Online Promotion of E-Cigarettes in Indonesia

One-month monitoring in selected platforms

Farandi A gesti Ramadhan & Mouhamad Bigwanto

SEATCA Indonesia, 2022
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Executive Summary

The decline in the global prevalence of cigarette smoking for the past two decades, especially in developed countries, has contributed to a fall in tobacco industry profits. This has prompted tobacco companies to expand their business by producing and marketing new nicotine-based products in various countries, including Indonesia. Currently, the only regulation that existed for the products in Indonesia is the imposition of a 57% excise tax on e-cigarettes. Besides that, the products are being sold and marketed freely.

To introduce new products to the public, tobacco firms will undertake every marketing and promotional effort, including the use of social media. Given the rising number of social media users in Indonesia (170 million users) of whom almost half (43%) are young people below 24 years of age, social media has become a highly effective communication platform. In anticipation of the increase of young users who fall victim to the industry's online promotion, monitoring was conducted to probe further into the frequency and content characteristics of social media promotional activities as well as their indirect impact on e-commerce sales. Monitoring was carried out on October 2021 on Indonesia’s two largest online platforms, i.e., Instagram to monitor social media promotions, and Tokopedia to observe e-commerce sales.

Instagram monitoring of selected 45 vape influencer accounts where each having more than 20,000 followers showed aggressive vape promotional activities. On average all accounts can post about 185 stories and 43 feed posts per day with the highest number of likes and comments reaching 79,691 on October 9, 2021. Given the high number of followers of each account, the potential promotional coverage would have reached up to 2,897,327 people. All posts were encouraging the use of vapes or electronic cigarettes, either through photos or videos with different types of content such as challenges, tutorials, lifestyle, and giveaways. Of the 310 feed posts monitored from 10 randomly selected accounts, 65% of contents featured beauty or sensual images, half (50%) highlighted or displayed the product, 32% showed enjoyment in the product flavors, and 13% peddled a false sense of safety.

Promoting through social media influencers has indirectly led to a surge in e-commerce sales. The monitoring of Tokopedia using the keyword 'vape' for 27 days and 'vaporizer' for 15 days showed a daily increase in the number of items offered for sale in both categories. The monitoring of the top 5 stores shows each store sold at least 31 vape components per week, this includes the device, spare part, and liquid. Since they opened the shops on Tokopedia, all shops were observed to have mostly sold liquid flavors for as many as 17,960 liquid flavors or 96% of the total 18,677 liquids been sold. This corresponds with the results of monitoring 310 promotional posts on Instagram of which at least 32% were about enjoying the flavors.

The tobacco industry has successfully taken advantage of the regulatory void on nicotine-delivery products, especially the promotion on social media, and pushed their products out to the market through e-commerce, including to children. This is certainly a worrying situation as these are harmful and addictive products. To prevent children from consuming nicotine products, the government needs to have the proper regulation in place to ban the promotion of these products on social media and to strictly control their sale.
I. Introduction

The decline in the global prevalence of cigarette smoking for the past two decades has contributed to a fall in tobacco industry profits and pushed the tobacco companies to expand their business by producing and marketing new nicotine-based products in various countries, including Indonesia [1], [2], [3]. In taking advantage of the regulation absence for the products, except for the imposition of a 57% excise on e-cigarettes, the products currently have been falsely claimed and promoted in the media as less harmful and effective in reducing smoking prevalence, including in the social media [3], [4]. The manufacturers of these products seem to have free rein to capture consumers and create the same level of dependence as smokers have towards conventional cigarettes in Indonesia.

Social media is a powerful communication platform that has seeped into practically all aspects of social life, including as a marketing tool that can influence behavior change [5]. Social media bridges the gap between sellers and consumers, allowing products or services to be promoted effectively and efficiently. Indonesia is home to over 250 million people, of whom 170 million are estimated to have social media accounts. At least 43% of social media users in Indonesia are aged below 24 years [6].

Vape influencers have become a rising phenomenon in line with the aggressive promotion of new tobacco products. Having a large following, vape influencers regularly post content that showcases and promotes the use of new nicotine products as a lifestyle choice, from which they are paid in return [4], [7]. Meanwhile, as e-commerce becomes increasingly popular among Indonesians, businesses and distributors can now more easily sell their products without having to make large investments.

Therefore, in anticipation of the increase in young users who become victims of online promotion, systematic one-month monitoring was conducted to gain insights into the magnitude of the problem, including the frequency, and content characteristics of social media promotions and their indirect impact on e-commerce sales.

II. Objectives

General: Monitor the magnitude of the problem of advertising and promotion of e-cigarettes on social media and the potential of vape consumption increase through online sales.

Specific:
1. To determine the promotional frequency and content characteristics of new nicotine-based products on social media.
2. To monitor the sales trend on e-commerce.

