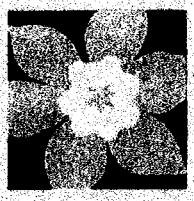
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Loi sur le tabac

Compilation de preuves traitant des effets de la publicité et de la promotion concernant le tabac, incluant les étalages au point de vente

Mémoire présenté à la Commission des affaires sociales, Assemblée nationale du Québec, pour l'étude du projet de loi 112, *Loi modifiant la Loi sur le tabac et d'autres dispositions législatives*



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CAMPAIGN for TOBACCO-FREE Kids®

TOBACCO MARKETING THAT REACHES KIDS
POINT-OF-PURCHASE ADVERTISING AND PROMOTIONS

The tobacco industry currently spends more than $10 billion on advertising, discounts, and promotional efforts at retail sales outlets or "points of purchase" throughout the United States (out of its total marketing expenditures of more than $11.4 billion).[1] Studies show that such point-of-purchase advertising and promotion directly influences what products and brands kids buy and use. Point-of-purchase advertising and promotions target and attract shoppers right at the places where they can immediately buy the specific products or brands. More specifically, point-of-purchase tobacco advertising and promotions may have a direct impact not only on what brands of cigarettes kids buy but also on the number of kids who buy cigarettes.

Tobacco Company Point-of-Sale Advertising

Point-of-purchase tobacco advertising consists of cigarette and spit tobacco ads and functional items (such as counter mats and change cups) located inside, outside, and on the property of convenience stores, drug stores, gas stations, and other retail sales outlets. The tobacco companies significantly increased their point-of-sale advertising after the state tobacco settlements' ban on tobacco billboards went into effect in April 1999.[2] In 2001 (the latest year for which data are available), the cigarette companies spent over $284 million on point-of-sale advertising. In the same year, spit tobacco companies spent over $17 million on this type of advertising.[3]

- Eighty percent of retail outlets currently have interior tobacco advertising, 60 percent have exterior advertising, and over 70 percent have tobacco functional items. Forty percent of the stores that sell gas have parking lot tobacco advertising.[4]
- A study of retail outlets in California found that 94 percent featured some form of tobacco advertising. California stores, on average, featured 17.2 pieces of tobacco advertising material.[5] The study also found that nearly 50 percent of the tobacco retailers had tobacco ads at young kids' eye level (three feet or lower), and 23 percent had cigarette product displays within six inches of candy.[6]
- A 1991 study of retail stores in Buffalo, NY, found that 87 percent of stores had promotional items advertising tobacco products, and two-thirds had tobacco posters.[7]

Tobacco Point-of-Purchase Promotional Efforts

In addition to advertising, tobacco company point-of-purchase promotional expenditures and "retail value added" expenditures include coupons, multi-pack discounts (e.g., buy two packs get one free) for which retailers are reimbursed, providing free gifts with cigarette or spit tobacco purchases, and other tobacco discounts and merchandizing given to customers at the sales outlets. Point-of-purchase promotional expenditures also include company payments to retailers to display the company's brands, ads, and related materials prominently or in specific store locations. Retailers are often paid to keep special tobacco-product self-serve display racks on or in front of the counter, paid to put tobacco products on 'good' shelving space (slotting allowances), and given other promotional items for the store (i.e. open/closed signs, counter mats).[8] These materials are often coordinated with current advertising campaigns to promote the images and appeal of specific tobacco products.[9]

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- In 2001, promotional allowances made up 40 percent of the domestic cigarette advertising and promotional expenditures, totaling $4.5 billion, a 14 percent increase from 2000. Promotional allowances by spit tobacco companies increased by 48 percent from 1999 to 2000, from $30.7 million to $45.4 million, and increased to an all-time high of $60.9 million in 2001.[10]

- In 2001, the "retail value added" expenditures of the spit tobacco companies (e.g., buy two packages get one free) totaled $43.2 million, a 33 percent decline from 2000. But cigarette company expenditures for "retail value added" promotions in 2001 totaled $4.76 billion, up 38 percent from 2000.[11]

- A study of retail outlets in Santa Clara County, California, found that 62.4 percent of stores had received slotting/display allowances from tobacco makers. This is higher than allowances received for candy, snack foods, and soft drinks. These incentives motivate retailers to display, promote, and advertise tobacco products.[12]

Point-of-Purchase Tobacco Advertising and Promotions Affects Kids

According to the trade association Point of Purchase Advertising International, point-of-purchase advertising and promotions target consumers at the place where they will actually buy the product, attract the attention of the shopper, and remind them of previously seen selling messages.[13] It is also clear that such promotions -- including the enormous amount done by the cigarette and spit tobacco companies -- have an especially powerful impact on kids as three out of four teenagers shop at a convenience store at least once a week.[14]

- Point-of-purchase advertising and displays have been found to increase average tobacco sales by 12 percent.[15]

- A 1999 study in the *U.S. Distribution Journal* found that teens are more likely than adults to be influenced by promotional pieces in convenience stores (73% to 47%).[16] The same study also found that more than half of all teenagers say they are influenced by in-store displays; 47 percent are influenced by banner/window signs; and 44 percent are influenced by in-store promotional signage.[17]

- A study in the *Tobacco Control* journal, comparing photographs of stores with no tobacco advertising and stores with advertising, found students perceived easier access to tobacco products at the stores with tobacco advertising.[18]

- A study of 7th graders found that more than 99 percent reported seeing tobacco advertising and promotions and that 70 percent indicated a level of receptivity to tobacco marketing materials more than just being aware of the advertising and promotions.[19]

- A longitudinal 1999 study published in the *American Journal of Public Health* showed that adolescents who owned a tobacco promotional item and named a cigarette brand whose advertising attracted their attention were twice as likely to become established smokers than those who did neither.[20]

- Despite tobacco industry claims that promotional items are meant for smokers over age 21, one study found that 30 percent of all kids (12 to 17 years old) owned at least one tobacco promotional item, such as T-shirts, backpacks, and CD players.[21]

- A 1996 *American Journal of Public Health* study found a strong association between youth awareness of and involvement with tobacco promotions and being at risk of tobacco use.[22]

- According to a 1994 U.S. Surgeon General's report, the use of value-added or coupon promotions makes cigarettes appear more affordable, especially to those with less financial resources, including kids. Coupons also affect new users by encouraging them to smoke more, moving from the trial stage to being a regular smoker.[23]

- Self-service displays make it easier for kids to purchase cigarettes or even steal them; and studies indicate that roughly five percent of young smokers steal cigarettes.[24]

- A 1994 study found that youth who have experimented with smoking are more likely than other respondents to report seeing tobacco advertising in stores.[25]

The National Center for Tobacco-Free Kids, August 20, 2003

Additional Campaign Factsheets on Tobacco Company Marketing to Kids are available at http://tobaccofreekids.org/research/factsheets/index.php?CategoryID=23]

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[24] Florida Department of Health, Florida Youth Tobacco Survey, 1999. See, also, Campaign for Tobacco-Free Kids Factsheet, *Where Do Youth Smokers Get Their Cigarettes*, www.tobaccofreekids.org.

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Canadian Cancer Society / Société canadienne du cancer

Tobacco Promotion at Point of Purchase, Including Product Displays, Should Be Banned

January 17, 2005

- Each province should adopt legislation as soon as possible to prohibit tobacco promotion at all points of purchase. This should include tobacco product displays, e.g. "power walls", counter top displays. Children should simply not be exposed to tobacco promotion. Period. Cigarettes should not be displayed as if they were hockey cards or bubble gum.

- Retail promotion works 24/7 – everyone is exposed: smokers and non-smokers; children and adults. Retail promotion is completely inconsistent with the tobacco industry's claim that tobacco promotion only targets adult smokers.

- Retail displays encourage impulse purchases, including among children, among occasional (non-daily) smokers, and among ex-smokers struggling to resist cravings and stay smoke-free. The adage "out-of-sight, out-of-mind" applies.

- Prominent retail displays are the most important category of tobacco industry marketing expenditure today. In 2003, tobacco manufacturers in Canada paid $88 million to retailers for such displays. With restrictions on other types of advertising and promotion, retail displays have become an increasingly crucial part of the tobacco industry's marketing strategy.

- Saskatchewan, Manitoba and Nunavut have adopted legislation to prohibit tobacco displays at retail, at least in premises accessible to children. An Ontario bill introduced Dec. 15, 2004 would curb displays. The Northwest Territories has proposed a ban. Further, enabling authority to ban displays has been established in BC, Quebec and Nova Scotia, but no regulations have yet been adopted.

- Banning tobacco displays at retail is part of an international trend:
  - *Iceland*: legislation in force since 2001
  - *Ireland*: included in legislation, but not yet proclaimed into force
  - *South Africa*: draft legislation published
  - *Australia*: under consideration in several Australian states
  - *U.K.*: legislation includes regulatory authority to ban displays, but there are no regulations yet.

- Retail displays such as power walls encourage break and enters (B&Es). Banning tobacco displays – putting tobacco out of sight – would discourage B&Es.

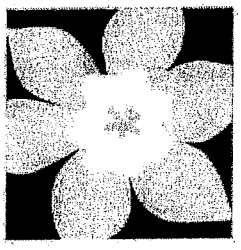
- A retail display ban is fully endorsed by the health community and has been recommended by the Ontario Expert Panel (1999) and by all-party Legislative Committees in Saskatchewan (2000) and PEI (2004). The World Health Organization has recommended a total ban on tobacco advertising and promotion.

- Tobacco industry payments to retailers work out to less than 5 cents per package, which is immaterial (less than 1%) when compared to the retail price of about $7.00 (or more) per pack. Retailers can simply increase their price by a few pennies to make up for tobacco industry payments.

A Submission to the Hon. Lea Stevens

Minister for Health, South Australia

Respecting the Discussion Paper Concerning Tobacco Promotion at Point of Purchase



Canadian Cancer Society
Société canadienne du cancer

September 8, 2004

A Submission to the Hon. Lea Stevens
Minister for Health, South Australia
Respecting the Discussion Paper Concerning Tobacco Promotion at Point of Purchase

Canadian Cancer Society
September 8, 2004

Introductory Note

The Cancer Council South Australia requested that its counterpart organization in Canada, the Canadian Cancer Society, submit a brief to the South Australian Government regarding a legislative proposal to ban point of purchase promotion (POP), including product displays, for tobacco products. The Canadian Cancer Society is pleased to submit such a brief to provide a Canadian and international perspective on this issue.

Recommendation

It is recommended that South Australian legislation ban all tobacco promotion at POP, including displays, and that such legislation be implemented as soon as possible. The sooner legislation comes into force, the sooner the objectives of banning tobacco promotion at POP will be advanced.

It is also recommended that no class of retail premise (such as bars or specialty tobacconists) be exempted from legislation. Legislation should apply to all premises.

A growing number of governments worldwide are taking action to curb tobacco promotion at point of purchase (POP), sometimes referred to as point of sale (POS). After adopting legislation to ban other types of advertising and promotion, there is a growing recognition of how essential it is to ban POP promotion. For tobacco products, POP promotion typically could include retail displays visible to customers (e.g. "power walls", counter top displays) and signage, whether inside or outside the retail location.

There is overwhelming evidence that tobacco advertising and promotion, including at POP, increases overall tobacco consumption, and that a ban on such advertising and promotion would decrease consumption.[1]

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[1] Canadian Cancer Society, "Compilation of Selected Evidence Regarding the Impact of Tobacco Advertising and Promotion; A Submission to Parliamentarians for Use During Consideration of Bill C-42, *Act Act to Amend the Tobacco Act*, December 1998 (four volumes, 165 tabs).

Canadian Cancer Society, "Controlling the Tobacco Epidemic: Selected Evidence in Support of Banning All Tobacco Advertising and Promotion, and Requiring Large, Picture-Based Health Warnings on Tobacco Packages (Ottawa: Canadian Cancer Society, International Union Against Cancer, 2001) http://www.globalink.org/tobacco/docs/advertising/.

Timothy Dewhirst, "POP goes the power wall? Taking aim at tobacco promotional strategies utilised at retail" *Tobacco Control* 2004;13:209-210.

A ban on tobacco advertising and promotion will advance several objectives: (1) it will reduce tobacco use; (2) it will protect children from exposure to tobacco promotion; (3) it will enhance the effectiveness of educational messages, including package health messages, given that tobacco promotion at POP undermines such messages and the consequent awareness and appreciation of the health effects of tobacco use; (4) it will reduce crime, given that placing tobacco products out-of-sight discourages theft; (5) it will reduce youth access to tobacco products by assisting enforcement of, and compliance with, tobacco sales to minors legislation.

As other marketing avenues have been closed (e.g. mass media advertising), tobacco companies have increased their emphasis on retail displays.[2] Product displays at retail are now far larger and more numerous than was previously the case. In Canada, in 2002, tobacco manufacturers paid $77 million to retailers for retail display space.[3]

POP displays are visible to the entire population, including to children, to non-smokers, and to recent ex-smokers. It is impossible for these displays to be consistent with the tobacco industry's claim that their promotions only target adult smokers.

POP promotions weaken the resolve of ex-smokers to remain smoke-free. The highly visible presence of cigarettes provides an extremely large temptation for an individual craving nicotine. Just one purchase can turn an ex-smoker back into a daily smoker.

Ron McCarville & Colleen Bee, "Point-of-Purchase Techniques and Their Influence on Tobacco Consumption: A Review of Literature in Private Sector Journals" Prepared for the Centre for Behavioural Research and Program Evaluation, National Cancer Institute of Canada, 1999.

Henriksen L , Feighery EC, Schleicher NC, et al. "Reaching youth at the point of sale: cigarette marketing is more prevalent in stores where adolescents shop frequently" *Tobacco Control* 2004;13:315-8.

Donovan RJ, Jancey J, Jones S. "Tobacco point of sale advertising increases positive brand user imagery" *Tobacco Control* 2002;11:191-4.

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Lynn Greaves, "Canada: demolishing the power walls" *Tobacco Control* 2003;12:7-8.

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Wakefield MA, Terry-McElrath YM, Chaloupka FJ, Barker DC, Slater SJ, Clark PI, Giovino GA. "Tobacco industry marketing at point of purchase after the 1998 MSA billboard advertising ban" *American Journal of Public Health* 2002;92:937-40.

Stacy M. Carter, "New frontier, new power: the retail environment in Australia's dark market. Tobacco Control 2003;12 (suppl III) :iii95-101.

[3] Anne McLellan (Minister of Health), *Hansard*, House of Commons, June 10, 2003, in answer to Question No.222 on the Order Paper. The answer was based on information reported by manufacturers to Health Canada pursuant to the national *Tobacco Reporting Regulations*.
http://www.parl.gc.ca/37/2/parlbus/chambus/house/debates/115_2003-06-10/HAN115-E.htm

POP promotions for tobacco products stimulate impulse purchases (including among recent ex-smokers, among occasional smokers, and among teenage experimenters). Given that about one-fifth of smokers in Canada are non-daily smokers, and that a considerable proportion of youth are experimenters or are at risk of experimenting, this is significant.

Children should not grow up in an environment where they see such promotions every time they go into a corner store, including stores next to schools.

Tobacco POP promotion undermines the effectiveness of promotion for products that assist people quit smoking, such as nicotine gum or the nicotine patch. These smoking cessation products are often displayed on counter tops in retail stores such as convenience stores and must compete with tobacco products for the attention of the consumer.

Many people would be shocked to learn that tobacco companies pay retailers for prominent displays of their tobacco products. Prominent displays increase the social acceptability of tobacco products and create the impression that cigarettes are far more popular than is actually the case.

In opposing a proposed display ban in the province of Manitoba, Canada, tobacco manufacturer JTI-Macdonald (the Canadian affiliate of Japan Tobacco) noted that the practice of paying retailers for display space began in Canada in the 1970s.[4] This shows that payments for retail displays are a historically recent development and are not necessary to market tobacco products.

Summary of International Developments

Iceland has banned visible retail displays. Ireland has adopted legislation to ban retail displays, but the pertinent section of the legislation has not yet been proclaimed into force. In Canada, legislation in the provinces of Saskatchewan and Manitoba prohibit visible retail in retail premises accessible by children under age 18. In the territory of Nunavut, legislation prohibits visible tobacco product displays in all establishments. The Saskatchewan, Manitoba and Nunavut legislation however is not currently being enforced pending a legal challenge the outcome of which is expected in 2005. South Africa published draft legislation in 2003 that includes a ban on retail displays. Legislation to prohibit the visible display of tobacco products at POP is also under formal consideration in the Canadian provinces of Ontario and Prince Edward Island, the Canadian territory of the Northwest Territories, and in the Australian states of New South Wales and South Australia and is being investigated by other states. The United Kingdom has adopted legislation that includes regulatory authority to ban retail displays, but no regulations have yet been adopted regarding displays.

[4] JTI-Macdonald Corporation, "JTI-Macdonald Supports Reasonable Tobacco Regulation; Concerns About Impacts on Manitoba Retailers" April 15, 2002 (news release).
http://www2.ccnmatthews.com/scripts/ccn-release.pl?/2002/04/15/0415039n.html

Iceland

Iceland adopted legislation in 2001 to prohibit the visible display of tobacco products at point of sale, with the legislation coming into force on August 1, 2001. The national *Tobacco Control Act* states that:[5]

> Art. 7(4) [...] Tobacco and tobacco trademarks shall be so placed at points of sale that they are not visible to the customer.

The implementation of the legislation has been successful.

Ireland

In Ireland, legislation adopted March 22, 2002 and re-enacted in March 11, 2004 prohibits visible retail displays of tobacco products, but the applicable part of the legislation has not yet been proclaimed into force. The *Public Health (Tobacco) Act, 2002* provides:[6]

> 43. (2) It shall be lawful for tobacco products to be sold by retail, in accordance with regulations made by the Minister, by means of a vending machine on licensed premises or the premises of a registered club by such persons, or by persons belonging to such classes of persons, as are specified in the regulations (being persons who are registered under section 37 in respect of the licensed premises concerned or the premises of the registered club concerned).
>
> (3) A person registered under section 37 (other than a person to whom regulations under subsection (2) apply) shall ensure that tobacco products sold by him or her are kept in a closed container or dispenser that is not visible or accessible to any person other than the first-mentioned person, or a person employed by him or her in connection with the business of selling goods by retail while so employed.

Canada

In Canada, the national *Tobacco Act*[7], adopted April 25, 1997, contains regulatory authority to ban retail displays, but no regulations have yet been adopted by the Canadian government. In the absence of national regulations, a growing number of provinces and territories are taking action.

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[5] *Tobacco Control Act*, http://eng.heilbrigdisraduneyti.is/laws-and-regulations/nr/689. The pertinent article was enacted by Act. no.95/2001. The English translation of the Act is found on the website of Iceland's Ministry of Health and Social Security.

[6] Parts of the *Public Health (Tobacco) Act, 2002*, no. 6 of 2002, s.43 http://www.oireachtas.ie/documents/bills28/acts/2002/a602.pdf as re-enacted by the *Public Health (Tobacco) (Amendment) Act 2004*, no. 6 of 2004, s.14 http://www.oireachtas.ie/documents/bills28/acts/2004/A0604.pdf . Certain provisions of the Act were re-enacted in order to comply with European Community notice requirements.

[7] *Tobacco Act*, S.C. 1997, c.13. The enabling authority for regulations to ban retail displays is found in sections 30 and 33. http://laws.justice.gc.ca/en/T-11.5/105599.html On December 10, 1998, the *Tobacco Act* was amended by *An Act to amend the Tobacco Act* S.C. 1998, c.10, which included a total ban on tobacco sponsorship advertising effective October 1, 2003. Prior to the amendments, the *Tobacco Act* permitted sponsorship advertising to continue in specified places, including in age-restricted premises such as bars and casinos (which often are POP locations because tobacco products are normally sold there).

In the province of Saskatchewan, legislation prohibits tobacco advertising and promotion, including product displays, in any retail premise accessible to children under age 18. *The Tobacco Control Act*[8] was adopted in Saskatchewan on July 6, 2001 and came into force on March 11, 2002. Section 6 of the *The Tobacco Control Act* states:

> 6(1) No person shall advertise or promote tobacco or tobacco-related products in any place or premises in which tobacco or tobacco-related products are sold if young persons are permitted access to the place or premises.
>
> (2) No person shall advertise or promote tobacco or tobacco-related products by means of an advertisement or promotional material placed in the windows of any place or premises in which tobacco or tobacco-related products are sold if the advertisement or promotional material is placed so that it is visible from the outside of the place or premises.
>
> (3) No retailer shall permit tobacco or tobacco-related products to be displayed in the retailer's business premises so that the tobacco or tobacco-related products are visible to the public if young persons are permitted access to those premises.

The Tobacco Control Regulations adopted under the Saskatchewan Act provide that publications containing tobacco advertising may still be displayed at POP:[9]

> 3. For the purposes of section 6 of the Act, the phrase "advertise or promote" does not include the display of a magazine or other publication that contains tobacco advertising if the magazine or other publication:
> (a) is displayed in such a way that the tobacco advertisement is not visible to the public;
> (b) meets any requirements set out in the *Tobacco Act* (Canada) or any regulations made pursuant to that Act.

The Saskatchewan legislation was preceded by a study, including public hearings, conducted by the all-party Special Committee on Tobacco Control of the Legislative Assembly of Saskatchewan. On May 31, 2000 (World No-Tobacco Day), the Committee recommended that:[10]

> All displays, signage and promotional material associated with the sale of tobacco products should be prohibited in locations where tobacco is sold and where youth have access. Tobacco products should be kept in a manner where they are not visible to the public. This includes signage and promotional materials that advertise the price and/or availability of tobacco products on, or within the vicinity of the retail establishment.

On May 3, 2002, subsequent to the coming into force of *The Tobacco Control Act* on March 11, 2002, Rothmans, Benson & Hedges, the Canadian affiliate of Philip Morris, filed a constitutional challenge. The company claimed that the legislation (1) was an unjustified

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[8] *The Tobacco Control Act*, S.S. 2001. c.T-14.1. See: http://www.qp.gov.sk.ca/documents/english/Statutes/Statutes/t14-1.pdf Proclaimed into force March 11, 2002, *Saskatchewan Gazette, Part I*, March 15, 2002, p.252. http://www.qp.gov.sk.ca/documents/gazette/part1/2002/g1200211.pdf For more information on the Saskatchewan experience, visit www.bandisplays.ca

[9] *The Tobacco Control Regulations*, C.T-14.1, Reg 1. http://www.qp.gov.sk.ca/documents/english/Regulations/Regulations/t14-1r1.pdf

[10] Special Committee on Tobacco Control, Legislative Assembly of Saskatchewan, "First Report" May 31, 2000, p.23. http://www.legassembly.sk.ca/committees/Archive/tcc/Docs/000531Tobacco.pdf

infringement of freedom of expression and (2) was in conflict with national legislation and therefore invalid. On this second issue, the Saskatchewan Court of Queen's Bench ruled on September 25, 2002 that the Saskatchewan legislation was not in conflict with national *Tobacco Act*. On October 3, 2003, however, the Court of Appeal for Saskatchewan ruled that there was a conflict with the national Act and declared section 6 of the Saskatchewan Act as being inoperative. Saskatchewan has appealed to the Supreme Court of Canada, and a judgement is expected in 2005.[11]

Prior to the judgement of the Court of Appeal for Saskatchewan on October 3, 2003, the provincial legislation had been in force for more than 18 months, since March 11, 2002. Even after the Court of Appeal judgement, many retailers have continued to keep tobacco products out-of-sight. Some retailers see this as a means to discourage theft.

In Manitoba, the provincial *Non-Smokers Health Protection Act* prohibits the visible display of tobacco products in any retail place accessible by children under age 18. The legislation was adopted on August 9, 2002 and came into force on January 1, 2004. An exception is contemplated for specialty tobacconists that are specifically named in a regulation, but no such regulation has been adopted. Sections 7.1 to 7.3 of the Act state:[12]

> Regulations re display and advertising
> 7.1 Section 7.2 and subsection 7.3(1) do not apply in relation to a place or premises for which the sale of tobacco or tobacco-related products is the major activity, if the place or premises is prescribed for the purpose of that section or subsection in the regulations. S.M. 2002, c.37, s.4.
> 7.2 No person shall display or permit to be displayed tobacco or a tobacco-related product such that it is visible to children in any place or premises in which tobacco or tobacco-related products are sold. S.M. 2002, c.37, c.4.
> Tobacco not to be advertised or promoted
> 7.3(1) No person shall advertise or promote tobacco or a tobacco-related product
> (a) in any place or premises in which tobacco or tobacco-related products are sold;
> (b) in any place or premises to which children are permitted access;
> (c) on an outdoor sign of any type, including
> (i) a billboard or portable sign, or
> (ii) a sign on a bench, vehicle, building or other structure; or
> (d) inside a building or other structure or vehicle if the advertisement or promotion is visible from outside the building, structure or vehicle.
> Product and price lists allowed
> 7.3(2) Notwithstanding subsection (1), a place or premises described in clause (1)(a) may have signage that lists the tobacco or tobacco-related products offered for sale and their prices, if the signage complies with the requirements specified in the regulations.
> Vending machines
> 7.3(3) Nothing in subsection (1) prohibits a person from possessing or operating a vending machine that provides tobacco or tobacco-related products, if the possession or operation is otherwise authorized by law. S.M. 2002, c.37, c.4.

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[11] The courts have not yet considered the other issue, namely that of freedom of expression.

[12] *Non-Smokers Health Protection Act*, C.C.S.M. c.125, ss.7.1-7.3, enacted by S.M. 2002, c.37, s.4. http://web2.gov.mb.ca/laws/statutes/ccsm/s125e.php

In Nunavut, the territorial *Tobacco Control Act*[13] prohibits signage, visible product displays and other tobacco promotion at point of sale. The Act was adopted on November 5, 2003 and came into force on February 1, 2004.[14] Although the Act contemplates that exceptions to this blanket ban might be prescribed by regulation, no regulations have been adopted. Section 8 of the Act states:

> Retail displays and promotional advertising
> 8. No person shall advertise or promote the use of tobacco or tobacco products at a retail premises unless the advertisement or display meets such requirements as may be prescribed.

The Saskatchewan, Manitoba and Nunavut laws are not currently being enforced pending the outcome of the appeal to the Supreme Court of Canada regarding the Saskatchewan legislation.

In the province of Newfoundland and Labrador, effective January 1, 2004, the visible display of tobacco products in pharmacies is prohibited as part of a transition period leading to the ban on the sale of tobacco products in pharmacies effective January 1, 2005. This has been done through a requirement of the Newfoundland Pharmaceutical Association, the self-regulating authority for pharmacists in the province.[15]

On April 20, 2004, in the province of Prince Edward Island, the all-party Standing Committee on Social Development of the Legislative Assembly of Prince Edward Island recommended that:[16]

> legislation be introduced as soon as possible:
> [...]
> (E) To prohibit retail display and point of sale signage used to advertise or promote tobacco products in all retail establishments as of January 1, 2006.

The PEI Government is now preparing legislation to respond to the recommendations in the Committee's report.

During the hearings, Constable Gary Clow of the Charlottetown Police Department testified that tobacco product "power walls" encourage break and enters.[17]

In the province of Ontario, the 2003 election platform of the Ontario Liberal Party – which won a majority government in the October 2, 2003 Ontario election – made a commitment to "ban countertop and behind-the-counter retail displays of tobacco products".[18] This commitment has

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[13] *Tobacco Control Act*, S.Nu. 2003, c.13. http://www.nunavutcourtofjustice.ca/library/statutes/2003/SNu_2003_13.pdf

[14] Tobacco Control Act, S.Nu. 2003, c.13, coming into force, SI-007-2003. http://www.nunavutcourtofjustice.ca/library/gazette/2003/NGaz2003_12p2.pdf

[15] *Standards of Pharmacy Practice (Sale of Tobacco)*, (Newfoundland and Labardor), Approved by the Newfoundland Pharmaceutical Association Council, June 19, 2000. http://www.npha.nf.ca/Documents/Standards/Standards-Tobacco%20Products.pdf

[16] Standing Committee on Social Development, Legislative Assembly of Prince Edward Island, "Retail Sale of Tobacco Products" April 20, 2004, p.5. http://www.assembly.pe.ca/reports/2-1-62tobacco.pdf

[17] Transcript of proceedings, Standing Committee on Social Development, Prince Edward Island Legislative Assembly, March 11, 2004, p.27. http://www.gov.pe.ca/photos/original/leg_03-11-04_2.pdf

[18] Ontario Liberal Party, "The Health Care We Need: The Ontario Liberal Plan for Better Health Care" March 2003, p.19. http://www.ontarioliberal.ca/platform/health.pdf

since been reiterated by George Smitherman, the Minister of Health and Long-Term Care, including at the Ontario Tobacco Control Conference on May 5, 2004.[19]

A 1999 Expert Panel in Ontario recommended that legislation be strengthened "by eliminating all point-of-sale tobacco product advertising" and that "tobacco products be placed out of sight of customers behind counters at point-of-sale".[20]

In the Northwest Territories, a January, 2003, Discussion Paper of the Northwest Territories Department of Health and Social Services proposed, as one of the measures for potential inclusion in territorial legislation, to "ban the visible display of tobacco products and tobacco promotions".[21] The Government has not yet introduced legislation in response to the Discussion Paper.

Legislation in the provinces of British Columbia,[22] Quebec[23] and Nova Scotia[24] contains regulatory authority to ban visible displays of tobacco products at POP, but no such regulations have yet been adopted. The provinces of New Brunswick (effective June 1, 1999)[25] and Nova Scotia (effective June 17, 1999)[26] prohibit counter top displays. National legislation prohibits self-service displays,[27] as does legislation in several provinces. As of October 1, 1998, Quebec prohibits signage at POP from being visible outside the store, and has other provisions respecting tobacco advertising and promotion that go beyond national legislation.[28]

South Africa

On Oct. 16, 2003, the South African Government released for public comment draft legislation that includes a ban on retail displays,[29] with the applicable provision as follows:[30]

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[19] Remarks by George Smitherman, Minister Of Health and Long-Term Care, Presented at the Ontario Tobacco Control Conference, May 5, 2004. http://www.health.gov.on.ca/english/media/speeches/archives/sp_04/sp_050604.html

[20] Expert Panel on the Renewal of the Ontario Tobacco Strategy, "Actions will speak louder than words; Getting serious about tobacco control in Ontario; A Report to the Minister of Health from her Expert Panel on the Renewal of the Ontario Tobacco Strategy" February 1999, p.19. http://www.otru.org/pdf/special/special_actions_eng.pdf

[21] Northwest Territories Department of Health and Social Services, "A Territorial Law to Control Tobacco Use: What Do You Think?" (Discussion Paper) January 2003, p.16. http://www.hlthss.gov.nt.ca/Features/Initiatives/tobaccopdf/nwttobaccodiscussionpaperJan03.pdf

[22] *Tobacco Sales Act*, R.S.B.C. 1996, c.451. ss.2(1), 11. http://www.qp.gov.bc.ca/statreg/stat/T/96451_01.htm

[23] *Tobacco Act*, R.S.Q. c.T-0.01, s.25. http://www.publicationsduquebec.gouv.qc.ca/home.php#

[24] *Tobacco Access Act*, S.N.S. 1993, c.13, ss.9(2), 13. http://www.gov.ns.ca/legislature/legc/

[25] *Tobacco Sales Act*, R.S.N.B. c.T-6.1, s.6.21, as enacted by S.N.B. 1999, c.1, s.2. http://www.gnb.ca/0062/acts/acts/t-06-1.htm *Proclamation, Royal Gazette*, April 28, 1999, p.443.

[26] *Tobacco Access Act*, S.N.S. 1993, c.13, s.9A, as enacted by S.N.S. 1999, c.12, s.6. http://www.gov.ns.ca/legislature/legc/

[27] *Tobacco Act*, S.C. 1997, c.38, s.11, defined to mean "a display that permits a person to handle the tobacco product before paying for it."

[28] *Tobacco Act*, R.S.Q. c.T-0.01, ss.21-28, 79. http://www.publicationsduquebec.gouv.qc.ca/home.php#

[29] South Africa Department of Health "New Tobacco Bill Gazetted" October 16, 2003 (media release) http://www.doh.gov.za/mediaroom/index.html

[30] *Tobacco Products Control Draft Amendment Bill, Government Gazette* vol. 460, No. 25601, Notice 1513, October 17, 2003. http://www.info.gov.za/gazette/bills/2003/25601.pdf

> No person shall sell or offer to sell a tobacco product unless it is hidden from view of the general public at the point of sale, except when the sole purpose of the retailer is to sell tobacco products.

The South African Government is now working on legislation for introduction into Parliament.

Australia

In the state of New South Wales, Frank Sartor, the Minister Assisting the Minister of Health (Cancer), announced on February 19, 2004 that the state government was considering legislation to ensure that tobacco products are concealed from view at point of sale. Stated the Minister in a media release "I am strongly attracted to any initiative that pushes them out of sight . . . We have already lowered the profile of tobacco through restricting tobacco advertising. This is the next step."[31] This was followed by the launch by the state Premier on June 23, 2004 of the "NSW Cancer Plan 2004-2006" prepared by Cancer Institute NSW, a state government agency. The Plan stated:[32]

> Tobacco advertising at point of sale and by mobile tobacco sellers continues to encourage smoking. Attractive packaging of tobacco products further increases sales of tobacco in the community and to minors, who are particularly susceptible to such tobacco promotional strategies. It has also been demonstrated that reducing advertising and the availability of tobacco products reduces the uptake of cigarette smoking in adolescents.
>
> The Cancer Institute NSW will promote the banning of the display of tobacco products in retail outlets to ensure their concealment from view.

In the state of South Australia, on May 31, 2004 (World No-Tobacco Day), the *Tobacco Products Regulation (Further Restrictions) Amendment Bill 2004* was introduced in the state Parliament by the Minister for Health. The bill contained a provision to ban POP product displays:

> "44 – Storage and display of products etc in tobacco retail premises
>
> (1) Subject to this section, if any tobacco product, packaging material for tobacco products or information relating to tobacco products is stored or displayed in premises where tobacco products are sold by retail so as to be visible to persons outside the premises or potential customers inside the premises, the proprietor of the business and any manager in charge of the premises are each guilty of an offence
>
> (2) Subsection (1) does not prevent –
>
> (a) the exposure of products or packaging materials to view for so long as is necessary for the movement of stock into, within or from the premises or the delivery of products to purchasers; or
>
> (b) the display of a price list for products in accordance with the regulations.

This provision was removed from the bill pending further consultation, and in August, 2004, the government released a Discussion Paper seeking comments on implementation of legislation to

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[31] Frank Sartor, Minister Assisting the Minister for Health (Cancer), "Cancer Plan Considers Point of Sale Restrictions on Tobacco" February 19, 2004 (media release). http://www.health.nsw.gov.au/news/2004/feb/19-02-04_sartor.html

[32] Cancer Institute NSW, "NSW Cancer Plan 2004-2006" July 2004, p.39. http://www.cancerinstitute.org.au/cancer_inst/campaign/plan_0406.pdf

"remove tobacco products from public view" at point of sale.[33] The deadline for submissions is September 8, 2004, and the bill remains before the state Parliament.

