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All accepted papers will be published in the proceedings CD with an ISBN number. A selection of the best conference papers will also be considered for publication in the following journals: TBA

Whilst the Organizing Team is finalizing the conference programme, we would like to give you a head start on "How to Submit a Paper?" All manuscripts must follow the style guideline of the Asian Journal of Business Research (http://www.magscholar.com/ajbr.htm). Manuscripts should not exceed 5 pages for long abstracts or 20 pages for full papers. One-page special session and panel proposals should be sent directly to Dr Ernest de Run (drennest@feb.unimas.my). Submissions will be double-blind reviewed. Before sending your manuscript directly to the appropriate track chairs, please remove any author's name in the text of the manuscript.

Submission of a manuscript for review indicates that it or a similar version has not been previously published or is not under simultaneous review elsewhere. A manuscript should be submitted to ONLY one track. The name/s of track chair and email address is enclosed. The conference will accept papers and allow authors to decide whether to publish the complete paper in the Proceedings or to publish an abstract only. Upon acceptance, the author(s) agree to the following: (a) to release the copyright to MAG Scholar unless choosing to publish an abstract only, (b) to return the manuscript (abstract) in correct format (via email) to the Conference Director, and (c) at least one author will present the manuscript at the conference and will pre-register as a condition for acceptance and publication.

Conference Team Director

Dr Kamal Ghose Lincoln University Christchurch, New Zealand Kamal.Ghose@lincoln.ac.nz

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Track Chairs

Agricultural Marketing: Dr Kawpong Polyorat, Khonkaen University, Thailand. Tel: 66 43 202401 Ext 304, Fax: 66 43 202402, Email: kawpong@kku.ac.th

B2B, CRM and Relationship Marketing: Dr Nelson Oly Ndubisi, Nottingham University Business School, Selangor, Malaysia. Tel: +603 8924 8283, Fax: +603 8924 8019, Email: nelson.oly@nottingham.edu.my

Branding for Services: Dr Kamal Ghose, Lincoln University, Canterbury, New Zealand. Tel: +64 3 3253838, Ext 8316, Fax: +64 3 3218316, Email: ghosek@lincoln.ac.nz

Business between Asia and Latin America: Dr Sergio Biggemann, Department of Marketing, University of Otago, Dunedin, New Zealand. Tel: +64 3 479 8467, Fax: +64 3 479 8172, Email: sergio.biggemann@otago.ac.nz

Consumer Marketing in Africa: Dr Robert Rugimbana, Business School, Tshwane University of Technology, Pretoria, South Africa. Tel: +27 012 382 3045, Fax: +27 012 382 3052, Email: rugimbanar@tut.ac.za

Contemporary Marketing and Business Issues in Middle East: Dr Sadiq Sohail, Department of Management & Marketing, King Fahd University of Petroleum & Minerals, Saudi Arabia. Tel: + 966 3 8601746, Email: ssohail@kfupm.edu.sa

Country of Origin effects in International Marketing: Dr Gurvinder Singh Shergill, Massey University, Auckland, New Zealand. Tel: +64 9 414 0800 Ext 9466, Email: G.S.Shergill@Massey.ac.nz

Cross-Cultural Marketing: Dr Paurav Shukla, Brighton Business School, University of Brighton, UK. Tel: +44 1273 642140, Fax: +44 1273 642570, Email: p.shukla@brighton.ac.uk

Cross-Cultural Negotiation: Dr Mona Chung & Dr Richard Ingleby, School of Management & Marketing, Deakin University, Australia. Tel: +61 3 5227 2716, Fax: +61 3 5227 2400, Email: mona.chung@deakin.edu.au

Digital Consumer Marketing: Dr Fang Liu & Dr George Li, Business School, University of Western Australia, Australia. Tel: +61 8 6488 3506, Fax: +61 8 6488 1004, Email: fliu@biz.uwa.edu.au

E-Marketing: Dr Norazah Mohd Suki, Labuan School of International Business & Finance, University Malaysia Sabah, Sabah, Malaysia. Tel: +6012 689 1044, Email: azahsuki@yahoo.com

