemental figure 1C). During later clarification visits, nine SRC stores had the sign (mostly stickers).

According to retailers, neither of the programmes provided specific information regarding prohibition of sales by single sticks. In fact, Gudang Garam has a special brand, Surya, which is packed in cans that according to retailers are specifically designed for single stick sales.

There is no prohibition to sale [single stick]. In fact, there are canned cigarettes from Gudang Garam. (Retailer owner 2, male, GGSP)

### Marketing strategies

#### Discounts

Both programmes provided discounted prices to retailers. For SRC the discounted prices were obtained when purchasing cigarettes from a wholesaler or were in the form of an occasional bonus pack for every 10 packs purchased by the store. For GGSP, the discounts were in the form of cheaper cigarettes purchased from sales representatives or a bonus of one package for each big bundle (10 packages) purchased.

#### Reward points and coupons

SRC educated their retailers to attract and retain more customers by sales schemes such as reward points and coupons that were promoted on stores with attractive signs (online supplemental figure 1A, left).

Reward points are given to retailers for offline and online wholesale purchases at SRC partner wholesalers. The collected points can be used as discount points for retailers in the next wholesale purchase.

Every three months [the points] are accumulated, how much points we have for example, worth 160 [thousands rupiah], if we buy cigarettes worth 200 [thousands rupiah], [the total payment] is discounted from the points, so [the points] are not given as money. (SRC 10, owner, male)

Coupons are given to customers in two ways: paper coupons for offline purchase and online coupons (called points by retailers) for online purchase. The paper coupon system is available for purchase by retailers for IDR 300 000 (US\$21.13)

for approximately 20 packs (1 pack=100 sheets). To develop customer loyalty, retailers can give one coupon to customers for every purchase value of IDR 30 000 (US\$2.11) for any items including non-tobacco products. Paper coupons will enter a lucky draw at the SRC office and at the retailer for a small gift.

The paper coupon system, however, was not popular among retailers and many retailers opted not to use it.

Because, there are some who said that this is a scam, lucky draw but you don't get anything. (SRC 2, owner, female)  
I joined the coupons [system] last year. But, not this year because no one [customer] wants it... (SRC 6, owner, male)

There was no specific sales target nor punishment for low sales.

### Online marketing

SRC developed a mobile application to be used by retailers and customers, called 'Ayo SRC' ('Let's Go SRC'). Retailers can use the mobile application to purchase products in bulk from wholesalers that are SRC partners. Customers can use the mobile application to find the nearest SRC store to purchase products and get promotional offers such as lucky draws for cash and gifts (online supplemental figure 1A, left). SRC created points systems that can be accumulated by retailers to be used to purchase any items from wholesalers.

Not only cigarettes. All our needs...like this Tolak Angin (brand of traditional medicine). The total purchase is all added price... [showing Ayo SRC application in his mobile phone]...So we will send [the request] from the application. [When] it is received there [at the wholesaler], they will prepare [the item] and when it's ready I fetch them. (SRC 11, owner, male)

Retailers did not know exactly how the points were calculated by SRC, but they knew in general that they could receive points by purchasing supply online, by having customers scan their store bar code in the mobile application, by having the required amounts of cigarette packs on display and by maintaining neat arrangements of all goods in their stores. Sales representatives determined the points given for the last two criteria. Customers received online coupons when purchasing any items at a minimum value of IDR 20 000 (US\$1.41) and showing the 'Ayo SRC' customer QR code at the stores. Stores could give extra points to customers when they purchased Sampoerna products. Online coupons/points were entered automatically into the lucky draw at the SRC office.

### DISCUSSION

Both SRC and GGSP were more focused on product display and advertisement at POS for the benefit of the tobacco companies than small-scale enterprise empowerment programmes, as claimed by Sampoerna. The programmes were a strategy to develop and sustain loyal customers at the grassroots level by instilling their brand image through product display, advertisement, creative marketing scheme and mobile phone application data collection.

Our finding is consistent with a 2018 study on cigarette retail programmes in Indonesia that stated tobacco retailer programmes develop stronger brand image by turning retailers into branding agents.<sup>12</sup> The retailer programmes in Banyuwangi were similar to those reported in Jakarta in 2016.<sup>10</sup> The 2016 study reported a similar scheme but with higher payments in contracts, possibly due to the difference in costs of living. In Jakarta and its surrounding cities, the contract was worth IDR 300 000–3 000 000 (US\$21.13–211.27) per 6 months for SRC

and IDR 50 000–200 000 (US\$3.52–14.08) per month for GGSP.<sup>10</sup> The programmes are similar to those in other South-east Asian countries in terms of providing free cigarette, cash, souvenir/gift, discount, branded merchandise and event invitations.<sup>11</sup> In the current study, SRC has developed and introduced the use of mobile application for retailers and their customers and added reward points and/or coupons associated with the use of the mobile application.