The states of Victoria, Tasmania and Western Australia are also investigating legislation respecting tobacco product display bans at POP.[34]

In the state of Queensland, the Premier, Peter Beattie, and the Minister of Health, Gordon Nuttall, announced on September 6, 2004 that legislation would be introduced to ban "the advertising of all tobacco products in retail outlets including tobacconists and duty-free stores" effective December 31, 2005.[35] This followed a Discussion Paper released May 17, 2004.[36]

Various Australian states and territories have existing legislation restricting tobacco displays at POP, such as legislation prohibiting more than one facing per product line, limiting the total size of the display area (e.g. $2m^2$, $4m^2$), prohibiting carton displays or prohibiting more than one carton display per product line, and requiring displays to be behind the counter. As the Queensland Department of Health has noted, these partial restrictions on displays have proved to be inadequate:[37]

> It is well known that the tobacco industry is highly flexible and responsive in accommodating restrictions to its ability to advertise and promote cigarettes. In New South Wales for example, when the area that could be used to display cigarettes was restricted to 2,000 cm^2, the industry responded by introducing cigarette cartons that when stacked in correct order would form a complete advertising picture. NSW also restricted displays to two packs per brand variation. This was countered by a drastic increase in the number of brand variations (Cook & Edwards, 2000). (p.7)
> [...]
> This tactic is evident with the recent emergence in Queensland of 'mini-cartons' ... and 'maxi-cartons' ... which were found during the retail outlet inspections. Many of these test ambiguities in the current legislation. It has been argued that these large, glossy, cartons, that resemble a mini-billboard, are a product line "usually for sale" and thus meet the requirements of the legislation. (p.8)
> [...]
> Furthermore, following the point of sale advertising display restrictions, "feature panels" have been developed for stack dispensing units which highlight tobacco packets and cartons. (p.9)

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[33] Government of South Australia, Department of Health, "Proposed Changes to Tobacco Point of Sale Displays: Discussion Paper" August 2004, p.3.

[34] Queensland Health, "The Tobacco and Other Smoking Products Act 1998 Review: Discussion Paper" May 2004, p.12. http://www.health.qld.gov.au/atods/documents/23179.pdf. Sasha Shtargot, "Victoria May Outlaw Cigarette Displays" *The Age*, February 20, 2004.

[35] Premier of Queensland, "Queensland to Introduce Nation's Toughest Smoking Bans" September 6, 2004 (media release). http://statements.cabinet.qld.gov.au/portfolio-display/tmp/1094519694.html

[36] Queensland Health, "The Tobacco and Other Smoking Products Act 1998 Review: Discussion Paper" May 2004. http://www.health.qld.gov.au/atods/documents/23179.pdf. Premier of Queensland, "New Smoking Legislation Ready for Parliament This Year" May 17, 2004 (media release).
http://statements.cabinet.qld.gov.au/portfolio-display/tmp/1094520425.html

[37] Queensland Health, "The Tobacco and Other Smoking Products Act 1998 Review: Discussion Paper" May 2004. http://www.health.qld.gov.au/atods/documents/23179.pdf.

An analysis of the Australian experience concluded that: "The only practical way to reduce point of sale cigarette promotion may be to prohibit any display of tobacco products so that cigarettes become an 'under the counter product.' "[38]

United Kingdom, Hungary

In the United Kingdom, legislation contains enabling authority for regulations to ban displays, but no such regulations have yet been adopted.[39] However, regulations have been adopted to limit POP signage to a single sign not larger than an A5 paper size (14.8cm X 21cm, or about 6" X 7¼") effective December 31, 2004.[40]

In Hungary, a court has determined that national tobacco advertising legislation prohibits tobacco advertisements at POP from being visible outside the store.[41]

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[38] Don Cook and Christine A. Edwards, "An increase in cigarette brand variation since legislation to reduce point of sale promotion" *Health Promotion Journal of Australia* 2000; 10(2):154-155.
[39] *Tobacco Advertising and Promotion Act 2002*, 2002 c.36, ss.8, 19.
[40] *Tobacco Advertising and Promotion (Point of Sale) Regulations 2004*, SI 2004 No.765. http://www.legislation.hmso.gov.uk/si/si2004/20040765.htm
[41] Tibor Szilagyi, "Hungary: Tobacco ads forced back inside" *Tobacco Control*, 2004;13:8.

Rationale Supporting a Total Ban on Tobacco Displays and Signage at Point of Sale

A Brief Submitted to Manitoba Health

Canadian Cancer Society

May 2002

Rationale Supporting a Total Ban on Tobacco Displays and Signage at Point of Sale

Canadian Cancer Society
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Jurisdictions around the world are increasingly adopting measures to limit retail displays:

- In Saskatchewan, *The Tobacco Control Act* prevents product displays from being visible in any store accessible by young persons.

- In January, 2002, the Manitoba Minister of Health announced the Manitoba Government's intention to introduce legislation regarding retail displays similar to that adopted in Saskatchewan.

- In Newfoundland and Labrador, professional standards for pharmacists require a ban on tobacco sales in pharmacies as of January 1, 2005. During the phase-in period, there are increasingly restrictive provisions regarding retail promotions, including, effective January 1, 2004 a ban on "the display of tobacco products in view of the public in a pharmacy." (There is also a ban on POS advertising as of January 1, 2001.) (Standards of Pharmacy Practice (Sale of Tobacco), Guidelines on Promotion and Sale of Tobacco Products by Community Pharmacies In Accordance with Pharmaceutical Association Regulation 14(1), Approved by Newfoundland Pharmaceutical Association Council, June 19, 2000).

- The Irish *Public Health (Tobacco) Act*, adopted in 2002, prohibits retail displays.

- Several Australian jurisdictions (including Tasmania and Australian Capital Territory) have adopted restrictions on retail displays.

- Some U.S. municipalities have adopted ordinances. Some such municipalities have banned self-service displays.

- A Government Bill before the U.K. Parliament, the Tobacco Advertising and Promotion Bill, would establish regulatory authority over retail displays, authorizing a possible ban.

- A Government measure before the New Zealand Parliament deals with retail displays.

- Quebec, New Brunswick, Nova Scotia and the federal government have prohibited self-service displays.

- New Brunswick and Nova Scotia have prohibited counter top displays. Quebec and B.C. have established regulatory authority to restrict retail displays.

- In January, 1999, Health Canada released a Discussion Paper regarding retail displays: "Options for Tobacco Promotion Regulations". No regulations have yet been adopted as the federal government first adopted regulations regarding package warnings, the subject of a Discussion Paper also released in January 1999.

There is ample justification that point of sale advertising and displays increase tobacco use and should be eliminated. This justification includes the following:

- National and provincial health organizations have strongly endorsed a ban on retail displays as a means of reducing tobacco use. Indeed, there is an international consensus in the health community that there should be a total ban on all forms of tobacco advertising and promotion. Such a total ban is recommended by the World Health Organization.

- A ban on retail displays was recommended in a Report by the Special Committee on Tobacco Control of the Saskatchewan Legislature. This Report followed a study that involved extensive hearings around the province.

- There is a mountain of evidence that tobacco advertising and promotion increase tobacco use. In *RJR-Macdonald* v. *Canada (A.G.)* (1995), all nine members of the Supreme Court of Canada found that there was a rational connection between a ban on tobacco advertising and reducing tobacco use. Considerable additional evidence has emerged since the 1989-1990 trial in *RJR-Macdonald*.

- Evidence of the impact of tobacco advertising and promotion can be found in these reports: Canadian Cancer Society, "Selected Evidence in Support of Banning All Tobacco Advertising and Promotion, and Requiring Large, Picture-Based Health Warnings on Tobacco Packages" (Ottawa: Canadian Cancer Society and International Union Against Cancer, 2001); Canadian Cancer Society, "Compilation of Selected Evidence Regarding the Impact of Tobacco Advertising and Promotion: A Submission to Parliamentarians for Use During Consideration of Bill C-42, *An Act to amend the Tobacco Act*" December 1998.

- Point of sale (POS) promotions for tobacco products stimulate impulse purchases (including among recent ex-smokers, among occasional smokers, and among teenage experimenters). Given that about one-fifth of smokers are non-daily smokers, and that a considerable proportion of youth are experimenters or are at risk of experimenting, this is significant.

- Point of sale promotions weaken the resolve of ex-smokers to remain smoke-free. The highly visible presence of cigarettes provides an extremely large temptation for an individual craving nicotine. Just one purchase can turn an ex-smoker back into a daily smoker."

- In the past, at least some provinces in Canada (including Ontario) required alcohol to be displayed out of sight at retail. These restrictions were removed over time as society placed less emphasis on reducing liquor consumption.

- Many Canadians would be shocked to learn that tobacco companies pay retailers for prominent displays of their tobacco products. Tobacco companies do this in part to increase the perceived popularity and social acceptability of their cigarette brands. Prominent displays create the impression that cigarettes are far more popular than is actually the case.

- It is unacceptable that tobacco companies can have displays immediately beside displays for candy or hockey cards. Companies pay for unnecessarily large "power walls", even in stores where young people have access.

- Companies selling other products, whether lottery tickets, chocolate bars, hockey cards, magazines or otherwise, use POS promotions to increase overall category sales, not just to compete for market share.

- Movie theatres have a monopoly on concession sales yet they advertise. If such POS advertising did not stimulate sales, why go to the expense of advertising?

- In opposing proposed retail restrictions in Manitoba, JTI-Macdonald noted that the practice of paying retailers for space began in Canada in the 1970s. This shows that payments for retail displays are a relatively recent development and are not necessary to market tobacco products.

- A 1999 Expert Panel in Ontario recommended that tobacco products be placed out-of-sight at retail. ("Actions will speak louder than words; Getting serious about tobacco control in Ontario; A Report to the Minister of Health from her Expert Panel on the Renewal of the Ontario Tobacco Strategy" February 1999.)

- In 1994, the House of Commons Standing Committee on Health recommended implementation of plain packaging, a recommendation supported by persuasive evidence. Plain packaging would have the impact of reducing POS promotions for tobacco products.

- If there was no impact on consumption from POS promotions, it would not make sense for the tobacco industry to spend large amounts of money to organize political opposition to the measure and to hire lawyers to fight the measure in court.

- POS promotions, notably displays, represent a significant portion of overall tobacco industry marketing budgets. In 1996, the three major companies spent about $60 million on payments to retailers in Canada for retail displays. As other forms of marketing become restricted, retail displays take on an ever greater role.

- If POS advertising did not have an impact on overall demand, in addition to market share, then RBH would not be opposing proposed Manitoba restrictions. A reduction in POS promotions would lead to reduced marketing expenses and increased profitability.

- In Australia, some jurisdictions have limited the number of packs per brand that could be displayed. Tobacco companies responded by increasing the number of brand extensions available, thus maintaining the visual impact of retail displays. The authors of a study reviewing this experience concluded that: "The only practical way to reduce point of sale cigarette promotion may be to prohibit any display of tobacco products so that cigarettes become an 'under the counter product.' (Source: "An increase in cigarette brand variation since legislation to reduce point of sale promotion" *Health Promotion Journal of Australia* 2000; 10(2).)

- A draft report of March 11, 1999 by Tilson Consulting "Preliminary Research on Tobacco Retail Displays" provides evidence supporting a ban on retail displays. This report was prepared for the Canadian Cancer Society.

- The following report provides evidence of the impact of POS promotion: Ron McCarville & Colleen Bee, "Point-of-Purchase Techniques and Their Influence on Tobacco Consumption: A Review of Literature in Private Sector Journals" Prepared for the Centre for Behavioural Research and Program Evaluation, National Cancer Institute of Canada.

- The 2002 International Tobacco Expo, a tobacco industry trade show held in Las Vegas, included a presentation entitled "Stimulate and Drive Impulse Purchases". The presentation was described as follows: "Dick Blatt, president of Point-Of-Purchase Advertising International (POPAI),

this seminar will provide ways to help increase sales of tobacco products by learning how to stimulate impulse purchases." Source: "INTERNATIONAL TOBACCO EXPO PREVIEW: A STATE OF "MINE" " Tobacco Retailer, February 1, 2002.

- In 1999, the Canadian Cancer Society prepared a summary document "The Case for Controlling Retail Displays of Tobacco Products".

- The promotional value at retail of package displays is reduced because of increased space on package used for health warnings, now 50% of the front and back of the package.

- RBH has said that it has stopped paying for displays in many small volume stores.

- Retailers receive much more money for tobacco displays than for other product categories: E.C. Feighery, K.M. Ribisl, D.D. Achabal, T. Tyebjee "Retail Trade Incentives: How Tobacco Industry Practices Compare with those of Other Industries" *American Journal of Public Health* 1999; 89(10): 1564-1566.

- There are undoubtedly many marketing case studies about how POS displays/advertising increase overall category volume (e.g. for lottery tickets).

- Point of sale price advertisements create competition that lowers prices generally among retailers. Lower prices lead to increased consumption. Price advertisements highlighting a lower priced product may induce a smoker to switch to the lower priced product instead of quitting altogether, or to entice a former smoker who quit because of price to resume smoking.

The Saskatchewan restrictions and proposed Manitoba restrictions are no different than the historic legislated restrictions on product displays and signage in liquor stores.

Legal Issue

Eliminating product displays at retail is fully consistent with the freedom of expression provisions in the Canadian Charter of Rights and Freedoms. In *R.* v. *Greenbaum* (1991), 77 D.L.R. (4th) 334 (Ont. C.A.), rev'd but not on these grounds [1993] 1 S.C.R. 674, a case involving the unlawful exposing of T-shirts for sale on a street corner, the Ontario Court of Appeal stated at p.342: "I do not think the display of goods and wares for sale, in this case T-shirts, is a form of expression contemplated by s.2(b) of the Charter."

Comments on Economic Arguments

The tobacco industry opposes proposed controls on point of sale displays in Manitoba. The industry claims that retailers will suffer serious economic loss once the proposal is in place. Such claims are without merit.

First of all, the successful implementation of Saskatchewan legislation demonstrates the invalidity of the industry's position. The same arguments being made in Manitoba were made in Saskatchewan as the legislation was being considered. In Saskatchewan today, with legislation in place, retailers are continuing to sell tobacco products.

Further, on average, retailers can recover any loss of revenue from manufacturers by simply increasing cigarette prices by a mere $0.03 per pack.[1] Such amount is trivial, given the current retail price of cigarettes in Saskatchewan. In any event, given that manufacturers will have reduced expenses, manufacturers could lower their price by $0.03 per pack, resulting in no net change to the retail price.

As well, the government has the option of banning tobacco sales in pharmacies, as five other provinces have done. While this measure would contribute to a reduction in tobacco use, there would also be a large proportion of existing sales in pharmacies that would shift to remaining retailers. This would represent a financial windfall for remaining retailers that would more than compensate for any perceived loss in industry promotional payments.

The industry typically argues that proposed tobacco control legislation will result in economic disaster. Current public relations efforts in Manitoba along this line are nothing new.

Even if it were the case that there would be some economic impact, implementation of proposed legislation should still proceed. Health must come before profit. No one would argue that drinking and driving laws should not be implemented because of potential job loss in car repair shops. No one would argue that World War II should have been continued in order to protect jobs in armaments factories.

Other Arguments Advanced by the Tobacco Industry

An argument has been advanced that retailers will incur significant costs in implementing the new legislation, such as through building new cabinets, retrofitting existing displays, etc. However, the same argument was put forward in Saskatchewan. Retailers have found ways to comply in ways that best meet their needs: using a curtain, placing sliding doors in front of shelves, putting cigarettes under the counter, putting cigarettes in drawers, etc.

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[1] This is calculated by dividing the $60 million in annual industry promotional payments to retailers by the approximately 2 billion packages sold annually.

It has been argued that removing tobacco products from sight creates store security problems as the clerk must turn their back on the customer to retrieve tobacco products. However, this same argument was made in Saskatchewan – and the new Saskatchewan legislation is being implemented successfully. As it stands in Manitoba, and as was the case in Saskatchewan prior to legislation, clerks often have had to turn around anyhow to obtain cigarettes, often reaching down to ground level.

As an alternative to controlling retail displays and signage, some in the tobacco industry suggested that youth possession be made illegal. In taking this position, manufacturers and retailers are attempting to avoid responsibility themselves and shift responsibility for tobacco addiction to minors. Manufacturers are trying to avoid legislation that would reduce tobacco sales. A September 2001 Canadian Cancer Society report "Youth Tobacco Possession Laws: Policy Analysis" explains why youth possession laws are not recommended.

Exception for Tobacconists

In the new legislation, there should not be an exemption for tobacconists:

1. The option provides no health benefits. In fact, allowing prominent retail displays in these stores counters health objectives. These displays will be seen by customers – and friends and children/relatives of customers – whether those customers are smokers or nonsmokers, adults or children. These displays will encourage spontaneous purchases, will help create the impression that smoking is more popular than is actually the case, will undermine the resistance of ex-smokers trying to remain smoke-free, and will undermine the determination of potential quitters to become smoke-free. Further, displays in tobacco specialty shops might well be seen outside the shop (e.g. in a shopping mall, or through a window).

2. The option will increase enforcement costs given the effort required to monitor that each store is above a stipulated percentage sales threshold, for example.

3. The option will encourage the opening of more tobacco specialty shops, perhaps a series of kiosks, hardly a development beneficial to public health.

4. An exemption for tobacco specialty stores ill unnecessarily create a loophole. Past experience in tobacco control suggests that any loophole will be widely exploited.

5. The exemption will provide an incentive to some retailers to increase tobacco sales to a level above the stipulated threshold, hardly a motivation that should be encouraged by regulation.

6. Such an exemption will legitimize certain categories of tobacco retailers, something that is counter to tobacco control objectives.

In the new legislation, there should not be an exemption for bars, including for reasons previously described. Ex-smokers may lose their inhibitions after consuming alcoholic beverages, have a single cigarette, and then find themselves quickly back to becoming a daily smoker. Tobacco promotions in bars – a current tobacco industry activity – cannot be justified. This is especially the case when municipalities are being encouraged to adopt bylaws to ban smoking in bars.

Controlling the Tobacco Epidemic:

Selected Evidence in Support of Banning All Tobacco Advertising and Promotion, and Requiring Large, Picture-Based Health Warnings on Tobacco Packages

Canadian Cancer Society **International Union Against Cancer**

April 2001

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The Canadian Cancer Society is a national, community-based organization of volunteers, whose mission is the eradication of cancer and the enhancement of the quality of life of people living with cancer.

Founded in 1933, the International Union Against Cancer (UICC) is an independent, international, non-governmental association of more than 290 member cancer fighting organisations in 86 countries. Based in Geneva, Switzerland, UICC's purpose is to promote awareness and responsibility for the growing global cancer burden; to take effective action to prevent and reduce cancer incidence and mortality; to improve the quality of life of cancer patients and their families, and to build the capacity of our members and partners to meet local cancer control needs.

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Foreword

Two of the critically important tobacco control measures recommended by the World Health Organization are (1) banning all tobacco advertising and promotion and (2) requiring prominent health warnings on tobacco packages. Tobacco companies have long fiercely resisted implementation of these measures.

In Canada, on April 25, 1997, Parliament adopted the *Tobacco Act*, a national law containing significant restrictions on tobacco advertising and promotion. On December 10, 1998, Parliament adopted *An Act to amend the Tobacco Act*, strengthening the *Tobacco Act* by including a total ban on sponsorship advertising as of October 1, 2003. On June 26, 2000, the *Tobacco Products Information Regulations* were adopted, following approval by the federal Cabinet, by the House of Commons Standing Committee on Health, and by the House of Commons as a whole. These *Regulations* require that one of 16 rotated picture-based warnings appear on the top 50% of the front and back of cigarette packages. One of 16 additional rotated messages are required inside the package, either on an insert or on the "slide" of slide and shell packages. Further, the Regulations require that toxic emission yields printed on the side of the package be reported as a range. The range would include the yield resulting from the International Organization for Standardization (ISO) test method, as well as from an intensive smoking test method.

During the parliamentary process, the Canadian Cancer Society tabled with parliamentary committees two extensive compilations of evidence:

> Canadian Cancer Society, "Compilation of Selected Evidence Regarding the Impact of Tobacco Advertising and Promotion: A Submission to Parliamentarians for Use During Consideration of Bill C-42, *An Act to amend the Tobacco Act*", December 1998 (4 volumes, 165 tabs).
>
> Canadian Cancer Society, "Compilation of Selected Evidence Regarding the Impact of Tobacco Package Warnings and Labelling: A Submission to Members of Parliament for Use During Consideration of Regulations Under the *Tobacco Act*" May 2000 (6 volumes, 208 tabs).

Each of these parliamentary submissions contained a summary highlighting – through quotations – key aspects of the studies, reports and other literature included in the compilations. This report reproduces the summaries, updated with additional evidence. The same format is used: a quotation followed by the source. Where text appears in square brackets – "[" "]" – the text is a description rather than a quotation. Where a source document includes footnotes or references, these have been omitted from quotations.

The parliamentary submissions had been prepared by the Canadian Cancer Society to respond to tobacco industry claims that there was no credible evidence that tobacco advertising and promotion increases consumption, and that there was no credible evidence that the new larger, picture-based Canadian health warnings would be any-more effective than the previous, smaller, text-only warnings.

A number of items included in French only in the original parliamentary submissions have been translated into English for this report.

The release of this report has been prepared to coincide with the second meeting of the International Negotiating Body for the Framework Convention on Tobacco Control. This meeting is to take place April 30 – May 5, 2001 in Geneva, Switzerland. Two of the issues being considered are a total ban on advertising and promotion, and requiring large, picture-based warnings on tobacco packages. A further issue on the agenda deals with the banning of terms such as "light" and "mild".

The Canadian Cancer Society supports provisions in the FCTC that would ban all tobacco advertising and promotion, that would require Canadian-style picture-based package warnings or other messages covering at least 50% of the exterior of the package, and that would prohibit labelling terms such as "light" and "mild". It is hoped that this report will be of use to delegates during their deliberations.

The research assistance of the National Clearinghouse on Tobacco and Health, in Ottawa, Canada, is gratefully acknowledged, as is the assistance of many others.

April 2001

Part I

Advertising and Promotion

Part I

Advertising and Promotion

Introduction

As documented in this report, there is overwhelming evidence to conclude (1) that tobacco advertising and promotion (including informational advertising, sponsorships and brand stretching) increase tobacco consumption, and (2) that there is sufficient justification for a legislated ban on all forms of direct and indirect tobacco advertising and promotion.

The evidence includes conclusions of the World Health Organization, the World Bank, the United Nations Children's Fund (UNICEF), the U.S. Surgeon General, the U.S. Federal Trade Commission, the U.S. Food and Drug Administration, parliamentary committees from Australia, Canada, Ireland and the United Kingdom, a Royal Commission in British Columbia, and numerous other authoritative reports from various committees, task forces and institutions. The evidence also includes the conclusions of national and international conferences; recommendations of international, national, and subnational health organizations; examples of countries which have curbed tobacco advertising and promotion; statistical trends in Canada showing reduced smoking rates following implementation of the *Tobacco Products Control Act* in 1988 and the *Tobacco Act* in 1997; documented violations and inadequacies of industry self-regulating codes; the voluntary acceptance by tobacco manufacturers of significant marketing restrictions contained in out-of-court litigation settlements; tobacco industry documents; a vast array of studies and other literature; and logic and reason.

The body of evidence is substantial and growing quickly. As noted, this report contains a selected compilation, not a comprehensive compilation, and has been prepared in part to respond to the tobacco industry's stated position (1) that there is no credible evidence that tobacco advertising and promotion affects overall consumption, as opposed to only influencing market share, and (2) that there is no justification for a total ban on tobacco advertising and promotion.

Reports

1. While the federal ban on tobacco advertising is a positive step, further measures are needed. The ARF supports a ban on use of tobacco names, trademarks, colors and logos in all advertising of events, products or organizations sponsored by tobacco companies. (p.5)

   Addiction Research Foundation [Canada], "Preventing Smoking: Tobacco Control Policies. Best Advice From the Addiction Research Foundation." July 1995.

2. The Committee believes that, on the basis of the evidence received from a wide range of groups and of studies that show sponsorship by tobacco manufacturers acts as cigarette advertising to children, there should be no special exemption permitting tobacco advertising at sporting and cultural events of international significance. The Committee further believes this recommendation should be phased in by the year 2000. (p.38)

Australia, Senate Community Affairs References Committee, "The Tobacco Industry and the Costs of Tobacco-Related Illness: Report of the Senate Community Affairs Reference Committee" December 1995.

3. The commission is of the view that banning tobacco advertising is very important. Many young British Columbians start smoking each year and will die from it. We think it is important that nothing be permitted that would encourage people to smoke.
Therefore, the commission recommends that:
16.a. the provincial government pass legislation similar to the Tobacco Products Control Act.; and
b. if the legislation is found to be contrary to the Canadian Charter of Rights and Freedoms, the province resort to Section 33(1) of the Charter to ensure that the prohibition against tobacco advertising is maintained. (p.C-70)

British Columbia Royal Commission on Health Care and Costs, "Closer to Home: The Report of the British Columbia Royal Commission on Health Care and Costs" 1991.

4. It is clearly contrary to the public interest for the use of a harmful product to be actively promoted even though a ban on production and sales would be unacceptable.(p.30)
...
[Y]oung people can hardly be expected to believe that governments really consider cigarette smoking to be hazardous if they allow unlimited cigarette promotion. Further, large numbers of smokers wish to stop smoking or stay stopped and anything that could be done to support their resolve and reduce the pressures to smoke, which are part of our society, would be desirable.(p.31)
...
Your Committee recommends that cigarette advertising and all other promotion of cigarette sales be progressively eliminated.(p.32)
...
[A]ny type of cigarette promotion implies that the use of cigarettes is desirable and presumably harmless, and a priori, adds to the cultural acceptability of smoking.(p.33)

Canadian House of Commons, Standing Committee on Health, Welfare and Social Affairs, "Report of the Standing Committee on Health, Welfare and Social Affairs on tobacco and cigarette smoking" 1969.

5. The promotion of tobacco products takes on many forms: advertising, sponsorship, attractive packaging, massive point-of-sale product exposure, etc. All these promotional activities foster the "normalness" of tobacco use, among others. Thus, an anti-tobacco strategy cannot ignore this important aspect of the tobacco industry's marketing strategies (p. 72).
...
Anti-tobacco measures at the national level
...
That the Quebec Government adopt the appropriate initiatives in order to eliminate or minimize tobacco product promotional activities, this not excluding collaboration with the federal government in this area (p. 73).

Comité consultative sur le cancer [Cancer Advisory Committee] [Quebec], « Programme québécois de lutte contre le cancer; Pour lutter efficacement contre le cancer, formons équipe » [« Quebec Cancer Control Program; Let's Get Together to Effectively Fight Cancer »] October 1997, [Report to Minister of Health and Social Services].

6. Partial bans are not recommended because of the likelihood that permissible promotional activities would be enhanced. In Britain, the elimination of cigarette advertising on television was followed by increases in overall promotional budgets and in coupon gift schemes. (p.148)

Department of National Health and Welfare (Canada), "Cigarette Smoking and Health" Prepared for the Health, Welfare and Social Affairs Committee, House of Commons, December 19, 1968, In: House of Commons Standing Committee on Health, Welfare and Social Affairs, Minutes of Proceedings and Evidence No. 9, December 19, 1968, Appendix B, pp.143-155.

7. 5.1 Ban on advertising

Advertising restrictions are essential to any comprehensive program to reduce consumption of tobacco products, particularly among youth. . . . [T]he imagery portrayed through such activities plays an important role in shaping young persons' attitude toward, and willingness to experiment with, tobacco products.

Comprehensive restrictions on advertising are intended to prevent messages and images that attract young people, therefore helping to prevent inducements to use tobacco products and the consequent dependence on them. These restrictions are intended to reduce the appeal of tobacco products to Canadians, particularly youth, and to prevent the positive imagery about tobacco products.

With respect to advertising, a comprehensive prohibition is considered the most effective measure to achieve the government's policy objectives. It would appear that all forms of advertising contribute to making tobacco products socially acceptable and desirable as consumer goods and therefore represent an inducement to use tobacco products. Consequently, alternative measures, such as a partial ban, a ban on lifestyle advertising or a ban on advertising aimed at youth, would not appear to be as effective. (p.27)

. . .

5.2 Restrictions on promotion (p.27)

. . .

The linkage of cigarette brands to non-tobacco goods such as clothing or, alternatively, the use of non-tobacco trade marks with positive associations (e.g. a fashion designer's name used as a cigarette brand name) on tobacco products, appeals to youth and dilutes health concerns by associating tobacco products with desirable products and activities. These forms of promotional activities are considered indirect advertising. These forms of promotional activities are considered indirect advertising. Some items, when used or worn by people, particularly youth, create a new advertising medium which can enter schools or other locations where advertising is usually prohibited. (p.28)

. . .

5.3 Restrictions on sponsorship

Sponsorship or event marketing is a form of promotion that is a key component of the marketing strategies of tobacco companies. The sponsorship of sports and cultural events is a relatively cost-effective form of advertising and promotion which capitalizes on the other elements of the marketing mix such as packaging, brand image and point-of-sale promotion. Sponsorship offers

several advantages over traditional advertising by heightening the visibility of tobacco brand names, shaping consumer attitudes and communicating commitment to a particular lifestyle. . . . The events and activities are often designed to appeal to a youth market segment, to create good will for the tobacco industry through association with sports and the arts, and to link tobacco use with exciting, glamorous and fun events.

Brand name sponsorship activities have an influence on youth and use "lifestyle" approaches in their market research and creative materials. They provide opportunities to create a familiarity between tobacco and sports and arts enthusiasts. Those participating or watching a sponsored event, including youth, repeatedly see a tobacco product brand name linked with an event they enjoy. This form of indirect advertising contributes to shaping attitudes, particularly young persons' attitude, toward smoking. (p.29)

. . .

Since promotional activities related to sponsorship are considered a form of indirect advertising, the rationale put forward for restricting advertising applies as well to sponsorship. (p.30)

Health Canada, "Tobacco Control: A Blueprint to Protect the Health of Canadians" (Ottawa: Minister of Supply and Services, 1995).

8. The Committee considers that what is required is a National Anti-Smoking Strategy which includes the following:

. . .

A ban on all tobacco advertising, sponsorship and patronage (chapter 8, p.2 of internet print out)

. . .

It is the view of the Committee that the continued sponsorship of events such as Formula One racing by tobacco companies and the worldwide glamorization of cigarettes which results from both press reporting and the televising of such events, encourages children and adolescents to smoke cigarettes and actively colludes with the tobacco companies in ensuring that young people become nicotine addicted. (chapter 8, p.8)

Ireland Oireachtas [Parliament], Joint Committee on Health and Children, "A National Anti-Smoking Strategy: A Report on Health and Smoking" November 1999. http://www.irlgov.ie/committees-99/c-health/reports.htm Accessed March 27, 2001.

9. Policy Recommendations

The images typically associated with advertising and promotion convey the message that tobacco use is a desirable, socially approved, safe and healthful, and widely practiced behaviour among young adults, whom children and youths want to emulate. As a result, tobacco advertising and promotion undoubtedly contribute to the multiple and convergent psychosocial influences that lead children and youths to begin using these products and to become addicted to them. ... The message should be unequivocal -- tobacco use is unhealthy and socially disapproved. In the context of this emergent social norm, the contradictory messages now conveyed by the tobacco industry can no longer be tolerated. The Committee therefore recommends a step-by-step plan to eliminate these commercial messages from the various media of mass communication. Realizing that implementation of this recommendation will require careful planning and a period of transition, the Committee proposes a sequential process for phasing in the necessary restrictions. (p.131)

Lynch, B.S., Bonnie, R.J., eds., Committee on Preventing Nicotine Addiction in Children and Youths, Institute of Medicine [U.S.], *Growing Up Tobacco Free: Preventing Nicotine Addiction in Children and Youths* (Washington, D.C.: National Academy Press, 1994).

10. Conclusions

1. Cigar use began to increase in the United States after promotional activities for cigars increased beginning in 1992.

2. Promotional activities for cigars have increased the visibility of cigar consumption, normalized cigar use, and broken down barriers to cigar use. (p.217)

National Cancer Institute [U.S.], *Cigars: Health Effects and Trends*, Smoking and Tobacco Control Monograph 9, 1998.

11. There is substantial evidence that young people are aware of, and respond to, cigarette advertising. (p.9)

...

Advertisements present images that appeal to youth and are seen and remembered by them.(p.9)

...

In sum, both qualitative and quantitative studies examining the effects of advertising on adolescents suggest that the content of advertisements influence attitudes, beliefs and values related to tobacco. They do so by portraying benefits of smoking that resonate with the issues and concerns of adolescents; namely, peer bonding, social approval, independence/autonomy, self-image, body image, adventure-seeking and normative behaviour.(p.13)

...

Evidence for the effects of marketing on youth smoking behaviour can be found across numerous research studies representing a wide range of methods, including survey research, longitudinal studies, historical and econometric analyses.(p.25)

...

Although no one study or method in this body of research provides definitive conclusions, the cumulative evidence across these varied methods and research questions support strongly the conclusion that marketing plays a significant role in youth smoking behaviour, both in terms of initial experimentation and brand preference. (p.26)

...

It is the conclusion of the National Cancer Institute of Canada's project team that tobacco marketing in Canada does influence tobacco initiation in youth under the age of sixteen, and older. The weight of evidence supports three general conclusions:

- a total ban on tobacco marketing would significantly reduce messages targeted at youth which promote initiation of tobacco youth.
- a total ban on tobacco marketing would significantly contribute to a reduction in the prevalence of tobacco use among youth.
- a total ban is the only reasonable policy from a population health perspective, given the complex, contextual nature of marketing influence, and the likelihood that partial bans will simply result in a shift of emphasis to alternative methods of marketing.(p.34)

National Cancer Institute of Canada, Centre for Behavioural Research and Program Evaluation, "Tobacco Marketing and Youth: Examination of Youth Attitudes and Behaviour to Tobacco Industry Advertising and Sponsorship" March 31, 1996. Prepared for Health Canada.

12. The need for congressional action regarding FDA's efforts to restrict tobacco advertising, promotion, and marketing is particularly urgent. ... Advertising and promotion constraints may not have dramatic short-term effects, but they are integral parts of all successful tobacco control

efforts in states and foreign countries and must be part of any long-term U.S. national tobacco control program. (p.8)

National Cancer Policy Board [U.S.], *Taking Action to Reduce Tobacco Use* (Washington, D.C.: National Academy Press, 1998).

13. The Task Force calls for the provincial government to ban the use of tobacco product names, trademarks, colours and logos in all tobacco sponsorship advertising. (p.1)

Ontario Task Force on the Primary Prevention of Cancer, "Recommendations for the Primary Prevention of Cancer; Report of the Ontario Task Force on the Primary Prevention of Cancer" March 1995. [Report to Ontario Minister of Health]

14. Smoking in young people is reinforced and maintained by a number of factors in the immediate and wider social environment, particularly the availability of cigarettes to young people and tobacco advertising. A ban on tobacco advertising would have a significant impact on the uptake of tobacco by young people in the UK. (p.74)

Royal College of Physicians of London, *Smoking and the Young: A report of a working party of the Royal College of Physicians* (London: Lavenham Press Ltd., 1992).

15. Implement the federal Tobacco Control Blueprint.
In December 1995, Health Canada produced a comprehensive plan - the Tobacco Control Blueprint. It includes many significant proposals: a ban on advertising; restrictions on tobacco sponsorship and promotion; packaging and labelling requirements; limits on access for young people; product regulation; and others. So far, these are just words. It's time to make them actions! (p.14)

Schabas, R. "Tobacco. Sounding the Alarm. Report of the Chief Medical Officer of Health" Ontario Ministry of Health, 1996.