Environmental Marketing: Dr Yong-Kee Li, College of Business Administration, Sejong University, Seoul, Republic of Korea. Tel: +82 2 3408 3158, Fax: +82 2 3408 4310, Mobile: +82 10 4755 6623, Email: editor@sejong.ac.kr; yongki2@paran.com; sjumarketing@hotmail.com

Green Marketing: Dr S.L. Gupta, Birla Institute of Technology, Uttar Pradesh, India. Tel: +91 98 11230453, Email: slgupta_1965@yahoo.co.in

Market Orientation: Dr Boo Ho Voon, Faculty of Business Management, Universiti Teknologi MARA (UiTM), Sarawak, Malaysia. Tel: 6082 677723, Mobile: 6019 4390228, Fax: 6082 677300, Email: bhvoon@sarawak.uitm.edu.my

Marketing in Asia: Dr Kim-Shyan Fam, School of Marketing & International Business, Victoria University of Wellington, Wellington, New Zealand. Tel: + 64 4 463 6459, Fax: + 64 4 463 5231, Email: kim.fam@vuw.ac.nz

Marketing in Transition Economies: Dr Laszlo Jozsa, Szechenyi Istvan University, Gyor, Hungary. Tel: +36 96 503 487, Email: jozsal@sze.hu

Marketing Innovations: Dr Hari Krishna Maram, Alpha Institute of Management, Bangalore, India. Tel: 0091 80 41122246, Fax: 0091 80 41122256, Email: drmaram@in.com

Marketing of Education: Dr C.L. Luk & Dr Wendy Wan, City University of Hong Kong, Hong Kong, China. Tel: +852 2788 8228, +852 2788 8118, Email: mkelluk@cityu.edu.hk and Email: wendywan@live.com

Mobile Marketing: Dr Tiong-Thye Goh, School of Information Management, Victoria University of Wellington, Wellington, New Zealand. Tel: +64 4 463 6860, Fax: +64 4 463 5446, Email: Tiong.Goh@vuw.ac.nz

International Management and Organizational Behaviour: Dr Nuttawuth Muenjohn, RMIT University, Australia. Tel: +61 3 9925 5109, Fax: +61 3 9925 5960, Email: nuttawuth.muenjohn@rmit.edu.au

International Marketing Communications: Dr Ernest de Run, Faculty of Economics and Business, Universiti Malaysia Sarawak, Sarawak, Malaysia. Tel: +6082 581017, Fax: +6082 581035, Email: drernest@fcb.unimas.my

International Marketing Strategy: Dr Yang-Im Lee, Department of Management, Birkbeck College, University of London, UK. Tel: +44 (0) 207 631 6764, Fax: +44 (0) 207 631 6769, Email: yangimlee@btinternet.com

International Mergers and Acquisition: Dr Mohammad Faisal Ahammad, Nottingham Business School, Nottingham Trent University, UK. Tel: +44 0115 848 3831, Fax: +44 0115 848 4707, Email: mohammad.ahammad@ntu.ac.uk

Internet Marketing: Dr Adam Acar Kitaoka, Kobe City University of Foreign Studies, Kobe, Japan. Tel: 078 794 8218, Fax: 078 794 8160, Email: acarcomm100@yahoo.com

Retailing in Asia Pacific: Ms Sandra Sunanto, Faculty of Economics, Parahyangan Catholic University, Bandung, Indonesia. Tel: +62 22 2041964 Ext 534, Mobile: +6281572 000037, Fax: +62 22 2042571, Email: sandra@home.unpar.ac.id; sunanto@msm.nl

Retail Marketing: Dr Tjong Budisantoso, RMIT University, Vietnam. Mobile: +84 1279 945 110, Fax: +84 8 3776 1399, Email: budisantoso.tjong@rmit.edu.vn

Sales Promotion and Sponsorships: Mr Adna Rahman, School of Marketing, Curtin University of Technology, Perth, Australia. Tel: +618 9226 4301, Fax: +618 9266 3096, Email: adna.rahman@postgrad.curtin.edu.au; adna.188@yahoo.com

Service Quality Excellence: Dr Syed Anwar, Hamdan Bin Mohammed e-University, United Arab Emirates. Tel: 00971 50 3915108, Fax: 00971 4 4241075, Email: s.anwar@hbmeu.ac.ae

