Summary

In May 2010 the world discovered the “smoking baby”, a two year old Indonesian boy who smoked forty cigarettes a day. He became the youngest person in the world to receive tobacco addiction treatment. For a number of years, tobacco companies have had significant political and financial influence in Indonesia. The tobacco industry is one of the Indonesian government’s largest sources of tax revenue. In some regions, such as East Java, it is also the largest source of employment (Nichter et al., 2009). Because of its economic contribution, there are few restrictions on tobacco marketing and advertising. Tobacco advertising in Indonesia is believed to be the most aggressive and innovative in the world, and it saturates the country’s landscape. This paper will provide an overview of tobacco marketing in Indonesia. It will then evaluate the practice in relation to conventional marketing ethics frameworks: utilitarianism, deontology, and virtue ethics.
Tobacco children: An ethical evaluation of tobacco marketing in Indonesia

Introduction

As the fourth most populous country in the world, the leniency of Indonesia’s tobacco marketing regulations presents an opportunity for local and global tobacco companies to penetrate the market and aggressively expand their operations. Indonesia is among the five largest producers and exporters of cigarettes in the world (WHO, 2012). In 2011 Indonesia ranked third in the number of male smokers and 17th for female smokers (WHO, 2012). The number of cigarette consumers is the third-largest in the world. In 2008 the consumption of cigarettes in Indonesia was 225 billion sticks, with, on average, 12.8 cigarettes smoked a day (WHO, 2012).

Indonesia is the only WHO member state in Southeast Asia that has not ratified the Framework Convention on Tobacco Control. Consequently, 67.4 per cent of adult males and 4.5 per cent adult females (approximately 61.4 million adults) currently consume tobacco (WHO, 2012). Not only is smoking pervasive among males in Indonesia, but initiation begins early with over a quarter of urban and rural 10 year old boys smoking. Over 90 per cent of smokers in Indonesia smoke clove cigarettes (kretak) (WHO, 2012), which contain more nicotine, tar, and carbon monoxide than ordinary white cigarettes, and it has been estimated that 200,000 Indonesians die each year from smoking related illnesses, 25,000 of them not even smokers (Evans, 2012).

In comparison to other countries in the region, tobacco in Indonesia is cheap and tax rates are low. Tobacco taxes in Indonesia are below the rate recommended by the World Bank (from 65 per cent to 80 per cent of retail price), a rate that is commonly present in countries with effective tobacco control policies (Tobacco-Free Kids, 2011). The Indonesian consumers have access to single cigarettes for as little as USD 0.05 or can purchase a pack for USD 1. The major tobacco companies in Indonesia are Gudang Garam and Sampoerna (Philip Morris International) and Djarum and Bentoel (British American Tobacco). These companies dominate the Indonesian tobacco market with more than 70 per cent of the total market share. It was reported that Indonesian tobacco companies spent Rp 1.98 trillion (USD 202 million) in 2010 on cigarette advertisements (Nielsen cited in Sagita, 2013).

This paper will provide an overview of the most recent changes to Indonesian regulations regarding the marketing of tobacco products. It will then evaluate tobacco marketing practices in Indonesia in relation to conventional marketing ethics frameworks: utilitarianism, deontology, and virtue ethics.

Tobacco regulations in Indonesia

In 2009 Indonesia’s parliament passed a health law to control tobacco. Despite this resolution, the implementing guidelines were only released in January 2013 (Bland, 2013). The new regulations imply that within 18 months (April 2014) tobacco companies will no longer be permitted to use misleading promotional terms such as “light, ultra light, mild, extra mild, low tar, slim, special, full flavour, premium” or any other indication of quality, image, or "personality," all of which have been widely used by cigarette makers on many of their popular brands. These brands, in particular “Star Mild”, “A-Mild”, “LA Light” and “Wisnilkak Slim”, are increasingly fashionable with young consumers (Johnson, 2013). However, the new regulations will exempt existing brands that are registered as trademarks.
In addition, the new legislation insists that cigarette packs will be required to have health warning text and pictures covering 40 per cent of packaging, and that the sides of the packet must state that there is no safe dose of the product. The current regulations require one small text warning that "smoking can cause cancer, heart attacks, impotence, and disturbances to pregnancy and fetal development" on all smokeable tobacco product packages. This warning is in black 3mm type surrounded by a 1mm border and displayed on one principle display area, which in practice is the back of the package. The warning is also shown at the end of tobacco TV advertisements and on other media such as billboards and magazine advertisements.