16. Conclusions
3.9 Price, advertising and promotion influence cigarette consumption.
...
Recommendations
3.12 All forms of tobacco advertising, promotion and identifiable sponsorship should be banned. (p.31)

Scientific Committee on Tobacco and Health [U.K.] *Report of the Scientific Committee on Tobacco and Health.* (London: H.M.S.O., February 1998).

17. It is recommended that the Ontario Government initiate discussions to encourage the federal government to take action prohibiting promotion of tobacco.
It is further recommended that, within areas over which it has jurisdiction, the Ontario government should prohibit all forms of tobacco promotion ...
There is a significant likelihood that advertising and other tobacco promotion serve to increase the overall consumption of tobacco in Ontario. (pp.13-14)

Task Force on Smoking [Ontario], "Smoking and Health in Ontario: A Need for Balance. Report of the Task Force on Smoking Submitted to the Ontario Council of Health" May,

1982 [The Ontario Council of Health is the senior advisory body to the Minister of Health].

18. Smokers have not been properly informed by the industry of the nature of the risk they are taking and the marketing practices of the industry put children at risk. (p.23)

...

A complete ban on all forms of advertising of tobacco products is necessary if we are to reduce children's exposure to inducements to tobacco products. (p.48)

Tobacco Free Policy Review Group [Ireland], "Towards a Tobacco Free Society: Report of the Tobacco Free Policy Review Group" [Report to the Minister] 2000.

19. Ending tobacco advertising

Why action is needed

6.3 Previous Governments have operated voluntary agreements with the tobacco industry on advertising. But there is little evidence that they have worked. Surveys show that 96 per cent of children say they have seen cigarette advertising in the last six months. ... (p.47)

6.4 The cigarette brands smoked most by children are also those most heavily advertised. Survey evidence shows that half of all young people believe they have seen a cigarette advert on TV in the last six months despite the fact that it was banned 33 years ago. That suggests that tobacco sponsorship of televised events has a similar impact to direct advertising. (pp.47-48)

United Kingdom Department of Health, "Smoking Kills: A White Paper on Tobacco" December, 1998.

20. [W]e must conclude that, in the face of the evidence that has now been accumulated, the Government can no longer maintain its position that a further tightening of tobacco advertising controls is unlikely to contribute to a reduction of the prevalence of smoking in the UK.(p.xvii)

...

We recommend that the Government support the Directive [of the European Union].(p.xviii)

United Kingdom, House of Commons Health Committee, "Second Report: The European Commission's Proposed Directive on the Advertising of Tobacco Products" (London: H.M.S.O., 1992).

21. Summary of Conclusions and Recommendations

...

(p) The evidence we have reviewed from the advertising agencies leads us to conclude that, once more, voluntary agreements have served the industry well and the public badly. Regulations have been seen as hurdles to be overcome or side-stepped; legislation banning advertising as a challenge, a policy to be systemically undermined by whatever means possible. ... (paragraph 88).

(q) Most of the tobacco companies have sought to challenge the Government's commitment to introduce an advertising ban in advance of the date for implementation set by the EU directive. The argument they have repeatedly advanced is that tobacco advertising does not increase consumption, it merely persuades smokers to switch brands. However, looking through the documents that the agencies themselves produced, this view is completely discredited (paragraph 89).

(r) Our review of the copious evidence from the advertising agencies, which includes substantial quantities of market research, leads us to conclude that the advertising agencies have connived in promoting tobacco consumption, have shamelessly exploited smoking as an aspirational pursuit in ways which inevitably make it attractive to children, and have attempted to use their creative talents to undermine Government policy and evade regulation. We welcome the Government's commitment to end all forms of tobacco advertising and sponsorship (paragraph 99).

United Kingdom, House of Commons Health Select Committee, "Second report: The tobacco industry and the health risks of smoking" Volumes I-II, London: Stationery Office, 2000, June 14, 2000.

22. There is no scientifically rigorous study available to the public that provides a definitive answer to the basic question of whether advertising and promotion increase the level of tobacco consumption. Given the complexity of the issue, none is likely to be forthcoming in the foreseeable future. The most comprehensive review of both the direct and indirect mechanisms concluded that the collective empirical, experiential and logical evidence makes it more likely than not that advertising and promotional activities do stimulate cigarette consumption. (pp.512-513).

U.S. Department of Health and Human Services, *Reducing the Health Consequences of Smoking: 25 Years of Progress. A Report of the Surgeon General*, U.S. Department of Health and Human Services, Public Health Service, Centers for Disease Control, Center for Chronic Disease Prevention and Health Promotion, Office on Smoking and Health, DHHS Publication No. (CDC) 89-8411, 1989.

23. Advertising tends to increase consumption of cigarettes, although the relationship is difficult to quantify precisely. Advertising restrictions are generally associated with declines in consumption and, hence, are an important component of tobacco-control programs. (p.136)

U.S. Department of Health and Human Services, *Smoking and Health in the Americas.* Atlanta, Georgia: U.S. Department of Health and Human Services, Public Health Service, Centers for Disease Control, National Center for Chronic Disease Prevention and Health Promotion, Office on Smoking and Health, DHHS Publication No. (CDC) 92-8419, 1992.

24. Even though the tobacco industry asserts that the sole purpose of advertising and promotional activities is to maintain and potentially increase market shares of adult consumers, it appears that some young people are recruited to smoking by brand advertising.(p.194)

...

Conclusions

1. Young people continue to be a strategically important market for the tobacco industry.
2. Young people are currently exposed to cigarette messages through print media (including outdoor billboards) and through promotional activities, such as sponsorship of sporting events and public entertainment, point-of-sale displays, and distribution of specialty items.
3. Cigarette advertising uses images rather than information to portray the attractiveness and function of smoking. Human models and cartoon characters in cigarette advertising convey independence, healthfulness, adventure-seeking, and youthful activities -- themes correlated with psychosocial factors that appeal to young people.

4. Cigarette advertisements capitalize on the disparity between an ideal and actual self-image and imply that smoking may close the gap.
5. Cigarette advertising appears to affect young people's perceptions of the pervasiveness, image, and function of smoking. Since misperceptions in these areas constitute psychosocial risk factors for the initiation of smoking, cigarette advertising appears to increase young people's risk of smoking. (p.195)

U.S. Department of Health and Human Services, *Preventing Tobacco Use Among Young People: A Report of the Surgeon General*, Atlanta: Georgia: U.S. Department of Health and Human Services, Public Health Service, Centers for Disease Control and Prevention, National Center for Chronic Disease Prevention and Health Promotion, Office on Smoking and Health, 1994.

25. Advertising is an important influence on tobacco use initiation and maintenance, as documented in *Preventing Tobacco Use Among Young People.* Cigarette advertising and promotion may stimulate cigarette consumption by (1) encouraging children and adolescents to experiment with and initiate regular use of cigarettes, (2) deterring current smokers from quitting, (3) prompting former smokers to begin smoking again, and (4) increasing smokers' daily cigarette consumption by serving as an external cue to smoke. In addition, cigarette advertising appears to influence the perceptions of youths and adults about the pervasiveness of cigarette smoking and the images they hold of smokers. Cigarette advertising also may contribute to the perception that smoking is a socially acceptable, safe behavior and may produce new perceptions about the functions of cigarette smoking in social situations. All of these perceptions have been shown to be risk factors for the initiation of cigarette smoking.

...Available data indicate that young people smoke the brands that are most heavily advertised. In 1993, the three most heavily advertised brands of cigarettes, Marlboro, Camel, and Newport, were the three most commonly purchased brands among adolescent smokers. ... Although combined sales of these brands represented only 35 percent of the adult market share, they represented only 86 percent of the adolescent market share. These data suggest tobacco advertising influences brand preference among youths ... (p.220)

U.S. Department of Health and Human Services, *Tobacco Use Among U.S. Racial/Ethnic Minority Groups – African Americans, American Indians and Alaska Natives, Asian Americans and Pacific Islanders, Hispanics: A Report of the Surgeon General*, Atlanta: Georgia: U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, National Center for Chronic Disease Prevention and Health Promotion, Office on Smoking and Health, 1998.

26. The tobacco industry has argued that its main purpose in advertising is to maintain brand loyalty and to capture a greater market share of current smokers. Intensive review of the available data, however, suggests a positive correlation between level of advertising and overall tobacco consumption -- that is, as advertising funds increase, the amount of tobacco products purchased by consumers also increases. Furthermore, several judicial opinions ... have questioned whether the enormous investment in advertising serves only brand loyalty. (p.162)

U.S. Department of Health and Human Services, *Reducing Tobacco Use: A Report of the Surgeon General*, Atlanta, Georgia: U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, National Center for Chronic Disease Prevention and Health Promotion, Office on Smoking and Health, 2000.

27. Advertising is also used to reduce fear of the health risks from smoking by presenting facts and figures (e.g., information on nicotine and tar content) or by using positive imagery (e.g. clear blue skies and white-capped mountain peaks). (p.491)

...

Specialty items that contain brand names or logos, such as clothing and accessories, often serve as walking ads and enhance the perception that tobacco use is the norm. For cigarettes, these items do not carry the health warning required for other forms of advertising and promotion. (p.492)

...

[S]ponsorship is economical because it allows a company to reach a niche market without wasting resources and provides "embedded advertising," which links product attributes or lifestyle images to an active event. ...

Recognition of Power of Advertising

...Tobacco industry sponsorship may also lend an aura of social legitimacy to smoking (p.492)

...

The trade presses of both the advertising and tobacco industries were unequivocal in giving credit to advertising for the growth of cigarette sales, especially among women. (p.497)

...

As in the United States, tobacco advertising in other countries portrays a variety of attractive images and themes that have been used to promote the social acceptability of smoking among women and to highlight attributes of particular brands. Smoking has been promoted as being glamorous, sophisticated, fun, romantic, sexually attractive, healthy, sporty, sociable, relaxing, calming, emancipating, feminine, and rebellious and as an aid to weight loss. (p.521)

...

Conclusions

...

4. Women have been extensively targeted in tobacco marketing, and tobacco companies have produced brands specifically for women, both in the United States and overseas. Myriad examples of tobacco ads and promotions targeted to women indicate that such marketing is dominated by themes of both social desirability and independence, which are conveyed through ads featuring slim, attractive, athletic models. ...
5. Tobacco industry marketing, including product design, advertising, and promotional activities, is a factor influencing susceptibility to and initiation of smoking.
6. The dependence of the media on revenues from tobacco advertising oriented to women, coupled with tobacco company sponsorship of women's fashions and of artistic, athletic, political, and other events, has tended to stifle media coverage of the health consequences of smoking among women and to mute criticism of the tobacco industry by women public figures. (chapter 4, p.527)

U.S. Department of Health and Human Services, *Women and Smoking: A Report of the Surgeon Genera*, Atlanta, Georgia: U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, National Center for Chronic Disease Prevention and Health Promotion, Office on Smoking and Health, 2001, prepublication version, accessed March 27, 2001, http://www.cdc.gov/tobacco/sgr_forwomen.htm.

28. [T]he purpose of the Joe Camel campaign was to reposition the Camel brand to make it attractive to younger smokers. At least one of the targets of the campaign was "first usual brand" smokers.

. . .

The Joe Camel campaign induced many of these children and adolescents under the age of 18 to smoke Camel cigarettes or increased the risk that they would do so. For many of these children and adolescents, the decision to smoke Camel cigarettes was a decision to begin smoking; for others, the decision to smoke Camel cigarettes was a decision to continue smoking. As a result, the Joe Camel campaign caused or was likely to have caused these children and adolescents to initiate or continue smoking cigarettes. (p.2)

. . .

R.J. Reynolds actions . . . have caused or were likely to cause substantial and ongoing injury to the health and safety of children and adolescents under the age of 18 that is not offset by any countervailing benefits and is not reasonably avoidable by these consumers. (p.3)

U.S. Federal Trade Commission, "In the Matter of R.J. Reynolds Tobacco Company, a corporation: Complaint." Docket No. 9285, May 28, 1997.

29. We believe that limiting the advertising, marketing and promotion of tobacco products directed to children can be an appropriate and necessary part of a comprehensive approach to reducing youth tobacco use. Such limitations can serve as an important complement to other strategies, such as access restrictions and public education, to reduce underage tobacco use.
The FTC further believes that any effort to restrict tobacco advertising to young people must be sufficiently broad to be effective. The FTC each year issues a report on the advertising and promotional expenditures of U.S. cigarette manufacturers. Those reports show that after cigarette manufacturers were prohibited from advertising on television and radio in 1969 (a prohibition that was intended, in part, to protect children), they put tens of millions of dollars into print advertising to sell their products. In more recent years, the cigarette manufacturers have shifted an increasing amount of money away from traditional advertising and into sponsorships and so-called "trinkets and trash" -- T-shirts, caps, and other logo-adorned merchandise -- that some believe are very attractive to young people. To prevent simply another such shift in marketing strategy, a set of advertising and marketing restrictions that addresses the many different ways in which tobacco may be marketed and advertised to minors is necessary. (pp.3-4 of internet print out)

U.S. Federal Trade Commission, "Prepared Statement of the Federal Trade Commission on Advertising, Marketing and Antitrust Issues in the Global Tobacco Settlement Presented By Robert Pitofsky, Chairman, Before the Committee on Commerce, Science and Transportation, United States Senate" March 3, 1998, accessed November 25, 1998, www.ftc.gov/os/1998/9803/tobacc98.tes.htm

30. ... [T]he apparent focus on the possible causal role of cigarette and smokeless tobacco advertising in young people's *initial* decision to smoke or to use smokeless tobacco is overly narrow. Human behavior cannot be modeled so simplistically. In point of fact, tobacco advertising has an effect on young people's tobacco use behaviour if it affects initiation, maintenance, or attempts at quitting.

The evidence that FDA has gathered in this proceeding establishes that cigarette and smokeless tobacco advertising does have such an effect. While not all the evidence in the record supports this conclusion, there is more than adequate evidence, that when considered together, supports a conclusion that advertising, with knowledge of the industry, does affect the smoking behavior and tobacco use of people under the age of 18. This behavior includes the decision whether to start using cigarette or smokeless tobacco, whether to continue or to increase ones

consumption, when and where it is proper to use tobacco, and whether to quit. This evidence includes:

Expert opinion - The American Psychological Association provided expert opinion, with specific citation to numerous studies to show that tobacco advertising plays directly to the factors that are central to children and adolescents and thus plays an important role in their decision to use tobacco. ...

Advertising theory - Basic advertising and consumer psychology theory, statements from advertising experts, and general consumer testing show that advertising that is multi-media, that uses color, and that employs more pictures, characters, or cartoons as opposed to text is more robust and can be better processed, understood and remembered by children and adolescents, who have less information processing ability than adults. ...

Studies and Surveys - Studies show that children are exposed to substantial and unavoidable advertising, that exposure to tobacco advertising leads to favourable beliefs about tobacco use, that advertising plays a role in leading young people to overestimate the prevalence of tobacco use, and that these factors are related to young people's tobacco initiation and use. ...

Empirical Studies - Studies conducted on sales data have shown that advertising did increase one segment of the tobacco market (low tar cigarettes), that advertising in New Zealand had the effect of increasing tobacco sales to young people, and that a large multi-country survey showed that advertising tends to increase consumption of tobacco products. ...

Anecdotal Evidence and Various Advertising Campaigns Successful With Young People - Studies show that the buying behavior of young people is influenced by advertising, that they smoke the most advertised brands, that children ages 3 to 6 can recognize a cartoon character associated with smoking at the same rate as the recognize Ronald McDonald, that various ad campaigns (Camel cigarettes, Reg cigarettes, products designed for women and smokeless tobacco advertising aimed at new users) that appeared to be targeted to young people did have an effect upon young people's purchases and use of tobacco, and that young people report that they got their information about a tobacco brand from billboards, magazines, in store advertising and on teeshirts. ...

Industry Statements - Statements in documents created by R.J. Reynolds' researchers, by Philip Morris advertising people, by executives of US Tobacco and by people in and doing work for various Canadian tobacco companies indicate that young people are an important and often crucial segment of the tobacco market.

Consensus Reports - The IOM and 1994 Surgeon General Report concluded on the basis of an exhaustive review of the evidence that advertising affects young people's perceptions of the pervasiveness, image, and function of smoking, that misperceptions in these areas constitute psychosocial risk factors for the initiation of tobacco use and thus advertising appears to influence young people's risk of tobacco use. ...

Thus the evidence in this proceeding demonstrates that cigarette and smokeless tobacco advertising plays a material role in the decision of children and adolescents under the age of 18 to engage in tobacco use behavior. It therefore establishes that the harm from this advertising is real.(pp.44488-44489)

...

Some items, when used or worn by young people, also create a new advertising medium -- the "walking billboard" -- which can come into schools or other locations where advertising is usually prohibited. (p.44521)

...

[T]he agency recognizes that the tobacco industry has exploited loopholes in partial bans of advertising to move its imagery to different media. When advertising has been banned or severely restricted, the attractive imagery can be and has been replicated on nontobacco items that

go anywhere, are seen everywhere, and are permanent, durable, and unavoidable. By transferring the imagery to nontobacco items, the companies have "thwarted" the attempts to reduce the appeal of tobacco products to children.(p.44524)

...

Because they penetrate the young persons' world, they are very effective in creating the sense that tobacco use is widely accepted, which ... is extremely important to children and adolescents. (p.44525)

...

FDA finds that all nontobacco items that bear cigarette or smokeless tobacco brand logos are capable of playing a significant role in a young person's decision to engage in tobacco use. (p.44526)

...

FDA has concluded that nontobacco items (identified with a tobacco brand), either sold, given away, or provided for proof of purchase are an instrumental form of advertising in affecting young people's attitudes towards and use of tobacco. Moreover, banning this form of advertising is essential to reduce tobacco consumption by young people. (p. 44527)

...

The effect of sponsored events on the young people who attend or see these events is enormous. Advertising affects young people's opinion of tobacco products, first, by creating attractive and exciting images that can serve as a "badge" or identification, second, by utilizing multiple and prolonged exposure in a variety of media, thereby creating an impression of prevalence and normalcy about tobacco use, and finally by associating the product with varied positive events and images. The sponsorship of events by tobacco companies uniquely achieves all three objectives. Sponsorship creates an association between the exciting, glamorous or fun event with the sponsoring entity. Whether at the live gate, or on television, young people will repeatedly see and begin to associate the event, which they are enjoying, with the imagery and appeal of the product. All of the attendant concerns of hero worship of the sports figures and glamorization of the product by identification with the event are present, whether there are thousands or hundreds of thousands of young people in attendance. Race car drivers are extremely popular with young people and often are looked up to as heros. According to one promoter of NASCAR properties, "We've found that boys look to NASCAR drivers the same way they do heros, such as firemen, policemen, professional fighters, or astronauts."

Furthermore, sponsorship events present a prolonged period of time in which to expose the audience, including young people, to the imagery. Sponsorship events do not provide people with a momentary glimpse at the imagery, but from 1 to 2 or 3 hours of constant attractive imagery. The audience has more than enough time to associate the images of the sporting event or the concert with the product. (p.44528-29)

...

The agency finds that the evidence regarding the effect of advertising and sponsorship on children's smoking behavior is persuasive and more than sufficient to justify this regulation. ... The evidence demonstrates that sponsorship of sporting events by tobacco companies can lead young people to associate brand names with certain life styles or activities and can affect their purchasing decisions. (p.44530)

U.S. Food and Drug Administration, "21 CFR Part 801 et al., Regulations Restricting the Sale and Distribution of Cigarettes and Smokeless Tobacco to Protect Children and Adolescents; Final Rule", *Federal Register* Vol. 61, No.168, August 28, 1996.

31. The report has two recommendations:

1. Where governments decide to take strong action to curb the tobacco epidemic, a multi-pronged strategy should be adopted. Its aims should be to deter children from smoking, to protect nonsmokers, and to provide all smokers with information about the health effects of tobacco. The strategy, tailored to individual country needs, would include: ... (2) publishing and disseminating research results on the health effects of tobacco, adding prominent warning labels to cigarettes, adopting comprehensive bans on advertising and promotion ... (p.10)

...

Cigarette advertising and promotion

Policymakers who are interested in controlling tobacco need to know whether cigarette advertising and promotion affect consumption. The answer is that they almost certainly do, although the data are not straightforward. The key conclusion is that bans on advertising and promotion prove effective, but only if they are comprehensive, covering all media and all uses of brand names and logos. (p.49)

World Bank, *Curbing the Epidemic: Governments and the Economics of Tobacco Control* (Washington, D.C.: World Bank, 1999).

32. Successful complete or almost complete bans on tobacco advertising are characterized by:
- general prohibition (with limited exceptions mentioned below) of all use of names of tobacco products, trademarks, and logos in all advertising, whether for tobacco products or non-tobacco goods and services, or for sporting or cultural events, institutions, organizations or participants;
- general prohibition of the use of tobacco product trade names, trademarks, and logos, except on tobacco products themselves;
- prohibition of the use of games, contests and prizes and the free distribution of cigarettes by tobacco importers, manufacturers, wholesalers, and retailers or their agents;
- exemption from the general prohibitions of only specific and limited forms of advertising, e.g. signs of specifically limited size, number, and content at points of purchase for tobacco products. (pp.54-55)

World Health Organization, *Tobacco or health: A global status report*, (Geneva: World Health Organization, 1997).

33. All advertising and promotion of tobacco products should be prohibited; this should apply to sponsorship of sporting events and other indirect means of promotion, as well as to the more obvious forms of advertising. (p.69)

World Health Organization Expert Committee, "Smoking control strategies in developing countries; Report of a WHO Expert Committee" World Health Organization Technical Report Series 695 (Geneva: World Health Organization, 1983).

34. The international tobacco industry's irresponsible behaviour and its massive advertising and promotional campaigns are, in the opinion of the Committee, direct causes of a substantial number of unnecessary deaths. The Committee expressed particular concern at the tobacco industry's expansionary approach to the developing countries. (p.9)

...

Recommendations addressed to all countries

...

2. There should be a total prohibition on all forms of tobacco promotion. (p.72)

World Health Organization Expert Committee on Smoking Control, "Controlling the Smoking Epidemic: Report of the WHO Expert Committee on Smoking Control" World

Health Organization Technical Report Series 636 (Geneva: World Health Organization, 1979).

Conference Proceedings

35. All African countries should review their tobacco control legislation with the goal of banning all advertising and sponsorship by the tobacco industry. (p.177)

All-Africa Conference on Tobacco or Health, "Final Conference Recommendations for Tobacco Control in Africa" In: Yach, D., Harrison, S., eds., *Proceedings of the All-Africa Conference on Tobacco or Health*, Harare, Zimbabwe, 14-17 November 1993.

36. The participants therefore urge that:

...

- all countries and areas become free of tobacco advertising

Fifth Asia Pacific Association for the Control of Tobacco (APACT) Conference, "The 1998 Subic Bay international declaration of support for action to control tobacco" Subic Bay, The Philippines, 23-26 November 1998, *Tobacco Control*, 1999;8(1):81.

37. To make it possible for every person in Europe to enjoy the rights set out in the charter, the Conference participants recommended ten strategies to be followed..

...

3. Outlaw the advertising and promotion of tobacco products and sponsorship by the tobacco industry. (p.14)

First European Conference on Tobacco Policy, "It Can Be Done: A Smoke-free Europe; Report of the First European Conference on Tobacco Policy" Madrid, Spain, 7-11 November 1988. WHO Regional Publications, European Series, No. 30.

38. Banning sports sponsorships and other promotions and the tobacco industry's use of healthy, sexy, athletic models and cartoon figures in advertising should result in a decrease in tobacco use, especially among youth.(p.iv)

...

The data demonstrating that marketing and advertising of tobacco products does play a role in tobacco use comes from many disciplines and from many sources.(p.66)

...

The group restates its long-term commitment to eliminate exploitation by the tobacco industry through advertising and marketing.

a. It is in America's best interest to take into account the dynamic nature of the industry and for any ban to be broad enough to cover traditional forms of advertising and more recent trends like sponsorship, product placement, utilitarian items, etc. and learn from other countries where the industry has circumvented a ban.(p.71)

Houston, T., ed., "Tobacco Use: An American Crisis. Final Conference Report and Recommendations From America's Health Community" Washington, D.C., 9-12 January 1993 (Chicago: American Medical Association, 1993).

39. Policy Recommendations

. . .

1. End tobacco advertising, promotion, sponsorship and other tobacco marketing activities out of concern for children. (p.12)

International Policy Conference on Children and Tobacco, "Policy Recommendations" Washington, D.C., U.S.A., 17-19 March 1999, In: *INGCAT Update* 10, 1999, 2nd quarter.

40. The workshop asks the ICCA to endorse the objectives and recommendations set out in the World Health Organization 1979 Expert Committee report *Controlling the Smoking Epidemic* - which calls for, among other things, an end to all forms of tobacco promotion. (p.3)

International Workshop on Smoking and Health; Edwards, P., Skirrow, J., eds., "Strategies for a Smoke-free World: Recommendations of the International Workshop on Smoking and Health to the International Council on Alcohol and Addictions, Calgary, Alberta, Canada, 1985" (Edmonton: Alberta Alcohol and Drug Abuse Commission, 1986).

41. Lung cancer is the leading cause of cancer death in the world. The incidence is rising at an alarming rate in both men and women. Ninety percent of cases are caused by active or passive smoking and therefore could be avoided or prevented. . . . In order to achieve its goal of eliminating lung cancer, the IASLC . . . 4. Requests all industrial sectors and media organs to eliminate tobacco advertising and marketing.

Ninth World Conference on Lung Cancer, "IASLC 2000 Tokyo Declaration on Tobacco", [International Association for the Study of Lung Cancer] Tokyo, Japan, 2000.

42. This conference resolves that:

1. All nations implement the International Strategy for Tobacco Control.(p.1017)

...

AN INTERNATIONAL STRATEGY FOR TOBACCO CONTROL

Since measures to deal with the tobacco problem must be comprehensive and long term, the following individual actions should form the basis of such a strategy.

1. Legislation to ban all direct and indirect advertising and promotion of tobacco products.
2. Legislation to protect young people from tobacco promotion and sales.(p.1018)

Ninth World Conference on Tobacco and Health, "Resolutions of the Ninth World Conference on Tobacco and Health", Paris, France, 1994, In: Slama, K., ed., *Tobacco and Health: Proceedings from the 9th World Conference on Tobacco and Health.* (New York: Plenum Press, 1995).

43. The European Union, the European region, Latin America and other countries represented at this conference call for governments, international organizations, and NGOs to:

1) Support the highest level policies on advertising and information; for example, ban all advertising, sponsorship and promotion as in the European Union . . .

Second European Conference on Tobacco or Health and First Iberoamerican Conference on Tobacco or Health, "Canarias Declaration" Las Palmas de Gran Canaria, Spain, 23-27 February 1999.

44. Finally, the Conference recognises that the key issues are: (p.239)

...

- legislating to ban all direct and indirect advertising and promotion of tobacco products (p.240)

Smokefree Europe: Conference on Tobacco or Health, "Smokefree Europe Conference Resolution on the European Tobacco Strategy" In: Waller, M., Lipponen, S., eds., *Smokefree Europe: A Forum for Networks,* Smokefree Europe: Conference on Tobacco or Health, Helsinki, Finland, 2-4 October 1996, pp.238-240.

45. The conference recommends:
The WHO and governments to formulate an International Framework Convention to include protocols for comprehensive tobacco control programmes and the recommendations from previous World Conferences, and with the capability to be made broader and more restrictive over time. (p.117)

Tenth World Conference on Tobacco or Health, "Resolutions of the 10th World Conference on Tobacco or Health" In: Slama, K. *Tobacco Control and Prevention: A Guide for Low Income Countries* (Paris: International Union Against Tuberculosis and Lung Disease, 1998), pp.117-120.

46. Conference Resolutions (p.1)

...

That the Government of Canada amend the Tobacco Products Control Act to prohibit tobacco sponsorship advertising (p.3)

Tobacco-Free Canada: First National Conference on Tobacco or Health, Ottawa, Ontario, 20-22 October 1993, Conference Resolutions.

Canadian Statistics

47. [This item indicates that, according to internal RJR-Macdonald data for the years 1988-1996, the prevalence of adult (age 19+) smoking in Canada was 31.0% in 1988 (prior to the *Tobacco Products Control Act*, and 26.9% in 1993, representing a decline of 13.2%. Prevalence increased following the 1994 tobacco tax rollback. Among 19-24 year olds, the youngest age group measured, prevalence decreased from 33.4% in 1988 to 28.3% in 1993, a decline of 15.3%.]

Newman, L., Wilson, S. (RJR-Macdonald Inc.), memorandum to Kauffeld, R. (RJR-Macdonald Inc.), June 4, 1997, "Subject: Market Incidence and Usage".

48. [Imperial Tobacco internal data indicate that the prevalence among adults (age 15+) in Canada fell from 34.8% in 1988 (prior to the *Tobacco Products Control Act*) to 29.0% in 1993, the last year prior to the 1994 tobacco tax rollback. This represents a decline of 16.7%.]

Imperial Tobacco Ltd. "The Canadian Tobacco Market at a Glance" 1989; Imasco Ltd., "Annual Report 1992" 1993; Imasco Ltd., "Annual Report 1993" 1994.

49. [Although the industry claims that smoking levels were unchanged during the period that the *Tobacco Products Control Act* (TPCA) was in force, this claim is disproved by their own internal prevalence data, cited above, and by annual sales and import data from Statistics Canada. Per capita consumption (age 15+) based on domestic sales of cigarettes and roll-your-own (1g = one cigarette) fell from 2784 in 1988 to 2114 in 1995, a decline of 24.1%. During the first four years of the *Tobacco Act*, per capita consumption fell from 2161 in 1996 (pre-Act) to 1904 in 2000, a decline of 13.5%. Per capita consumption was 31.6% lower in 2000 as compared to 1988. And although the industry claimed that imports would increase as a result of the TPCA, manufactured cigarette imports actually fell from 31 per capita in 1988 to 16 per capita in 1995, a decrease of 48%. In 2000, per capita cigarette imports were at 17, and imported cigarettes represented less than 1% of the cigarette market in Canada.]

Statistics Canada, "Production and disposition of tobacco products" Catalogue 32-022, December issues, 1988-2000. Statistics Canada, Demography Division "Total Population and Population Aged 15+, Canada, Provinces and Territories, July 1, 1971 to 1996" custom printout, 2001; Statistics Canada, Demography Division "Total Population and Population Aged 15+, Canada, Provinces and Territories, July 1, 1997 to 2000" custom printout, 2001; Statistics Canada, "Imports by Commodity" Catalogue 65-007, December issues, 1988-2000.

50. [This item indicates that 10-17 year olds comprise 11% of the population. This suggests that a requirement that advertising be permitted only in publications having 15% or less youth readership is more than reasonable, and indeed overly cautious. As it stands under the *Tobacco Act*, tobacco advertising, including sponsorship advertising, can be placed in publications read by a higher percentage of teenagers than of adults. (Children aged 0-9 years cannot be expected to read publications in any great numbers.)]

Statistics Canada, 1996 Census, table showing segmented population for males, females, and total for persons aged 1-30.

Studies and Other Literature

51. Sports sponsorships can offer cost-effective exposure for a product, associate a company or product name with a specific event, and provide companies with high visibility activities, particularly if the events are national or international in scope. All of this contributes to the bottom-line performance. (pp.352-353)

Abratt, R., Grobler, P.S. "The Evaluation of Sports Sponsorships" *International Journal of Advertising* 1989;8:351-362.

52. [S]ponsorship of sport by tobacco companies is a method of advertising cigarettes and other tobacco products. It provides them, at very low cost (about £9 mn) substantial television and other publicity which they could not otherwise obtain either at all (because of the ban on tobacco advertising on television) or for anything like that price. (p.10)

Action on Smoking and Health [U.K.], "Tobacco Sponsorship of Sport" March 1994.

53. This brief summarises the arguments in favour of a ban on all tobacco promotion and advertising and answers the most common counter-arguments. ... A ban is justified on health grounds...

...

No-one claims that advertising is the only determinant of tobacco consumption or smoking prevalence: to do so would be absurd. It is equally absurd, however, to claim (as the industry does) that advertising does not expand (or slow the contraction of) the market and that it does not in fact assist in the recruitment of new smokers. (p.1)

Action on Smoking and Health [U.K.], "Tobacco Advertising: The case for a ban", 5th ed., January 1996.

54. Brand-stretching, that is, the use of tobacco brand names on non-tobacco merchandise or services, has been used by the tobacco industry for many years as a means of promoting cigarettes when faced with a ban on direct tobacco advertising. The examples which follow show the extent to which the tobacco industry will go in order to circumvent restrictions on tobacco promotion. (p.1)

Action on Smoking and Health [U.K.], "ASH Briefing on 'Brand-stretching'" February 1998.

55. Marketing to Children. The companies deny that they target the young. The documents reveal the obvious - that the market of young smokers is of central importance to the industry. Many documents reveals the companies' pre-occupation with teenagers and younger children - and the lengths they have gone to in order to influence smoking behaviour in this age group.
...Advertising. The industry maintains that advertising is used only to fight for brand share and that it does not increase total consumption - academic research shows otherwise. The documents show that advertising is crucial in nurturing the motivation to smoke by creating or projecting the positive values, such as independence, machismo, glamour or intelligence, erroneously associated with the product. (p.i)

Action on Smoking and Health [U.K.], "Tobacco Explained: The truth about the tobacco industry...in its own words" 25 June 1998.

56. Cigarette advertising and promotion contribute to a social environment that supports smoking and convinces many to start.(p.166)

...

Ad messages reduce the effectiveness of health warnings. ... By portraying smoking as a common, harmless practice, advertising masks tobacco's addictive nature as well as the lethal effects of its use.(p.167)

...

Cigarette advertising exploits the fears and frustrations of disadvantaged people. Ads targeted at women associate smoking with romance, social acceptability, sexual attractiveness, and independence; ads targeted at the poor and oppressed associate smoking with prosperity, success, social liberation, and independence.(p.168)

...

Sponsorship of sporting and cultural events gives the tobacco industry a legitimacy it does not deserve. Sports promotions deceptively link smoking with health and athletic ability.(p.170)

Advocacy Institute [U.S.], "Truth and the Consequences of Cigarette Advertising: An Advocate's Guide to Arguments in Support of Banning Cigarette Advertising and Promotions; Developed by the Advocacy Institute for the American Cancer Society and

the UICC" In: *Building a Tobacco-Free World: 8th World Conference on Tobacco and Health*, 30 March - 3 April 1992, Buenos Aires, Argentina, American Cancer Society.

57. Interviews were conducted with 848 Glasgow children aged between 11 and 14 years. There were consistent differences between smokers and non-smokers. Smokers tended to be more adept at recalling, recognizing and identifying cigarette advertisements. This suggests they tend to pay more attention to cigarette advertising. Smokers also tended to be generally more appreciative of cigarette advertising. Moreover, this greater awareness and appreciation of cigarette advertising was independent of other important predictors of under-age smoking, such as smoking by peers, siblings and parents. These findings, taken in conjunction with previous research, indicate that cigarette advertising is reinforcing under-age smoking. (p.399)

Aitken, P.P., Eadie, D.R. "Reinforcing effects of cigarette advertising on under-age smoking" *British Journal of Addiction*, 1990;85(3):399-412.