Services Marketing in India: Dr P. Ganesan, School of Finance and Banking, University of Rwanda, Mburabuturo-Gikondo, Kigali, Rwanda. Mobile: +250 785823153, Email: sumigans10@rediffmail.com

Social Marketing: Dr Jose Luis V Burguete & Dr Mario Miranda (Victoria University, Melbourne, Australia), Facultad de CC. Económicas y Empresariales, Campus de Vegazana s/n 24071-León, Spain. Tel: +34 987 29 17 51, Fax: +34 987 29 14 54, Email: jose-luis.vazquez@unileon.es

Strategic Marketing Management: Dr Peter Trim, Department of Management, Birkbeck College, University of London, UK. Tel: +44 (0) 207 631 6764, Fax: +44 (0) 207 631 6769, Email: p.trim@bbk.ac.uk

Supply Chain Management: Dr Garg Shikha Rastogi, Email: gargshikha@hotmail.com

Michael Adiwijaya

Petra Christian University

michaels@petra.ac.id

Head of Sales Management Concentration, Marketing Management Program, Faculty of

Economics, Petra Christian University, Surabaya - Indonesia.

Mobile Phone: +62.81.331.660.100

Creative Integrated Marketing Communication Strategy for the Indonesian Cigarette Brands

Abstract

Nowadays the companies around the world are facing the tight competition both from the local rivals and the global ones. As the consequences, the customers are bombed with so many marketing campaigns from producers; starting from the simpleadvertisements to the extraordinary events. Each brand attempts to occupy its position on customer's mind and differentiate its brand from others. The creative Integrated Marketing Communication (IMC) is becoming the solution to achieve those goals among the cluttered and saturated marketing campaign. The cigarette brands deal not only with the hard competition within the industry but also with so many issues for instance the health issue, government regulation, non governmental organization boycott, and etc. The aim of this paper is to investigate the implementation of creative IMC strategy for cigarette brands in Indonesia. Several IMC cases are revealed to identify the challenges when implementing the creative IMC strategy as well as the success factors of the strategy itself. The conclusion for succeed in implementing creative IMC strategy is that the company should focus on five strategy approaches; they are community building strategy, unique advertising theme strategy, sport sponsorship strategy corporate social responsibility strategy, and Moslem community approach strategy.

Keywords:Integrated Marketing Communication Strategy, Cigarette Brand Indonesia.

Introduction

Cigarette is one of the controversial products in Indonesia. It is like a coin that has two sides; on one side, the cigarette product threatens the health of the society both for the smoker and the passive smoker. But on another side, the cigarette industry gives huge contribution to the development of the economy.

From the health issue point of view, there are several concerning data that showed the harmful effects of cigarette toward the health of the society as follow: based on the data from YayasanLembagaKonsumen Indonesia (YLKI) or the Indonesian Consumer Protection Institution revealed that 1.172 people died everyday because of cigarette consumption. In addition, Indonesia occupies 3rd rank among the other countries in term of cigarette yearly consumption after China and India. (WHO report, 2008) Based on the research, the poor income segment is the highest smoker in Indonesia. This condition is even worse that 70% of 19 millionpoor income segmentthat received monthly direct cash benefit from the Government spent 50% of the cash benefit to buy the cigarette products (YLKI, 2009)

In contrast from the economics' point of view, the cigarette industry is ranked at number one ofindustry that absorbs large numbers of the unskilled and uneducated labors which help the Government to reduce the unemployment. In addition, according to Tosari Wijaya as the Head of Food, Beverage and Tobacco Labor Association, it is estimated 24 million people which is around 10% of the total population in Indonesia lean on their life on the

cigarette industry. (SuaraMerdeka, 2005). Next, the cigarette industry also occupies the first rank of the industries that pay the highest tax amount compared to other industries in Indonesia. The estimated total tax amount paid by the cigarette industry in 2009 is expected increase 7% from 2008 that is around Rp 49 Trillions or equal to US\$ 49 Billion (Detik Finance, 2008).

The contribution of cigarette industry on the economy development as well as its harmful effects on the society's health becomes never ending debates and conflicts among the related parties such as the Government, the Non Governmental Organization, the academician, marketing practitioners, cigarettes labor union, etc. The phenomenon of the Indonesian cigarette industry brings challenges and opportunity at the same moment.