Anti-tobacco campaigners have criticised the new legislation, claiming that it clearly favours cigarette manufacturers, who employ approximately 6 million Indonesian workers. The deadline of 18 months for implementation (as well as the 4 year delay between passing the law and releasing the guidelines) was perceived to be too long. Furthermore, in comparison to neighbouring countries which have implemented similar regulations, such as Thailand (60 per cent), Malaysia (50 per cent), and Singapore (50 per cent) (Tobacco labelling resource centre, 2013), the size of the health warning on Indonesian cigarette packaging was considered relatively small (Saragih, 2013).

The new regulations demand that cigarette advertising "should not trigger or advise people to smoke", and insist that tobacco cannot be advertised on main roads, on the front of publications, or next to food and beverage advertisements. Despite this, the enforcement of this is undermined by the fact that tobacco advertisers are still permitted to sponsor sporting events, and to set up large billboards of up to 72 square meters in size (Johnson, 2013). Furthermore, the regulations do not ban the sales of individual cigarettes, a practice that makes them easily accessible to young consumers with low budgets.

In addition to the limited efforts of the Indonesian legislature to control tobacco advertising, multinational tobacco manufacturers themselves have adapted their policies to suit the situation: companies such as British American Tobacco (BAT) prohibit advertising or promotion that links smoking to professional or sporting success, popularity or sexual prowess, but have exempted themselves from their own rules in Indonesia (Bland, 2013). A BAT spokesman defended the decision by saying that “implementing our international marketing principles in full without other industry players following similar standards, would have placed our relatively new and small business there at an exceptional disadvantage” (cited in Bland, 2013).

The Indonesian national health law on tobacco control prohibits smoking on public transport, in health care facilities, educational facilities, children's playgrounds, and religious places. Designated smoking areas may also be provided in other types of public places and in workplaces. According to Indonesian law, local governments must also pass corresponding legislation. However, the national law does not set a deadline by which local governments must act. Thus, the implementation of the law is inconsistent: some local governments have passed “smoke-free” legislation while others have not (Tobacco-free Kids, 2013).

Given the weight of evidence which shows that cigarettes are harmful, it would seem to be a clear cut argument that marketing communications for tobacco products should be drastically curtailed in Indonesia, in line with the policies adopted in most other parts of the world. And yet the debate is far from over: those who represent the tobacco industry in Indonesia plan to challenge the new regulations at the Supreme Court, emphasising the damage the new laws will have upon the economy and upon the livelihoods of the country’s tobacco farmers (Johnson, 2013). Is this argument persuasive enough to justify the country’s 200,000 deaths a year through smoking-related illnesses? The debate surrounding tobacco
marketing in Indonesia can be understood further by drawing on the three conventional marketing ethics frameworks: utilitarianism, deontology and virtue ethics.

The ethical evaluation of Indonesian tobacco marketing

The ethical dimensions of marketing practice can be evaluated based on three main components: “the intent of the action, the means or methods adopted by which the practice is implemented, and the end or consequences of the strategy or tactic” (Laczniak & Murphy, 2006, p. 161). The intention refers to what marketers want to happen, the means refers to how they carry out the action, and the consequences refer to what actually happens. These components are portrayed in the conventional marketing ethics frameworks known as virtue ethics (motives), deontology (means), and utilitarianism (ends). By analysing Indonesian tobacco marketing practice against these frameworks separately, this paper can provide an insight how the current practice might be perceived. This approach hopefully can inspire tobacco manufacturers or regulators to focus not only on the outcomes but also the process of how they make a decision.

Utilitarianism

Utilitarianism puts forward the claim that “ethical decisions should maximise benefits for society and minimize harms. What matters is the net balance of good consequences over bad for society overall” (Trevino & Nelson, 2011, p. 40). This means that the best ethical decision will be the one that produces the greatest net benefits for society and the worst ethical decision will be the one that produces the greatest net harms for society. In other words, utilitarianism aims to achieve “the greater good”. Because of its focus on results or consequences, out of the three classical ethical theories, utilitarianism is perhaps the most flexible. This theory has been popular in business and marketing literature because of its utility principle. Furthermore, most of us tend to agree that it is important to evaluate the impact of a decision on society. However, the utilitarian approach requires the identification of possible stakeholders who are involved in a particular situation, as well as their alternative actions and potential consequences (Trevino & Nelson, 2011). Therefore, whilst the decision may bring benefit to a particular stakeholder group, it may harm another stakeholder group. Furthermore, it may not be easy to gather all of the relevant information prior to making the decision, and to foresee all potential consequences.