Except for two GGSP banners, the banners/boards showed no cigarette brands, which was possibly why the government advertisement permit agency allowed their placement. There is also a loophole in Government Regulation No 109/2012, a higher regulation than the district advertisement ban which allows placement of advertisements where tobacco is sold, which can be used by the tobacco industry to go around the tobacco advertisement and display ban. Retailers, on the other hand, clearly perceived the banners/boards as advertisements to let customers know they sell complete sets of cigarettes products from certain tobacco companies.<sup>18</sup> This may be a move by tobacco companies towards increased instore advertisement and promotion that is less regulated.

Such retailer programmes can potentially attract young customers. Other than SRC giving retailers a sign stating that sales to minors are prohibited, there were no other clear attempts by the SRC and GGSP to educate retailers on how to avoid sales to minors or prohibit sales of individual sticks. Cigarette displays can also make it easier for minors to see and choose products and make them appear to be normal consumer goods. In addition, coupon schemes and mobile applications for customers to find the nearest SRC store may actually attract more youths to come to the store and be exposed to SRC branding. An internet search revealed that in November 2019 Sampoerna conducted a promotion of a programme at the national level to prevent child access to cigarettes in all SRC stores by placing stickers and a tag attached to the display box (online supplemental figure 1C).<sup>19</sup> There was no regulatory change, but it is worth noting that in September 2019 the National Commission on Child Protection demanded that the Djarum Foundation, a national organisation created by another tobacco company, remove Djarum logos from their child athlete audition programmes, including those placed on children's jerseys. This issue stirred a national debate on tobacco sponsorship of sports and children's events. Therefore, placement of signs of no sale to minors was more of an attempt to build a positive image of the company. This is supported by the fact that retailers were given no training on how to prevent or refuse sales to minors, prevent sales by individual stick or reminders of the prohibition of sales to minors.

The mobile application was possibly a way to increase brand awareness by providing information of the nearest SRC store and to improve brand loyalty by having customers scan retailer bar codes to receive points. Of greater concern, the application can be used to record purchase behaviours of both retailers and customers, not limited to cigarette purchase. Sampoerna is a company owned by Philip Morris International, a multinational tobacco company that recently has professed a vision that a smokeless product will one day replace cigarettes<sup>20</sup> and claimed that 11.7 million adult smokers have now already stopped smoking and switched to IQOS, their heated tobacco product.<sup>21</sup> With >110 000 retailer members, SRC can potentially collect an enormous quantity of data that can be used for tailored advertisements and direct communications with the public for their current and future products. Such strategies have the potential to foster public attitudes that may impede public support for tobacco control measures, which in turn can ultimately influence

policy making. Indonesia is currently on the second highest place globally in terms of tobacco industry interference, indicating that the Indonesian government's effort to curb industry interference is poor.<sup>22</sup>

The study shows the need for a strong regulation to prevent tobacco companies from using retailer programmes as advertising vehicles. As the first step, Government Regulation No 109/2012 should be updated to disallow placement of advertisements featuring either tobacco products or tobacco company logos or trademark. The ban should include both indoor and outdoor tobacco advertisements and promotions and tobacco display at POS.<sup>18</sup> In addition, continuous monitoring and evaluation of the enforcement of the tobacco advertisement ban in several locations in Indonesia is required to identify additional ways that the tobacco industry can manipulate loopholes in the law.

An additional area requiring attention is the sale of single sticks. Although Government Regulation No 109/2012 requires cigarettes to be packaged in a minimum of 20 sticks, no regulation specifically prohibits single stick sales.<sup>18</sup> The lack of such regulation appears to have encouraged companies to develop creative approaches to encourage single stick sales, which are likely to be particularly effective at increasing smoking uptake among adolescents. Single stick sales should therefore be explicitly prohibited. The government should also start to strongly enforce the prohibition of sales to minors. This can be supported by instituting cigarette retailer licences that can be revoked when the store breaks the rules.

### What this paper adds

#### What is already known on this subject

- ▶ Previous research found a high density of retailers and store-affiliated tobacco advertising in Indonesia, including near locations used by children and young people such as schools and sports complexes.

#### What important gaps in knowledge exist on this topic

- ▶ There is limited knowledge on retailer-focused tobacco industry strategies and programmes in Indonesia.

#### What this paper adds

- ▶ Contrary to tobacco company framing of tobacco retailer programmes as small-scale enterprise empowerment and their professed vision of ending cigarette smoking, this study shows that these programmes are aimed at enhancing tobacco product sales and obtaining more information for marketing purposes.
- ▶ Tobacco retailer programmes potentially attract younger customers and create brand loyalty.
- ▶ The move to promote mobile applications for online sales may enable the tobacco industry to gain data from both retailer and customer purchase behaviours that can be used for tailored, more advanced promotional strategies.

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