The challenges for the cigarettes brand from the Government are about the issued regulations starting from the production to the marketing matters. Some examples of the regulation such as: the establishment of very high tax ratefor cigarette products, the increasing rate of cigarette tax gradually each year, limitation for smoker space at public places, limitation for marketing communication campaign.

Another challenge also comes from the Non Governmental Organization (NGO) starting from the simple warning about the danger of cigarette into the formal prosecution regarding some violations against the regulations which made by the cigarettes companies. Since the majority of the people in Indonesia are Moslem then the Moslem's NGOs have so many powers to spread their influences to the society. Muhamadiyah and

MajelisUlama Indonesia are the largest Moslem NGOs that issued "fatwa" that forbid the Moslem people to smoke due to the danger of the effects caused on health issues. Fatwa is religious opinion regarding the Islamic law issued by the Moslem scholars or institutions where it binds the member to obey and to follow the instructions.

The movements against the cigarettes consumption are also conducted by the academicians and non Moslem NGO through the classes, seminars and others formal activities to educate the society about the danger of cigarette consumption. YLKI as the institution that fight against the violations of consumer rights always monitoring the activities done by the cigarettes industry in term of the operation and the marketing one. While, the KomisiNasionalPerlindunganAnak (The National Commission for Children Protection) proposed to the Government regarding the total banned for the cigarette promotion activities.

The challenges for the cigarettes brands are coming not only from the Government and the society in this case the NGOs but also from the competition within the industry itself. According to Directorate General of Custom and Excise, Indonesia has the greatest number of cigarettes companies in the world. There are approximately 3.800 cigarettes companies that produce many brands into the market. Each brand has its own marketing strategy to attract the potential customers to consume their products. This situation is getting worse with the expansion of global cigarettes brand into Indonesian market. Examples of global cigarettes brands expansionis the fullacquisition of Sampoernaby Philips Morris and the part acquisition of Bentoelby British American

Tobacco. Both Sampoerna and Bentoel are the largest of cigarettes companies in Indonesia.

Despite so many challenges faced by the cigarette companies but still this industry exist and even grow from 2006 to 2008. There are some market opportunities for the cigarettes brands not just only to survive from the tight competition but also to gain more profits. Another opportunity is the dilemma position of the Government whether to support the cigarette industry in order to boast the economy or to fight against in order to keep the health of the society. The evidences of this situation are as follow; the Government revised the regulation about the content limitation of nicotine and tar within a cigarette product, the Government didn't signed and ratified the Framework Convention on Tobacco Control where 147 countries already signed the framework worldwide.

From the market point of view, there is substantial market available for cigarette brands where 65 million Indonesian are the active smoker with the total 114 consumer for cigarettes product. This number is equal to 1 smoker in every 4 Indonesian people with the total population around 250 million people (WHO Report, 2008). In addition, the labor cost for cigarette industry is cheaper than other industry. This condition is reflecting the wide opportunity for cigarette industry.

Considering the challenges and the opportunities faced by the cigarette industry, the next assignments to do is creating the creative integrated marketing communication strategy to combat the challenges and to cultivate the opportunities to sustain this future industry.

Literature Review

Considering the market challenges and opportunities for cigarette brands then the cigarette brands must overcome the challenges and optimize the opportunities. As been explained before that there are large numbers of cigarette companies that produces many brands to the market both from local, national, and global brands. In order to stand out of the crowd of the saturated competition then one of the strategies that can be used is by developing the effective and efficient IMC to communicate the cigarette brand.

According to Grewal and Levy (2010), Integrated Marketing Communication represents the promotion variable within the marketing mix strategy. This variable is consisting six methods; they are advertising, personal selling, public relations, direct marketing, sales promotion, electronic media and community building. The combination of those components provides clarity, consistency, and powerful communication impacts to the potential target markets.

The advertising according to the American Marketing Association entails the placement of announcements and persuasive message in time or space purchased in any of the mass media by business firms, nonprofit organizations, government agencies, and individuals who seek to inform and or to persuade members of a particular target market or audience about their products, service, organization, or ideas. The channels of media that can be used for advertising execution, for instance the television, radio, internet, magazines, newspapers, etc. Each of channels has its own advantages and disadvantages; therefore

the marketing should select and combine the channels by adjusting to the characteristic of the target audiences or potential segments.