From the utilitarian perspective, it is important to note that the tobacco industry benefits society due to its economic contribution. After an increase of 8.5 per cent in tobacco excise tax in 2013, it was estimated that the industry would increase government revenue from USD 8.31 billion to USD 9.17 billion (Sagita, 2012). In comparison, healthcare costs attributed to tobacco-related illness are only 1.2 billion USD per year (Barber et al., 2008). Furthermore, stricter regulations on tobacco marketing may harm the employment of approximately 6 million Indonesian citizens who work in tobacco related industries. The utilitarian argument implies that cessation of tobacco marketing would damage the country’s economy, and thus the standard of living of the entire population, because of its high dependency on the tobacco industry. On the other hand, although it is estimated that 23.7 per cent of the 1.7 million deaths in Indonesia in 2007 were caused by tobacco, it is only a minority of the population is whose health is affected in this way (Barber et al., 2008). It was estimated that the population of Indonesia in July 2013 was 251.2 million (CIA, 2013).

Naturally, the arguments are not as simple as they first appear. It might also be argued that the marketing of tobacco may lead to an increase in perceived consumer benefits
such as temporary pleasure. However, it can create longer-term disadvantage for customers as it can cause illness and premature loss of life (Laczniak & Murphy, 2006). If we consider positive utilitarianism to involve the maximisation of pleasure, and negative utilitarianism to imply the minimisation of pain, we begin to see how these arguments begin to cancel each other out. The utilitarian emphasis on “the greater good” also begs the question of what, exactly, is “good” or “happiness”? Both terms being subjective, the notion of a common utility becomes lost in the fog of postmodernism and the moral relativism of individual choice. In addition, what is best for us, and what we want might not always amount to the same thing. Who is it that will make this choice for us if we cannot make it ourselves? It might be said that whoever is in a position of power decides what “utility” is, and makes this decision for everyone – resulting in what may well be a far from optimal situation.

**Deontology**

For deontologists, “ethics is grounded in notions of duty and it follows from this that some acts are morally obligatory, regardless of their consequences” (Somerville & Wood, 2008, p.146). The deontologist’s position is about doing what is right, with individual well-being as the most important element of every decision (Schlegelmilch, 2001). The golden rule, “do unto others as you would have them do to you” applies in this position. Deontologists argue that certain moral principles – known as natural law – such as honesty, promise keeping, fairness, loyalty, rights (to safety, justice, etc), responsibility, compassion, respect and loyalty, are binding, regardless of the consequences of the actions (Trevino & Nelson, 2011). Deontology holds that an action is ethical if it is suitable to become a universal law (Ferrel et al., 2013). Unlike the utilitarian view, deontology believes that certain (harmful) actions should *not* be undertaken, even to maximise utility. Moreover, it also emphasises that certain actions are inherently right and the determination of this rightness focuses on the individual actors, not on society (Ferrel et al., 2013).

The cigarette is the only legally available product that, when used as directed, can harm or injure others (Snell, 2005). Nicotine, the most active ingredient in tobacco, has been found to be physiologically and psychologically addictive, in a similar way to heroin and cocaine (rather than shopping, chocolate or using the Internet). Because of this addictive agent, the majority of smokers become strongly dependent on nicotine and find it difficult to quit cigarettes (Bates & Rowell, 1998). As tobacco is a harmful product, deontologists may perceive any activity which encourages the use of tobacco to be morally wrong. In this respect, for deontologists, tobacco marketing is an unethical practice.

Tobacco advertising, promotion and sponsorship are permitted in Indonesia with few restrictions. The new regulations imply that tobacco advertisements should not show cigarettes, cigarette packs, or the use of cigarettes or tobacco (Tobacco-free Kids, 2011). But tobacco marketers have been creative in sidestepping these restrictions, by endorsing the themes of fun, youthfulness, modernity, and togetherness in their advertisements, all of which may be attractive to young people. However, these advertising messages can be perceived as deceptive as they do not endorse the danger of cigarettes to their audiences.

