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Creating Healthy Golden Generation Without Cigarettes: Demarketing Strategy in Indonesia

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ABSTRACT

The millennial generation is the golden generation that will become the nation's foundation and agents of change for a country. Creating a healthy golden generation is one of the requirements for an increase in the human development index of an area, which affects increasing the quality and quantity of this golden generation. The smoking lifestyle is one of the problems faced by the younger generation, and a solution must be found so that the dreams of a healthy young generation can be created. This paper is an empirical study that examines the demarketing strategy to reduce smoking lifestyles and intention to quit smoking among the younger generation. This research was conducted by surveying the Indonesian millennial generation with a sample in North Sulawesi Province. Data analysis using SEM analysis of the demarketing strategy model. This study provides an overview of the determinants of the demarketing strategy for the Millennial generation in Indonesia, namely the factors that affect the intention to quit smoking in the younger generation. The implications and limitations of the study are also discussed in this paper.

Keywords: Golden Generation, Millenials, Demarketing Strategy, Intention to Quit, Cigarette, SEM, Indonesia

INTRODUCTION

The world in the second and first century is getting a population explosion of the younger generation called millennials generation (Ng & Johnson, 2015) and becoming the first generation of the third millennium (Achrol & Kotler, 2012). Millennials or Generation Y is a generation born

after the 1980s and began to exist by entering the world of work in the 2000s (Pyöriä et al., 2017). It is estimated that in 2020 the number of this generation is 23% of the total global population of around 1.8 billion people (MSCI, 2020). In the USA today, millennials constitute the largest segment (> 75 million), the most educated generation with a college education (> 33%), highly diverse, and the largest labor (> 40%) (Frey, 2018), and the first "digital natives" (DaCosta et al., 2011). Millennials will play a key role in shaping the future of social, economic, technological, and environmental conditions (Galea, 2017).

This generation faces various hardships, but one of the main ones is a health issue (Moody's Analytics, 2019). In the future, millennials seem to be less healthy than generations in the past (Glick, 2020). Although there has been a decrease in mortality rates for major diseases and conditions during the past decades, death rates among Millennials have increased compared to previous generations (more than 40%). Also, there has been an increase in health expenditure during their lifetimes (up to 33%).). One of the causes of the decline in health in this generation is related to cigarettes and smoking, namely tobacco use disorder (Camenga & Klein, 2016), or smoking and lifestyle-related diseases (Kamide & Kabayama, 2016).

In Indonesia, the millennial generation creates a demographic bonus in 2045 and becomes the engine of growth of Indonesia's economy in the future (IDN Research Institute, 2020). The millennial generation needs to change its mindset by being properly motivated and directed to create an Indonesian golden generation of 2045 character, excellence, and competitiveness (Sutarna, 2018) and a developed country in 2045 (Rokhman et al., 2014). However, to achieve this, the road is not easy, one of which is the health challenges caused by lifestyle and smoking culture in Indonesian society that has long been rooted (Aditama, 2002). It is estimated that 34% of Indonesia's population smokes, approximately 57 million smokers in Indonesia (Barber et al., 2008). In order to suppress the smoking culture and lifestyle in Indonesian society, especially Millennials, significant steps need to be taken. One way that can be done is to do a demarketing strategy to socialize the negative health impacts of smoking, and it can have an impact on decreasing smoking lifestyle trends in the younger generation.

The demarketing strategy is "that aspect of marketing that deals with discouraging customers in general or a certain class of customers, particularly on either a temporary or permanent basis (Kotler & Levy, 1971)." The importance of demarketing, especially reducing the smoking lifestyle among Millennials, is important for achieving a healthy, high-quality future generation with a high Human Development Index. This paper's urgency, especially young 'age, is often associated with a smoking habit, besides that developing countries have a high prevalence of smoking among young adults (Chauhan & Setia, 2016).

This paper attempts to study the demarketing strategy factors contributing to the intention to quit smoking among Millennials. The present study is a study to understand and suggest a certain quit smoking strategy of demarketing to achieve Indonesian golden generation 2045 in the young generation. The study seeks to achieve the following objectives: (1) identify demarketing strategy factors to quit smoking in Indonesian Millennials; (2) Analyze mediation factor between demarketing strategy factor and intention to quit smoking in Indonesian Millennials.

LITERATURE REVIEW

Demarketing Strategy in Cigarette Industries

The term demarketing was first coined by Kotler & Levy (1971) in the top tier journal Harvard Business Review. Furthermore, marketing experts use demarketing as a marketing strategy whose main purpose is to manage excessive demand. Demarketing efforts to answer marketing needs include (Cintrón et al., 2017): (1) reducing demand without alienating loyal customers; (2) reducing demand by discouraging consumption from market segments that have the potential to be unprofitable or could harm local customers.