Personal selling is the two way flow of communication between a buyer and a seller that is designed to influence the buyer purchase decision. There are some task handled by salesperson; they are order getting, order taking, supporting promotion activities and performing customer service (Perreault et al, 2010). Personal selling can take places in various settings for instance face to face selling, exhibition selling, telemarketing, video conferences, etc. While the method of public relations refer to the building good relations with the company's various publics by obtaining favorable publicity, building up a good corporate image, and handling or heading off unfavorable rumors, stories, and events. Several tools for public relation strategy as follow; press relations, product publicity, public affairs, lobbying, investor relations and development (Kotler and Amstrong, 2004).

Next method is direct marketing which consists of direct connections with carefully targeted individual consumers to both obtain and immediate response and cultivate lasting customer relationship. (Kotler and Amstrong, 2004). Direct marketing toolkits contain variety of marketing communication initiatives, including telephone, mail, program length television commercial, catalogs, and internet based initiatives such as email and e-commerce (Grewal and Levy, 2010). Sales promotion is refers to the method of promotion that stimulate interest, trial, or purchase by final customer or others in the channels. This method is generally used to complement the other promotion

ones(Perreault et al, 2010). Electronic media and community building are the promotion method to communicate with the customers through corporate website, corporate blogs, social marketing, and online games. This method is effective since the development of technology nowadays is increasing fast from time to time.

There are there elements that the marketer should take into account when setting the IMC strategy; they are the customer focused, the communication channel, and the expected result. The customer focused examines how customer receives communications, whether via media or other methods, as well as how the delivery of that communication affects a message's form and contents. While the communication channel examines the various channels that make up the components of the IMC and how each is used in an overall IMC strategy. Finally the expected result examines how the level of complexity in IMC strategies leads marketers to design new ways to measure the result of IMC campaigns.

Methodology

The qualitative research approach has been done for this research by using the type of exploratory research. According to Kuncoro (2003, p 72-75), exploratory research is the type of research with purposes to develop the knowledge or new hypotheses, and to give the direction or guidance for further research. The main purpose of this research type is to identify the research situation to collect the information which is needed for further research. There are three techniques which have been done to collect the data, firstly is

the direct observation, secondly is the direct interview, and thirdly is the direct field documentation.

The direct interview and observation have been done to the stakeholders of the cigarette companies for instance the Government officials, the target customers, the Non Government Organization members, and the religious leaders. The main purpose of these data collection activities is to collect the responses especially the opinions of the stakeholders towards the integrated marketing campaign activities which have been done by the leading cigarette companies. The direct interview will focus more on the opinions of the stakeholders while the direct observation will focus more on the behaviors of the stakeholders.

Next the field documentation has been done by studying and analyzing the secondary data from public resources such as the Government and Non Government Reports and the news from several media for instance the internet, newspaper, etc. The main purpose of this data collection activity is to collect as much as possible data related to the leading cigarette brands' business activities.

Findings

The findings of this research shown the implementation of the creative integrated marketing communication strategy for cigarette brands in Indonesia through five main strategy; they are the community building strategy, the advertising theme strategy, the sport sponsorship strategy, the corporate social responsibility strategy, and the Moslem community approach strategy.

The Implementation of Creative IMC Strategy for Cigarette Brands

The implementation of IMC strategy for cigarette brands in Indonesia is quite unique compared to other countries. Many challenges faced by cigarette brands as explained in the brief description of the phenomenon of cigarette industry in Indonesia and the market challenges and opportunities for cigarette brands. .

One of the specific challenges related to the marketing communication campaigns faced by the cigarette brands when communicating their product through advertisement (ads) is the Government Regulation number 38 in 2000, verse 17 stated the limitation of cigarette television commercials broadcastingfrom 09.30 pm to 05.00 am. While the verse 18 stated 5 critical points for cigarette advertisements in Indonesia. Firstly, the cigarette ads are prohibited to persuade or to stimulate people to smoke. Secondly, the cigarette ads are prohibited to show the benefit of smoking related to the health issues. Thirdly, the cigarette ads are prohibited as are prohibited to show people who is smoking. The fourthly, the cigarette

ads are prohibited to show both the cigarette product and packaging. Finally, the cigarette ads must enclosed the Government warning related to the danger of smoking for health.