For instance, in 2011 Sampoerna (owned by Phillip Morris International) used an advertising slogan “Dying is better than leaving a friend. Sampoerna is a cool friend”. This message implicitly suggests that dying is better than leaving (i.e. not smoking) Sampoerna cigarettes. In 2012 a TV advertisement for Dunhill Mild (owned by British American Tobacco) portrayed a male model spear-fishing before cooking up his catch with his fashionable friends while the voiceover declares it is “time to discover what fine taste is all about”. This advertisement implicitly encourages the audience to discover “the fine taste” of...
Dunhill Mild. More recently, in 2013 Indonesian tobacco giant PT Djarum (owned by British American Tobacco), promoted its popular brand of L.A. Lights cigarettes with the provocative slogan “DO’NT QUIT” and “Let’s Do It!” (Tobacco-free kids 2013).

These examples can be categorised as deceptive, because the advertisements glamourise the temporary pleasure customers get from smoking but say nothing about the products well-known danger to health. Hackley notes that the increasing persuasiveness of advertising campaigns can lead to a general distrust in organisational communication (Hackley et al., 2008). However, the continuing rise of tobacco related deaths in Indonesia suggests that no such distrust of advertising communications is emerging in Indonesia. For a deontologist, to continue to use clearly effective communications to sell a deadly product is unethical. Finally, we must add that the hidden messages in these advertisements conflicts with the notion of “virtue ethics”, which emphasises the importance of traits such as integrity, fairness, trust, respect, and empathy in marketing practice (Murphy, 1999).

Virtue ethics

Virtue ethics focuses on the integrity of the moral actor (the person) rather than on the moral act (the decision or behaviour) (Trevino & Nelson, 2011). Thus, it focuses on the characters, motivations, and integrity of a person. In terms of ethical purity, intention is the most difficult to evaluate because it requires understanding of the internal motivation behind a company’s actions or policy (Laczniak & Murphy, 2006). Virtue ethics argues that a person’s character must be justified by a relevant moral community, or a community that holds the person to the highest ethical standards. Therefore, a decision maker must consider the community where he or she operates. Virtue ethics is especially useful for somebody who works within a professional community that has developed high standards of ethical conduct for the community members (Trevino & Nelson, 2011). Nevertheless, a business belongs to various communities. As stated by Solomon (1992): "[t]o see business as a social activity is to see it as a practice that both thrives on competition and presupposes a coherent community of mutually concerned as well as self-interested citizens" (p. 146). Therefore, an ethical business must pay attention to both business performance, as well as the impact of the business activities on the wider community.

Virtue ethics emphasises that humans should apply reason to avoid both excess and deficiency, in their actions (Murphy, 1999). Based on this view, marketers must conduct their marketing activities with moderation and prudence (Robin & Reidenbach, 1987). The aggressiveness of tobacco marketing in Indonesia may not comply with the principle of virtue ethics. For instance, many smaller kiosks and shops in Indonesia are covered with tobacco advertisements. The shop owners are provided with cash payments and art supplies for decorating the shops, effectively transforming the shop into an advertising vehicle (Nichter et al., 2008). Tobacco advertising billboards also saturate the landscape of many cities in Indonesia. It is common to see multiple tobacco advertising billboards located only metres away from each other. These billboards become key components of the local government revenues (Nichter et al., 2008), and yet they also form what Hackley and Kitchen have described as “social pollution” (Hackley and Kitchen, 1999). One can argue that tobacco marketers have a professional responsibility to generate profit for their companies. Thus, as long as their marketing practice is conducted within the legal requirement, this practice may be deemed acceptable. Nevertheless, the fact that tobacco can harm its users, as well as other people around them, cannot be ignored. The great proliferation of marketing communications for tobacco products are, thus, not compliant with virtue ethics traits such as integrity and trust.
Further to this is the notion of choice. Adults may choose to smoke, even if they are well-informed about the danger of cigarettes. They may smoke for various reasons such as to alleviate anxiety, combat weight gain or simply for pleasure. In most contexts, adults are permitted to make harmful choices that are primarily self-regarding (Thomas & Gostin, 2013). Nevertheless, as moral agents, individuals have the responsibility to maintain and protect others’ well-being. Cigarettes are not only harmful to active smokers but also passive smokers. In Indonesia it has been estimated that 78 per cent of children aged 13-15 are exposed to second hand smoke in public places and 69 per cent are exposed to second hand smoke at home (tobacco-free kids 2013). Once more, the marketing of harmful products such as tobacco does not comply with the principles of virtue ethics.

