

CHAPTER 1

Introduction

1.1 Research Background

Total tobacco consumption in Indonesia continued to increase in 2014 despite the unfavorable economic situation, with rising prices of basic necessities due to increases in the regional minimum wage, industrial electricity tariffs, liquefied petroleum gas (LPG) and the domestic fuel price. The respectable volume growth of tobacco during 2014 was driven by several factors, such as the expanding adult population, manufacturers' efforts to promote their products more aggressively in innovative ways, and the shift from hand-rolled cigarettes to machine-made cigarettes. In addition, the major players added new brands to their portfolios in 2014, thus further boosting the overall volume growth of tobacco (Euromonitor International, 2014).

According to the latest WHO report on global tobacco use (WHO, 2011). Smoking prevalence in Indonesia is among the highest in the world, with 46.8 per cent of men and 3.1 per cent of women classified as being current smokers. It shows that there are strong gender differences in stated smoking prevalence in Indonesia, with the habit being relatively rare among women. The majority of smokers in Indonesia are men. The act of smoking among men is so ingrained in the Indonesian culture that many of the tobacco products on the market target men

specifically using images of nationalism, adventure and masculinity. While women make up a smaller portion of the cigarette smoking population.

Nowadays cigarette industry starts to concern with the women smokers by attract them through so many marketing strategies. Packaging as the one of marketing tools to persuade consumers at the point-of-sale will be discussed here. The package is one of the most important factors persuading consumers, it has become a significant component of branding, positioning and communication. It also attracts consumer's attention, enhances product image, influences consumer's perception about the product, provides information, distinguishes one product from another, and stimulates impulsive buying behavior.

According to BMC Public Health Journal (BMC, 2014) Packaging elements can be divided into visual (e.g., graphic, color, shape, size) and informational elements (e.g., product name, brand, producer/country, product information, special offers). Food marketers have proven successful when targeting children through visual elements. Related on that fact the researcher wants to prove that packaging could influence women smoker' perceptions and preferences in buying decision.

In this study, due to high variety of products the researcher use two products example in Cigarettes Market from two different companies (PT H.M. Sampoerna – under Philip Morris International (PMI) and Korea Tobacco & Ginseng (KT&G)) that produced Super Slim brand as a claim of business expand in selling cigarettes marketed to women. The classification of products in this

research is a product with feminism style packaging design as an effort to attract women smokers. There are two products that will be used in this research:

- a) In 2008 Sampoerna launched “*A Revolution*”



Figure 1.1: A revolution packaging

Source: Google Images

- b) In 2014 PT Mandiri Maha Mulia have a license from Korea Tobacco & Ginseng (KT&G) to produce “*ESSE*”



Figure 1.2: Esse packaging

Source: Google Images

The objectives of the study are to find how cigarettes packaging can influence women smoker’ perceptions and preferences in buying decision. The type of research used for this study is descriptive research design. The area covered under this study was Yogyakarta due to availability of well mixed population base in Indonesia. A well interview guide lines was designed and administered to interview the respondents across Yogyakarta. The variables considered for the study are packaging visual elements and packaging

informational elements as the factors that affect women consumer perceptions and preferences. NVivo software is used for data mining in analysis.

1.2 Problem Statement

Based on the background above, the researcher identifies the issues being discussed in this research are as follow:

1. What leads women to select their favorite product?
2. What leads women to select their favorite packaging?

1.3 Research Scope

Without a particular limitation, this research will be very wide, complex, and difficult to be analyzed. Therefore the researcher limited the problem as follow:

1. The research will be held only in Yogyakarta
2. Specifics gender: women
3. Factors will be find out include:
 - 3.1. Perceptions
 - 3.2. Preferences

When considering the findings, the limitations of purposeful sampling must be kept in mind. Questions that were discovered to be unhelpful in soliciting the expertise of participants were deleted and/or modified.

1.4 Objective of research

The research has a specific purposes, they are:

1. To analyze how packaging take place in cigarettes marketing through women customer.
2. To analyze women perceptions and preference about the packaging, in addition to find out the appropriate strategies to win cigarettes' women customer market.

1.5 Expected benefit of the study

The expected benefit of this phenomenological study is to explore and understand through the obtaining of information from key participants in their perspective fields, what they can contribute through this specific gendered buying decision. The overall aim of this study is to draw on the smoker, field experience and the vision of key “experts” to help define the packaging as an important factor that influence specific gendered buying decision, identify needs as a “causal effect”, and make recommendations.

1.6 Analytical Framework

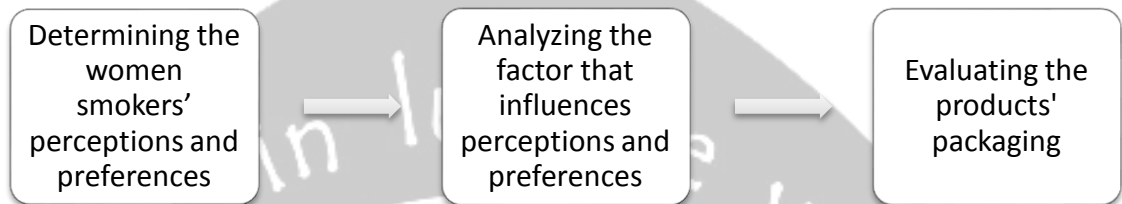


Figure 1.3: Analytical Framework

1.7 Research Design

Based on the problem identification, research objectives and theoretical framework, we can create research design.

1. Type of research

The research use descriptive research, referring to the depth interviews and analysis.

2. Source of the data

a) Primary data are collected from interview the respondents.

Interviews are one of the data collection tools to get information needed directly from the source.

b) Secondary data are collected from text books, articles, and websites.

1.8 Writing Structure

The writing structure is divided into six chapters

1. Chapter I: Introduction

This chapter describes the background of the research, problem definition, the object of the research, benefits of the study, and writing structure

2. Chapter II: Theoretical Background

This chapter describes the theoretical background relevant to this research. Any theory that will be used to support this research

3. Chapter III: Research Design

This chapter describes the research design which is consist of the type and place of the research, type of research, data collection and data analysis

4. Chapter IV: Products Profile

This chapter describes all two products profile which consist of packaging's visual element and informational element

5. Chapter V: Data Analysis

This chapter explains about the data analysis that had been collected in this research

6. Chapter VI: Discussion and Conclusion

This chapter describes the final conclusion that the researcher got from the data analysis and the discussion. Hopefully the result can be useful for all parties who are interested in this research or for further research