Considering the challenges, the cigarette brands in Indonesia developed the creative IMC strategy to survive and to sustain their business. The entire methods of IMC are used and combined to fight against the challenges softly instead of frontally. There are several main examples of the implementation of the creative IMCstrategy for cigarette brands in Indonesia. In this paper, five strategies will be revealed; they are community building strategy, advertising theme strategy, sport sponsorship strategy, corporate social responsibility, and Moslem community approach strategy. Several cigarette brands are presented as the examples to support the explanation of each strategy.

The Community Building Strategy

One successful example in community building strategy is the brand of Djarum Black. The focus of IMC is on building the community around young generations as it potential target segments namely Djarum Black Community. This community consists of the owner of black car orblack motorcycle at the first time of the foundation. They had several activities together for instance touring program to visit some big cities in Indonesia, sharing knowledge and experiences between the members, music concert event, automotive competition, and any others activities related to the lifestyle of young generations.

The company involved the customer to set the community in almost every city in Indonesia where each community has its own independent committee and activities. As time goes onthis community is not limited only for the black car and motorcycle community, also not only for the Djarum Black customers but it reached various types of customer segmentsamong the Indonesian society and not surprisingly that even the non smokers joined this community. This community is moving from the group of customers to the social community within the society. The brand of Djarum Black got free advertisement because the member of the community put the brand name and logo of Djarum on their vehicles and other belongings. To support the events, heavy advertisements starting from brochures to television commercial are launched to create the awareness.

In addition, the Djarum Innovation Award is launched to give the award to the young intellectual and talented generation who creates the innovative product to increase the society welfare. This even is conducted yearly and it is not only just stopped to the award given program but also created the social media communitywhere the young generation can share innovative ideas, get the latest innovation information, etc.

The Advertising Themes Strategy

Since the limitations made by the Government regarding the content of the advertisements for cigarette products then the cigarettes industry must be creative to cultivate the potentials idea to deliver the message without showing the product along

with its packaging as well as the smoking person, not persuading the audience and the requirement to show the harmful effects of cigarette to the health.

The successful example is done by the brand of Sampoerna A-Mild that accommodates the social issues within the Indonesian society as the main theme in every single of its advertisements for instance the complicated bureaucracy, the corruption, the commercialization of education, the senior and junior power distance, etc. On one side, this strategy is controversial but on the other side; this is truly a breakthrough of thinking within the society where the advertisements communicate the social issues which mostly negative explicitlyby inserting humor sense as the advertising execution strategy. It is like teasing the society to take action in order to change the customs and even the cultures which is commonly faced within the daily life.

In addition, the company involved not only the customers but also the public to vote and to express their opinions and thoughts through the website whether they agree or disagree with some statements made on the advertisements. Many positive supports flow from public to the advertising theme. This strategy creates positive image of cigarette's company that fight for social issues for the society welfare instead of being the enemy of the society.

The Sport Sponsorship Strategy

Considering that the cigarette product is identified to the danger of health therefore most of cigarette brands in Indonesia conducted sports sponsorship strategy where the company spent lot of cash to support the various kinds of sport starting from the small local sports event to the international sport events. This strategy is used to blur out the danger identification of cigarette products for health and to show the contribution of the cigarette company towards the health development of the society through sponsoring the sport activities.

There are two main favorite sports for the Indonesian; they are the soccer andbadminton sports. Most of Indonesian can play either the soccer or the badminton. While recently basketball is becoming favorite sports among young generation. Realizing this phenomenon, the cigarette companies focus their sponsorship on those favorite sports. PT Djarum Indonesia Tbk as one of the largest cigarette companies supported those three sports; the brand of Djarum Super is focus on sponsoring the badminton and soccer sport while the brand of LA is focus on sponsoring the basketball sport.