The ethical implications of marketing campaigns directed at well-informed customers are different to those targeted at children, who may not be able to make well-informed decisions, and who may not understand the persuasive content of advertising (McNeal, 1992; Nicholls & Cullen, 1994). Tobacco companies tend to design marketing strategies which are aimed at young potential smokers, targeting them not only with pro-tobacco messages, but also with sales promotional features (King & Siegel, 1999; Pucci & Siegel, 1999a; 1999b). In order to reduce children’s exposure to tobacco marketing campaigns, the Indonesian government advises that tobacco advertising on TV and radio is restricted to the hours between 21:30 and 05:00 local time (Tobacco-free Kids, 2008). Despite this restriction, children are still exposed to aggressive tobacco advertisements on street billboards or during sporting events and music concerts. Children may also see cigarette logos during the sporting events and music concerts, which are broadcasted by television outside the restricted hours. According to a survey conducted by Indonesian National Commission on Children Protection (Komnas Anak), 93 per cent of Indonesian children are exposed to cigarette advertisements on television, and 50 per cent regularly see cigarette advertisement on outdoor billboards and banners (Sagita, 2013).

Studies have identified that teenagers’ intention to smoke can be linked to their receptivity to tobacco advertising (Atman et al., 1996; Evans et al., 1995; Feighery et al., 1998). Furthermore, studies also indicate that teenagers’ smoking initiation is strongly associated to their receptivity to tobacco advertising (Biener & Siegel, 2000; Pierce at al. 1998). The average age of daily smoking initiation in Indonesia is 17.6 years, and 12.3 per cent smoked before the age of 15 years (WHO, 2012). Based on this evidence, it can be suggested that tobacco advertising must have a significant influence on Indonesian teenagers’ intention to smoke. In addition, there is a lack of public awareness about the danger of tobacco to both active and passive smokers. A recent study indicates that even though boys between 13 and 17 years old can repeat the health warnings on cigarette packs, they believe smoking one to two packs per day is not harmful to health (Barber et al. 2008). The exposure of Indonesian teenagers and children to cigarettes, and their lack of awareness about the harm cigarettes do to their health, can impact on their quality of life from an early age.

Based on this analysis, it can be suggested that from the virtue ethics as well as deontologist perspective, marketing cigarette in general and more specifically to children, is unethical. Tobacco marketers may argue that they do not intentionally target children in their marketing campaign. However, the use of oversize billboards which can be easily seen by young audiences and the sponsorship of music and sporting events which are attractive to this group should raise the questions whether the marketers’ intentions, when using these communications media, are virtuous.
Conclusion

The aim of this paper has been to evaluate tobacco marketing practice in Indonesia based on the conventional marketing ethics theories: utilitarianism, deontology, and virtue ethics. The utilitarian perspective, although opening up further questions for debate, implies that cessation of tobacco marketing would damage the country’s economy, and thus the standard of living of the entire population. Contrary to this, only a minority of the population are affected by tobacco related illnesses. However, it is precisely this harmful characteristic that leads deontologists to perceive tobacco marketing as an unethical practice. Virtue ethics, which focuses on the intention of actors, may imply that tobacco marketers have a professional responsibility to generate profit for their companies. However, the aggressiveness of tobacco marketing activities is not consistent with virtue ethics, which emphasises moderation and avoidance of excesses. Furthermore, the themes of fun, youthfulness, modernity, and togetherness which are endorsed in tobacco advertisements can be seen as a deceptive practice. In addition, the use of marketing communications such as sponsorships of music and sporting events and oversize billboards which are accessible to children may call into question the assertion that tobacco companies are not deliberately targeting young potential smokers.

Based on the ethical evaluation of tobacco marketing practice in Indonesia, we suggest that current practices are against the principles of deontology and virtue ethics. Although the utilitarian perspective indicates that banning tobacco marketing can damage the country’s economy, one should never forget the fact that tobacco is a harmful product by nature, even if it is used as directed.

References


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