58. Six hundred and forty Glasgow children, initially aged between 11 and 14 years, were interviewed twice, with approximately one year between interviews. Children whose intentions to smoke when older became more positive between the two interviews tended to be more aware of cigarette advertising at the time of the first interview (compared with children whose intentions to smoke were negative at both interviews). Children whose intentions to smoke became more negative between the interviews tended to be less appreciative of cigarette advertisements at the time of the first interview (compared with children whose intentions to smoke were positive at both interviews). Since both groups differed from their respective contrast groups before their declared intentions changed, these findings support the view that cigarette advertising has predisposing as well as reinforcing effects on children's attitudes and behaviour with respect to smoking. (p.383)

Aitken, P.P., Eadie, D.R., Hastings, G.B., Haywood, A.J. "Predisposing effects of cigarette advertising on children's intentions to smoke when older" *British Journal of Addiction*, 1991;86(4):383-390.

59. It seems that some 12-year olds and most 14- and 16-year olds perceive cigarette advertisements much in the way that young adults do; therefore advertising campaigns targeted at older teenagers and young adults are likely to present qualities which younger teenagers find attractive. (p.785)

Aitken, P.P., Leathar, D.S., O'Hagan, F.J. "Children's Perceptions of Advertisements for Cigarettes" *Social Science and Medicine*, 1985;21(7):785-797.

60. Cigarette brand imagery is often presented in advertisements for other products or services. Recent research sponsored by the Cancer Research Campaign suggests that many primary school children may identify such advertisements as advertising cigarettes, and perceive exciting and attractive imagery in this kind of advertising material. (p.201)

Aitken, P.P., Leathar, D.S., O'Hagan, F.J. "Brand Stretching Advertisements for Cigarettes: Impact on Children" *Health Education Journal* 1985;44(4):201-202.

61. First, more than half the secondary school children and about a third of the 10 and 11-year olds were able to name cigarette brands and sponsored sports. This shows the power of sports

sponsorship in putting cigarette brand names and associated sports imagery into children's memories.

... [I]t seems that television sports sponsorship by cigarette manufacturers acts as advertising and therefore circumvents the law banning cigarette advertising on television.

Thirdly, and perhaps even more important, the research described here indicates that associations between cigarette brand names (or their visual cues) and exciting sponsored sports can be elicited or triggered by simple advertisements. That such associations can be elicited even in young primary school children indicates the insidious nature of cigarette brand sponsorship of sports. (pp.210-211)

Aitken, P.P., Leathar, D.S., Squair, S.I. "Children's awareness of cigarette brand sponsorship of sports and games in the UK" *Health Education Research*, 1986;1(3):203-211.

62. Prohibition on Youth Targeting. No Participating Manufacturer may take any action, directly or indirectly, to target Youth within any Settling State in the advertising, promotion or marketing of Tobacco Products, or take any action the primary purpose of which is to initiate, maintain or increase the incidence of Youth smoking within any Settling State.

. . . Ban on Use of Cartoons. Beginning 180 days after the MSA Execution Date, no Participating Manufacturer may use or cause to be used any Cartoon in the advertising, promoting, packaging or labeling of Tobacco Products. (p.3.229)

. . .

No Participating Manufacturer may engage in more than one Brand Name Sponsorship in the States in any twelve-month period . . : [There is a transition period ending not later than three years from the Execution Date. Also, Brown and Williamson may also sponsor GPC country music festival or Kool jazz festival, in addition to one other sponsorship.] (p.3.230)

. . .

. . . [E]ach Participating Manufacturer shall remove from within the Settling States within 150 days after the MSA Execution Date all of its (A) billboards (to the extent that such billboards constitute Outdoor Advertising) advertising Tobacco Products; (B) signs and placards (to the extent that such signs and placards constitute Outdoor Advertising) advertising Tobacco Products in arenas, stadiums, shopping malls and Video Game Arcades; and (C) Transit Advertisements advertising Tobacco Products. (p.3.231)

. . .

To the extent that any advertisement advertising Tobacco Products located within an Adult-Only Facility constitutes Outdoor Advertising or a Transit Advertisement, this subsection (d) shall not apply to such advertisement, provided such advertisement is not visible to persons outside such Adult-Only Facility.

. . .Prohibition on Payments Related to Tobacco Products and Media. No Participating Manufacturer may, beginning 30 days after the MSA Execution Date, make, or cause to be made, any payment or other consideration to any other person or entity to use, display, make reference to or use as a prop any Tobacco Product, Tobacco Product package, advertisement for a Tobacco Product, or any other item bearing a Brand Name in any motion picture, television show, theatrical production or other live performance, live or recorded performance of music, commercial film or video, or video game ("Media"); provided, however, that the foregoing prohibition shall not apply to (1) Media where the audience or viewers are within an Adult-Only Facility (provided such Media are not visible to persons outside such Adult-Only Facility); (2) Media not intended for distribution or display to the public; or (3) instructional Media concerning non-conventional cigarettes viewed only by or provided only to smokers who are Adults.

. . . Ban on Tobacco Brand Name Merchandise. Beginning July 1, 1999, no Participating Manufacturer may, within any Settling State, market, distribute, offer, sell, license or cause to be marketed, distributed, offered, sold or licensed (including, without limitation, by catalogue or direct mail), any apparel or other merchandise (other than Tobacco Products, items the sole function of which is to advertise Tobacco Products, or written or electronic publications) which bears a Brand Name. Provided, however, that nothing in this subsection shall (1) require any Participating Manufacturer to breach or terminate any licensing agreement or other contract in existence as of June 20, 1997 (this exception shall not apply beyond the current term of any existing contract, without regard to any renewal or option term that may be exercised by such Participating Manufacturer); prohibit the distribution to any Participating Manufacturer's employee who is not Underage of any item described above that is intended for the personal use of such an employee; (3) require any Participating Manufacturer to retrieve, collect or otherwise recover any item that prior to the MSA Execution Date was marketed, distributed, offered, sold, licensed, or caused to be marketed, distributed, offered, sold or licensed by such Participating Manufacturer; (4) apply to coupons or other items used by Adults solely in connection with the purchase of Tobacco Products; or (5) apply to apparel or other merchandise used within an Adult-Only Facility that is not distributed (by sale or otherwise) to any member of the general public. (p.3.232)

. . .

Ban on Gifts to Underage Persons Based on Proofs of Purchase. Beginning one year after the MSA Execution Date, no Participating Manufacturer may provide or cause to be provided to any person without sufficient proof that such person is an Adult any item in exchange for the purchase of Tobacco Products, or the furnishing of credits, proofs-of-purchase, or coupons with respect to such a purchase. (p.3.232-3.233)

. . .

Ban on Non-Tobacco Names. No Participating Manufacturer may, pursuant to any agreement requiring the payment of money or other valuable consideration, use or cause to be used as a brand name of any Tobacco Product any nationally recognized or nationally established brand name or trade name of any non-tobacco item or service or any nationally recognized or nationally established sports team, entertainment group or individual celebrity. Provided, however, that the preceding sentence shall not apply to any Tobacco Product brand name in existence as of July 1, 1998. (p.3.233)

Alabama, et al. [46 U.S. states and American Samoa, District of Columbia, Guam, Puerto Rico, Northern Mariana Islands], Philip Morris Inc., R.J. Reynolds Tobacco Company, Brown & Williamson Tobacco Corporation, Lorillard Tobacco Company, "Master Settlement Agreement" November 23, 1998. In: *Tobacco Products Litigation Reporter*, 1998;13(6):3.223-3.327[out-of-court settlement of state government medicare cost recovery lawsuits against tobacco manufacturers]

63. Children who approved of cigarette advertising were twice as likely to become smokers as children who disapproved . . .

...

Children who disapproved of cigarette advertising were more likely to quit than those who approved of it.(p.61)

...

Predisposing factors are those which are anteceded to smoking behaviour and which provide the initial motivation for it. ... [A]pproval of advertising was an important predisposing factor. Furthermore, children who held favourable attitudes to smoking and cigarette advertising were at

greater risk of adopting or maintaining smoking behaviour than those whose attitudes were more disapproving.
Reinforcing factors are related to the maintenance of the behaviour. Most of the predisposing factors we identified also have a role in reinforcement. We found that attitudes to cigarette advertising and smoking changed over the study period so that they remained congruent with smoking behaviour. This suggests to us that these attitudes form part of the reinforcement process.(p.64)
...
In summary, well-enforced legislation is needed to ban the sale of cigarettes to children as well as banning all advertising of cigarettes. These strategies should be supplemented by carefully tailored health education programmes. These three measures should lead to a reduction in childhood smoking because they would provide a broad attack on the predisposing, reinforcing and enabling aspects of this unhealthy behaviour.(p.65)

Alexander, H.M., Calcott, R., Dobson, A.J., Hardes, G.R., Lloyd, D.M., O'Connell, D.L., Leeder, S.R. "Cigarette Smoking and Drug Use in Schoolchildren: IV. Factors Associated with Changes in Smoking Behaviour" *International Journal of Epidemiology*, 1983;12(1):59-66.

64. There is a strong association between an awareness of and involvement with tobacco promotions and being susceptible to tobacco use or a user of tobacco products. (p.1590)

Altman, D.G., Levine, D.W., Coeytaux, R., Slade, J., Jaffe, R. "Tobacco Promotion and Susceptibility to Tobacco Use among Adolescents Aged 12 through 17 Years in a Nationally Representative Sample" *American Journal of Public Health*, 1996;86(11):1590-1593.

65. There should be a ban on all tobacco and alcohol advertising in all media. This ban should include all "passive" advertising in sponsored sports events (ie, banners, logos, etc). (p.296)

American Academy of Pediatrics, Committee on Communications "Children, Adolescents, and Advertising" *Pediatrics*, 1995;95(2):295-297.

66. [M]easures that reduce youths' overall exposure to tobacco advertisements (and to the positive imagery presented in the remaining ads) would be expected to contribute to reductions in underage smoking rates. (p.12)

American Psychological Association, American Psychological Association Submission to the U.S. Food and Drug Administration on the proposed rule to restrict the sale and distribution of cigarettes and smokeless tobacco, December 28, 1995.

67. Faced with increasing public awareness in many countries of the serious health effects of smoking, and increasing government action directed at reducing smoking, the tobacco industry has responded by developing new strategies aimed at sustaining current markets and developing new markets around the world. (p.3)

Amos, A., "Cigarette advertising and marketing strategies" *Tobacco Control*,1992;1(1):3-4.

68. In Germany in the 1990s young women have become a prime target for cigarette ads, many of which have promoted smoking as synonymous with western images of modern emancipated womanhood. It is therefore particularly worrying that between 1993 and 1997, rates of smoking among 12 to 25 year old women in former East Germany nearly doubled from 27% to 47%. In contrast rates among young men showed a less steep increase from 38% to 45%, and there was little change in smoking rates among the same age group in former West Germany. In addition the desire to quit among 12-25 year old smokers declined from 62% to 42% over this period. (p.6)

...

Conclusion

At the beginning of the 20th century few people could ever have imagined how such a stigmatised behaviour as female smoking would be transformed, with the aid of judicious marketing, into a socially acceptable and desirable practice. (p.8)

Amos, A., Haglund, M. "From social taboo to "torch of freedom": the marketing of cigarettes to women" *Tobacco Control*, 2000;9(1):3-8.

69. [T]he children's perceived responses to cigarette advertising showed the strongest and most consistent evidence of an effect on the uptake of smoking by children who initially were non-smokers. Moreover, in contrast to the effect of the educational programme, this association became stronger over time.(p.121)

...

Taken together with the results of other research, we believe that there now is no room for doubt, if there ever really was, that cigarette advertising has an important effect on uptake of smoking by children.(p.123)

Armstrong, B.K., de Klerk, N.H., Shean, R.E., Dunn, D.A., Dolin, P.J. "Influences of education and advertising on the uptake of smoking by children." *Medical Journal of Australia*, 1990;152(3):117-124.

70. Conclusions. The "No Additives" slogan was perceived by a majority of adolescents and about a quarter of adults as implying one or more health claims. (p.522)

...

[S]ubstantial proportions of the adolescents in the present study, especially the smokers, liked each of the four ads from the "No Additives" campaign, and for three of the four ads, 20% or more said the ad made smoking more appealing. (p.526)

...

More generally, the findings provide further support, from a public health perspective, for banning tobacco advertising or at minimum restricting it to adults-only venues. (p.527)

Arnett, J.J., "Winston's "No Additives" Campaign: "Straight Up"? "No Bull"?" *Public Health Reports*, 1999;114:522-527.

71. Nearly half believed that the Joe Camel advertisement makes smoking more appealing, and 40% believed that the Marlboro Man advertisement makes smoking more appealing. Adolescent smokers were more likely than non-smokers to believe that the advertisements for Camel and Marlboro make smoking more appealing.

Conclusions - The advertisements most popular among adolescents are for two of the brands they are most likely to smoke - Marlboro and Camel. The results of the study are consistent with the

view that certain cigarette advertisements enhance the appeal of smoking to many adolescents.(p.129)

...[I]n the interest of reducing smoking among adolescents, cigarette advertising and promotion should be banned or restricted to adult-only venues. (p.133)

Arnett, J.J., Terhanian, G. "Adolescents' responses to cigarette advertisements: links between exposure, liking and the appeal of smoking" *Tobacco Control,* 1998;7(2):129-133.

72. In the land of indirect advertising, Benson & Hedges bistro advertisements, originally designed to circumvent the European Union directive to ban cigarette advertising, are being fine tuned. Malaysia was selected as the testing ground for the bistro ads, because of its tolerance of indirect advertising, despite a law banning direct cigarette ads. ...

The B&H bistro is advertised regularly on national television and even on billboards. The advert shows outdoor activities not usually found in a bistro, such as fishing and parachuting. The script uses pairs of words joined by an ampersand, such as *sweet & bitter* and *sky & earth.* (p.243)

Assunta, M. "Malaysia: & another way round ad restrictions" *Tobacco Control,* 1999;8(3):243-244.

73. Common sense tells us that the billions of dollars spent to make smoking romantic, mature, successful, [and] the thing that "beautiful" and healthy people do will attract some people, especially young people, to take up smoking who might not otherwise have done so and will influence some smokers who might have quit to keep on smoking.

Shouldn't the industry that promotes this lethal product be responsible for proving that cigarette advertising does not induce anyone to smoke or keep anyone from quitting?(p.35)

...

It is common sense that any advertising or promotion that makes the smoking of a particular brand attractive makes smoking attractive.(p.36)

Ashton, L.P. "Countering Tobacco Marketing, Advertising and Promotion" In: *Building a Tobacco-Free World: 8th World Conference on Tobacco and Health,* 30 March - 3 April 1992, Buenos Aires, Argentina, American Cancer Society, pp.34-37.

74. Results. Across the four ads [Camel, Marlboro, Newport, Virginia Slims], between 37% and 84% of the students [aged 10-15] reported that the ads communicated to them that smoking will make people popular, cool, successful in life, sexy, attractive, and healthy. Sizeable percentages of students reported that the ads show people using the product in an "exaggerated" way, and that what people in the ads are doing requires "exercise and physical energy." The median estimated age of the models in the ads was under age 25 for four out of the six models.

Conclusions. As perceived by adolescents, current cigarette print advertising violates basic tenets of the Voluntary Code, thus bringing into question the tobacco industry's ability to self-regulate image advertising. These findings suggest that the FDA ruling to prohibit image advertising for tobacco in publications with significant youth readership deserves serious consideration. (p.488)

Barbeau, E.M., DeJong, W., Brugge, D.M., Rand, W.M. "Does Cigarette Print Advertising Adhere to the Tobacco Institute's Voluntary Advertising and Promotion Code? An Assessment" *Journal of Public Health Policy,* 1998;19(4):473-488.

75. One process through which tobacco advertising may work is by reducing rates of quitting. Theories of addiction support the notion that relapse can be prompted by environmental cues. Further, because withdrawal symptoms occur over a predictable time frame, and because the most popular time to quit smoking is the beginning of the year, as a New Year's resolution, tobacco companies can make use of advertising to remind quitters of their need to smoke. Study 1 examined advertising in 10 popular magazines. It found a higher number of ads in January and February than the rest of the year after 1984. Study 2 examined cigarette advertising on the back cover of 10 other popular magazines. This study also found a higher rate of cigarette advertisements in January and February than for the rest of the year. The results suggest that cigarette marketers may be attempting to preempt quitting by cuing smoking behavior. (p.161)

Basil, M.D., Basil, D.Z., Schooler, C. "Cigarette Advertising to Counter New Year's Resolutions" *Journal of Health Communication*, 2000;5:161-174.

76. [A survey of Massachusetts teens aged 12-17 found that 54% know someone under 18 who owns a tobacco promotional item, 52% have seen a tobacco company catalog, 11% have a tobacco company catalogue, and 23% have a promotional item. (p.11)]

Biener, L., Fowler, F.J., Roman, A.M., "1993 Massachusetts Tobacco Survey: Tobacco Use and Attitudes at the Start of the Massachusetts Tobacco Control Program" A report to the Massachusetts Department of Health. Boston: Center for Survey Research, University of Massachusetts, 1994.

77. Results. Adolescents who, at baseline, owned a tobacco promotional item and named a brand whose advertisements attracted their attention were more than twice as likely to become established smokers (odds ratio = 2.70) than adolescents who did neither.
Conclusions. Participation in tobacco marketing often precedes, and is likely to facilitate, progression to established smoking. Hence, restrictions on tobacco marketing and promotion could reduce addiction to tobacco. (p.407)

Biener, L., Siegel, M. "Tobacco Marketing and Adolescent Smoking: More Support for a Causal Inference" *American Journal of Public Health*, 2000;90(3):407-411.

78. A cautious conclusion would be that the advertising ban as from 1975, with the concomitant publicity throughout the legislative process, *has* had an impact on consumption and young people's smoking, and in combination with the continued educational efforts was a causal factor in the new trend.
. . . In June 1997 the former Health Minister Professor Gudmund Hernes, Ph D, made the following statement: ...
"there is no doubt that the Norwegian advertising ban has had a clear and substantial influence on total consumption in general, and smoking rates among school children in particular." (p.12)

Bjartveit, K., Lund, K.E. "The Norwegian ban on advertising of tobacco products: has it worked?" (Oslo: Norwegian Cancer Society, Norwegian Health Association, June 1998).

79. Exposure of the Marlboro Logotype during the 1989 Marlboro Grand Prix Telecast
...

Total no. of times Marlboro seen or mentioned	5933
Total length of broadcast (min)	93.62

Total time Marlboro seen (min)	46.17
Percent of time Marlboro seen	49.32 (p.915)

Blum, A. "The Marlboro Grand Prix: Circumvention of the Television Ban on Tobacco Advertising" *New England Journal of Medicine*, 1991;324(13):913-917.

80. [W]e found significant associations between perceived influence of cigarette advertisements and exposure to social and information (cigarette advertising) prosmoking environments as well as smoking susceptibility. (p.105)

Borzekowski, D.L.G., Flora, J.A., Feighery, E., Schooler, C. "The Perceived Influence of Cigarette Advertisements and Smoking Susceptibility Among Seventh Graders" *Journal of Health Communication*, 1999;4(2):105-118.

81. Adolescents with high exposure to cigarette advertising were significantly more likely to be smokers, according to several measures of smoking behaviour, that were those with low exposure to cigarette advertising. (p.217)

Botvin, G.J., Goldberg, C.J., Botvin, E.M., Dusenbury, L. "Smoking Behaviour of Adolescents Exposed to Cigarette Advertising" *Public Health Reports*, 1993;108(2):217-224.

82. Another more sophisticated strategy is to give the name of a well-known brand of cigarettes to another product, such as coffee, and to design the coffee package exactly like the cigarette pack; that brand of coffee is then used to promote the music programme on the radio that is most popular among young people, 'The 40's principals' which is 'casually' sponsored by 'Coffee Coronas'. (p.347)

Calvo, J.R., Calvo-Rosales, J., Lopez-Cabañas, A., Lopez, M., Torres, M., Navarro, M.C., Segurs, J.M., Marrero, M., Orengo, J.C. "Strategies used by the tobacco industry to target young consumers: The Canary Islands experience" In: Lu, R., Mackay, J., Niu, S., Peto, R., eds., *The Growing Epidemic: Proceedings of the Tenth World Conference on Tobacco or Health*, (London: Springer-Verlag London Limited, 2000) 24-28 August 1997, Beijing, China, pp.347-348.

83. Since at least the 1960's, Philip Morris has repeatedly made similar claims that it does not market cigarettes to kids. But internal company documents revealed in the tobacco lawsuits show that Philip Morris has regularly done just that. (p.1)

Campaign for Tobacco-Free Kids [U.S.], "Philip Morris – A History of Double Talk" February 16, 2000 [fact sheet].

84. Only a third of all adults recalled seeing a tobacco ad in the past two weeks but more than 70 percent of kids aged 12 to 17 reported seeing those ads. Cigarette companies continue to advertise heavily in magazines with large youth readerships, such as Sports Illustrated – which 51 percent of the polled teens but only 16 percent of adults read regularly – and People magazine – which 35 percent of teens but only 20 percent of adults read regularly. (p.2)

Campaign for Tobacco-Free Kids [U.S.], "Research Findings on Tobacco Industry Marketing to Kids in Magazines" 20 May 2000 [fact sheet].

85. "Our profile taken locally shows this brand being purchased by black people (all ages), young adults (usually college age), but the base of our business is the high school student." 1978 Lorillard memo from Achey to CEO Curtis Judge about the "fantastic success" of Newport, No. TINY0003062. (p.4)

Campaign for Tobacco-Free Kids [U.S.], "Tobacco Company Quotes on Marketing to Kids" June 23, 2000 [fact sheet].

86. Internal company documents show that Brown & Williamson has had a longstanding interest in capturing a larger share of the youth market for cigarettes. (p.2)

. . .

"The younger smoker is of pre-eminent importance: significance in numbers, 'lead in' to prime market, starts brand preference patterning" . . .[B&W New Ventures Project/The New Smoker 1974] (p.2)

Campaign for Tobacco-Free Kids [U.S.], "Is Brown and Williamson a Good Corporate Citizen? Their Own Words and Deeds Say No" October 18, 2000 [fact sheet].

87. The complete ban of tobacco advertising is a necessary component of an effective and comprehensive tobacco control policy. There is ample evidence that advertising can increase tobacco consumption in a variety of ways. . . .

. . . Sponsorship promotions are akin to lifestyle advertising, and their elimination is easily justifiable from a constitutional point of view given the Supreme Court of Canada's decision in *RJR-MacDonald v. Canada (Attorney General)*. (p.2)

...

The ban on the use of tobacco trademarks on non-tobacco goods and services, contained in the *Blueprint*, is a crucial component of a comprehensive tobacco control policy. Failure to include such a provision would open up massive promotional opportunities for tobacco companies. (p.3)

Canadian Cancer Society, "Taking Action on Tobacco: A Submission to the Office of Tobacco Control, Health Canada, Respecting *Tobacco Control: A Blueprint to Protect the Health of Canadians*" January, 1996.

88. There is ample evidence that tobacco advertising increases consumption, including important evidence that has arisen since the trial respecting the *Tobacco Products Control Act*. The evidence includes academic studies, logic, anecdotal reports, corporate documents, industry admissions, expert opinion, conference materials, and international materials. Much of this evidence has been documented elsewhere. (p.10)

Canadian Cancer Society, "Response to Tobacco Industry Arguments Against Bill C-71, the *Tobacco Act*" February 1997.

89. [This report documents many Canadian tobacco company violations of the industry's own voluntary marketing code. On a number of occasions, after having been found in violation, the industry weakened the code to allow the offending marketing practice(s) to continue.]

Canadian Cancer Society, "Compilation of Complaints made under the Tobacco Industry Voluntary Packaging and Advertising Code, and Responses to Complaints" 1997.

90. The CMA supports a total ban on the promotion of tobacco; this includes advertising in all forms and the sale of non-tobacco products displaying tobacco brand names, logos or colours. It also supports a ban on all tobacco-brand marketing associated with the sponsorship of sports, cultural and other events. (p.240A)

Canadian Medical Association, "CMA Policy Summary: Tobacco and Health" *Canadian Medical Association Journal*, 1997;156(2):240A-240C.

91. In Chapter Six, I report on the extent of information provided in a sample of Australian print media cigarette ads. The results show that cigarette ads are almost devoid of information, and at times arguably misleading. (p.33)

. . .

Advertising for smoking accessories carrying cigarette brand names is also a form of indirect advertising, a notion recognized by the Australian Broadcasting Tribunal in its December 1983 Policy Statement on "incidental" and "indirect" advertising. In France, tobacco advertising may not contain any graphic or photographic image other than that of the product itself, its packaging and trade symbols. Marlboro effectively circumvented this proscription by placing its cowboy on the pack, thereby allowing the Marlboro man back into French advertising. (pp.46-47)

. . .

[C]igarette advertising promotes smoking by associating it with a wide range of carefully selected, motivating themes. To maintain otherwise would suggest that the tobacco industry spends billions of dollars worldwide on advertising to no effect. In every brand campaign considered in Chapters Six and Seven [in this book], appeals were found that held out promises that touch ordinary, human desires: prestige, gender identification, belonging to a group, and so on. Many of these are emotions and needs which are at their most acute in the developmental phases of adolescence. The continued denial by the industry that its advertising holds [no] behavioural consequences for children should therefore be soundly rejected. (p.116)

. . .

Malaysian television, where cigarette advertising is banned, has a nightly cavalcade of ads for Kent and Salem holidays, Camel camping equipment, Benson and Hedges exhibitions and a Winston sports magazine. (p.126)

Chapman, S. *Great Expectorations: Advertising and the Tobacco Industry* (London: Comedia Publishing Group, 1986).

92. The logic of banning tobacco billboards adjacent to schools is even more absurd. Here, it is being suggested that a child sighting such a billboard 195 metres from a school might be influenced by its message, but the same child sighting the same advertisement 205 metres from a school would somehow be immune from its persuasions. (p.130)

Chapman, S. "The ethics of tobacco advertising and advertising bans" *British Medical Bulletin*, 1996;52(1):121-131.

93. Smokers were nearly twice as likely to correctly identify edited cigarette advertisements and slogans than were non-smokers. (p.491)

Chapman, S., Fitzgerald, B., "Brand Preference and Advertising Recall in Adolescent Smokers: Some Implications for Health Promotion" *American Journal of Public Health*, 1982;72(5):491-494.

94. All major health, medical and consumer groups have identified a ban on all forms of tobacco advertising as an essential component of a comprehensive smoking control programme.
- Tobacco advertising promotes the idea that smoking is acceptable, desirable and glamorous.
- It undermines the credibility of government health education campaigns against smoking.
- It stops the flow of full information about the health risks of smoking because many magazines and newspapers do not wish to offend their tobacco advertisers. (p.3)

Chapman, S., White, P., Aitken, P.P. *Pushing Smoke: Tobacco advertising and promotion,* (Copenhagen: World Health Organization Regional Office for Europe and the Commission for the European Communities, 1988).

95. It is suggested that children are receiving the positive messages from cigarette advertisements even as young as the impressionable age of nine years when they are most likely to try their first cigarette, although the advertisements are supposedly not intended for them. They may see these messages as generic to smoking and the positive impressions they gain from them could be one of the important influences in their decision to smoke. (p.75)

Charlton, A. "Children's advertisement-awareness related to their views on smoking" *Health Education Journal*, 1986;45(2):75-78.

96. Any ban on tobacco advertising must include all sponsored sport. [This study found that boys whose favourite sport to watch on television was car racing are almost twice as likely to smoke, and are also twice as likely to remember the names of leading car racing sponsors, Marlboro and Camel, than boys who do not follow car racing.]

Charlton, A., While, D., Kelly, S. "Boys' smoking and cigarette-brand-sponsored motor racing" *The Lancet* 1997;350(9089):1474.

97. [P]eer approval and exposure to tobacco advertising were also both significant predictors for use and susceptibility. Extending the ban of tobacco marketing practices to all mass media may be necessary if smokeless tobacco use is to be reduced. (p.S57)

Choi, W.S., Farkas, A.J., Rosbrook, B., Elder, J.P., Pierce, J.P. "Does advertising promote smokeless tobacco use among adolescent boys? Evidence from California" *Tobacco Control*, 1995;4(suppl 1):S57-S63.

98. Despite claims by the tobacco industry that promotional items are intended solely for smokers at least 21 years of age, millions of young people, both smokers and non-smokers, possess and use such items. This popular form of advertising lacks warning labels and familiarises minors with tobacco products. (p.253)

Coeytaux, R.R., Altman, D.G., Slade, J. "Tobacco promotions in the hands of youth" *Tobacco Control*, 1995;4(3):253-257.

99. Reynolds's research identified important psychological needs in a period of cultural change that were being met less well by other cigarette brands. A successful implementation of such a campaign

would give the brand the ability to bring people who might not have become regular smokers into the product category. (pp.159-160)

. . .

A series of documents focus on peer acceptance . . . : "The objective of Camel advertising worldwide will be to convince prime prospect smokers that by choosing Camel as their usual brand they will enhance their acceptance among their peer groups" (p.160)

Cohen, J. "Playing to Win: Marketing and Public Policy at Odds over Joe Camel" *Journal of Public Policy and Marketing*, 2000;19(2):155-167.

100. [T]he titles of some of the known earlier reports make it clear that selling to youth and market segmentation were of great interest to Imperial Tobacco in the 1950s and 1960s:

- 1955: University student brand switching
- 1964-5: Smoking habits of teenagers;
- 1965: The youth market (Toronto) (p.1)

...

"When we talk about a switcher we are talking about someone who has been smoking his usual brand for less than 12 months. This definition includes starters (did not smoke before) and smokers that had no regular or particular previous brand." Imperial Tobacco Switching Study, 1991. (p.9)

Collishaw, N. "Selling Smokes to Starters" Paper presented at the World No-Tobacco Day Forum on Tobacco Industry Documents, Ottawa, Canada, May 31, 2000, accessed March, 2001, http://www.tobaccopapers.org/WNTD/WNTDWeb/default1.htm

101. Another key was to make and sell the brand that teenagers would begin to smoke, the brand for starters. Theory held that if you hooked them early, they would continue to smoke your brand throughout their lives. The theory worked like a charm. (p.19)

Collishaw, N. "The Story of Player's Lights" Paper presented at the World No-Tobacco Day Forum on Tobacco Industry Documents, Ottawa, Canada, May 31, 2000, accessed March, 2001, http://www.tobaccopapers.org/WNTD/WNTDWeb/default1.htm

102. Between 1970 and 1985, the use of the moist snuff increased by 30% among all Americans, but eightfold in the 17- to 19-year-old group. Such an increase did not occur by accident, but rather as the result of a carefully crafted marketing strategy by tobacco companies, which uses extensive point-of-purchase displays, wide distribution on free samples, and sponsorship of touring sports and cultural events.(pp.351-352)

...

Tobacco companies also recognize the powerful influence sport has on shaping youthful behavior. They have exploited sport to pass the nation's tobacco epidemic on to each new generation, recruiting young people to replace those who have quit or died from tobacco use. The harmful effects of tobacco are camouflaged against the backdrop and thrill of athletic victory. All of this must end.(p.353)

Connolly, G.N. "Snuffing Tobacco Out of Sport" *American Journal of Public Health*, 1992;82(3):351-353.

103. There are several reasons why allowing sponsorships by tobacco companies (especially sponsorship of sports) undermine attempts to curb tobacco consumption: (1) sponsorships function like advertising, (2) sports sponsorship reach the youth market very effectively, (3) sponsorships associate smoking with healthy, popular activities and images, and (4) the international nature of sponsored events may allow exemption from national sponsorship bans. (p.243)

Cornwell, T.B., "The Use of Sponsorship-Linked Marketing by Tobacco Firms: International Public Policy Issues" *Journal of Consumer Affairs*, 1997;31(2):238-254.

104. The government should introduce a total ban on all forms of tobacco advertising and promotion, including sponsorships. Also prohibited would be the free distribution of tobacco; the use of tobacco brand names and logos on nontobacco goods like lighters and T-shirts; and the use of games, contests, and other incentives to promote sales. (p.248)

Cunningham, R. *Smoke & Mirrors: The Canadian Tobacco War* (Ottawa: International Development Research Centre, 1996).

105. To what extent do youth recognize sponsored event advertising as advertising for tobacco products? To what extent to they recognize it as advertising for an event or activity?(p.6)

...

Less than one percent of young people mentioned the event being advertised by these posters. A significant proportion, however, interpreted the posters as advertisements for cigarettes. Fifty-three said the Player's Ltd. Racing ad was about cigarettes and 12% said the du Maurier Jazz Festival ad was about cigarettes. The brand name was mentioned equally as frequently. In fact, it was common for students to mention the brand name and cigarettes in the same line (e.g. Player's cigarettes, du Maurier cigarettes).(p.9)

...

Even with the restrictions on direct advertising of tobacco products in Canada that were in place over the time of this study, youth perceived that tobacco *product* advertising was occurring, through the advertising of events sponsored by tobacco companies, notably Player's Ltd. Racing and the du Maurier Jazz Festival. This is particularly true for Player's, with colours, font and even shapes making fairly blatant connections to the cigarette package itself. That over one half of students associated the Player's Ltd. Racing ad with cigarettes, despite the fact that the poster did not have the word "Player's" on it indicates the high degree of success that Player's has had in maintaining a profile for their company and their product, despite the ban on advertising cigarettes. Given that the purpose of the advertising ban was to eliminate cigarette advertising, these results indicate the Player's, and to a lesser extent, du Maurier, have successfully circumvented the spirit of the law.(p.16)

d'Avernas, J.R., Northup, D., Foster, M.K., Burton, D., Ferrence, R., Pollard, J., Rootman, I., Flay, B.R., "Cigarette Packaging and Event Marketing Increases the Attractiveness of Smoking: A Study of Youth". Ontario Tobacco Research Unit, Working Paper Series #28, Toronto, 1997.

106. [E]vidence indicating that cigarette advertising and promotion increase total consumption, especially among youth, has accumulated steadily.(p.2)

...

The reason for the industry's failure to support a federal ban on tobacco advertising must be that the underlying premise is wrong - that is, the companies must indeed perceive an industry-wide benefit to advertising and promotion. The benefit - the maintenance or expansion of the cigarette market - serves a vital need for an industry that is losing more than 400,000 of its consumers each year to smoking-attributable deaths.

...

. . . the common-sense notion that advertising must have effects beyond loyalty and brand switching.(p.3)

Davis, R.M. "The effects of tobacco advertising: Brand loyalty, brand switching, or market expansion?" *American Journal of Preventive Medicine*, 1996;12(1):2-3.

107. In light of the conclusive evidence identifying smoking as a major health hazard with no redeeming health aspect, the federal government has developed a policy designed to discourage, in the strongest possible terms, the sponsorship of amateur sport by the tobacco industry.

Therefore, effective immediately, all national amateur sport bodies funded in part by the federal government will be required to desist from associating in any new or renewed sponsorship arrangements with the tobacco products industry. The federal government will withhold all funds from national amateur sport organizations associating in any sponsorship, promotional or other financial support arrangements (e.g. advertising) with the tobacco products industry for events or programs predominantly involving amateur athletes. (p.2)

Department of Canadian Heritage, Sport Canada "Federal Government Policy on Tobacco Sponsorship of National Sport Organizations" Originally issued March 1985.

108. Canadian tobacco companies have evaded the intent of advertising provisions in the past through the sponsorship of cultural and sports events. The provisions of Bill C-42 aim to close some of the loopholes that were previously exploited by the tobacco companies. (p.84)

Dewhirst, T. "Tobacco sponsorship is no laughing matter" *Tobacco Control*, 1999;8(1):82-84.