One example of the sport sponsorship strategies on the badminton sport is thatDjarum build PB Djarum in several cities in Indonesiathat produced so many talented national badminton players who won several international badminton events. In addition, Djarum even build the partnership withPersatuanBulutangkisSeluruh Indonesia (PBSI) or the National Indonesian Badminton Association as one of Government departments under the

Ministry of Youth and Sport that managed the badminton sport activity and development. Djarumallocated its budget to support the national badminton teams when joining several international events including the accommodation, transportation, bonus for the player, and all related costs to the events. Besides, Djarum also sponsored the local, national and international badminton events as well as building MasyarakatBulutangkis Indonesia (MBI) or the Indonesian Badminton Society that is basically the forum to discuss and to share ideas and information related to the badminton development and activities. The result evidence of Djarum contribution to the development of badminton sport is that Indonesia is well known with its top international rank of badminton players.

The Corporate Social Responsibility (CSR) Strategy

Corporate social responsibility program is done by cigarette industries as well as other industries did. PT GudangGaramTbk as one of the largest cigarette companies is actively involved implementing this strategy. The example of the contribution of this company to the welfare of the society is by creating wide working opportunities to the local society where the manufacturer is located. The company is located on Kediri, East Java Province, it employs 37.000 workers and 60% of the workers are the local people who live in Kediri (Kediri Jaya, 2010). Although the company adopted the technology to increase the quality of the product but it still maintained the workers to support the development of local area. In addition, 70.21% of local economics' activities are triggered by GudangGaram activities for instance the existence of traditional market that supplies the

need of the employees, the daily transportation for the employees, and tax payment (Tempo, 2010).

On the development of education; GudangGaram also provides the scholarship for talented students who had the financial limitation. This is a regular program which covers the education from bachelor to the doctoral degree. In addition, GudangGaram develops the public advertisement that fight for the education issue such as the poor school facilities and access. Besides that the company is actively involved in charity programs that donate its funds to help the victim of natural disasters in several areas in Indonesia. By implementing this CSR strategy, GudangGaram builds the good corporate image that reserve its profit to develop the society welfare.

Moslem Community Approach Strategy

The final creative strategy of IMC done by the cigarette brands is the approach to the Moslem communities. Several considerations behind this strategy are as follows: firstly, the majority of the people in Indonesia are Moslem, this number is equal to 86% from the total of population (BPS, 2008); secondly, the leaders have dominant influences towards the Moslem communities; thirdly, despite the "Fatwa" that announces cigarette as the prohibited product which is issued by some Moslem organizations and leaders, actually there are two side of Moslem that agree and disagree with it.

Realizing this condition, then the all cigarette brands in Indonesia build good relation with Moslem communities by sponsoring religious events, building the Mosques, donating to pesantren and madrasah (Moslem schools), etc. This strategy plays critical roles to the future of cigarette brands; by approaching the Moslem community then the cigarettes brands could influence the decision of Moslem leaders to support the existence of the industry.

Discussion

The topic of this paper is quite controversial not only in Indonesia as the object of the study but also in the rest of the world. Despite its controversy, the cigarette industries grew from time to time especially in the third world countries or in the developing countries. There are so many factors contributed to the development of the cigarette industries in the developing countries. The contributions of the cigarette industries to the development of economy for instance the taxes, the opening of new job opportunities, and the multibillions investment are the real examples that the Government could not deny.

Indonesia as one of the emerging countries in South East Asia which occupy the 18th position on top world GDP (IMF Reports, 2010) is becoming the potential market for the cigarette industries. Several factors that contribute to the attractiveness of the Indonesian market in the perspective of cigarettes industries are as follow: firstly is the 60% out of 250 million people of the total population (BPS, 2010) is cigarette smoker that represent

the huge size of the market. Secondly, the contribution of cigarette tax to support the national budget makes the cigarettes companies are able to intervening the Government policies related to the cigarette industries. Thirdly is the low health awareness of the Indonesian society towards the danger of the cigarette products.

Even though Indonesia is a potential market for cigarette industries but it does not mean there are no challenges that have to be faced by the industries. The movement of anti cigarette consumption from the Non Government Organization, intellectual community, and religious organizations who put the pressure on the Government to stop or to limit the production of cigarette through many regulations and policy; and who develop the knowledge and understanding of the society toward the dangers of the cigarette products are become the main challenges. Therefore the Indonesian leading cigarette brands are attempting to gain the sympathy and the credits from the entire stakeholders by implementing the creative integrated marketing communication campaigns through five main strategies that have been explained in the findings section.