III. Methodology

1. Monitoring Period and Data Source

Monitoring was conducted in October 2021 on Indonesia’s two largest online platforms. Instagram to monitor social media promotions, and Tokopedia to monitor sales on e-commerce [8]. The monitoring timeline is as follows:
2. Monitoring Method

2.1 Monitoring of promotional content on Instagram

Monitoring focused on the accounts of influencers, stores, or brands that promote new nicotine-based products regularly. The accounts were selected by using a third-party AI program on Instagram by entering predetermined keyword hashtags such as "vaper", "vape", "e-cigarette" and "electronic cigarette" from which a list of accounts would appear in the search results. To broaden monitoring coverage, account selection was also based on the profile’s "followers" and "following". The selected accounts must meet the criteria of having more than 20,000 followers, regularly promoting new nicotine-based products, individual or brand accounts from Indonesia, and the accounts not set to private or locked. From the search results, we discovered a total of 45 accounts that meet the criteria.

The monitoring focused on 2 features on Instagram; Instastory and feed. To determine the promotional frequency, 45 accounts were followed daily. For the Instagram feed, monitoring was conducted daily for the content posted the week before. This is because the interaction frequency data on the Instagram feed changes from day to day and will become more stable approximately 1 week after posting.

To determine the content characteristics, 10 out of 45 Instagram accounts were randomly selected. All posted contents on feed were analyzed and categorized into various characteristics, including the form (photo/video), type (challenge, tutorial, giveaway, lifestyle, etc.), and characteristics of the promotional content such as containing the beautiful or sensual images, highlighted or displayed of the product, show enjoyment in the product flavors, and the false sense of safety.

2.2 Monitoring of e-commerce sales on Tokopedia

The determine the number of items sales on Tokopedia, the monitoring use the keyword ‘vape’ from 4 to 30 October and ‘vaporizer’ from 16 to 30 October 2021 by calculating the increase in items being sold every week in both categories. Furthermore, the top 5 stores recommended by Tokopedia’s algorithm were selected, each of which was then monitored weekly based on their 5 best-selling products. Further analysis was carried out on the types of liquid products sold at the store since the stores opened and categorized them into flavored and non-flavored. Further categories applied to flavored liquid by dividing the flavored into creamy and fruity.

IV. Results

1. Vape Promotional Frequency and Content on Instagram Story

There were 2,786 posts related to vaping products from 45 accounts on Instastory, or an average of 185 stories daily. Figure 1 below provides samples of Instagram stories, while Diagram 1 shows the number of Instagram stories posted on the 45 accounts monitored from 4-20 October 2021. The highest stories shared was on Oct 6 when 232 stories were
shared by 45 accounts. The posts were mainly attempting to persuade people to buy or use the product and to promote vaping as a cool lifestyle.

Figure 1.
Sample of Instagram stories promoting vaping as a lifestyle choice

Diagram 1.
Number of Instagram stories posted daily on 45 accounts, Oct 4-20, 2021

2. Promotional Frequency on Instagram Feed and Estimated Reach

Information obtained from monitoring the Instagram feed includes posting frequency and the like/comment count to estimate the interaction rate. Diagram 2 below presents the number of feed posts on 45 accounts from 4-31 October 2021. In total there were 1,205 posts with an average of 43 posts per day. The highest number of posts occurred on October 7 (82 posts) and the lowest was on October 10 (23 posts).
From the feed post count above, the number of likes and comments for each content is then calculated. This provides an estimate of the number of people/accounts interacting with the content published on each account's feed. From the monitoring of 45 accounts on October 4-31, the highest interaction rate was 79,691 on October 9, and the lowest was 24,273 on October 25 (Diagram 3). From the monitoring, it was found that the rise and fall in the number of interactions correspond with the types of content shared on each of the 45 accounts. The number of likes and comments will go up when there is a new product launch, a giveaway, or a vaping challenge.

Diagram 2.  
Number of Daily Instagram Feed Posts from 45 accounts, 4-31 October 2021

<table>
<thead>
<tr>
<th>Date</th>
<th>Likes</th>
<th>Comments</th>
<th>Interactions</th>
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Diagram 3.  
Number of interactions (likes and comments) from 45 accounts, 4-31 October 2021

With no less than 20,000 followers per account, the potential promotional reach of the 45 accounts surveyed is indeed extensive. It can therefore be projected that promotional content could reach 2,897,327 people. This estimate is obtained by calculating the number of followers from each account monitored.
3. Content Analysis of Feed Posts

Besides calculating the frequency, the feed posts were also analyzed and categorized by their form, type, and content characteristics. From the 45 accounts monitored daily, 10 accounts were randomly selected (5 from influencer accounts and 5 from vape store/brand accounts) as the sample for content analysis from October 4 to 31, 2021. A total of 310 feed posts were included in the analysis.

3.1 Form of Feed Posts

Of the 310 feed posts observed, 53% were photos, 38% were videos, and 9% mixed photos and videos.

3.2 Type of Feed Posts

To generate more engagement with social media posts, account owners will find ways to attract the attention of their followers or audience in general. They can regularly create content in the types of giveaways, challenges, and lifestyle-related posts by sharing their everyday life. For this monitoring survey, each feed post is classified at least into four types categories of content. The survey showed that 58% of posts were lifestyle-related, where vaping is part of day-to-day life, and promoting it to make it look cool. Another 20% of the feed posts were challenges, tutorials, and giveaways, while 22% were other types of content but the message was essentially about encouraging the use of vaping products.
3.3 Content Characteristics of Feed Posts

For the content characteristics, most content (64%) flaunt beauty or sensual images. This is the typical approach used in promoting conventional cigarettes. New nicotine-based products are similar to conventional cigarettes in a way where users are mostly male. As such, associating the product with beauty and sexuality will encourage men to engage with the posts or will at least attract the audience’s attention, including among women who may be drawn by the sexy or cool image of vaping.