109. Sponsorship has enabled tobacco manufacturers to extend the brand identities they developed using traditional product advertising. Through commissioned research on youth consumer culture, the industry has endeavoured to isolate those groups that are most likely to start smoking and then has sought to reach and influence these groups through sponsored activities that link the sponsoring cigarette brands to desirable, peer-defined attributes, identities and personalities. . . . [M]anufacturers have utilized sponsorship to communicate meanings of masculinity, maturity, independence, rebelliousness, excitement, and adventure. (p.1)

Dewhirst, T. "Tobacco Sponsorship Appealing to Male Youths in Canada: Positioning Cigarettes as Symbols of Masculinity, Independence, Rebelliousness, Excitement and Adventure" History of Advertising Archives, Faculty of Commerce, University of British Columbia, Vancouver, January 2000.

110. [This document annotates various exhibits in the *Minnesota* medicare cost recovery lawsuit, e.g. "RJR document dated July 22, 1980 – subject is "MDD Report on Teenage Smokers (14 to 17)". Document is from G.H. Long (head of marketing and later president of RJR) to Mr. E.A. Horrigan, Jr. (president of RJR)."] (p.6)

Dewhirst, T., Pollay, R.W., "Exhibited and Exposed: Annotations to Documents discussed in *Minnesota et al. Plaintiffs v. Philip Morris, et al., Defendants*", History of Advertising Archives, Faculty of Commerce, University of British Columbia, Working Paper 98.4, July 1998.

111. [This document includes various quotations from internal tobacco company documents, as indicated by the excerpts quoted.]
"The market share of health cigarettes increases rapidly for a brief period during each health scare and quickly stabilizes at a new and higher level of market penetration" (p.2)
"The illusion of filtration is as important as the fact of filtration" (p.2)
"Psychologically, most smokers feel trapped. They <u>are</u> concerned about health and addiction. Smokers care about what commercials say about them. Advertising may help to reduce anxiety and guilt (p.3)
People who smoke filter cigarettes "may be receptive to advertising which helps them escape from their inner conflicts about smoking" (p.3)
"smokers have to face the fact that they are illogical, irrational and stupid" (p.7)
"while an ad that depicts an exciting, invigorating situation could be interesting to the smoke-viewer, the very thin line separating positive excitement from negative-creating situation should never be crossed" (p.7)
"The marketing perspective should be broadened so as to include within its planned competitive activities, programmes which are directed specifically towards maintaining the smoking <u>habit</u> at current levels, and if possible to increase those levels. We should not simply rest content with the traditional role of marketing, which aims to increase market share at a profit within increasing constraints and prohibitions" (p.9)
"In point of fact, smoking an ultra low tar cigarette seems to relieve some of the guilt of smoking and provide an excuse not to quit" (p.15)
"it was Philip Morris scientists who perfected the instrument that was used for many years by the Federal Trade Commission and other groups around the world for the measurement of 'tar' and nicotine yielded by cigarettes" (p.20)
"and at best only a steady, inexorable grind downwards in deliveries. It is a moot point whether <u>actual</u> deliveries to humans have ever really dropped across the vast majority of the smoking population." (p.21)
"Let us provide the exquisitness [sic], and hope that they, our consumers, continue to remain unsastisfied. All we would want then is a larger bag to carry the money to the bank" (p.21)

Dewhirst, T., Pollay, R.W. "Quotes and Notes Re: Marketing of Light Cigarettes" History of Advertising Archives, Faculty of Commerce, University of British Columbia, Working Paper 99.2, July 1999.

112. Children are influenced by tobacco promotions even before they understand the purpose of advertising. Adolescence is a time of vulnerability when youths must struggle to form an identity, to become independent of their parents, and to establish themselves with their peers. Tobacco advertising exploits the vulnerabilities of youths by offering tobacco as the key to the desired self-image, as a badge of independence, and as the key to acceptance by their peers. Research demonstrates that children's attitudes and behavior regarding tobacco are influenced by advertising. In addition to promoting brand switching, tobacco advertising increases the number of youths who smoke or use spitting tobacco.(p.87)

...

A complete ban on all advertising and promotion of tobacco is warranted to protect children from exploitation at the hands of tobacco advertisers.(p.90)

DiFranza, J. "The Effects of Tobacco Advertising on Children" In: Slama, K., ed., *Tobacco and Health: Proceedings from the 9th World Conference on Tobacco and Health* (New York: Plenum Press, 1995), pp.87-90.

113. Tobacco products are very heavily advertised at the point of sale with an average of 48 advertisements per outlet. (p.324)

DiFranza, J.R., Coleman, M., St. Cyr, D. "A Comparison of the Advertising and Accessibility of Cigars, Cigarettes, Chewing Tobacco, and Loose Tobacco" *Preventive Medicine*, 1999;29(5):321-326.

114. Old Joe Camel cartoon advertisements are far more successful at marketing Camel cigarettes to children than to adults. This finding is consistent with tobacco industry documents that indicate that a major function of tobacco advertising is to promote and maintain tobacco addiction among children.(p.3149)

...

Our study provides further evidence that tobacco advertising promotes and maintains nicotine addiction among children and adolescents. A total ban of tobacco advertising and promotions, as part of an effort to protect children from the dangers of tobacco, can be based on sound scientific reasoning.(p.3152)

DiFranza, J.R., Richards, J.W., Jr., Paulman, P.M., Wolf-Gillespie, N., Fletcher, C., Jaffe, R.D., Murray, D. "RJR Nabisco's Cartoon Camel Promotes Camel Cigarettes to Children" *Journal of the American Medical Association*, 1991;266(22):3149-3153.

115. Conclusions. This study provides preliminary evidence that stars who smoke on and off screen may encourage youth to smoke. (p.1)

...

We conclude that there is a relationship between adolescents' choice of favorite movie actors and actresses and their smoking status. Favourite movie stars may provide normative behavior models that are emulated or used to justify subsequent smoking. Alternatively, adolescent smokers may gravitate to media and activities that include more smoking. (p.8)

Distefan, J.M., Gilpin, E.A., Sargent, J.D., Pierce, J.P. "Do Movie Stars Encourage Adolescents to Start Smoking? Evidence from California" *Preventive Medicine*, 1999;28(1):1-11.

116. [S]uch programmes were clearly instrumental in discouraging existing smokers from stopping and in disrupting attempts to give up: "I was trying to cut down, and the coupons were encouraging me to smoke. So when I got the gifts I wanted, I stopped smoking that brand." "I suppose it's easier just to save the coupons than not to smoke. After all it's a drug – that's all it is at the end of the day." These behavioural effects were more often observed in smokers living in low-income communities. (p.352)

Eadie, D.R., MacKintosh, A.M., Hastings, G.B. "Effect of tobacco loyalty programmes on low-income smokers" In: Lu, R., Mackay, J., Niu, S., Peto, R., eds. *The Growing Epidemic: Proceedings of the Tenth World Conference on Tobacco or Health*, (London: Springer-Verlag London Limited, 2000) 24-28 August 1997, Beijing, China, pp.351-353.

117. The pack by itself was expected to play a key role in conveying the images and associations of the brand. As one of BAT's marketing training documents puts it: "The modern cigarette pack is not just a container, it has to have a personality!" (p.8)

...

"[A]s one moves down the delivery sector then the closer to white a pack tends to become. This is because white is generally held to convey a clean, healthy association." Principles of Measurement of Visual Standout in Pack Design, 1986 (p.10)

Edwards, K. "Getting the Pack to Speak for Itself: Cigarette Packaging in the Face of Restrictions on Advertising" Paper presented at the World No-Tobacco Day Forum on Tobacco Industry Documents, Ottawa, Canada, May 31, 2000.

118. The intention to expand the market is clearly evident from the introduction of brands aimed at young women and children. (p.2)

European Bureau for Action on Smoking Prevention, "Report on Tobacco Advertising: 'Give Children a Chance'", Brussels, March 1991.

119. Whereas this Directive must therefore take due account of the health protection of individuals, in particular in relation to young people, for whom advertising plays an important role in tobacco promotion; (p.L 213/9)

...

[A]ll forms of indirect advertising and sponsorship, and likewise free distribution, have the same effects as direct advertising (p.L 213/10)

[This European Union law, which banned tobacco advertising and sponsorship, was subsequently invalidated in court on the grounds that it was not authorized by the article under which it was adopted.]

European Union, Directive 98/43/EC of the European Parliament and of the Council of 6 July 1998 on the approximation of the laws, regulations and administrative provisions of the Member States relating to the advertising and sponsorship of tobacco products.

120. Our results support the hypothesis that tobacco marketing may be a stronger current influence in encouraging adolescents to initiate the smoking uptake process than exposure to peer or family smokers or sociodemographic variables including perceived school performance. (p.1538)

Evans, N., Farkas, A., Gilpin, E., Berry, C., Pierce, J.P. "Influence of Tobacco Marketing and Exposure to Smokers on Adolescent Susceptibiliy to Smoking" *Journal of the National Cancer Institute*, 1995;87(20):1538-1545.

121. Tobacco companies conduct marketing campaigns that effectively capture teenage attention and stimulate desire for their promotional items. These marketing strategies may function to move young teenagers from non-smoking status toward regular use of tobacco. Our results demonstrate that there is a clear association between tobacco marketing practices and youngsters' susceptibility to smoke. The findings, along with other research, provide compelling support for regulating the manner in which tobacco products are marketed, to protect young people from the tobacco industry's strategies to reach them. (p.123)

Feighery, E., Borzekowski, D.L.G., Schooler, C., Flora, J. "Seeing, wanting, owning: the relationship between receptivity to tobacco marketing and smoking susceptibility in young people" *Tobacco Control*, 1998;7(2):123-128.

122. The recognition rates of The Disney Channel logo and Old Joe (the cartoon character promoting Camel cigarettes) were highest in their respective product categories. Recognition rates increased with age. Approximately 30% of 3-year-old children correctly matched Old Joe with a picture of a cigarette compared to 91.3% of 6-year-old children.
Conclusion. - Very young children see, understand, and remember advertising. (p.3145)

Fischer, P.M., Schwartz, M.P., Richards, J.W., Goldstein, A.O., Rojas, T.H. "Brand Logo Recognition by Children Aged 3 to 6 Years. Mickey Mouse and Old Joe the Camel" *Journal of the American Medical Association*, 1991;266(22):3145-3148.

123. Prior to 1988, Canadian cigarette advertising approaches consisted primarily of motivation and symbolic association. Attractive, healthy-looking people of indeterminate age were featured in desirable settings, or occasionally the desirable settings stood on their own. (p.40)

. . .

While tobacco companies were not legally allowed to place their brand logos on merchandise in Canada from 1988 until September 1995, they were permitted to use their sponsorship logos, which are essentially the same as the brand image that appears in advertising or on packaging. Currently, *Rothman's Racing* and *Craven 'A' Country* are offering branded merchandise (T-shirts and jackets) as contest prizes on their internet sites. (p.44)

. . .

In the years since 1988, when the industry was unable to legally advertise in traditional media, they didn't miss a step. They increased their commitment to event marketing – a category of activity in which they were and continue to be leaders. Through this avenue they were able to associate their products with activities that presumably fit their niche marketing strategies and/or public relations objectives. (E.g. Player's affiliation with Jacques Villeneuve, Belvedere's association with rock music, Matinée's tie-in with fashion – these choices speak volumes about the audiences the brands are targeting). (p.70)

Froese, B., Héon, D., Lavack, A.M., Vernon, L., Madill, J.J. "Marketing of Tobacco Products" Prepared for Health Canada, May 15, 1996.

124. After reviewing the mountain of evidence developed by independent researchers and reinforced by internal industry documents, one can not help but conclude that the time for policymakers to take action is now. (p.18)

Giglio, J. "How tobacco company advertising influences minors to use tobacco: A summary of independent research and internal industry documents" Washington, D.C.: American Cancer Society, 1996.

125. Although other influences cannot be ruled out, we suspect that the expanded tobacco marketing budget, with its increased emphasis on tactics that may be particularly pertinent to young people, affected adolescent initiation rates. (p.122)

Gilpin, E.A., Pierce, J.P. "Trends in adolescent smoking initiation in the United States: is tobacco marketing an influence?" *Tobacco Control*, 1997;6(2):122-127.

126. In 1994, young adults (18-24 years) were the most likely to *possess* a promotional item (27.5 ± 4.1, ± 95% confidence limit). However, willingness to *use* an item was highest among those ages 15-17 years (35.4 ± 3.4%) and was also high among those ages 12-14 years (24.4 ± 2.7%). Among youth, ownership or willingness to use promotional items was more likely for boys, whites, those reporting below average school performance, and those smoking or susceptible to smoking. Youth ownership of promotional items increased from 1993 to 1994, as did the frequency of their obtaining items from coupons.
Conclusions. Promotional marketing undertaken by the tobacco industry was effective in capturing the interest of adolescents, although actual acquisition was highest among young adults. (p.14)

Gilpin, E.A., Pierce, J.P., Rosbrook, B. "Are Adolescents Receptive to Current Sales Promotion Practices of the Tobacco Industry?" *Preventive Medicine*, 1997;26(1):14-21.

127. A dose-response relationship was found between smoking level and cigarette advertisement recognition, with regular smokers recognizing 61.6% of advertisements, compared with only 33.2% for non-smokers. (p.488)

Goldstein, A.O., Fischer, P.M., Richards, J.W., Creten, D., "Relationship Between High School Student Smoking and Recognition of Cigarette Advertisements" *Journal of Pediatrics*, 1987;110(3):488-491.

128. Promotional activities make it difficult for recent quitters. As an example of the interdependencies among wide-ranging determinants of the smoking career, consider the response of a recent quitter coming across a cigarette advertisement in a magazine. He or she may find within the ad a number of symbols closely associated with his or her own recent smoking habits. The symbols and the conditioned responses to them may serve as a strong cues for smoking, enhanced by biologic potency of nicotine as an unconditioned stimulus. (p.714)

Haire-Joshu, D., Morgan, G., Fisher, E.B., "Determinants of Cigarette Smoking" *Clinics in Chest Medicine,* 1991;12(4):711-725.

129. [This item describes legislative restrictions on tobacco advertising in European countries.]

Harkin, A.M., Anderson, P., Goos, C. *Smoking, drinking and drug taking in the European Region* (Copenhagen: World Health Organization Regional Office for Europe, 1997).

130. An extensive range of evidence now points to the conclusion that advertising does encourage smoking, especially among the young. (p.14)

Hastings, G.B., Aitken, P.P. "Tobacco advertising and children's smoking: a review of the evidence" *European Journal of Marketing* 1995;29(11):6-17.

131. In summary, the evidence shows:
- tobacco advertising *is* getting through to children

- by the industry's own logic, tobacco advertising *is* making children more effective consumers of tobacco
- tobacco advertising *is* reinforcing the habit amongst children who already smoke
- tobacco advertising *is* encouraging children to start smoking
- 'indirect' promotions such as 'brand stretching' and sponsorship also get through to children

It should be recognized that a ban will significantly reduce the pressure on children to smoke. ... [I]t is clear that without cigarette advertising fewer children would become, and remain, smokers and fewer would ultimately die of smoking related diseases. (p.9)

Hastings, G.B., Aitken, P.P., MacKintosh, A.M., "From the Billboard to the Playground. A résumé of the academic research on the influence of advertising on children's smoking" Centre for Social Marketing, Department of Marketing, University of Strathclyde, Glasgow, United Kingdom, August 1991.

132. Children were familiar with cigarette advertising and in particular the Reg campaign. Although younger children struggled to understand the creative content of the adverts, older and smoking children could understand and appreciate the humour. They considered Reg to be amusing and could relate to the type of joke used in the advert. In addition Reg's flippant attitude towards serious issues appealed to the children. While adults aged 18-24 understood the campaign they did not identify with it, and 35-55 year olds (the campaign's supposed target) were unappreciative of the campaign.

Conclusions - The Reg campaign was getting through to children more effectively than it was to adults and held most appeal for teenagers, particularly 14-15 year old smokers. (p.933)

Hastings, G.B., Ryan, H., Teer, P., MacKintosh, A.M. "Cigarette Advertising and Children's Smoking: Why Reg was Withdrawn" *British Medical Journal*, 1994;309:933-937.

133. Summary points

Tobacco advertising is intended to increase consumption as well as brand share and has a powerful effect on young people.

Sponsorship and advertising work in exactly the same way and are only a small part of tobacco marketing.

Tobacco advertisers are driven by a commercial imperative to increase sales, and they show no concern for the ethical or public health consequences of their actions.

Voluntary agreements simply do not work and must be replaced by statutory measures. (p.366)

Hastings, G.B., MacFadyen, L. "A Day in the life of an advertising man: review of internal documents from the UK tobacco industry's principal advertising agencies" *British Medical Journal*, 2000;321:366-371.

134. Summary

The House of Commons Health Committee obtained a range of documents from five of the advertising agencies which have accounts with the UK tobacco industry. These provide a unique glimpse into the mindset and tactics of both tobacco advertisers and their clients.

...

The documents establish the following key points:

1. The aim is to increase consumption as well as brand share. ... The documents show how branding and consumption are inextricably linked; that individual brands will gain from market expansion --

and therefore deliberate plans are made to encourage it; that efforts are made to enhance the social acceptability of smoking per se, not just particular brands; and that the industry is actively involved in increasing per capita consumption, recruiting new smokers and discouraging existing ones from quitting.

...

3. The young are a key target, and imagery is the way to reach them. In many instances, care is taken to refer to young adult smokers, but there is also an overwhelming recognition that young people and the "youth market" are vital to commercial success. Their lifestyles, motivations and aspirations are all the subject of detailed and continuous market research and everything possible is done to attract and retain them. Specifically, again and again, the conclusion is drawn that young people smoke for emotional reasons and that branding can meet these needs by adding aspiration, coolness and "street cred" to the product. (p.4)

...

Sponsorship and advertising have become one. Sponsorship and advertising perform the same key task of promoting the all important brand images that appeal to young smokers. (p.5)

Hastings, G., MacFadyen, L. "Keep Smiling: No One's Going to Die; An Analysis of Internal Documents from the Tobacco Industry's Main UK Advertising Agencies" London: Centre for Tobacco Control Research and Tobacco Control Resource Centre, British Medical Association, 2000. [Prepared for the U.K. House of Commons Select Committee on Health].

135. Forty-nine percent of all youth aged 10-14 and 51% of those aged 15-19 report seeing advertisements for events sponsored by tobacco corporations.(p.1)

...

Eighty-five percent of smokers and 83% of non-smokers agree that these "billboards and signs are a way of advertising particular brands of cigarettes". Finally, 43% of smokers and 58% of non-smokers agree that these "billboards and signs are a way of encouraging people to smoke." (pp.1-2, Fact Sheet No.10)

Health Canada, "Youth Smoking Survey 1994", Fact Sheet No. 10. See also Health Canada, "Youth Smoking Survey 1994, Technical Report", 1996.

136. Tobacco-sponsored sports events on BBC TV are undermining the work of the Health Education Authority, and the BBC itself, in trying to prepare young people to evaluate the risks that smoking presents to them. When tobacco-sponsored sport says in the most seductive way that smoking is a route to success, glamour and the most attractive values of life, how can health education compete? (p.17)

Health Education Authority [U.K.], "Tobacco and the BBC: A review of how BBC TV promotes cigarettes through tobacco-sponsored sport" 1992.

137. This study examined the effects of a tobacco sponsorship advertisement on young males and found that a single exposure to the advertisement reinforced existing behaviour among smokers, created more favourable attitudes to smoking among non-smokers, increased non-smokers' brand awareness and influenced their brand preference. (p.25)

Hoek, J., Gendall, P., Stockdale, M. "Some Effects of Tobacco Sponsorship Advertisements on Young Males" *International Journal of Advertising*, 1993;12:25-35.

138. Results – Advertisements featuring the cartoon character Joe Camel were significantly more appealing to both black and white students than were advertisements with human models and with text only . . . Text only advertisements were significantly less appealing than other types of advertisements among both black and white students...
Conclusion – This study provides further support for the year 2000 national objective to "eliminate or severely restrict all forms of tobacco product advertising and promotion to which youth younger than age 18 are likely to be exposed." (p.249)

Huang, P.P., Burton, D., Howe, H.L., Sosin, D.M. "Black-white differences in appeal of cigarette advertisement among adolescents" *Tobacco Control*, 1992;1:249-255.

139. The wide exposure events enjoy in both electronic and print media provides sponsors with vast publicity opportunities. For many companies, the cost of purchasing the TV and print exposure their sponsorships garner would be unaffordable.
For example, for the cost of a 30-second spot on the Super Bowl telecast, a company can sponsor a team on the NASCAR Winston Cup circuit, which delivers more than 30 hours of TV coverage. ...Brands with huge ad budgets and high unaided recall do not need sponsorship to generate visibility. Instead, they often sponsor for the lifestyle association the sponsored property represents.
They are looking to the event to have a rub-off effect on their image and ultimately their sales. (p.10)

IEG, Inc. "IEG's Complete Guide to Sponsorship: Everything you need to know about sports, arts, event, entertainment and cause marketing" 1996.

140. Regulations and Restrictions Affecting the Tobacco Industry
General
The advertising, sale and consumption of cigarettes and other tobacco products in many countries including the UK has been subject to regulatory pressure from governments, health officials and anti-smoking groups, principally due to claims that cigarette smoking and tobacco products are harmful to health.
These actions have resulted in a number of substantial restrictions on the marketing, advertising and consumption of cigarettes, which have been introduced by regulation or voluntary agreements. In addition, activities by anti-smoking groups have been designed to curtail cigarette sales and to diminish the social acceptability of smoking. Legislation imposing restrictions on smoking in public places has also been enacted in a number of countries and some employers have initiated restrictions or bans on smoking in the workplace.(pp.18-19)
...
Effect on volumes
The Directors believe that the various restrictions and regulations, together with the substantial increases in excise taxes on smoking tobacco products, have had, and are likely to continue to have, a detrimental effect on market size. Future profitability will depend on Imperial Tobacco's continuing ability to maintain brand margins, adapt production capability, increase efficiencies, launch new products and expand internationally.
There can be no assurance that the governments in countries where Imperial Tobacco operates or plans to operate will not adopt additional or more restrictive legislation or regulations that further limit the ability of tobacco companies, including Imperial Tobacco, to develop, market or sell

their products. In particular, the UK Labour Party has indicated that, if it were elected, it would intend to initiate a ban on tobacco advertising.(p.20)

Imperial Tobacco Group p.l.c. [U.K.] "Introduction to the Official List" 1996.

141. [These ads show that similar lifestyle images have been used both in direct tobacco advertising and in tobacco sponsorship advertising.]

Info-tabac, 1998, [examples of tobacco advertising and tobacco sponsorship advertising].

142. Direct or indirect tobacco advertising, sponsorship and promotion help to create an environment that lures non-users into trying tobacco, and subtly undermines users' decisions to try to stop. INGCAT and other NGOs encourage all governments to enact and enforce complete bans on all forms of direct or indirect tobacco advertising, sponsorship and promotions.

International Non Governmental Coalition Against Tobacco, "Position Statement About Tobacco Advertising" 1998. [endorsed by organizations from 26 countries].

143. [T]he IOC refuses to give its patronage to any advertising activity by the tobacco or alcohol industry. Since the Olympic Winter Games in Calgary (Canada) in 1988, every edition of the Olympic Games, including the XVIII Olympic Winter Games in Nagano, have been declared "Smoke-free" in collaboration with the organizing committees.

International Olympic Committee, "Health and sport" *Olympic Review*, XXVI-20, April-May 1998, 52.

144. The International Union Against Cancer in common with the World Health Organization and leading health authorities throughout the world urge all countries to ban all forms of advertising and promotion including sponsorship and other forms of indirect advertising. (p.3)

International Union Against Cancer (UICC); "The Case for Banning Advertising and Promotion" UICC Tobacco Control Fact Sheet, March 1993.

145. By the time they finish high school, nearly two-thirds (65.2%) of American young people who are current smokers say they usually smoke *Marlboro*. Two other brands account for most of the remainder – *Newport* (13.3%) and *Camel* (9.6%). These three brands account for 88.1% of the current smokers in twelfth grade (another 4.1% say they have "no usual brand"). . . .
Among younger smokers . . . these three brands also predominated: They are the usual brand for 81.6% of the current smokers in eighth grade (another 9.7% have no usual brand), and 86.1% of current smokers in tenth grade (where 6.4% say they have no usual brand). (p.3)

. . .

SUMMARY

In sum, the very high rates of cigarette smoking found among American teenagers in the late 1990s are associated with the popularity of just three brands: *Marlboro* (a Philip Morris product), *Newport* (a Lorillard product), and *Camel* (an RJR/Nabisco product). Perhaps not coincidentally, these have been among the most heavily advertised and promoted cigarette brands, in particular *Marlboro*; and also perhaps not coincidentally, two of them (*Newport* and *Camel*) have aggressively pursued youth-oriented themes in their advertising – the "Alive with pleasure" theme and the Joe Camel theme, respectively.

The clearly dominant brand, however, is *Marlboro*, which has successfully identified itself with the American icon of the Western cowboy, as well as with certain competitive sports, like Formula One racing.

. . .

Finally, the fact that so few of the current smokers in their teens do not already have a brand that they usually smoke (10% of eighth graders, 6% of tenth graders, and 4% of twelfth-grade current smokers) helps to illustrate why tobacco companies might have a compelling interest in having their advertising and promotion reach underage children. (p.7)

Johnston, L.D., O'Malley, P.M., Bachman, J.G., Schulenberg, J.E. "Cigarette Brand Preferences Among Adolescents" Monitoring the Future Occasional Paper 45, Ann Arbor, MI, U.S.A, Institute for Social Research, University of Michigan, 1999.

146. When legislation exists, the tobacco industry will do all it can to get round it. (p.552)

Joosens, L., "Strategy of the Tobacco Industry Concerning Legislation on Tobacco Advertising in Some Western European Countries" In: Forbes, W.F., Frecker, R.C., Nostbakken, D., eds., *Proceedings of the Fifth World Conference on Smoking and Health*, Winnipeg, Canada, 10-15 July 1983 (Ottawa: Canadian Council on Smoking and Health, 1985), vol.1, pp.549-554.

147. The purpose of this legislation was to avoid the Marlboro cowboy or the Camel traveller images and to break the link tobacco products have acquired with attractive values such as friendship, love, adventure, success, etc. However, the cowboy and the traveller reappeared in advertisements for matches, lighters, etc. In some cases the tobacco industry used the same picture before and after the legislation: what has been an advertisement for cigarettes, became an advertisement for lighters ...

Nearly all Belgians (95%) are considering the advertisement for Marlboro lighters as advertisement for Marlboro cigarettes, according to industry surveys. (p.469)

Joosens, L. "Success and Failure of the Legislative Action Against Smoking in Belgium" In: Aoki, M., et al., eds. *Smoking and Health 1987: Proceedings of the 6th World Conference on Smoking and Health, Tokyo, Japan, 9-12 November 1987* (Amsterdam: Elsevier Science Publishers, B.V. (Biomedical Division), 1987), pp.467-470.

148. Many confidential marketing plans of the tobacco industry, which were revealed in court cases, have shown that the industry was targeting young people. R.J. Reynolds internal documents, released in January 1998, revealed for instance that the tobacco company sought to reverse its declining sales by targeting 14-24 year olds. Memos described the success of the Joe Camel cartoon in France and stated that the campaign was "about as young as you can get, and aims right at the young adult smoker Camel needs to attract." (p.5)

Joossens, L. "Why ban tobacco advertising in the European Union?" Brussels: International Union Against Cancer, February 1998.

149. Summary

The aim of indirect tobacco advertising is to promote or to reinforce the impact of the brand name and its theme. Indirect tobacco advertising includes those advertisements for non-tobacco products

and services bearing the same name as well known tobacco brands and using the same advertising techniques and "lifestyle" content as tobacco brands.

...

...It seems to be more logical that indirect advertising affects the promotion of tobacco products than not at all. This is in line with the view of the Belgian Court (Cour d'Arbitrage) in 1999: "Whatever may be the purpose to market products with the same brand name as known tobacco products, the advertising for these products has the consequence to promote the brand also and can be considered as an indirect way of advertising tobacco products." (p.15)

Joossens, L. "How to circumvent tobacco advertising restrictions: The irrelevance of the distinction between direct and indirect advertising" Brussels: International Union Against Cancer, March 2001.

150. Because the FDA also seeks to reduce demand for tobacco products by young people, the rule includes a comprehensive set of restrictions on tobacco advertising and promotion. The reason is simple: tobacco products are among the most heavily advertised products in this country and studies show that young people are particularly susceptible to the messages. (p.885)

...

In addition to traditional advertising media, evidence has shown that nontraditional forms of advertising and promotion are instrumental in affecting young people's attitudes towards and use of tobacco. ... Therefore, the agency determined that hats, tee shirts, and other specialty items bearing brand names or logos must be prohibited.

... The sponsorship of an event in a brand name associates adventure, risk-taking, and hero worship with the brand and contributes to a perception that tobacco use is acceptable and commonplace. (p.886)

Kessler, D.A., Wilkenfeld, J.P., Thompson, L.J. "The Food and Drug Administration's Rule on Tobacco: Blending Science and Law" *Pediatrics*, 1997;99(6):884-887.

151. It was concluded that, over nearly a decade, cigarette brands popular among youths were more likely than adult brands to advertise in magazines with high youth readerships. (p.331)

King, C., Siegel, M. "Brand-specific cigarette advertising in magazines in relation to youth and young adult readership, 1986-1994" *Nicotine and Tobacco Research*, 1999;1(4):331-340.

152. Cigarette brands popular among young adolescents are more likely than adult brands to advertise in magazines with high youth readerships.(p.516)

...

Based on the documentation in this and other studies of widespread and heavy exposure of youths to cigarette advertising in magazines, public health considerations argue that cigarette advertising in all magazines should be eliminated.(p.520)

King, C., Siegel, M., Celebucki, C., Connolly, G.N. "Adolescent Exposure to Cigarette Advertising in Magazines: An Evaluation of Brand-Specific Advertising in Relation to Youth Readership" *Journal of the American Medical Association*, 1998;279(7):516-520.

153. [O]ur findings provide new evidence that black adolescents are preferentially exposed to advertising by those cigarette brands that are most popular among black adolescent smokers. This finding, when

combined with the results of studies on the effect of cigarette marketing on smoking initiation, has important implications for public health policy. It suggests that cigarette advertising may influence smoking initiation among black youths. To counteract rising rates of smoking among black youths, public health interventions that reduce or eliminate exposure of these youths to cigarette advertising in magazines and other media may be beneficial. (p.70)

King, C., Siegel, M., Pucci, L.G. "Exposure of black youths to cigarette advertising in magazines" *Tobacco Control*, 2000;9(1):64-70.

154. All considered, we have found that the advertisements appearing in A-Magasinet for "Camel Boots" constituted an infringement of the advertising ban of the Tobacco Act. A-Magasinet has been informed accordingly by the Ministry of Social Affairs and the advertising of Camel Boots has ceased. (p.570)

Kjonstad, A. "The Tobacco Industry and the Ban on Advertising" In: Forbes, W.F., Frecker, R.C., Nostbakken, D., eds., "Proceedings of the Fifth World Conference on Smoking and Health" Winnipeg, Canada, 10-15 July 1983, (Ottawa: Canadian Council on Smoking and Health, 1985), vol. 1, pp.567-573.

155. This study examined relationships between cigarette advertising and smoking experimentation. Using environmental and psychological measures of advertising exposure, it was demonstrated that adolescents who experimented with cigarettes were better able to recognize advertised products than those who had not, a selective exposure effect. Conversely, subjects who were better at recognizing advertised brands were more likely to have experimented with cigarettes, an effect due to their exposure to cigarette advertising.(p.287)

...

[I]t appears that exposure to smoking advertisements does affect the likelihood that young people will smoke.(p.296)

Klitzner, M., Gruenewald, P.J., Bamberger, E. "Cigarette advertising and adolescent experimentation with smoking" *British Journal of Addiction*, 1991;86(3):287-298.

156. On several occasions during my tenure as Surgeon General, I endorsed proposals that would ban all tobacco advertising and promotion. I certainly support the proposal to restrict tobacco advertising as a reasonable compromise, although I would continue to endorse a total advertising ban as a long-term goal. (p.2894)

Koop, C.E. "A Parting Shot at Tobacco" *Journal of the American Medical Association*, 1989;262(20):2894-2895.

157. Smoking among young people is an important public health problem. Although the causes are multifactorial, in Hong Kong environmental tobacco advertising is an important risk factor that can be removed by banning all forms of tobacco promotion to young people. (p.217)

Lam, T.H., Chung, S.F., Betson, C.L., Wong, C.M., Hedley, A.J. "Tobacco Advertisements: One of the Strongest Risk Factors for Smoking in Hong Kong Students" *American Journal of Preventive Medicine*, 1998;14(3):217-223.

158. TV sports sponsorship by tobacco manufactures acts as cigarette advertising to children and therefore circumvents the law banning cigarette advertisements on TV. (p.85)

Ledwith, F. "Does Tobacco Sports Sponsorship on Television Act as Advertising to Children?" *Health Education Journal,* 1984;43(4):85-88.

159. Conclusions

The preceding analysis shows that exposure to promotion is a significant predictor for susceptibility to smoking among non-smokers, even after removal of variance explained by school level, rebelliousness, parental, peer and reference group norms, perceived benefits and positive social images of smoking. The analysis suggests that while exposure to tobacco promotion is correlated to other risk factors for smoking uptake, tobacco promotion has an independent influence on susceptibility to smoking. The findings support concerns about the effect of tobacco promotion on youth. Regardless of whether the promotions are intended for adults or minors, they reach youth and clearly serve as additional risk factors for smoking uptake. (p.356)

Lee, H., Buller, D., Chassin, L., Kronenfeld, J., MacKinnon, D. "Influence of cigarette promotion on mediators of smoking" In: Lu, R., Mackay, J., Niu, S., Peto, R., eds., *The Growing Epidemic: Proceedings of the Tenth World Conference on Tobacco or Health,* (London: Springer-Verlag London Limited, 2000) 24-28 August 1997, Beijing, China, pp.353-357.

160. Results -- Almost 20% of the billboards contained tobacco advertising. Four of the top five and nine of the top 22 brands displayed on billboards were tobacco products. Billboards were located in all areas of St Louis except for the communities with the highest average incomes. Tobacco billboards were more likely to be found in low income areas and areas with a higher percentage of African Americans. Images of African American figures on tobacco billboards were concentrated in the most heavily African American populated regions of the city. Approximately 74% of all billboards in the city of St Louis were within 2000 feet (700 metres) of public school property.

Conclusions -- Tobacco products were the single most heavily advertised type of product on billboards in St Louis. The geographic distribution of tobacco billboards, as well as the types of images found on these billboards, is consistent with the hypothesis that tobacco companies are targeting poor and minority communities with their advertising. (p.16)

Luke, D., Esmundo, E., Bloom, Y. "Smoke signs: Patterns of tobacco billboard advertising in a metropolitan region" *Tobacco Control,* 2000;9(1):16-23.