In the context of demarketing cigarette customers or potential consumers, what needs to be faced is influencing consumers to reduce consumption of cigarette-related products and influencing consumers not to start consuming (Hanifi & Wandebori, 2015). The main goal of this demarketing strategy is to significantly bring down the smoking prevalence numbers and reduce the increase and growth in the number of new smokers, especially among the younger generation.

Intention to Quit Smooking

Behavioral intention or intention is an instruction that people give themselves to behave or act in certain ways (Triandis, 1980). In the context of psychology, intention indexes the motivation of individuals to perform a behavior or action (Sheeran, 2002). The intention is one of the most frequently used and successful concepts to predict behavior in various fields, and this is because the intention is the best single predictor of behavior (Bagozzi, 1992) and the strongest predictor of behavior (Sheeran, 2002).

In predicting the intention to quit smoking, several studies have been successfully carried out to predict behavioral intention to quit smoking. Several studies predict the intention to quit smoking, among others: using the TPB model (Kovac & Rise, 2011), the demarketing mix model (Olatunde et al., 2020), the price change model (Inness et al., 2008), the demarketing governmental policies mix model (Shiu et al., 2008).

Millennials Generation

Millennial is the generation of young people. The term Millennial was introduced for the first time in the publication of Howe & Strauss (2000), and after that, this term spread mainly among marketers and employers. The Millennials or Generation Y are a cohort born between 1980 and 1995 (Foot & Stoffman, 1998). They also refer to "Baby Boom Echo" or the children of Baby Boomers. This generation is the largest generation in history, which according to Goldman & Sachs, has several characteristics and advantages, namely the first digital natives, social and connected, less money to spend, encumbered with debt, and have different priorities (Goldman Sachs, 2020). In 2020, it is estimated that there are 1.8 billion Millennials worldwide, 1.1 billion (60%) reside in Asia, 300 million (16%) in Africa, 150 million live in Europe and Latin America / Caribbean, 250 million live in North America and Oceania (United Nations, 2020).

In Indonesia Millennials generation, according to Susenas or National Soci-Economic Survey in 2017, amounted to 88 million people, which represented 33.75 percent of Indonesia's population, followed by generation Z 29.23 percent, and generation X 25.74 percent, while the baby boomer generation and veterans comprise the smallest group 11.27 percent (BPS RI, 2017). Some of this

generation's main characteristics are technology savvy, entrepreneurial spirit, global awareness, and highly self-confident (Dwidienawati & Gandasari, 2018).

METHODOLOGY

Survey research was conducted to explore and answer the research questions. The survey is also aimed at testing the relationship between independent variables and dependent ones. The study population was millennial smokers. The survey is filled out via the Google Form platform. Two hundred and thirty-five Millennials at North Sulawesi Province Indonesia were surveyed and asked to fill in a questionnaire dealing with demarketing strategy and intention to quit smoking. Of the filled questionnaires, 85% of the questionnaires were filled in completely or by the total number of questionnaires that could be used, amounting to 200 participants. The research sample was collected using non-probability purposive sampling or judgmental sampling with the main sample, namely the millennial generation smokers, namely the lowest age of 20 and a maximum of 40 years.

Some of the variables studied in this study were the 4Ps demarketing strategy consisting of product, price, place, and promotion as the independent variable and the intention to quit smoking as the dependent variable. This research is a quantitative study with data analysis using multiple linear regression analysis to test the hypothesis.

RESULTS

Table 1 shows the socio-demographic characteristics of the respondents who participated in this research.

Table 1. Socio-demographic Characteristics Summary of the Study Sample

Characteristics of the respondents	N= 200	Mean, [Range] or %	Characteristics of the respondents	N=200	Mean, [Range] or %
Gender			Job		
Male	178	89%	Students	26	13%
Famale	22	11%	Private company employee	59	29.5%
Ages (years)			State employee	28	14%
20-25	70	35%	Self Employee	18	9%
26-30	33	16.5%	Entrepreneur	40	20%
31-35	37	18.5%	Other	29	14.5%
36-40	60	30	Start Smoking (Age, years)		
Education level			<10	5	2.5%
Junior High School	1	0.5%	11-15	25	12.5%
Senior High School	69	34.5%	16-20	105	52.5%
Bachelor	105	52.5%	>21	65	32.5%
Magister	14	7%	Smoking habit (years)		
PhD	1	0.5%	<1	5	2.5%
Marriage Status			1-4	36	18%
Marriage	104	52%	4-10	69	34.5%
Single	96	48%	>10	90	45%

Based on Table 1, the majority of participants are described: male (89 percent), age 20-25 years old (35 percent), bachelor education (52.5 percent), marriage (52 percent), private company

employee (29.5 percent), start smoking between 16 to 20 years old (52.5 percent), have a smoking habit more than 10 years (45 percent).