Furthermore, 50% of the feed posts showcased or displayed the product and regularly incorporated the product in their posts to promote its use. Referring to the regulation for conventional cigarettes, promoting cigarettes by showcasing the product or its use is prohibited by the law. However, since there is no regulation for new nicotine-based products, the products seem to be promoted freely, including on social media.
More than a quarter (32%) of feed posts features the enjoyment of flavors, and 13% claimed that new tobacco products were safe to use. This assumes that promoting the enjoyment of flavors and safety claims would pique consumer interest to try the products promoted in the feed posts.

<table>
<thead>
<tr>
<th>Beauty or sensual images</th>
<th>Highlighted or Displayed the Products</th>
<th>Showed enjoyment of flavors</th>
<th>Vaping safety claims</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>n 198 %64% n 155 %50% n 99 %32% n 40 %13%</td>
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<td>No</td>
<td>n 112 %36% n 155 %50% n 211 %68% n 270 %87%</td>
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Limitation: The monitoring survey does not capture the characteristics/identity of followers nor is it able to measure beyond the posted content (other than account followers) due to limited access to information. However, considering the characteristics of content and how they create it the content into the type of challenge, giveaway, etc. Certainly, the content was intended for young people to be involved in their promotion campaign.

Figure 6. Samples Contents with Vaping Safety Claims

Figure 7. Samples of Contents with Beauty or Sensual Images
4. Promotional Impact on Sales

Promoting through social media influencers has indirectly led to a surge in e-commerce sales. The monitoring on Tokopedia using the keyword ‘vape’ for 27 days and ‘vaporizer’ for 15 days showed an increase in items being offered for sales from both categories. There was a significant increase in the number of products offered for sale weekly for as many as 49,320 products for the “vape” category, and 5,691 items under the ‘vaporizer’ category (Diagram 6). The increase of items for sale can be explained by the rising demand for new nicotine-based products, which Tokopedia merchants see as a promising business opportunity with even more sellers entering the marketplace.

Furthermore, monitoring is carried out on the top 5 stores according to the recommendations of the Tokopedia algorithm. Of all 5 stores, we found an increase in sales for the top 5 best-selling products. Each store could sell at least 31 of its most purchased products per week for different items, ranging from vaping devices to spare parts and liquid. Diagram 7 shows the trend example of the top 5 best-selling products from one of the stores.
In addition to the sales of the best-selling products in the 5 stores, monitoring was also conducted on the most popular liquids. It was found that all of the selected stores were selling liquid. Since they opened the shops on Tokopedia, flavored liquids sold the most for as many as 17,960 items or 96% of the total 18,677 e-liquids been sold. The most sought-after liquid flavor is one that gives out a creamy taste, at 10,910 items or 71.5% of the total 15,420 e-liquids sold. This is in line with the monitoring survey of promotional content on the Instagram account of vape influencers where 32% of posts were promoting about enjoying the flavors.

5. Instagram (Meta) and National Policies on the Promotion and Sale of New Nicotine-Based Products

Regarding the policy on promoting tobacco products on Instagram, the platform has a policy that bans all forms of tobacco products promotion, including e-cigarettes. This information is published on the official website of Meta as Instagram's parent company [9]. However, this policy does not automatically apply to every country as any action taken against content policy violations very much depends on the legal and regulatory framework of the country concerned. As is the case for Indonesia, currently there is no specific regulation that banned the promotion of new nicotine-based products on social media and regulates sales on e-commerce platforms. Therefore, these addictive products are freely promoted in social media and traded in the marketplace without any restrictions, including to children.

V. Conclusion

The monitoring of the Instagram stories and feed shared by 45 influencer accounts showed promotional activities on a massive scale. On average, all 45 accounts posted 185 Instagram stories and 43 feeds every day with the highest number of likes and comments reaching 79,691 on October 9, 2021. All posts were encouraging the use of vaping products, either through photos and videos in the types of challenges, tutorials, lifestyle content, or giveaways.
Promotion through social media influencers was indirectly followed by an increase in e-commerce sales. Using the keyword 'vape' for 27 days and 'vaporizer' for 15 days we found there was a rising trend in the number of items been offered for sales daily in each category. The monitoring of the top 5 stores revealed that each store could at least sell 31 products every week, ranging from vaping devices to spare parts and liquid. All stores were selling liquids. Since they opened the shops on Tokopedia, the most sought-after were flavored ones at 17,960 items or 96% of the total 18,677 liquids been sold.

The tobacco industry has successfully taken advantage of the absence of regulations prohibiting social media promotion and restricting e-commerce sales of nicotine products to promote them unhindered, including among children. This is indeed a worrying situation considering the fact that the products being sold are harmful and highly addictive.

VI. References