161. Results: There was a high level of awareness of and involvement in tobacco marketing among 15-16 year olds sampled in the study: around 95% were aware of advertising and all were aware of some method of point of sale marketing. Awareness of and involvement with tobacco marketing were both significantly associated with being a smoker: for example, 30% (55/185) of smokers had received free gifts through coupons in cigarette packs, compared with 11% (21/199) of non-smokers ($P<0.001$). When other factors known to be linked with teenage smoking were held constant, awareness of coupon schemes, brand stretching, and tobacco marketing in general were all independently associated with current smoking status.

Conclusions: Teenagers are aware of, and are participating in, many forms of tobacco marketing, and both awareness and participation are associated with current smoking status. This suggests that the current voluntary regulations designed to protect young people from smoking are not working, and that statutory regulations are required. (p.513)

MacFadyen, L. Hastings, G. and MacKintosh, A.M. "Cross sectional study of young people's awareness of and involvement with tobacco marketing" *British Medical Journal* 2001;322:513-517.

162. As there is ample evidence of the harmful effects of cigarette advertising on children's attitudes and behaviour, the first step is to ban all forms of tobacco advertising and sponsorship. (p.236)

Mélihan-Cheinin, P., Hirsch, A. "Effects of Smoke-Free Environments, Advertising Bans and Price Increases" In: Bolliger, C.T., Fagerström, K.-O., eds., *The Tobacco Epidemic, Progress in Respiratory Research*, 1997;28:230-246.

163. Cigarette advertising is a major factor in influencing children, it is readily available to them and some advertisements seem positively to be directed towards the young. The image which children perceive from the advertisement is very strong and affects non-smoking children equally as it does smokers. More attention clearly needs to be paid to the overwhelming evidence of the effect of advertising and pressure put on governments to ban, or at least limit, the advertising of cigarettes where children are likely to be influenced by them. (p.275)

Mindell, J. "Review: Direct Tobacco Advertising and its Impact on Children" *Journal of Smoking-Related Diseases*, 1992:3(3):275-284.

164. [A]ll tobacco sponsorship for international sporting events held in Australia will be phased out by 2006. (p.1)

Minister for Health and Family Services (Australia), "All Tobacco Sponsorship To Go by 2006", The Hon. Dr. Michael Wooldridge -- Minister for Health and Family Services, September 22, 1998 [media release].

165. Settling Defendants agree to discontinue all Billboards and Transit Advertisements of Tobacco Products in the State. . . .

Settling Defendants shall not make, in the connection with any motion picture made in the United States, or cause to be made any payment, direct or indirect, to any person to use, display, make reference to, or use as a prop any cigarette, cigarette package, advertisement for cigarettes, or any other item bearing the brand name, logo, symbol, motto, selling message, recognizable color or pattern of colors, or any other indicia of product identification identical or similar to, or identifiable with, those used for any brand of domestic tobacco products. (p.14 of internet print out)

On and after December 31, 1998, Settling Defendants shall permanently cease marketing, licensing, distributing, selling or offering, directly or indirectly, including by catalogue or direct mail, in the State of Minnesota, any service or item (other than tobacco products or any item of which the sole function is to advertise tobacco products) which bears the brand name (alone or in conjunction with any other word), logo, symbol, motto, selling message, recognizable color or pattern of colors, or any other indicia of product identification identical or similar to, or identifiable with, those used for any brand of domestic tobacco products. (pp.14-15)

Minnesota [State of], Philip Morris Inc., R.J. Reynolds Tobacco Company, Brown & Williamson Tobacco Corporation, Lorillard Tobacco Company, "Settlement Agreement and Stipulation for Entry of Consent Judgement" May 8, 1998, accessed March 29, 2001, http://stic.neu.edu/MN/settlement.htm

166. Experience with tobacco industry self-regulation of tobacco product advertising and promotion, whether through voluntary codes or voluntary agreements, has proved to be less restrictive then legislative approaches. While the threat of more stringent legislation has often moved the industry to voluntarily become more restrictive, the industry proposals seek the minimum restrictions it deems would be acceptable in the current context.(p.25)

...

The case that voluntary codes or agreements are appropriate for tobacco product advertising and promotion cannot be made. It therefore must be concluded that governments should use carefully drafted and comprehensive legislation, which is then enforced, if they wish to seriously restrict advertising and promotion to achieve their health objectives.(p.26)

Mitchell, B. "Restricting Advertising and Promotion of Tobacco Products: An Overview of Voluntary Agreements as an Alternative to Legislation" Ontario Tobacco Research Unit, Working Papers Series # 34, Toronto, 1998.

167. Former Surgeon General Joycelyn Elders has said that tobacco advertising aims to convince children "that they're slim, they're sexy, they're sociable, they're sophisticated, and they're successful. The teenager gets an image, and the tobacco companies get an addict." (p.1)

. . .

David Goerlitz, a model who became known as the "Winston Man", reported during a photo session that he was surprised when he found out that none of the R.J. Reynolds executives attending were smokers. "Are you kidding?" one of the executives said. "We reserve that right for the poor, the young, the black and the stupid." (p.26)

Moyer, D., "The Tobacco Reference Guide" 2000, published on UICC Globalink July 7, 2000, chapter 28, "Advertising", available http://www.globalink.org/tobacco/trg/

168. Let us take an example. I may make dynamite. There are people who wish to use my product and thus I have it available for sale. Yet I know it is very dangerous, especially in the wrong hands, like those of young people. So I do not go on T.V. and radio, and take ads in all newspapers and magazines, to encourage everyone I the viewing and reading public to buy dynamite, and moreover buy as much of it as they can.

Yet almost every minute of every day, we are urged, coaxed, and cajoled to buy a variety of different brands of a potentially dangerous product – namely cigarettes. We know that the consumption of this product contributes to cancer, heart disease, emphysema and other serious diseases. Yet to the contrary, on the ads we are told that cigarettes increase pleasure, attractiveness, sophistication, and sexual potency.

While I believe that cigarettes should be available, I do not agree that we should deliberately and enthusiastically encourage their use – especially without a counter-voice to present the other side of the picture. Advertising, however, does in fact encourage smoking and makes it appear desirable. For that reason I feel that this Committee should look at all the possible ways that cigarette advertising can be strongly controlled. (p.130)

Munro, J. (Canadian Minister of National Health and Welfare), House of Commons Standing Committee on Health, Welfare and Social Affairs, Minutes of Proceedings and Evidence No. 9, December 19, 1968, pp.127-142.

169. [This document cites internal industry documents discussing advertising targeted to youth, and advertising countering health concerns. One example is Document A901268 – May 26, 1975 "What Have We Learned From People? A Conceptual Summarization of 18 Focus Group Interviews on the Subject of Smoking", which states in part "In the young smoker's mind a cigarette falls into the same category with wine, beer, shaving, wearing a bra (or *purposely* not wearing one), declaration of independence and striving for self-identity. For the young starter, a cigarette is associated with introduction to sex life, with courtship, with smoking 'pot' and keeping late studying hours." (pp.8.60-8.61)]

Myers, M.L., Iscoe, C., Jennings, C., Lenox, W., Minsky, E., Sacks, A. "Federal Trade Commission Staff Report on the Cigarette Advertising Investigation" May 1981, excerpt published 1988, *Tobacco Products Litigation Reporter* 1988;3(6):8.59 - 8.67.

170. The results indicate that a very high percentage of children read, or look at, most newspapers and magazines belonging to their parents or other adult members of the family. The majority of these children were aware of the cigarette advertisements contained in them and could correctly recall the brands most frequently advertised. Awareness was highest among children who smoked, but 60 per cent of all children who had never smoked had also seen and remembered cigarette advertisements. . . . The four brand names most frequently identified by all children, whatever their smoking habits, were those most frequently advertised in colour. The children were less likely to remember advertisements printed in black and white and those with a 'tombstone' format. The need for a total ban on cigarette advertisements in the national press, or legislation to limit their content and format, is indicated. (p.12)

Nelson, E., Charlton, A. "Children and advertising: does the Voluntary Agreement work?" *Health Education Journal* 1991;50(1):12-15.

171. The purpose of *A Catalogue of Deception* is to show conclusively that the tobacco industry has never taken its advertising code seriously. The code has simply provided the industry with a public relations exercise aimed at delaying any effective regulation of the promotion of tobacco. It is absurd that a government could have expected honesty from an industry whose very existence is predicated on the suffering and death of thousands of those who use its products. (p.2)

Non-Smokers' Rights Association [Canada], "A Catalogue of Deception: The use and abuse of voluntary regulation of tobacco advertising in Canada; A report for submission to The Honourable Jake Epp, Minister of Health and Welfare Canada" January 1986.

172. Sponsorships create a comfort level for the decision to smoke, implicitly suggesting that significant organizations and influential role models are comfortable with their association with tobacco products and with the risks they entail. (p.7)

Non-Smokers' Rights Association [Canada], "What the Tobacco Manufacturers Do Not Want You to Know About Tobacco Sponsorship of the Arts... Corporate Philanthropy? Or selling addiction?" 1996.

173. Our data suggest to us that intervention in the field of cigarette advertising may be the most direct and effective means of reducing the prevalence of smoking in children. After the smoking behaviour of the child's friends, approval of cigarette advertising was the strongest correlate of childhood smoking. (p.230)

O'Connell, D.L., Alexander, H.M., Dobson, A.J., Lloyd, D.M., Hardes, G.R., Springthorpe, H.J., Leeder, S.R. "Cigarette Smoking and Drug Use in Schoolchildren. II Factors Associated With Smoking," *International Journal of Epidemiology*, 1981;10(3):223-231.

174. The history of tobacco marketing portrays a strong relationship between cigarette advertising targeted to women and the rise in the prevalence of women smoking. ... [T]he tobacco industry understood and capitalized on the women's liberation movement to sell cigarettes as symbols of freedom and emancipation... (p.67)

O'Keefe, A.M., Pollay, R.W. "Deadly Targeting of Women in Promoting Cigarettes" *Journal of the American Medical Women's Association*, 1996;51(1-2):67-69.

175. Conclusions: Underage youths are viewed by the tobacco industry as critical to its future. Underage youth smoking patterns were examined for decades. Reductions in youth smoking rates were seen by tobacco companies as a negative trend for the companies. Specific marketing campaigns were directed at underage youth and were successful with this age group.

...

As an expert witness for the State of Minnesota, I examined hundreds of industry documents related to youth smoking. These documents, along with published literature, formed the basis of my testimony on youths and smoking. The major opinion of this testimony was that the actions of tobacco companies were a substantial factor in causing underage youths (<18 years old) to smoke.(p.935)

...

[A]s an RJR document points out, most smokers begin smoking regularly and select a usual brand at 18 years or younger. (p.940)

Perry, C.L. "The Tobacco Industry and Underage Youth Smoking: Tobacco Industry Documents from the Minnesota Litigation" *Archives of Pediatric and Adolescent Medicine*, 1999;153:935-941.

176. [This study examined primary school children, mean age 10.3.] Brand recognition ranged from 53% (Salem name) to 95% (Marlboro name and Salem logo). [E]ver smokers ... were more successful than never smokers in identifying cigarette brands. ... Smoking is a paediatric health problem in Hong Kong; tobacco advertisements are widely recognised by young children and associated with smoking experience. A total ban on environmental advertising is needed as part of a comprehensive policy for the prevention of smoking-related disease in Hong Kong. (p.150)

Peters, J., Betson, C.L., Hedley, A.J., Lam, T.-H., Ong, S.-G., Wong, C.-M., Fielding, R. "Recognition of cigarette brand names and logos by young children in Hong Kong" *Tobacco Control*, 1995;4(2):150-155.

177. The following rules would apply to all tobacco products sold in the U.S. (including all its territories and possessions, as well as duty-free shops within U.S. borders).

. . .

As in the FDA rule, the new regime would:

- Prohibit the use of non-tobacco brand names of tobacco products except for tobacco products in existence as of January 1, 1995 . . .

- Restrict tobacco product advertising to FDA specified media . . .
- Restrict permissible tobacco product advertising to black text on a white background except for advertising in adult-only facilities and in adult publications . . .

. . .

- Ban all non-tobacco merchandise, including caps, jackets or bags bearing the name, logo or selling message of a tobacco brand . . .
- Ban offers of non-tobacco items or gifts based on proof of purchase of tobacco products . . . (p.8)
- Ban sponsorships, including concerts and sporting events, in the name, logo or selling message of a tobacco brand . . .

Further, building on and going beyond the FDA rule, the new regime would:

- Ban the use of human images and cartoon characters – thereby eliminating *Joe Camel* and the *Marlboro Man* – in all tobacco advertising and on tobacco product packages
- Ban *all* outdoor tobacco product advertising, including in enclosed stadia as well as brand advertising directed outside from a retail establishment . . .
- Prohibit tobacco product advertising on the Internet unless designed to be inaccessible in or from the United States
- Establish nationwide restrictions in non adult-only facilities on point of sale advertising with a view toward minimizing the impact of such advertising on minors. These provisions, which are detailed in Appendix VII . . .
- Ban direct and indirect payments for tobacco product placement in movies, television programs and video games.
- Prohibit direct and indirect payments to "glamorise" tobacco use in media appealing to minors, including recorded and live performances of music (p.9)

. . .

Appendix VII – Restrictions on Point of Sale Advertising (p.63)

. . .

1. There shall be no Point of Sale Advertising of tobacco products, excluding adults-only stores and tobacco outlets, except as provided herein:

A. Each manufacturer of tobacco products may have not more than two separate point of sale advertisements in or at each location at which tobacco products are offered for sale, except any manufacturer with 25 percent of market share may have one additional point of sale advertisement. A retailer may have one sign for its own or its wholesaler's contracted house retailer or private label brand. . . .

B. Point of Sale advertisements permitted herein each shall be of a display area not larger than 576 square inches (either individually or in the aggregate) and shall consist of black letters on white background or recognized typographical marks.

Point of Sale advertisements shall not be attached to nor located within two feet of any fixture on which candy is displayed for sale. Display fixtures are permitted signs consisting of brand name and price, not larger than 2 inches in height.

2. Except as provided herein, Point of Sale Advertising shall mean all printed or graphical materials bearing the brand name (alone or in conjunction with any other word), logo, symbol, motto, selling message, or any other indicia of product identification identical or similar to, or identifiable with, those used for any brand of cigarettes or smokeless tobacco, which, when used for its intended purpose, can reasonably be anticipated to be seen by customers at a location at which tobacco products are offered for sale.

3. Audio and video formats otherwise permitted under the FDA Rule may be distributed to adult consumers at point of sale but may not be played or shown at point of sale (i.e., no "static video displays"). (p.63)

Philip Morris Incorporated, R.J. Reynolds Tobacco Company, Brown and Williamson Tobacco Corporation, Lorillard Tobacco Corporation, Attorneys General from 40 U.S. states, et al. "Proposed Resolution", June 20, 1997 [Proposed out-of-court settlement agreed to by tobacco manufacturers and state Attorneys General. The agreement required congressional approval to be implemented, something that did not occur.].

178. "[W]e are willing to accept these restrictions in order to find the common ground. We are willing to accept these restrictions so something can be done now," Parrish said.
The plan also would ban tobacco product brand names, logos, characters and selling messages on non-tobacco-related items such as hats or T-shirts; ban tobacco product sponsorship of events with significant youth audiences; create tobacco-free ad zones by banning all outdoor tobacco product advertising within 1,000 feet of any playground or elementary or secondary school, including outward-facing window display advertising; ban tobacco product advertising in or on trains, buses, subways and taxis, and in terminals, stations, platforms or stops for these vehicles; and guarantee that there would be no tobacco product advertising in youth-oriented publications. (p.2)

Philip Morris U.S.A., "Philip Morris U.S.A. Calls for Federal Legislation to Stop Underage Smoking; Company Outlines Comprehensive Blueprint for Immediate Action", 15 May 1996 [news release]. See also accompanying documents: "Remarks by Steve Parrish Philip Morris/UST Press Conference, May 15, 1996"; "Elements of Philip Morris U.S.A.'s and United States Tobacco Company's Comprehensive Plan to Combat Underage Tobacco Use"; "Side-By-Side Comparison of Philip Morris U.S.A. and United States Tobacco Company Plan with FDA's Proposed Rule".

179. It was found that children who had viewed the Master's Snooker Tournament sponsored by Benson and Hedges were more likely to recall the brand than non-viewers. This replication of previous findings was extended to include the effects of sponsored sport on smoking, after allowing for personality and social factors known to influence the frequency of smoking, after allowing for personality and social factors known to influence the frequency of smoking. Association between recall, other advertising variables and smoking were positive in all but one instance after allowing for the effects of controls. (p.145)

Piepe, A., Charlton, P., Morey, J., Yerrell, P., Ledwith, F. "Does sponsored sport lead to smoking among children?" *Health Education Journal* 1986;45(3):145-148.

180. [T]his longitudinal study adds a crucial piece of evidence to the contention that tobacco industry advertising and promotional activities are causally associated with young people starting to smoke. The 5 criteria for assessing causality of a suspected agent from epidemiological studies are that (1) it must clearly precede the hypothesized effect; (2) the association should be strong; (3) consistent, and (4) specific; and (5) it should be expected from theory. From this study it is clear that the effect of advertising precedes the development of susceptibility to smoking. The effect is strong and specific, with at least 34% of experimentation with cigarettes attributed to

these activities. The association is consistent with other studies. Finally, such a causal effect is expected from theoretical consideration of how persuasive communications work. (p.515)

Pierce, J.P., Choi, W.S., Gilpin, E.A., Farkas, A.J., Berry, C.C., "Tobacco Industry Promotion of Cigarettes and Adolescent Smoking" *Journal of the American Medical Association,* 1998;279(7):511-515.

181. [This article validates susceptibility to smoking as a predictor of adolescents taking up smoking.]

Pierce, J.P., Choi, W.S., Gilpin E.A., Farkas, A.J., Merritt, R.K. "Validation of Susceptibility as a Predictor of Which Adolescents Take Up Smoking in the United States" *Health Pscychology*, 1996;15(5):355-61.

182. 3. Adolescents who are receptive to tobacco advertising are more likely than adolescents who are not receptive to be susceptible to smoke in the future.

4. Tobacco advertising and marketing practices are an important and independent predictor of smoking uptake. The effect of tobacco marketing on susceptibility is at least as large as the effect of exposure to peers or family members who smoke. (p.101)

Pierce, J.P., Evans, N., Farkas, A.J., Cavin, S.W., Berry, C., Kramer, M., Kealey, S., Rosbrook, B., Choi, W., Kaplan, R.M. *Tobacco Use in California. An Evaluation of the Tobacco Control Program, 1989-1993* (La Jolla, California: University of California, San Diego, 1994).

183. Summary of Findings

1. Tobacco advertising reaches the very young. Audience awareness of cigarette advertising for the most popular brands is already well established in young adolescence. More that 90% of 12- to 13-year-old children could nominate a brand that was advertised. The cigarette brands most frequently recalled were Camel and Marlboro.(p.119)

...

4. Evidence suggests that tobacco advertising may encourage teenagers to smoke by associating smoking with benefits that they want. Adolescents across age groups were overwhelmingly in agreement that tobacco advertising promotes specific benefits of smoking. The more cigarette advertisements adolescents recalled, the more likely adolescents were to believe that advertising promotes the benefits suggested in the survey.

5. Cigarette advertising appears to be a powerful independent source of information about the benefits of smoking for adolescents, beyond the information they receive from smokers they know. Cigarette advertising was especially associated with attributions that smoking was beneficial for increasing confidence in social settings and in weight control. Having a smoker in the social environment was especially associated with the attribution that relaxation was a benefit of smoking.(p.120)

Pierce, J.P., Farkas, A., Evans, N., Berry, C., Choi, W., Rosbrook, B., Johnson, M., Bal, D.G. *Tobacco Use in California 1992. A Focus on Preventing Uptake in Adolescents.* (Sacramento, California: California Department of Health Services, 1993).

184. This article presents evidence for sex-specific temporal associations between major cigarette marketing campaigns and increases in youth smoking initiation using national survey data for 1910-1977.(p.500)

...
Tobacco marketing builds adolescent demand, and, hence, urgent public policy action is needed to extend the broadcast advertising ban to all tobacco marketing practices, including print and billboard advertising, sponsorships, sale or give-away of promotional merchandise, and point-of-sale advertising displays. (p.507)

Pierce, J.P., Gilpin, E.A. "A Historical Analysis of Tobacco Marketing and the Uptake of Smoking by Youth in the United States: 1890-1977" *Health Psychology*, 1995;14(6):500-508.

185. Results -- Although Camel advertisements were favoured more than Marlboro and other brands in 1993 and 1996, the "market share" for promotional items shifted markedly during this period from Camel and other brands towards Marlboro. We estimated that between 1988 and 1998, there will be 7.9 million new experimenters because of tobacco advertising and promotions. This will result in 4.7 million new established smokers: 2.1, 1.2 and 1.4 million due to Camel, Marlboro, and other brands' advertising and promotions, respectively. Of these, 1.2 million will eventually die from smoking-attributable diseases: 520 000 from Camel, 300 000 from Marlboro, and the remainder from other brands. (p.37)

Pierce, J.P., Gilpin, E.A., Choi, W.S. "Sharing the blame: smoking experimentation and future smoking-attributable mortality due to Joe Camel and Marlboro advertising and promotions" *Tobacco Control*, 1999;8(1):37-44.

186. Perception of advertising is higher among young smokers; market-share patterns across age and sex groups follow the perceived advertising patterns; and changes in market share resulting from advertising occur mainly in younger smokers. Cigarette advertising encourages youth to smoke and should be banned. (p.3154)

Pierce, J.P., Gilpin, E., Burns, D.M., Whalen, E., Rosbrook, B., Shopland, D., Johnson, M. (1991). "Does Tobacco Advertising Target Young People to Start Smoking? Evidence from California" *Journal of the American Medical Association*, 1991;266(22):3154-3158.

187. 34% of adolescent experimentation with cigarettes in California can be attributed to tobacco industry advertising and promotional activities. In 1996, over 200,000 California adolescents experimented with smoking; 68,000 did so because of tobacco industry advertising and promotions. (p.I-v)

Pierce, J.P., Gilpin, E.A., Emery, S.L., Farkas, A.J., Zhu, S.H., Choi, W.S., Berry, C.C., Distefan, J.M., White, M.M., Soroko, S.; Navarro, A. *Tobacco Control in California: Who's Winning the War? An Evaluation of the Tobacco Control Program, 1989-1996* (La Jolla, CA.: University of California, San Diego, 1998).

188. In girls younger than 18 years, smoking initiation increased abruptly around 1967, when tobacco advertising aimed at selling specific brands to women was introduced. (p.608)

Pierce, J.P., Lee L., Gilpin, E.A. "Smoking Initiation by Adolescent Girls, 1944 Through 1988. An Association with Targeted Advertising" *Journal of the American Medical Association*, 1994;271(8):608-611.

189. Content analysis of 394 Canadian cigarette ads from 1987 finds that, despite full legislation freedom to be informative, there is very little information manifest in ads. The healthiness of the product and the associated life styles of its consumers is displayed in several ways, typically visuals of bold and lively behaviour in pure and pristine environments, sometimes with descriptors like "light" or "ultra-mild." More than two thirds of the ads manifest healthfulness in one or more of these ways.(p.74)

...

Canadian cigarette advertising in 1987 contained absolutely no information about the price or special deals, nor any information about research or surveys on cigarette qualities and performance, nor any information about the tobacco ingredients, nor any information about the filter attributes or performance, nor any information about the additives used, nor any voluntary information about the health consequences of smoking.(p.78)

Pollay, R.W., "Information and Imagery in Contemporary Canadian Cigarette Ads" In: Stout, P., ed., *Proceedings of the American Academy of Advertising*, (Austin, Texas: University of Texas, 1990), pp.74-79.

190. Publicity has long played a key role in promoting the public acceptance of cigarettes. Its role changed in response to the 'health scare' of the 1950s, from the recruitment of new (women) smokers to the retention of existing (concerned) smokers and supporting legal and political battles. (p.39)

Pollay, R.W. "Propaganda, Puffing and the Public Interest" *Public Relations Review*, 1990;16:(3):39-54.

191. Content analysis shows that the bulk of cigarette advertising in both the US and Canada displays healthfulness through a variety of symbolic means. (p.160)

Pollay, R.W. "Signs and Symbols in American Cigarette Advertising: A Historical Analysis of the Use of 'Pictures of Health' " In: Hartvig-Larsen, H., Mick, D.G., Alsted, C., eds., *Marketing & Semiotics: Selected Papers from the Copenhagen Symposium* (Copenhagen: Handelshojskolens Forlag, 1991), pp.160-176.

192. The amount of cigarette sponsorship in prime time slots [on U.S. television in 1963] was significantly correlated with the delivered proportions of teenagers, not adults. (p.130)

Pollay, R.W. "Exposure of US youth to cigarette television advertising in the 1960s" *Tobacco Control*, 1994;3(2):130-133.

193. A descriptive history reveals the strategic interest in the young manifested by the cigarette industry from 1920 to the present. The tobacco and advertising trade presses, FTC records and recently disclosed corporate documents display and discuss the targeting of adolescents and collegians. They also document the rationale and results of media choices, the use of cartoons, and especially the use of images of independence to appeal to the psychological need of adolescents. (p.1)

Pollay, R.W. "Targeting Tactics in Selling Smoke: Youthful Aspects of 20th Century Cigarette Advertising" *Journal of Marketing Theory and Practice*, 1995;3(1):1-22.

194. [This article reports on an ad for BUZ cigarettes featuring two mostly naked, semi-covered women.]

Pollay, R.W. "The BUZ in Canada without an ad ban" *Tobacco Control*, 1995;4(4):397-398.

195. Conclusions:

1. Cigarette marketing targeting women has a history spanning more than seven decades, beginning in the 1920s.
2. Cigarette marketing targeting women over the years has been consistently predominated by a durable theme in associating cigarettes with fashion, status and stylishness.
3. Cigarette marketing targeting women over the years has been consistently predominated by a durable theme in associating cigarettes with slimness and weight control. More recently, this has been extended to associating cigarette brands with the concept of "superslim".
4. Cigarette marketing targeting women has often appealed to a consumer attitude of rebelliousness, as displayed by the flappers of the 1920s, the "rebellious, but unliberated" Virginia Slim, the "Slim 'n Sassy" Misty smoker, and the "fun-loving rebel" in Dakota's brand image.
5. Cigarette marketing targeting women now focuses on increasingly precise narrow segments of women, defined by lifestyle patterns, values and attitudes, and labelled with key traits or predispositions, e.g. "virile females" and "the vulnerables".
6. Cigarette marketing targeting women is now shaped by extensive consumer research influencing many aspects of the marketing mix: product forms, packaging design and colours, advertising imagery, and lifestyle research to choose promotional events.
7. Some cigarette marketing targeting women now relies on promotional events, not just media advertising, because these are "tightly targeted, extremely impactful."
8. Women have proven to be responsive to cigarette marketing. While not all brands seeking their trade can succeed simultaneously, substantial success was realized by associating cigarettes with slimness beginning in the 1920s, and by the Virginia Slims campaign of the late 1960s. In addition, women were the first to embrace product innovations such as king-size cigarettes, menthol, charcoal, and recessed filters. (pp.20-21)

Pollay, R.W. "You've Come the Wrong Way, Baby! Chapters in the Continuing Saga of Cigarette Advertising Targeting Women" Working Paper 95.5, History of Advertising Archives, October 1995.

196. The tobacco industry is all too interested in corralling the young, and everywhere that's the case. ... And that's almost unavoidable. One key reason for that is the phenomenal brand loyalty in this product category. There is very little brand switching. Brand patterns get established among the young and, once you've got a customer as a youth, you tend to hold onto the customer. Of thirty-eight products studied by the J. Walter Thompson ad agency, cigarettes have the highest brand loyalty. Less than ten percent of smokers will switch in any given year. And even those people who do switch are not only few in number, but they are fickle in character and frail. They are not a very attractive segment. They are nowhere near as attractive as the adolescent who will continue to smoke for years. (p.261)

Pollay, R., "Tricks of the Tobacco Trade" *Journal of Business Administration and Policy Analysis*, 1996/98;24-26:229-266.

197. The cigarette industry has not voluntarily employed its advertising to inform consumers in a consistent and meaningful way about any of the following (1) the technologies employed in fabricating the products, (2) the constituents added in the manufacturing processes, (3) the residues and contaminants that may be present in the combustible column, (4) the constituents of smoke that may be hazardous, (5) the addictiveness of nicotine, or (6) the health risks to which its regular consumers are inevitably exposed. Their advertising for reduced yield products, instead, has relied on pictures of health and unnecessarily vague images of intelligence, and has misled consumers into believing filtered products in general, and low tar products in specific, to be safe(r) than other forms without knowing exactly why. (p.7)

Pollay, R.W. "Advertising/Marketing of Low Yield Cigarettes: Themes, Messages and Miscommunication" Testimony to Commonwealth of Massachusetts, Department of Public Health Hearing (Jan. 30, 31, 1997) Re: 105 CMR 660.000 Cigarette and Smokeless Tobacco Products: Reports of Added Constituents and Nicotine Ratings, Working Paper 97.2, History of Advertising Archives.

198. The tobacco industry promotes friendly "experts" and uses public relations tactics to produce uncertainty around research results that threaten it. This inhibits public policies responsive to these research findings. These tactics, long used against medical science, are now being used to counter the studies challenging to the myth that cigarette advertising is of no import. ... The vast preponderance of evidence indicates that cigarette advertising plays a meaningful role in influencing the perceptions, attitudes, and smoking behavior of youth. Denials of these effects, without brand new and compelling evidence, are highly suspect. (p.53)

Pollay, R.W., "Hacks, Flacks, and Counter-attacks: Cigarette Advertising, Sponsored Research, and Controversies" *Journal of Social Issues*, 1997;53(1):53-74.

199. The Export "A" striking images attract attention and associate positive lifestyles images with the brand names, logos and other trade mark or graphic signifiers. These associations, particularly with repetition, serve to influence the opinions, attitudes, perceptions and beliefs of viewers, whether young or old, smokers or not. It is these factors that bias consumers' judgements and increase the likelihood of smoking ... (pp.73-74)

. . . These sponsorship ads establish these brand images no less effectively than traditional merchandise advertising. (p.74)

Pollay, R.W. "Export "A" ads are extremely expert, eh?" *Tobacco Control*, 2001;10(1):71-74.

200. Cigarette advertising had much impact on how many people smoke (aggregate demand), "growing" the market for fifty years from WWI until the Surgeon General's first report (1964). (p.1)

...

Much cigarette advertising targets potential starters because this segment is key to long term success.

Much cigarette advertising targets "pre-quitters," because most smokers are "concerned." (p.2)

...

Some cigarette advertising design and imagery seeks to influence the social acceptability of smoking, e.g. perceptions and judgments of peers, parents, and other non-smokers. (p.3)

...

Cigarette advertising's existence implies relative product safety to many consumers.

Bans of cigarette advertising are likely to affect starting, quitting or consumption rates in the long run.
Bans of cigarette advertising will advance public health and welfare as new generations emerge.
Bans of cigarette advertising are proposed and endorsed by virtually all health authorities. (p.4)

Pollay, R.W., "Myth Conceptions and the Stark Reality about Cigarette Advertising and Promotion" History of Advertising Archives, Faculty of Commerce, University of British Columbia, Vancouver, July 1999.

201. Results—Careful and extensive research has been employed in all stages of the process of conceiving, developing, refining, and deploying cigarette advertising. Two segments commanding much management attention are "starters" and "concerned smokers". To recruit starters, brand images communicate independence, freedom and (sometimes) peer acceptance. These advertising images portray smokers as attractive and autonomous, accepted and admired, athletic and at home in nature. For "lighter" brands reassuring health concerned smokers, lest they quit, advertisements provide imagery conveying a sense of well being, harmony with nature, and a consumer's self image as intelligent.
Conclusions—The industry's steadfast assertions that its advertising influences only brand loyalty and switching in both its intent and effect is directly contradicted by their internal documents and proven false. So too is the justification of cigarette advertising as a medium creating better informed consumers, since visual imagery, not information, is the means of advertising influence. (p.136)
. . .
Cigarette advertising has shown remarkable power to create a demand for cigarettes, greatly promoting its popularity, and inducing far more people than would otherwise be the case to become smokers. (p.145)
. . .
Advertising and promotional activities and communication serve to induce many changes in the public's perceptions creating: more positive attitudes toward smoking and smokes; less consciousness and fear of any unhealthy consequences of smoking; a stronger self image among smokers; more confidence of some social support for smoking; and perceptions that smoking is a cultural commonplace to be taken for granted. To smokers it is a reminder and reinforcer, while to non-smokers it is a temptation and a teacher of tolerance. (p.146)

Pollay, R.W. "Targeting youth and concerned smokers: evidence from Canadian tobacco industry documents" *Tobacco Control*, 2000;9(2):136-147.

202. Contrary to vehement industry denials, the targeting of youth is amply evidenced in corporate documents produced during the trial about Canada's cigarette advertising ban. Extensive and sophisticated research identified target segments, starting at age 15, and guided the advertising aimed at them, while recognizing addiction among adolescents. Images of independence and freedom from authority were used by competing firms to appeal to the psychological needs of young starters. Careful crafting ensured that images were not too immature, lest the brand consequently be rejected, and the activities not too aerobic, lest this precipitate cognitive counter-arguing. "Positive lifestyle imagery" was used as a matter of policy to enhance the social acceptability of smoking. The importance of images of independence to attract Canadian youths is compared to the American experience with brands like Marlboro. (p.266)

Pollay, R.W., Lavack, A.M. "The Targeting of Youths by Cigarette Marketers: Archival Evidence on Trial" In: McAlister, L., Rothschild, M.L., eds., *Advances in Consumer Research*, 1993;20:66-271.

203. Cigarette brand shares of advertising voice are found to be significantly related to realized market shares, with advertising sensitivity being about three times larger among teenagers than among adults. This result is robust to various analytic assumptions and converges with strategic analysis, consumer behaviour theory and research, econometric metanalyses, historical research, and corporate documents. The authors argue that cigarette competition between firms is predominated by the battle of brands for market share among the young, and assertions to the contrary, without supporting evidence, should be treated with scholarly skepticism. (p.1)

Pollay, R.W., Siddarth, S., Siegel, M., Haddix, A., Merritt, R.K., Giovino, G.A., Eriksen, M.P. "The Last Straw? Cigarette Advertising and Realized Market Shares Among Youths and Adults, 1979-1993" *Journal of Marketing*, 1996;60:1-16.

204. [A] sizeable percentage of adolescents unexposed to smokers in their social environment nonetheless believe that cigarette smoking has benefits. Tobacco advertising is a likely source of such beliefs. (p.284)

Prokhorov, A.V., Farkas, A., Gilpin, E., Johnson, M., Bal, D., Pierce, J.P. "Perception of benefits to smoking cigarettes in adolescents unexposed to smokers in their social environment" *European Journal of Public Health* 1995;5(4):281-285.

205. [T]he FDA has compiled substantial evidence showing the direct correlation between colorful, image-laden ads and underage smoking ... and studies in the record show that advertising has a profound influence on a minor's decision to experiment with tobacco. ... Additional studies confirm that each of the advertising and promotional techniques addressed by the FDA, such as outdoor advertising and promotional give-aways, has a direct and substantial impact on minors. ... This evidence ... establishes that the FDA's rules will dramatically lessen tobacco use by minors ... Indeed, Kentucky, North Carolina and Virginia concur in the FDA's assessment. They condemn the FDA rule because it will result in revenue losses occasioned by a decline in tobacco use. (pp.3.1112-3.1113)

...