Figure 1 describes the relationship between variables and hypothesis testing in this study.

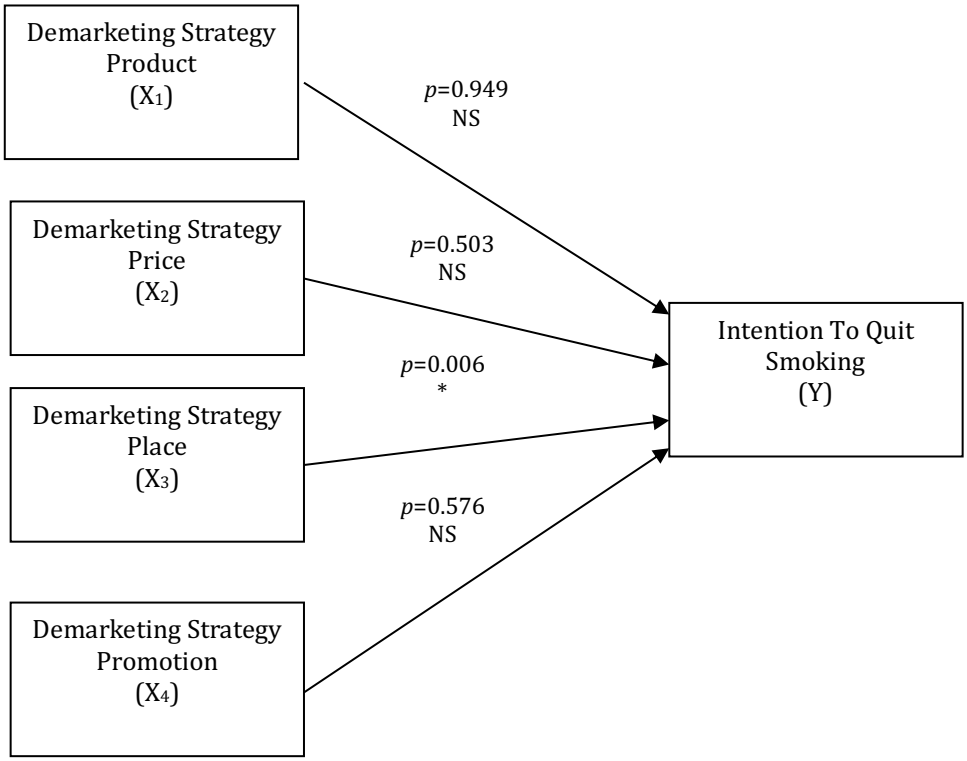


Figure 1. Variable Relations and Hypothesis Testing
Note: *p < .05 and **p< .005

DISCUSSION AND CONCLUSION

Demarketing of product strategies does not affect the intention to quit smoking of Millennials. The product is researched with indicators of reducing attractiveness, substitute products, limiting the number of products, marking dangerous products. Demarketing of the price strategy does not affect the intention to quit smoking in Millennials. The indicators used were increasing cigarette excise tax and increasing cigarette prices, but the cigarette price increase did not affect. Demarketing of the place strategy has a significant effect on the intention to quit smoking of Millennials where the indicators used include reducing the distribution area, limiting purchases, and limiting places to smoke. Demarketing of promotional strategies does not affect the intention to quit of Millennials Smoker. The indicators used are promoting healthy living, promotion restrictions, and warning labels do not affect millennial smokers' attitudes.

Smoking is such a bad activity that better efforts should be made to create Millennials' intention to quit smoking. This is a shared responsibility that requires synergy between families, community groups, educators, government, and individuals. The community's role can be carried out by individuals, groups, legal entities or business entities, and institutions or organizations run by the community. Demarketing strategy in the form of a place is the only variable that influences the

intention to quit smoking. It is necessary to suggest to the government or any party that has the authority to make policies related to this, and it may be advisable to further narrow the area for smoking free so that smokers can discourage smoking.

This study has several limitations, including: (1) This study only examines several variables such as the demarketing mix, namely product, price, promotion, and place in influencing the intention to quit smoking of millennial smokers. (2) Participants in this study were limited to millennial smokers, namely those aged 20 to 40 years. (3) The data collected is cross-sectional data where the data used is the data obtained at the time of data collection only, while it is possible to collect data with different timeframes to test the consistency of answers from respondents which may change, but due to limited by time because it takes a longer time span.

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