Considering the situation and the condition that has been discussed before, the topic of cigarette brands will keep being the controversial issues in Indonesia that the future of the industries is depend on the bargaining power among three main parties who has its own roles and interest towards the issues; they are the Government, the cigarette industries, and the society.

Conclusion

There are several conclusions that can be drawn from this paper; firstly, the challenges can be turned into the opportunities when the companydares to face and adapts with them. Referring to the Chinese characters, the word crisis has two contrasts meaning, one side means danger or thread and on the other side means opportunity. Likewise the cigarette brands in Indonesia, although they face the "crisis" caused by the Government regulations, the nongovernmental organization boycotts, and the tight competition both from the local and international players; but still they can see the opportunities among thechallenges to develop and to sustain their markets.

Secondly, in order to change the bad image of the product then the solution is not to avoid the source of the problem but to interact directly with it. In the case of the cigarette brands in Indonesia; the health issues are the critical point in destructing the image of cigarette products. The danger effects of cigarette product are true and are proven medically therefore the cigarette brands admitting these facts and obeying the regulation to put the Government warning as the product labeling. The cigarette brands counter the health issue with the health issue as well by using the sport sponsorship strategy that fully committed to support and to build up the sport activities and programs and showing their actual contribution to the development of health for both for the nation and the society as well.

Thirdly, the focus of creative IMC strategies is not to attack the "enemies" but to educate as well as to build a good communication and relation with them. In the case of cigarette brands in Indonesia; the "enemies' are the NGOs that "attacking" and "boycotting" the cigarette brands activities and programs. The cigarette brands implementing community building strategy to build the social community within the society. Through this community, the brands facilitate the community members to share ideas, opinions, and experiences in daily life activities. In addition, the cigarette brands also fight for social issues through their advertisements' themes strategy. Beside that the corporate social responsibility strategy and Moslem community approach strategy strengthen the image of cigarette brands as part of the society member that not only concern but also act to develop the society welfare. The goal of those strategies is to build the image that cigarette brands are not the "enemy" of the society but as the partners to fight for the society welfare.

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Implications for Business Marketing Practice

This paper explained about how the cigarette brands in Indonesia could communicate their brands in the integrative and the creative way to attract the target audience as well as obeying the Government regulations and adapting with the local culture. In addition this paper also provides the brief description regarding the market situation and condition especially for cigarette market. Therefore by reading this paper, the foreign marketing practitioners who are currently working in Indonesia and who are going to work in Indonesia especially for those who are interest in the marketing communication industry could learn about:

- The market situation and condition for cigarette product
 - The competition for cigarette market is so tight because the competition comes not only from the national and local brands but also from the international brands that are competing to cultivate the potential market since Indonesia occupies 3rd rank among the other countries in term of cigarette yearly consumption after China and India.
- The culture and the behavior of Indonesian consumer

The culture and behavior of the Indonesian consumer is strongly influenced by the Moslem religion as the majority therefore it is important to understand the values of the Moslem religion and the influence power of the Moslem leaders in order to avoid the conflict when creating the marketing campaign programs.

The Government regulations regarding cigarette product

The Government plays significant roles in supporting the sustainability of the cigarette industry. Therefore the industry should pay attention toward the regulations related to the restriction in doing the cigarette business especially in term of doing marketing communication campaign.

- The key success factor for the Community Building strategy
 Understanding the interests of the young segment for examples the social gathering activities, the party activities, the competition, music and art performances, etc is the key success factor for this strategy to create brand loyalty
- The key success factor for the Advertising Theme Strategy
 Selecting the current social issues for examples the corruption, the power distance, the commercialization of education, etc as the main advertising theme is key success factor for this strategy to create brand awareness.
- The key success factor forthe Sport Sponsorship Strategy.
 Each approach strategy has its own success factors that might be different from one strategy to another. Changing the negative perception of the society about the danger of cigarette product toward the health by supporting sports activities is the key success factor for this strategy to against the bad image of cigarette products.
- The key success factor for the Corporate Social Responsibility Strategy

Contributing to the development of the society welfare through the education, health, and working opportunities is the key success factor for this strategy to build the positive corporate brand image.

The key success factor for the Moslem Community Approach strategy
Approaching the Moslem community by supporting the religion activities and programs will influence the decision of Moslem leaders in responding to the cigarettes issues is the key success factor for this strategyto create brand trust