Over the past decade, tobacco companies have shifted a substantial portion of their advertising budgets to the sponsorship of sporting, musical, artistic, and other events. They do so to heighten their product's visibility, mold consumer attitudes, link their product with a particular lifestyle, and thereby increase sales. . . .

... The events are fun, exciting, and glamorous. Tennis tournaments, sports car, motorcycle and powerboat racing, and rodeos all are aimed at sports enthusiasts – many of whom are children or teenagers. Rock concerts and country music festivals are also magnets for adolescents. When minors view these events, either in-person or on television, they are inundated with images of the brand-name or product logo (on uniforms, vehicles, signs, and virtually every surface imaginable), creating a direct and compelling association between the product and an enjoyable experience. (p.3.1118)

Public Citizen, National Center for Tobacco-Free Kids, American Academy of Pediatrics, American Cancer Society, American College of Preventative Medicine, American Heart Association, American Lung Association, American Medical Association, American Medical Women's Association, American Public Health Association, American Society of Addiction Medicine, The HMO Group, National Association of African Americans for Positive Imagery, National Association of Elementary School Principals, National

Association of Secondary School Principals, and National PTA, "Memorandum Amici Curiae" in *Coyne Beahm, Inc., Brown and Williamson Tobacco Corporation, Liggett Group, Inc., Lorillard Tobacco Company, Philip Morris, Inc., and R.J. Reynolds Tobacco Company v. U.S. Food and Drug Administration and David A. Kessler, M.D., Commissioner of Food and Drugs* U.S. District Court for the Middle District of North Carolina, Greensboro Division, November 27, 1996, *Tobacco Products Litigation Reporter*, 1996;11(8):3.1100-3.1119.

206. Conclusion

We have documented that youth are heavily exposed to stationary, outdoor cigarette advertising, that this exposure is intense in areas close to public schools, that it is more intense in neighborhoods with more children, that the ethnicity of models in the tobacco advertising matches the demographic characteristics of the neighborhoods, and that tobacco advertising strategies are in line with accepted professional marketing practices that target adolescents for other products. Given the pervasive nature of outdoor tobacco advertising we observed in this study, it appears that the only way to protect youth from this exposure is to eliminate it. (p.158)

Pucci, L.G., Joseph, H.M., Siegel, M., "Outdoor Tobacco Advertising in Six Boston Neighborhoods: Evaluating Youth Exposure" *American Journal of Preventive Medicine*, 1998;15(2):155-159.

207. Simply put, our findings demonstrate that young people are being preferentially exposed to cigarette promotional advertising in magazines, and that this exposure is particularly high for precisely those cigarette brands that are most popular among young people.

Perhaps our most striking finding was that between 1986 and 1992, all promotional cigarette advertising in the magazines in our sample appeared in youth magazines with predominantly white, male readership.

This work adds to previous evidence that cigarette companies target young people in their magazine advertising by demonstrating a specific relationship between promotional cigarette advertisements for youth cigarette brands in magazines with high youth readership. (p.35)

Pucci, L.G., Siegel, M. "Features of sales promotions in cigarette magazine advertisements, 1980-1993: an analysis of youth exposure in the United States" *Tobacco Control,* 1999;8(1):29-36.

208. Conclusions. By documenting a relationship between brand-specific magazine advertising exposure and brand of smoking initiation among new smokers, this study provides strong new evidence that cigarette advertising influences youth smoking. (p.313)

...

We found that the brand of initiation among Massachusetts youths who started smoking between 1993 and 1997 was highly correlated with their exposure to brand-specific advertising in magazines in 1993. (p.317)

...

...[W]e believe that this study adds to the accumulating evidence that cigarette advertising influences youth smoking behavior. Based on this evidence, efforts to eliminate or restrict cigarette advertising to prevent youth tobacco use are justified. (p.319)

Pucci, L.G., Siegel, M., "Exposure to Brand-Specific Cigarette Advertising in Magazines and Its Impact on Youth Smoking" *Preventive Medicine*, 1999;29(5):313-320.

209. [This item identifies 712 organizations in Quebec which have endorsed a tobacco control position statement including to "prohibit all types of tobacco promotions, including sponsorship." These organizations include medical associations and institutions, members of the public health network, hospitals, clinics, medical centres, foundations, health and anti-tobacco organizations, education and youth groups, municipalities, and others.]

Quebec Coalition for Tobacco Control, "Position" and "Organizations Who Have Endorsed the Position of the Coalition" October 29, 1998.

210. Results—241 [high school] students (39.1%) had heard of Camel Cash, and 53 (8.6%) had collected Camel Cash. The proportions who had heard of Camel Cash and who had collected Camel Cash were highest among current smokers [24.8%], followed by experimenters [8.0%] and then students who had never smoked [1.5%] ($p<0.001$). 32 students [5.2%] aged 17 or younger stated that they purchased Camel cigarettes specifically to get Camel Cash. (p.258)

. . .

Introduced in 1991, Camel Cash, or "C-notes", were designed to parody US currency and are attached to packs of Camel cigarettes. The C-notes can be redeemed for items that are, in themselves, Camel cigarette promotions. (p.258)

. . .

The need to collect the substantial number of Camel Cash dollars required to redeem prizes creates an incentive for young people to smoke more. This probably increases the likelihood that experimental smokers will progress to regular smokers, and regular smokers to addicted smokers. The popularity of promotional items among non-smoking children and teenagers raises the possibility that non-smokers might buy their first pack of cigarettes solely to obtain a promotional item. (p.259)

. . .

In the absence of a total ban on tobacco promotion in all forms and in all media, new federal laws are needed to outlaw the distribution of tobacco promotional items and all tobacco advertising to children through the mail. (p.260)

Richards, J.W., DiFranza, J.R., Fletcher, C., Fischer, P.M. "R.J. Reynolds' "Camel Cash": Another way to reach kids" *Tobacco Control*, 1995;4:258-60.

211. The code has served as the basis of the industry's efforts to avoid further local, state, and federal regulatory oversight of its marketing activities. A historical review of cigarette advertising since 1964 indicates that the voluntary code's major provisions have been regularly violated in the spirit and the letter. ... The historical evidence indicates that self-regulation of cigarette advertising and promotion by the tobacco industry has been repeatedly given trials and has not worked. (p.295)

Richards, J.W., Tye, J.B., Fischer, P.M. "The tobacco industry's code of advertising in the United States: myth and reality" *Tobacco Control*, 1996;5(4):295-311.

212. Tobacco sales promotion seems both to promote and to reinforce smoking among young people. (p.5)

Rimpelä, M.K., Aaro, L.E., Rimpelä, A.H. "The effects of tobacco sales promotion on initiation of smoking - experiences from Finland and Norway" *Scandinavian Journal of Social Medicine*, 1993;49(suppl):5-23.

213. Just as providing a safe water supply eliminates the need for each family to boil its water, so laws banning the advertising and promotion of tobacco alter the environment in which young people grow up and free them from the pressure to smoke. (p.3)

Roemer, R. *Legislative Strategies for a Smoke-free Europe*, (Copenhagen: World Health Organization Regional Office for Europe and the Commission for the European Communities, 1988).

214. Experience with different types of legislation restricting tobacco advertising and promotion leads to several conclusions:

1. Legislation is essential. Voluntary agreements with the industry fail to restrict the promotion of tobacco products. ...
2. Partial bans on tobacco advertising are not effective in controlling tobacco consumption. ... (p.42)
3. A total ban on both advertising and sponsorship is essential if tobacco consumption is to be reduced significantly and quickly. (p.43)

Roemer, R. *Legislative Action to Combat the World Tobacco Epidemic*, 2d ed. (Geneva: World Health Organization, 1993).

215. All these data indicate that tobacco advertising primarily reaches young people. Adolescents seem to be more familiar with such advertising and are also more likely to appreciate its brand-stretching messages.

...

It seems that the Belgian legislation, which was intended to protect adolescents from image-oriented advertising, has had little effect, since brand-stretching products have adequately replaced cigarettes. Almost all the young people perceive the advertising messages for the Marlboro lighter and the Belga metal box as cigarette advertising. Many of them also associate specific profiles with the different brands, which suggests that image-oriented publicity has continued to be effective. Even Barclay, a brand that was launched on the Belgian market only after the restrictive legislation was in effect, could be assigned a brand image by the majority of the adolescents (compared with 48 percent of the adults). (p.319)

Rombouts, K., Fauconnier, G. "What is Learnt Early is Learnt Well? A Study of the Influence of Tobacco Advertising on Adolescents" *European Journal of Communication*, 1988;3:303-322.

216. Do youth misinterpret advertising of tobacco-company sponsored events as advertising for tobacco products? YES

Do youth associate the sponsorship activities with images, activities and events that are appealing and desirable? YES (p.5)

Rootman, I., Flay, B.R., Northup, D., Foster, M.K., Burton, D., Ferrence, R., Raphael, D., Single, E., Donovan, R., d'Avernas, J. "A study on Youth Smoking, Plain Packaging, Health Warnings, Event Marketing and Price Reductions" Key Findings. Figures. 1995. University of Toronto, University of Illinois at Chicago, York University, Ontario Tobacco Research Unit, Addiction Research Foundation.

217. These results, coupled with previous research, indicate that although withdrawal induces general cognitive deficits, abstinent smokers selectively attend to, and remember, smoking stimuli. Such a bias may have ramifications for cessation efforts.(p.447)
...
Reductions of exposure to smoking cues during withdrawal ought to decrease the influences of smoking stimuli that might lead to relapse.(p.450)

Rosenblatt, M.R., Jarvik, M.E., Olmstead, R.E., Iwamoto-Schaap, P.N. "Memory for Cigarette Advertisements Enhanced by Smoking Abstinence" *Experimental and Clinical Psychopharmacology*, 1996;4(4):447-450.

218. [T]here is ample evidence that tobacco advertising affects children. (p.518)
...
Tobacco advertising has to be banned. There is no question. (p.519)

Roussos, C. "Banning tobacco advertisements: is there a question?" *European Respiratory Journal*, 1998;11:517-519.

219. Conclusions--This study offers evidence of a dose-response relation between the number of CPIs [cigarette promotional items] owned by adolescents and higher likelihood of experimental and established smoking. The dose-response relation persists after controlling for confounding influences. These data provide further support of a causal relation between tobacco promotional campaigns and smoking behaviour among adolescents.(p.163)

Sargent, J.D., Dalton, M., Beach, M. "Exposure to cigarette promotions and smoking uptake in adolescents: evidence of a dose-response relation" *Tobacco Control*, 2000;9:163-168.

220. Conclusions. This study supports a close linkage between tobacco promotional activities and uptake of smoking among adolescents beyond baseline descriptions of receptivity to cigarette promotions. Over time, the likelihood of smoking uptake is increased when an adolescent acquires a CPI [cigarette promotional item] or becomes willing to use one and is decreased when an adolescent who owns a CPI loses it or becomes unwilling to use it. This provides strong evidence that elimination of cigarette promotional campaigns could reduce adolescent smoking. (p.320)
...
...Moreover, the evidence from a number of cross-sectional and longitudinal studies of independent samples of children is consistent in showing that tobacco marketing, however measured, is implicated in adolescents' decisions to smoke and in their continued experimentation with cigarettes. This convergence of findings from multiple studies provides strong support for causality and justification for further tobacco marketing restrictions. (p.326)

Sargent, J.D., Dalton, M., Beach, M., Bernhardt, A., Heatherton, T., Stevens, M. "Effect of Cigarette Promotions on Smoking Uptake Among Adolescents" *Preventive Medicine*, 2000;30:320-327.

221. Cigarette promotional items are owned by one third of students in these rural northern New England schools. These items are highly visible in the public school setting, and their ownership is strongly associated with initiation and maintenance of smoking

behavior. These data lend support to a ban on CPIs to be included in US Food and Drug Administration regulations to prevent tobacco use among US youth. (p.1189)

Sargent, J.D., Dalton, M.A., Beach, M., Bernhardt, A., Pullin, D., Stevens, M. "Cigarette Promotional Items in Public Schools" *Archives of Pediatric and Adolescent Medicine*, 1997;151:1189-1196.

222. Eighty-eight percent of these 13-year-olds reported exposure to cigarette marketing: the majority often saw ads in magazines, on billboards, and at stores and events, and one quarter owned cigarette promotional items. After social influences to smoke were controlled for, exposure to cigarette marketing was related to self-reported smoking behaviour. Likelihood of experimenting with smoking was 2.2 times greater among those who owned promotional items and 2.8 times greater among those who had received mail from a tobacco company. Seeing cigarette advertisements in magazines increased this likelihood by 21%, and seeing tobacco marketing in stores increased it by 38%. (p.1216)

Schooler, C., Feighery, E., Flora, J.A. "Seventh Graders' Self-Reported Exposure to Cigarette Marketing and Its Relationship to Their Smoking Behavior" *American Journal of Public Health*, 1996;86(9):1216-1221.

223. [A survey of 300 advertising executives found that 63% agreed that a goal of tobacco advertising was to market to adult nonsmokers; 59% agreed that a goal was to market to teenage nonsmokers; 82% agreed that tobacco advertising reaches children and teenagers in significant numbers; 78% agreed that tobacco advertising makes smoking more appealing or socially acceptable to children and teenagers; 71% agreed that tobacco advertising changes behavior and increases smoking among children and teenagers.]

Shepardson Stern & Kaminsky, "Advertising Agency Survey" 1996; Campaign for Tobacco-Free Kids [U.S.], "New Survey Finds Majority in Advertising Industry Say Cigarette Ads Affect Kids, Favor Restrictions", [news release] December 18, 1996.

224. [T]he total profit derived from the 3.1 million company switchers in 1986 was on the order of $362 million. Clearly, brand switching alone does not justify the $2.4 billion spent on cigarette advertising and promotion in 1986.(p.15)

...

This analysis suggests that brand switching alone cannot be the sole effect of cigarette advertising.(p.16)

Siegel, M., Nelson, D. E., Peddicord, J.P., Merritt, R.K., Giovino, G.A., Eriksen, M.P. "The Extent of Cigarette Brand and Company Switching: Results from the Adult Use-of-Tobacco Survey" *American Journal of Preventive Medicine*, 1996;12(1):14-16.

225. The abuses and avoidances of federal regulation by the three spit tobacco makers reported here underscore the need for constant vigilance by public health workers and the continued closing of loopholes in countries which have not yet banned tobacco product advertising. (p.74).

Slade, J. "Spit tobacco makers evade U.S. warning label requirement" *Tobacco Control*, 1994;3(1):73-74.

226. Despite a ban on advertising cigarettes and moist snuff products in electronic media in the US, advertising for these products regularly occurs through signage, uniforms, decals, and other sources at sporting events which are covered by broadcast and cable television. (p.925)

Slade, J. "Tobacco Product Advertising During Motorsports Broadcasts: A Quantitative Assessment", In: Slama, K., ed., *Tobacco and Health: Proceedings from the 9th World Conference on Tobacco and Health* (New York: Plenum Press, 1995), pp.925-927.

227. An international network of clothing stores promotes the Marlboro cowboy/Marlboro country fantasy by selling expensive, Old West-styled casualwear for men in a chain of stores called "Marlboro Classics". The chain's motto is "Fits the Man". (p.340)

. . .

The atmosphere and ethos that the catalogue evokes are identical to those of advertising for the Marlboro brand of cigarettes. Freedom, independence, disdain for authority, autonomy, making one's own decisions, personal fulfilment. These are the ideals embodied in the fantasy created by the catalogue and by advertising for the cigarette. (p.340)

Slade, J. "Marlboro Classics: sheep's clothing" *Tobacco Control*, 1996;5(4):340-341.

228. EXECUTIVE SUMMARY

1. Bans or restrictions on tobacco advertising have been legislated in many countries based upon research which shows a strong correlation between advertising and susceptibility to smoking, especially among young people.
2. In response, Transnational Tobacco Companies (TTCs) have sought other methods of marketing their products. The most popular has been the sponsorship of sport and cultural events. The main benefit for TTCs is the ability to leverage significant media exposure through event-associated promotion and media coverage, much of which bypasses the intent of advertising restrictions by appearing to be accidental or incidental. (p.iii)

Susan Spoke & Associates, "Literature Review on Sponsorship" Produced for Health Canada, April 10, 1996.

229. A sample of cigarette advertisements was taken from *Time* and *Life* magazines, two of the most widely circulated magazines throughout the fifties. ...

...[A]bout half of the [cigarette] ads focused mainly on health claims in 1952 and 1953. ...

Industry documents show that tobacco companies are concerned with helping smokers "maintain faith and confidence in the smoking habit" and that "advertising ... should be constructed in ways so as not to provoke anxiety about health, but to alleviate it." (p.111)

Swedrock, T.L., Hyland, A., Hastrup, J.L. "Changes in the focus of cigarette advertisements in the 1950s" *Tobacco Control*, 1999;8(1):111-112.

230. Advertising is a vital link in the Smoke Ring, because advertising conditions the way cigarettes are perceived. Every year the tobacco industry spends around $2 billion globally to ensure that cigarettes are associated with glamour, success and sophistication,

instead of lung cancer, bronchitis and heart disease. The industry needs to make this huge and ever-increasing investment to perpetuate this false image in order to counter the evidence that cigarettes are not desirable but dangerous. After addiction, advertising is the industry's most powerful ally in its battle for the hearts and minds of the smoker and in its drive to seduce more recruits into the Smoke Ring. (p.44)

. . .

Sponsorship is a particularly attractive form of promotion: it enables the companies to associate cigarettes with healthy, glamorous and life-enhancing activities; it polishes their corporate image; it creates goodwill among the public; it gives them access to prestigious and powerful people and institutions involved in sport and the arts; it makes financially hard-pressed governments and governing bodies even more dependent upon them; and, above all, it enables them to get round the ban on advertising cigarettes on television. Tobacco sponsorship is designed to change the public perception of cigarettes and the companies who make them. (p.99).

Taylor, P. *Smoke Ring: The Politics of Tobacco* (London: The Bodley Head, 1984).

231. This research shows a clear relation between on-screen tobacco use by movie stars and higher levels of smoking uptake in the adolescents who admire them. This association appears to be independent of other factors known to predict adolescent smoking, such as smoking by family and peers. It is unlikely that this effect is due to smokers simply paying more attention to on-screen smoking. Instead, the association between star smoking and attitudes that predict smoking (susceptibility) was even stronger among never smokers, suggesting that the influence of movie star smoking begins before experimentation with cigarettes. We believe that this evidence strongly suggests that media portrayals of tobacco use by popular movie stars contribute to adolescent smoking. (p.20)

Tickle, J.J., Sargent, J.D., Dalton, M.A., Beach, M.L., Heatherton, T.F. "Favourite movie stars, their tobacco use in contemporary movies, and its association with adolescent smoking" *Tobacco Control*, 2001;10(1):16-22.

232. Outdoor advertising expenditures plummeted after the MSA took effect – an expected result, since the MSA banned most forms of outdoor advertising. From a level of $118.6 million in the first nine months of 1998, expenditures fell to just $8.1 million in the corresponding period of 1999.

Magazine advertising increased correspondingly. Cigarette advertising expenditures in magazines climbed from $225.8 million to $315.1 million. Advertising in newspapers and Sunday magazines also increased dramatically, from $8.8 million to $28.8 million. The net result was to maintain cigarette advertising expenditures at the pre-MSA level. (p.6)

Turner-Bowker, D., Hamilton, W.L. "Cigarette Advertising Expenditures Before and After the Master Settlement Agreement: Preliminary Findings" Massachusetts Department of Health, Abt Associates Inc., May 15, 2000.

233. If advertising and promotion increase cigarette consumption, then less than two million new or retained smokers - 5.5 percent of smokers who start each year or try to quit (most failing) - alone would justify the annual promotional expenditure of $2 billion. A preponderance of quantitative studies of cigarette advertising suggest a causal relationship with consumption. Other studies show that children are influenced by cigarette advertising. Additionally, there are many individual examples of targeted

marketing campaigns being followed by increased consumption within the target market. The evidence supports the hypothesis that cigarette advertising and promotion increase and sustain cigarette consumption. If brand share were the only function of advertising and promotion, as the cigarette manufactures insist, the industry would lobby vigorously for an ad ban. (pp.507-508)

Tye, J.B., Warner, K., Glantz, S.A. "Tobacco Advertising and Consumption: Evidence of a Causal Relationship" *Journal of Public Health Policy*, 1987;492-508.

234. Age of smoking initiation was earlier ... among those adolescents who had a favourite tobacco advertisement, had received tobacco promotional items, or would be willing to use tobacco promotional items. Results suggest that the smoking behavior of social network members and pro-tobacco media influences are important determinants of age of smoking initiation. Because early smoking initiation is associated with higher levels of addiction in adulthood, tobacco control programs should attempt to counter these influences. (p.371)

Unger, J.B., Chen, X. "The role of social networks and media receptivity in predicting age of smoking initiation: a proportional hazards model of risk and protective factors" *Addictive Behaviors*, 1999;24(3):371-381.

235. A directive banning all direct and indirect tobacco advertising in the 15 nations of the European Union (EU) would constitute a major advance in the protection of child rights to health and development, UNICEF Executive Director Carol Bellamy said today.

...

"[W]e view broad restrictions on advertising as a significant step in protecting children from the ravages of tobacco," Ms. Bellamy said. "Not only would such a ban help save countless lives in the region -- it could lend momentum to the broader campaign for worldwide restrictions on the promotion and sale of tobacco products, particularly to children in developing countries".

United Nations Children's Fund (UNICEF), "UNICEF backs European plan to ban tobacco ads", November 7, 1997 [news release].

236. Despite a high level of knowledge about the adverse effects of tobacco, cricket sponsorship by tobacco companies increased children's likelihood of experimentation with tobacco by creating false associations between smoking and sport. Many of the children believed that the cricketers smoked.

Vaidya, S.G., Naik, U.D., Vaidya, J.S. "Effect of sports sponsorship by tobacco companies on children's experimentation with tobacco" *British Medical Journal*, 1996;313(7054):400.

237. Merchandise (clothes etc.) is very cost effective, because the smoker pays for the clothes and advertises the product. (p.3)

Vickers, A. (Abbott Mead Vickers BBDO) "How the tobacco industry will exploit loopholes in an advertising ban" Action on Smoking and Health Paper 1, October 1997. www.ash.org.uk/papers/ashpap1.html accessed 24 November 1999.

238. There is a strong association between having a brand preference and smoking among primary and secondary school students. Although not all adolescent cigarette smokers have a preferred brand, preference tends to increase with use in a dose-response fashion. This study provides descriptive evidence of the association of brand preference and use, and suggests that brand preference may represent an important "within-drug" stage and may play an important role in cigarette use initiation and maintenance. (p.358)

Volk, R.J., Edwards, D.W., Lewis, R.A., Schulenberg, J. "Smoking and Preference for Brand of Cigarette Among Adolescents" *Journal of Substance Abuse*, 1996;8(3):347-359.

239. Advertisements were considered "youthful" if they were judged by community surveyors to include models who appeared to be in their early twenties or younger. (p.139)

. . .

The finding that the more that youthful advertisements were displayed outside stores, the more that young people [under 18] tried to buy cigarettes, is not surprising, but it is not one that has been previously examined empirically. (p.140)

. . .

Rigorous policy-oriented approaches are clearly also needed to reduce youth access to cigarettes and include, as the Clinton Administration recently announced, "far-reaching restrictions on tobacco advertising and sales to adolescents." (p.141)

Voorhees, C.C., Yanek, L.R., Stillman, F.A., Becker, D.M. "Reducing cigarette sales to minors in an urban setting: issues and opportunities for merchant intervention" *American Journal of Preventive Medicine*, 1998;14(2):138-142.

240. Conclusions – The observed increase in point-of-purchase marketing in the period following the billboard advertising ban suggests that the tobacco industry may be shifting at least some of the expenditures once spent on billboard advertising to the advertising and promotion at the point-of-purchase. To the extent that this is so, the intended effects of the MSA billboard ban may not be fully realized. (p.3)

...

High levels of exposure to tobacco advertising and promotions are likely to influence adolescent tobacco-related perceptions and behaviors. ... [R]esearch studies suggest that the point-of-purchase environment may have important influences on youth in terms of making tobacco use seem normative and, ultimately, increasing the likelihood of taking up smoking. (p.12)

Wakefield, M.A., Terry, Y.A., Chaloupka, F.J., Barker, D.C., Slater, S.J., Clark, P.I., Giovino, G.A. "Changes at the Point-of-Sale for Tobacco Following the 1999 Tobacco Billboard Ban" July 2000, ImpacTeen Research Paper Series, No.4.

241. The evidence suggests that attributing a singular or exclusive role to advertising and promotion is inappropriate. The brand share function is undoubtedly a major one. Yet the logical and empirical case for concluding that advertising and promotion encourage cigarette consumption, including initiation of the habit, substantially dominates the case against this proposition. The formal analytical evidence on the direct effects of advertising leaves room for uncertainty, but the preponderance of evidence of all types supports the existence of a relationship between promotion and cigarette consumption.

The evidence on the indirect effects - the suppression and distortion of media coverage of tobacco, and the consequent impact on the public's knowledge and smoking behavior - leaves little room for doubt. (p.84)

Warner, K.E. *Selling Smoke: Cigarette Advertising and Public Health* (Washington, D.C.: American Public Health Association, 1986).

242. Our findings provide strong statistical support for the belief that magazines in the United States have restricted their coverage of the dangers of smoking out of fear of economic reprisals by cigarette manufacturers. The degree of restriction appears to be a function of the magazine's degree of dependence on revenues from cigarette advertising. Our results are also consistent with the widespread perception that the restriction of coverage associated with the acceptance of cigarette advertising is particularly important in the case of women's magazines. (pp.307-308)

Warner, K.E., Goldenhar, L.M., McLaughlin, C.G. "Cigarette Advertising and Magazine Coverage of the Hazards of Smoking: A Statistical Analysis" *New England Journal of Medicine*, 1992;326(5):305-309.

243. In increasing numbers, Americans will seek to satisfy nicotine addictions through the use of novel nicotine-delivery products devoid of several of the poisons that make cigarettes so deadly. ... However, a series of technological, economic, political, regulatory, and social developments augurs a strange-bedfellows competition in which these industries will vie for shares of a new multibillion dollar long-term nicotine-maintenance market. Regulatory options range from encouraging competition to banning all nicotine-delivery devices. A more realistic approach discourages use of the most dangerous products, while making less hazardous products readily available to adults. (p.1087)

Warner, K.E., Slade, J., Sweanor, D.T. "The Emerging Market for Long-Term Nicotine Maintenance" *Journal of the American Medical Association*, 1997;278(13):1087-1092.

244. Awareness of certain brands of cigarette was linked to an increased risk of onset of smoking in 11 to 13 year olds, especially girls. Awareness of the most advertised brands was a strong predictor of smoking, while awareness of other brands, probably known from other sources, was a less likely predictor. Children appear to take in the messages of cigarette advertising and interpret them as generic to smoking rather than brand specific. (p.399)

While, D., Kelly, S., Huang, W., Charlton, A. "Cigarette advertising and onset of smoking in children: questionnaire survey" *British Medical Journal*, 1996;313:398-399.

245. On balance, there is no doubt that advertising has some effect on influencing uptake of smoking among children, and on this basis, should be discontinued. The most compelling industry defence of advertising – that to deny them the 'right' of advertising denies the consumer important product information – is fatuous, given the dearth of useful product information typically provided by tobacco advertising, particularly sponsorship. (p.299)

Winstanley, M., Woodward, S., Walker, N. *Tobacco in Australia: Facts and Issues, 1995.* (Carlton South, Victoria, Australia: Victorian Smoking and Health Program, 1995).

246. In the limited area encompassed by the cities of Ottawa and Hull, point-of-sale advertising for *Player's Ltd. Racing* and the *Matinée Ltd. Fashion Foundation* generated about 280 million exposures – the equivalent of more than 2 exposures per resident each day – for just over $100,000. In the larger Ottawa/Hull region (including Nepean, Gloucester, Kanata, etc.), other forms of advertising generated more than 16 million exposures at a cost exceeding $2.5 million. (p.iii)

Woods, R. "Tobacco Sponsorship Advertising in the Ottawa/Hull Region" Prepared on behalf of the Canadian Council on Smoking and Health, December, 1993.

247. The Forty-third World Health Assembly,

...

Encouraged by:

...

(c) recent information demonstrating the effectiveness of tobacco control strategies, and in particular:

...

- comprehensive bans and other legislative restrictive measures to control effectively direct and indirect advertising, promotion and sponsorship concerning tobacco (p.263)

...

1. URGES all Member States:

...

(2) to consider including in their tobacco control strategies plans for legislation or other effective measures at the appropriate government level providing for:

...

(c) progressive restrictions and concerted action to eliminate eventually all direct and indirect advertising, promotion and sponsorship concerning tobacco (p.264)

World Health Assembly, Resolution WHA43.16, May 1990, In: Roemer, R. *Legislative Action to Combat the World Tobacco Epidemic*, 2d ed. (Geneva: World Health Organization, 1993), pp.263-264.

248. [In this resolution, the World Health Assembly, the parent body of the World Health Organization, called for the development of an international framework convention for tobacco control. The WHA also urged member states to implement comprehensive tobacco control strategies, including a ban on all forms of tobacco promotion, reiterating previous WHA resolutions.]

World Health Assembly, "An international framework convention for tobacco control" Resolution WHA49.17, May 25, 1996.

249. WHO and its co-sponsors of World No-Tobacco Day, the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the International Olympic Committee (IOC) join forces in calling for all nations to end sponsorships which in any

way associate tobacco products with sporting and cultural activities. (quotation from news release)

World Health Organization, "Sport and the Arts Without Tobacco: Play It Tobacco Free!" World No-Tobacco Day Advisory Kit, 1996, and accompanying documents; World Health Organization, "World No-Tobacco Day: Play It Tobacco-Free!" press release WHO/41, May 31, 1996.

250. The tobacco industry, in advance of a total ban, will try to lobby for voluntary agreements and encourage health warnings rather than total bans. The former has been shown internationally and locally not to work. The only solution, and a sensible one from a public health perspective, is to act more assertively and ban all tobacco advertising as a matter of urgency. (p.841)

Yach, D., Paterson, G. "Tobacco advertising in South Africa with specific reference to magazines" *South African Medical Journal* 1994;84(12):838-841.

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RESEARCH PAPER

Going below the line: creating transportable brands for Australia's dark market

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Objective: To investigate non-point-of-sale cigarette marketing in Australia, one of the "darkest" markets in the world.
Design: Analysis of 172 tobacco industry documents.
Results: The tobacco industry has continued to market their products despite severe restrictions on legal marketing activity. They made careful plans to circumvent regulation well in advance. In preparation for bans, they chose and strengthened existing brands to enable their continued success in a dark market and prepared the consumer for bans by increasing their spending on below the line activities. Bans reduced the industry's effectiveness and efficiency. After bans new brand launches stopped: instead key existing brands were strengthened via alterations to the product, line extensions, and stretching loopholes in the legislation as far as possible. In line with the general trend towards integrated marketing, a range of activities have been used in combination, including guerrilla marketing, advertising in imported international magazines, altering the pack, sponsorships, brand stretching, event promotions, lifestyle premiums, and the development of corporate websites.
Conclusions: The tobacco industry acknowledges that marketing restrictions have an impact, validating their continued use in tobacco control. The industry is extremely creative in circumventing these marketing restrictions, requiring tobacco marketing regulations to be informed by marketing expertise, regularly updated, and to adopt the broadest possible scope. Tobacco control advocates, particularly those communicating with young people, could learn from the creativity of the tobacco industry.

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This paper discusses the marketing strategies, other than point-of-sale (POS) marketing, used by the tobacco industry in Australia. The retail environment is extremely important in Australia's dark market, and is neglected here only because it is the focus of another paper in this supplement.[1] A third relevant paper in this supplement discusses the three brand categories operating in Australia—premium, mainstream, and supervalue.[2] The significance of the cigarette pack as a marketing tool has already been explored in the literature.[3 4]

Australia is a highly restricted marketing environment for tobacco—what the tobacco industry refers to as a "dark market". Federal Australian law has made most forms of tobacco marketing illegal, starting in 1976 and reaching a watershed in the (Federal) Tobacco Advertising Prohibition (TAP) Act 1992.[5] On a background of existing television, radio and cinema bans, the TAP Act prohibited print advertising, domestic sponsorships and out-of-home (OOH), with some notable exceptions, particularly "internationally significant" sponsorships, which cease in 2006.

Good marketing integrates above-the-line and below-the-line strategies

There are two kinds of marketing strategies that can be used to promote any product: "above-the-line" (ATL, essentially advertising in the mass media) and "below-the-line" (BTL). These category names reflect the business practices of advertising agencies. Agencies generally make commission on placement of advertisements in newspapers, magazines and cinema, and on television, radio and billboards,[6] a fee that appears "above the line" on their bill.[7] Traditionally, other forms of promotion—events, POS displays, direct marketing, email promotions, text message promotions, premiums, price reductions, public relations activities, sponsorship, trade shows, exhibitions, sales literature and catalogues—were charged at a fixed fee and thus appeared "below the line".[6–12]

Traditionally ATL and BTL strategies have been considered distinct, and BTL the poor cousin. In fact, some agencies have argued that BTL cheapens a brand and undermines long term brand prospects.[6] However, increasingly, BTL strategies are recognised as economical, unique, and personal ways to achieve "cut-through" in the supersaturated advertising environment. Some marketing theorists and practitioners now argue that ATL is relatively unsophisticated and poor value, particularly for young, cynical, media-savvy markets. The key to powerful marketing, and standard marketing practice, is now the "integration" of a range of complementary ATL and/or BTL strategies to provide multifaceted support for a brand.[6 13 14]

The tobacco industry: a special kind of integrated marketing

This general shift in marketing away from the presumed superiority of ATL and towards integration and the power of BTL has special significance for the tobacco industry. Australian tobacco marketers are expert at integrated and BTL marketing. However, as they acknowledge, they have developed these skills not to keep up with other industries, but because the Australian tobacco market is among the darkest in the world.[15 16] Because of progressive regulation, the Australian cigarette industry has been forced into dependence on creative BTL strategies alone to formulate an integrated marketing mix.

Abbreviations: ATL, "above-the- line"; BTL, "below-the-line"; OOH, out-of-home; PML, Philip Morris (Australia) Limited; POS, point-of sale; TAP Act, Tobacco Advertising Prohibition Act

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The new BTL: guerrilla marketing

Since the late 1990s, for all kinds of products but particularly those for youth markets, BTL has included "buzz", "viral" or "guerrilla" marketing, which is intended to create a word-of-mouth "buzz" and thus spread like a "virus". It is characterised by subversion of the transparency of commercial messages to make a consumer think that they are discovering something for themselves (thus "guerrilla")—a phenomenon which is also central to coercions such as pyramid selling and cult recruitment.[17] Guerrilla marketers may, for example, pay teens to talk to their friends about a product, commission footpath graffiti, or create an event or a website which, rather than containing overt brand imagery, is consistent with the image of the product and "coincidentally" contains it, without overtly delivering a selling message.

Guerrilla event marketing for tobacco is well developed and documented in Australia. There are many examples. A leading fashion designers' after-show-party, bankrolled by a cigarette manufacturer, featured cigarette-bearing models.[18] A 1950s themed room in a club was visited, with much fanfare, by young models who stacked a strategically placed retro refrigerator with cigarettes.* A dance party featuring a wide range of "feminine" products, including cigarettes, was promoted via the street press and followed up with questionnaires to partygoers about their smoking. Philip Morris (Australia) Limited (PML) has pleaded guilty to the charge that the latter event was cigarette advertising.[19 20] Importantly, the people attending these events did not expect cigarettes to be featured, and in some instances co-sponsors claimed not to know that tobacco money was involved.

METHODS

Data came from primary and secondary document sites on the world wide web arising from litigation in the USA.[21] Documents came from the primary sites of the manufacturers,[22] the Council for Tobacco Research,[23] and the US Tobacco Institute[24] and the secondary sites of Tobacco Documents Online (Bliley, BC, Health Canada and Guildford Miscellaneous collections),[25] the Canadian Council for Tobacco Control site,[26] the British Columbia Ministry of Health Services site,[27] and the Center for Disease Control and Prevention Guildford site.[28] The search string (pagewood or moorabbin or granville or australia or sydney or melbourne or brisbane or hobart or adelaide or perth or canberra or amatil or wills) has been used throughout the project to gather documents relating to the Australian market. Six hundred and ninety two of these were relevant to cigarette branding in Australia, and of these 172 dealt specifically with issues of transportability of brands and the importance of retailers. This paper presents only a subset of the evidence: all 172 documents are available from http://tobacco.health.usyd.edu.au/site/gateway/docs/search.htm. An overview of our approach to document searching and analysis is available elsewhere.[29] The three main trade journals—*Australian Retail Tobacconist*, *Retail World*, and *Australian Service Station and Convenience Store News* (pre November 2001)/ *Australian Convenience Store News* (post November 2001) were also searched by hand (volumes from 1990 to the present) for information on the industry's marketing strategies.

RESULTS

Resilience, substance, transportability: keys to a dark market cigarette brand

In 1990, before the introduction of the TAP Act, PML launched a new (unsuccessful) brand, Belmont, to compete with Rothmans' Winfield, and "to ensure a balanced aggressive portfolio entering the print ban era".[30] Belmont's launch plan was classic integrated marketing, combining OOH, press inserts, POS, distribution, aggressive direct marketing by mail to Winfield smokers, and premiums in convenience retail outlets as incentives for both retailers and customers. Thirty hostesses in hotels and clubs offered samples and trade-ups (a free pack of Belmont cigarettes for smokers in exchange for the pack of competitor brand being smoked), playing "a critical role within the tactical mix in gaining trial amongst targeted opposition smokers, building awareness and creating word of mouth communication".[30]

In 2003, 11 years after the introduction of the TAP Act, marketing, in an evolved form, retains its central place. Indeed readers of British American Tobacco Australia's 2000 annual report could be forgiven for thinking the TAP Act was never passed. A typical sample: "Dunhill's presence as the leading super-premium brand was enhanced by a new and confident creative campaign in mid-June. This combined with a focus on building the brand's presence in bars and cafes saw Dunhill achieve market share growth nationally ...[consumer research showed]...increased consumer presence and relevance."[31] BATA's report consistently attributed improvements in brand share to integrated marketing activities, including the launch of product innovations such as "King Size" cigarettes, small and soft packs, and "new creative campaigns". In other forums manufacturers have explicitly discussed the value of their guerrilla marketing.[32]

As early as the 1970s, manufacturers made careful plans to manage regulation by "establish[ing] unique images for leading brands and at the same time ensur[ing] that after above-the-line phase out, the advertising campaigns already built could be easily transferred to...other media".[33] Many

Glossary of terms

- **Above the line (ATL)**: marketing via the mass media (print, television, radio, posters/billboards and cinema).
- **Below the line (BTL)**: marketing via methods other than mass media.
- **Brand stretching**: promoting a cigarette brand via the marketing of non-tobacco products under the same brand.
- **Cut-through**: getting noticed by the consumer above the "noise" of the crowded marketing environment.
- **Dark market**: highly restricted marketing environment.
- **Guerilla, buzz or viral marketing**: marketing which appears not to be an advertisement, but rather creates an environment (for example, street graffiti, parties, websites, conversations with peers) consistent with a brand's identity, in which the brand "coincidentally" appears.
- **Out-of-home (OOH)**: billboards, or outdoor advertising.
- **Point of sale marketing (POS)**: the arrangement of product and placement of promotional material in retail stores.
- **Premiums**: gifts, usually with purchase (for example, buy two packs, get a free lighter).
- **Text-message promotions**: promotions via text-message (SMS) on mobile (cellular) phones, a very popular form of communication in Australia, particularly among young people.

*Personal communication from Fiona Cameron, freelance journalist, Melbourne, 19 July 2002.

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Australian industry documents, both pre- and post-TAP, frankly discussed the need to maximise the impact of remaining advertising opportunities, develop "instantly recognisable" brands, continue to research innovative new promotion techniques, and gradually adjust advertising strategies to acclimatise consumers before regulation was enforced.[34–37]

Transportable old brands instead of new brands

The frequency of brand launches in Australia started to slow in the 1980s, due to frequent failure of new brands and competition pushing the price of brand launches to "astronomical levels".[32 38–40] However, since the TAP Act, launching new brands has been seen as frankly wasteful. As one retail industry writer noted: "the ever tightening legislation has...put paid to a constant parade of new brands—it's difficult enough to promote existing "old favourites" without trying to launch something new without promotional opportunities... the companies have to be constantly creative with what they've got."[41]

The loss of ATL was seen as a terrible blow. RJR complained in 1997 that "the brand awareness goals set for a new brand or line extension that Australia used to reach in three to four months via print, billboard and direct marketing now take them two to three years to achieve. New brands have been almost impossible to launch."[42] In preparation for this media desert, new brands were launched in the dying days of ATL in Australia in an attempt to create brand awareness before the market became darker,[43 44] and RJR advocated this method in other markets in response to the Australian experience, recommending: "any propositions with merit should be launched while you still have full colour, OOH, print & direct marketing. The hell you put field sales through and the trade through will pale compared to the hell you face getting a new proposition to jell after the bans."[42]

After the TAP Act, instead of launching new brands, manufacturers have enriched existing brand personalities and developed new variants within existing brand families, focusing on a small number of brands with pre-existing high awareness and strong campaigns where possible.[45–47] The best example of this transportability is one of the best known Australian cigarette campaigns, fronted by actor Paul Hogan, an irreverent iconic Australian figure, in the 1970s. A series of bizarre mishaps, strange activities or unsolvable problems were tagged with Hogan's reassuringly good-humoured suggestion "Anyhow*...have a Winfield." Hogan was removed in 1980, but the format and slogan are still in use on pack outserts (cardboard wrappers placed around the pack) and in retail advertising 30 years later, helping to maintain Winfield in its number one position in the Australian market.

The strategy

The Australian dark market strategy appears to have been as follows. Before the restrictions were introduced, big powerful brands were selected, studied, and strengthened to ensure continued potency after the bans. In the lead up to the ban, spending on BTL was increased to prepare the consumer for the changed environment.[48] After the restrictions, novelty was introduced within brand families through broader variant ranges (particularly in the supervalue and mainstream product categories) and product changes. Novel offerings included round-cornered packs and American style soft-packs for premium cigarettes; more modest pack changes (largely in graphic design) for mainstream and value cigarettes; and a new emphasis on mid-range (6–8 mg) tar banding, Australia's fastest growing tar segment. In addition, when 1999 taxation changes made it financially viable, brands which had traditionally only been available in large pack sizes diversified into small packs of 20 or 25.[49 50]

These offers provide flexibility and novelty for consumers within a known brand offer, and make marketing expenditure more efficient for the manufacturer as the existing brand personality provides infrastructural support for the new offering. Loopholes in the legislation are also sought to continue brand images in the mind of the consumer by any available below-the-line means. Loopholes are extended as far as possible, denying the spirit of the law and sometimes complying with the letter only when forced,[51] as Rothmans' head office noted regarding Australian POS advertising in 1997: "local tobacco companies tend to stretch meaning of regulations and only removed [advertising] after retail warning was issued."[42] Cementing and sustaining a continuing personal relationship between the consumer and their brand is the priority. As PML argued in 1990: "going out and directly contacting our key target consumer is becoming increasingly more important, particularly in light of the upcoming media ban... we must now talk to the consumer face to face..."[48]

BTL (and ATL) activities after the TAP Act

After the restrictions were introduced, the manufacturers discussed a wide range of channels available to communicate with their consumers and promote their priority brands. In addition to the guerrilla marketing already discussed, these have included:

- advertising in imported international magazines
- altering the pack
- sponsorships
- brand stretching
- event promotions
- lifestyle premiums
- the development of corporate websites.

International magazines

Tobacco advertising is permitted in magazines that are both printed outside Australia and "not principally intended for distribution or use in Australia" and these have been targeted by the industry to gain a foothold.[5 52–54]

Delivering novelty via the pack

Manufacturers have printed on the inside of flip-top packs, printed on or changed the colour of the foil inside the pack, subtly changed pack design to provide novelty, and used pack and carton inserts and outserts—for example, to join two packs into a single "mini-carton" and display advertising imagery.†[42 55–57] Because of the importance of the pack, the industry fears the introduction of generic packaging. However they admit that generic packaging is only "a short step" from the placement of products under the counter in retail stores, and is possibly "achievable [in Australia] in the long term", particularly given the link to youth smoking.[58]

Sponsorships

The TAP Act currently permits "sponsorships of international significance", and the documents show that manufacturers see these sponsorships as vital to "consumer cut through"; select them for their brand synergy; and fund them both to market that brand via television and individual consumer attendance at the events and to provide opportunities to entertain VIPs.[34 48 51 52 57 59–63]

†Personal observation, Winfield 25s, NSW, 2002

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The importance of sponsorships is illustrated by an unusual exception to the "no new launches" rule: the recent launch of West by Imperial in Victoria, which houses the sponsorship exempted International Formula One competition. West was launched to coincide with the West/McLaren team winning the Victorian F1 in March 2003, underlining the synergistic power that the industry perceives international sponsorships to have in a dark market.

Brand stretching

Although the manufacturers repeatedly deny that trademark diversification promotes tobacco products,[64] their stated intentions to use brand stretching,[52 63 65 66] and RJR's statement that Australian manufacturers are "highly regretful that they did not move very early in the game to extend the reach of their trademarks well outside the tobacco category ...for constant reinforcement of brand positioning"[42] belies the claim.

Event promotions

Promotions, sampling, competitions, and sweepstakes via special theme nights at nightspots, pubs, and events and via mail and toll-free phone lines have been used,[44 51 60 65 67 68] designed to "get our product into the hands of opposition smokers in an involving way".[48] "Sell no tell" hostesses in branded costumes at nightspots have also been used. Because these models sell the product but do not talk about it, they are supposedly not engaging in "advertising".[51]

Lifestyle premiums

"Lifestyle" premiums such as diaries and entertainment guides were established as branded tools before TAP, and then continued after TAP in brand colours only, with the branding reinforced through POS displays.[51 65 67]

Corporate websites

In March 2000, Eric Windholz, attorney with Philip Morris Corporate Services, wrote of PML's new corporate website: "as you are no doubt aware, our ability to communicate about the Company and its positions through traditional media is severely restricted. As a result, the website takes an added significance [sic]."[69]

A case study: the resurrection of Peter Stuyvesant

Imperial Tobacco entered the Australian market in 1999 and shortly afterwards appointed an agency to manage more than $10m worth of BTL marketing activities.[70] Peter Stuyvesant, an old and previously successful brand which sank into obscurity in the 1990s, is now being revived as Imperial's key premium small-soft-pack product, providing a good illustration of re-branding and growth in the absence of ATL. Sizeable risks have been taken to extend the brand's silver and blue retro styling, which is also reflected in the image based retail advertisements for the brand. Small silver and glass cabinets displaying only the Peter Stuyvesant soft pack range have been installed illegally in places such as cafes where cigarettes are not usually sold, minus the usual health warnings, allowing the brand a glamorous solo presence until detected by authorities.‡ Arresting photographic advertising images on carton sides have been used to provide eye catching in-store displays, and special brand-blue plastic display modules have been provided to sit over the regular pack dispensers, highlighting the brand within the display unit and providing clear pack face display (fig 1–3).§

Imperial has obtained the "exclusive right to sell cigarettes" (not the right to "sponsor") at popular music festivals, and the right has been exercised creatively with the assistance of Peer Group Media, a company specialising in youth marketing and headed by the editor of a local music magazine with impeccable street credibility. Imperial appear to be hoping for some memory of and resonance with the brand's old slogan "your passport to international smoking pleasure", which, if recalled, would offer camp retro irony for young Australians. Cigarettes have been sold by "air hostesses" in dedicated tents at festivals, along with clothes in suspiciously similar livery made by a separate company under a "Beaver Discovery World Air (DWA)" brand.[71] One of

‡Personal observation, NSW, 2002
§Personal observation, NSW, 2002



Figure 1 Custom-made blue plastic display to highlight the Peter Stuyvesant range within the existing display cabinet.

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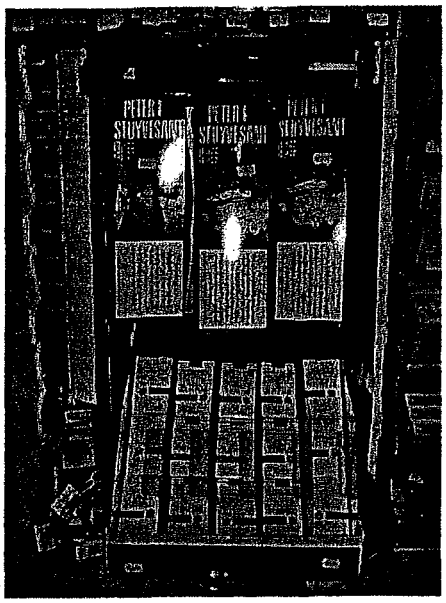


Figure 2 Stand-alone blue plastic Peter Stuyvesant display unit using carton sides to provide advertising imagery.

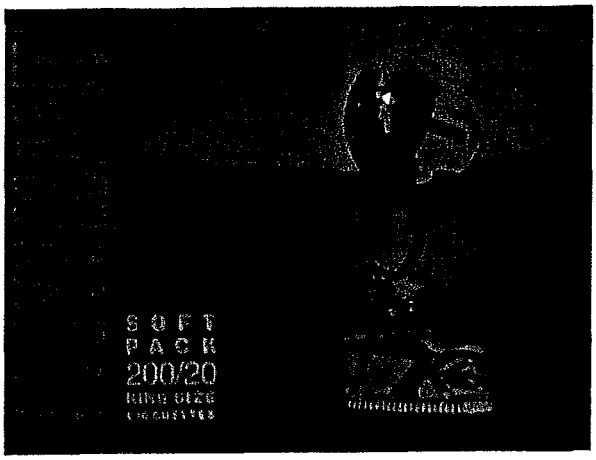


Figure 3 Detail of art on Peter Stuyvesant carton.

these festival appearances was linked to similarly retro-chic club nights, also under the DWA brand, promoted as a follow up to the festival. Invitations included a fictional back story for the company (fig 4), and a URL which led to a single webpage. The page's instruction "we'll have something special real soon, but for now, go look at porn" was linked to ironically un-sexy websites on subjects such as fly fishing and barn dancing (fig 5). A silver metal Peter Stuyvesant cigarette case, branded and perfectly sized to contain a soft pack and thus cover the health warning, has also been made available at music festivals.¶

Australian Convenience Store News observed in 2002: "Peter Stuyvesant's strength in the premium market is obscured in the aggregate market share data. Its share of the convenience store premium market increased from 11.6% to 13.2% last year... [it is] growing in the strongest segment, in particular the 20s pack size."[72] A review of AC Nielsen C*Track (convenience scanning) value share data from 2002 showed four Peter Stuyvesant products in the national top 40, and the total family ranked between sixth and 10th by state, with value shares from 2.0–6.6% of the state markets—no mean feat for a previously "uncool" brand.[73] Given that young smokers are fond of convenience stores, premium brands, and small packs it seems highly likely, given the marketing strategies, that at least some of this share growth has come from young smokers.

CONCLUSIONS

There are three main conclusions to be drawn from this material. Firstly, the industry acknowledges that marketing restrictions have an impact, validating their continued use in tobacco control. Secondly, the industry is extremely creative in circumventing these marketing restrictions, requiring tobacco marketing regulations to be informed by marketing expertise, regularly updated, and to adopt the broadest possible scope. Thirdly, tobacco control advocates, particularly those communicating with young people, could learn from the creativity of the tobacco industry.

Some may argue that brand choice is inconsequential to tobacco control and that manufacturers' ability to, in their words, "simply compete for brand share" is not the proper jurisdiction of tobacco control. However, this is belied by the enormous efforts expended by the industry on brand promotion, effectively an attempt to attract new smokers and keep existing smokers smoking. Brands and their transportability in a dark market are central concerns for the industry, and thus should be a central concern for tobacco control.

¶A picture of this case is available at http://www.ashaust.org.au/pdfs/StuyvTin02.pdf.

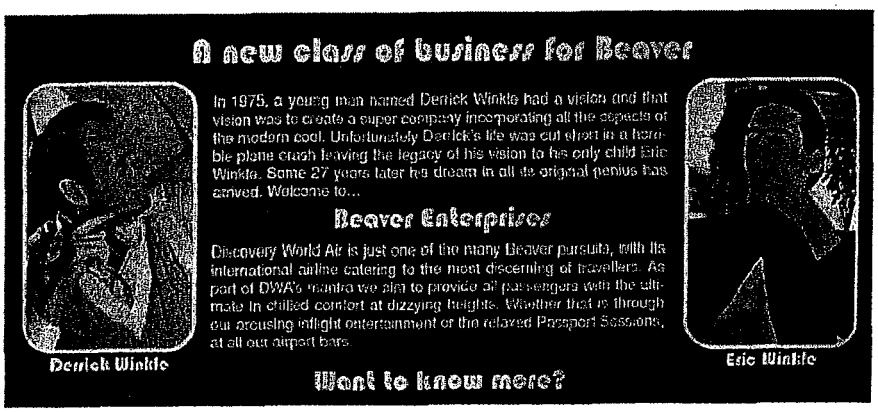


Figure 4 Part of an invitation to attend a series of music nights: fictional back story on the "Beaver DWA" company.

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Figure 5 Beaver DWA webpage.

The industry clearly acknowledges that ATL advertising bans disrupt their business, making consumer awareness harder and more time consuming to achieve. However, even in a heavily restricted market, the cigarette industry keeps advertising. Despite the pain and reduced efficiency resulting from loss of ATL, BTL is stretched in innovative ways, and manufacturers breach the law until caught for short term benefits. Industry documents and observation suggest that the pack, POS, international sponsorships, and guerrilla marketing are the most important frontiers in a dark market. Advertising in imported international magazines, brand stretching, lifestyle premiums, and corporate websites also have a role to play.

The creativity of the industry in circumventing marketing restrictions highlights the need for truly comprehensive bans, addressing every aspect of all of these marketing activities. "Generic" packs, for example, would require complete standardisation: simply prohibiting current trademarks will not suffice. Inserts, outserts, foil, wrap, image, colour, typeface, printing on the cigarette rod, rod colour and tipping paper, and even scent would need to be considered (there is an Australian precedent for using scented foil for menthol cigarettes) as they are all means by which brand identity can be communicated. As discussed in other papers,[2] a brand is far more than a visual trademark, and disruption of brand differentiation will require disruption of all aspects of brands, not just their name and logo.

Manufacturers prepare themselves and their consumers for onerous regulation years in advance, selecting, building, and transporting a strong set of existing brands into the regulated market. It follows that those contemplating regulation of tobacco marketing should closely guard proposals for marketing restrictions for as long as possible. Although this is inconsistent with usual due process, it could be argued that this industry has in fact relinquished its place at the negotiating table by deliberately and consistently flaunting the spirit of the law.

What this paper adds

Studies of cigarette marketing tend to focus on the effect of above-the-line strategies. There has been little published on the industry's strategies after above-the-line has been banned.

This paper describes the industry's overall strategy for dealing with the introduction of marketing restrictions, and the below-the-line marketing activities which have been integrated to promote cigarette brands after the introduction of bans.

In a dark market, the industry creates novelty for the consumer not by launching new brands, but by making new offers within existing strong brand families. This increases the efficiency and effectiveness of their marketing activities by removing the arduous task of attempting to launch a completely new brand concept without ATL. The provision of a vast array of variants within a brand family not only creates consumer novelty, but provides critical mass in the retail display; if only one pack of each variant can be displayed by law, eight variants provide twice the visual space of four, increasing brand impact. Regulation of marketing should, if possible, incorporate limits on the type and number of offers that can be made within a brand group, and the grounds on which products can be differentiated, with a particular eye for the truth of manufacturers' product claims.

Australian cigarette manufacturers are not unique; they mirror trends in promotion of all kinds of products to young consumers worldwide, and tobacco control would benefit from studying other highly competitive youth markets (promoters of electronic/computer games and energy drinks seem particularly fond of guerrilla strategies, for example). Cutting edge, practising marketing experts could also be consulted on future directions and potential loopholes, and assist with the construction of both counter-marketing and legislation. As tobacco control is up against some of the most talented guerrilla marketing professionals in the world, it should, like them, avoid over-reliance on relatively static and expensive ATL strategies. Integrated marketing is likely to be more effective marketing, in tobacco control as much as any other endeavour.

The case study of the dark marketing of Peter Stuyvesant suggests some potential lessons for a tobacco control "brand". Create a strong brand identity and communicate it clearly. Ensure that every aspect of the consumer's experience of the brand is consistent with that identity. Integrate as many complementing marketing activities as possible to build your brand including BTL activities. Make your product stand out. Create a "world" for the product that the consumer will feel a part of, a world which complements the brand but is not necessarily "branded". Use humour, and let the consumer know that you know that they "get the jokes". Promote the brand in the consumers' own environment, particularly where they have fun. It is worth noting that the phenomenally successful "Truth" campaign in Florida, which raised awareness, changed attitudes, and lowered smoking prevalence among teens, followed all of these principles.[74–77]

If comprehensive tobacco marketing regulation can be combined with cutting edge integrated marketing of tobacco control, it may be possible to counter the industry's continuing efforts to attract and retain customers, even in a "dark" market.

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RESEARCH PAPER

New frontier, new power: the retail environment in Australia's dark market

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Objective: To investigate the role of the retail environment in cigarette marketing in Australia, one of the "darkest" markets in the world.
Design: Analysis of 172 tobacco industry documents; and articles and advertisements found by hand searching Australia's three leading retail trade journals.
Results: As Australian cigarette marketing was increasingly restricted, the retail environment became the primary communication vehicle for building cigarette brands. When retail marketing was restricted, the industry conceded only incrementally and under duress, and at times continues to break the law. The tobacco industry targets retailers via trade promotional expenditure, financial and practical assistance with point of sale marketing, alliance building, brand advertising, and distribution. Cigarette brand advertising in retail magazines are designed to build brand identities. Philip Morris and British American Tobacco are now competing to control distribution of all products to retailers, placing themselves at the heart of retail business.
Conclusions: Cigarette companies prize retail marketing in Australia's dark market. Stringent point of sale marketing restrictions should be included in any comprehensive tobacco control measures. Relationships between retailers and the industry will be more difficult to regulate. Retail press advertising and trade promotional expenditure could be banned. In-store marketing assistance, retail–tobacco industry alliance building, and new electronic retail distribution systems may be less amenable to regulation. Alliances between the health and retail sectors and financial support for a move away from retail dependence on tobacco may be necessary to effect cultural change.

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Australia is a highly restricted marketing environment for tobacco. Federal Australian law has made most forms of tobacco marketing illegal, starting in 1976 and reaching a watershed in the (Federal) Tobacco Advertising Prohibition (TAP) Act 1992.[1] On a background of existing television, radio, and cinema bans, the TAP Act prohibited print advertising, domestic sponsorships, and billboard advertising with some exceptions, including "internationally significant" sponsorships and advertising in retail trade publications.[1] The TAP Act permits in-store advertising, although this is overridden if stronger State legislation exists. Australia's eight states and territories are inconsistent on point of sale (POS) advertising and promotions.[2]

This paper was stimulated by a desire to understand how manufacturers approach the role of retailers in a restricted market like Australia. Another paper in this supplement explains the difference between above-the-line marketing (mass media advertising) and below-the-line marketing (which includes POS marketing). It also describes the general trend across industries towards integrated marketing, the tobacco industry's increased investment in below-the-line advertising to prepare consumers for impending restrictions on above-the-line, and the non-retail marketing strategies used to promote cigarettes in Australia.[3] Another relevant paper in this supplement discusses the three brand categories operating in Australia—premium, mainstream, and super-value.[4]

Some international research has considered the role of the retailer in marketing. US research has shown that retailer incentive payments (for POS agreements) are growing[5]; retailers receive proportionally more incentives from tobacco than other industries[6]; and 81% of industry marketing expenditure is on these "promotional allowances", through contracts which stipulate terms such as in-store placement and reimburse retailers for selling at cheaper prices.[7] The US industry's retail marketing plans reflect the age, race, and wealth of the retailer's customers,[8–10] and POS promotions are used more extensively in contexts where other industry strategies are curbed by regulation.[11] Retail marketing and relationship building with retailers in the UK has also been described.[12] One small study of retailer compliance with new marketing restrictions in Western Sydney showed a high degree of compliance, and suggested that non-compliant retailers had sometimes been misinformed by industry representatives.[13] Other than this study, there has been little exploration of the significance of retail marketing in Australia in the literature.

METHODS

This paper draws on three sources: tobacco industry documents, reporting in Australian retail trade publications, and cigarette advertising in Australian retail trade publications.

Tobacco industry documents came from sites on the world wide web arising from litigation in the USA.[14] Documents came from the primary sites of the manufacturers,[15] the Council for Tobacco Research,[16] and the US Tobacco Institute,[17] and the secondary sites of Tobacco Documents Online (Bliley, BC, Health Canada and Guildford Miscellaneous collections),[18] the Canadian Council for Tobacco Control site,[19] the British Columbia Ministry of Health Services site,[20] and the Center for Disease Control Guildford site.[21] The search string (pagewood or moorabbin

Abbreviations: BATA, British American Tobacco Australia; PML, Philip Morris Australia Limited; POS, point of sale; TAP Act, Tobacco Advertising Prohibition Act; TPE, trade promotional expenditure

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or granville or australia or sydney or melbourne or brisbane or hobart or adelaide or perth or canberra or amatil or wills) has been used throughout the project to gather documents relating to the Australian market. Six hundred and ninety two of these were relevant to cigarette branding in Australia, and of these 172 dealt specifically with issues of transportability of brands and the importance of retailers. This paper presents only a subset of the evidence: all 172 documents are available from http://tobacco.health.usyd.edu.au/site/gateway/docs/search.htm. An overview of our approach to document searching and analysis is available elsewhere.[22]

The three main trade journals—*Australian Retail Tobacconist, Retail World,* and *Australian Service Station and Convenience Store News* (pre November 2001)/*Australian Convenience Store News* (post November 2001)—were searched by hand from 1990 to the present. All articles and corporate advertisements that mentioned tobacco products or companies were copied. Industry documents and articles from retail trade publications were collected and analysed in the same way. A materialist, intersubjective position was assumed[23 24]; the aim was to understand cigarette retailing from the industry and the retailers' point of view. All identified statements to cigarette retailers or about cigarette retailing were annotated verbatim, organised chronologically, and then grouped iteratively into emergent themes.

In addition advertisements for ready made cigarettes in retail trade publications were examined. All advertisements placed by Philip Morris Australia Limited (PML), British American Tobacco Australia (BATA), or Imperial Tobacco Limited for ready made cigarettes from January 2001 to June 2003 were colour copied. One hundred instances of advertising, comprising 44 unique advertisements for only 13 brands were identified from the 30 month period of study. Advertisements were classified into the three brand categories defined by the Australian cigarette industry: premium (quality, mostly international brand cigarettes), mainstream (the "Aussie" brands Peter Jackson and Winfield), and supervalue (budget cigarettes).[4]

The author further classified each unique advertisement according to five questions, which are defined in table 1.

A positioning statement is defined as "the part of the brand identity and value proposition that is to be actively communicated to the target audience... [to] demonstrate an advantage over competitor brands".[25 26] Brand identity is defined as "a set of associations the brand strategist seeks to create or maintain... what the organisation wants the brand to stand for" and the "value proposition" is a statement of the benefits that the brand offers.[23 26] Examples of Australian positioning statements are "Anyhow, have a Winfield", "Longbeach 40s: more to enjoy", "Fresh is Alpine", "Medium: when you want a flavourful mid tar cigarette", and "West Ice cool taste".

Table 1 Criteria for analysis of tobacco advertisements from retail trade publications

Question	Yes if:
Was something "new" formally announced in the advertisement?	The adjective "new" was used to describe a featured brand or variant
Did a cigarette pack appear?	A picture of one or more cigarette packs appeared
Was imagery (excepting a cigarette pack or trademark) used?	Non-text photographs or graphics appeared portraying something other than a cigarette pack or trademark
Was retailing information provided?	The advertisement contained text which actively addressed the retailer, describing business benefits such as profit margins, sales figures or brand share
Was a positioning statement used?	The advertisement contained a positioning statement for the brand

RESULTS

The POS in Australian cigarette marketing

The Australian industry has always used the retail environment as a conduit for personal communication with consumers. As early as 1955 Philip Morris promised retailers "free, top quality display material".[27] By the 1960s Australia was "a lively active market with a great deal of aggressive advertising and point of sale", and Philip Morris employed 44 "salesmen". These salesmen serviced retailers and performed consumer tradeups. In a "tradeup" the salesman exchanged a packet of Philip Morris cigarettes for the cigarettes a consumer was smoking, an activity they were expected to perform opportunistically everywhere they went.[28]

In the 1970s and 1980s manufacturers provided retailers with everything from signs announcing opening hours, push/pull door signs, menu boards and clocks, as well as in-store premiums (gifts with purchase, often linked to branded sports sponsorship), hostesses, competitions, and "switch selling" programmes. "Switch selling" occurred when a customer asked for a competitor brand of cigarettes in a shop: the company sales representative would offer to buy the customer a packet of their company's brand instead.[29–32]

The rise of retail as marketing was restricted

In 1992, a PML presentation argued: "new government restrictions are rapidly increasing the importance of retail marketing as a part of the overall marketing mix. With this comes aggressive competition for in-store space and importantly, cut through* to the consumer...".[33] Previous to the TAP Act, above-the-line had been the primary vehicle for building brand image, and below-the-line strategies "provid[ed] important support for these established images".[33] The "net result" of the TAP Act, argued PML's spokesperson, was that "we must now extend below the line programs to encompass the image building role... retail marketing is therefore no longer the support mechanism, [but] the primary communication vehicle".[33]

In the early 1990s, before and after the TAP Act was introduced, the industry poured resources into "big specials which both reward and involve smokers",[34] including gondola end spectaculars (large three dimensional displays covering the entire end of a grocery aisle), competitions and sweepstakes, window displays, promotions in unique retail settings such as cafes and video stores, premiums, and more frequent changes in imagery, all in search of the holy grail of consumer attention and awareness.[34–36] To create "overpowering" beach imagery in shops in the early days of PML's Longbeach brand, for example, old two dimensional display units were replaced by "full 3D representations of the beach environment", including "beach chairs... sand, seagulls and even footprints on the floor", supported by beach photographs incorporated into the pack, and themed premiums such as beach bags.[33]

On the eve of local sponsorship bans, PML wrote: "as of 1996, the primary point of communication between ourselves and our consumers will be inside a retail outlet... In-store POS material, discounted stock units, on-pack premium offers, strategically located stock displays in-store (as well as in windows and showcases), need to be dominated by PML... In summary, the spend focus has shifted from media, outdoor and consumer promotions to in-store [POS management], contracting for display space, partnerships with

*"Cut through" is marketing jargon for getting the consumer's attention above the "noise" of a crowded advertising environment.

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retailers to build business, and international sponsorships."[36] Accordingly, by 1995 PML already had "long term agreements with retailers to ensure a dominant POS presence" in preparation for restrictions.[36]

Responses to retail marketing restrictions

Given the increased importance of retail in a restricted marketing environment, it is not surprising that, as various states limited POS promotions, the industry's retail strategies constricted only incrementally and under duress. Mass displays of cartons were used to "paint a billboard", but were soon noticed by regulators.[37] When regulation prevented POS displays from including brand logos, brand colours were used instead through balloons and streamers.[37] The same occurred for premiums. Originally items selected for their resonance with a brand's identity were branded with trademarks and offered as gifts with purchase. When trademarks on gifts were banned, the same gifts continued to be offered, in the colours of the brand, minus the trademark. In 1995, for example, smokers who bought two packs of Marlboro were offered a red cap with an F1 car (rather than a Marlboro logo) embroidered on it.[36] When premiums for cigarette purchases were banned Wills gave retailers cricket bats to raffle to consumers who bought "anything to the value of a carton of Benson & Hedges".[36]

Where possible, POS displays capitalised on the long-standing international sports sponsorships of the cigarette brands. This was seen by the manufacturers to provide "unquestionable legitimacy" at the POS: the familiarity of the link between the sport and the product and the synergy between the display and the sport, making consumers more comfortable with the marketing.[38] Manufacturers remain willing to test the law—for example, with a recently used custom made silver bar-refrigerator holding Alpine cigarettes for sale in shops, illegal in NSW[39] but tested by the manufacturers anyway.† PML believes that legislation forcing all cigarette products below the counter is probable across Australia in the medium term.[40]

The new power of retailers and the industry's response

Retailers are important to tobacco companies, as almost all cigarettes are sold in retail shops. Conversely, tobacco products are an extremely important category for many retail businesses. Unfortunately the retail sector is complex and availability and quality of data from public sources on retail cigarette sales is inconsistent, and thus difficult to summarise. The most comprehensive review available suggested that the margin of sales from cigarettes and tobacco as a proportion of gross margin was 71% for tobacconists, 20% for petrol stations, 17% for convenience, 11% for grocery, and 8% for mixed businesses.[41] AC Nielsen creates an annual "Top 100 Brands" report on the grocery/supermarket sector based on sales value, and tobacco brands reliably inhabit six out of the top 10 places in this list, beaten only by Coca Cola. A report on the convenience store sector based on data from 2000 showed that the "cigarette" category accounted for 34.68% of total sales, far exceeding the next largest categories, beverages (12.7%), milk (8.03%), and confectionery (7.86%).[42] Although the data are difficult to pin down, there is no doubt that tobacco is important to the Australian retail sector.

Despite this apparent dependence on tobacco, a combination of the disappearance of above-the-line and concentration of the grocery market in Australia[35] has put large retailers in particular in a strong negotiating position, and their loyalty is not guaranteed. Cigarette manufacturers maintain their relationships with retailers through five channels:

- trade promotional expenditure
- in-store display hardware and assistance with POS marketing
- corporate advertising and alliance building
- brand advertising direct to retailers
- a new, innovative electronic distribution system.

Trade promotional expenditure

Trade promotional expenditure (TPE) consists of retailer rewards, retailer loyalty programmes, rebates, and price supports.[43–46] Price support and rebates direct to the retailer have been important since at least the 1960s and are increasingly so[46–49]; in the absence of above-the-line advertising, the industry sees such pricing strategies as an increasingly important component of marketing.[4] Loyalty programmes, in contrast, provide personal rewards to the retailer. In 1995, for example, PML ran an incentives scheme where retailers who placed Longbeach products prominently received "Longbeach Dollars" that could be spent at special auction nights.[36] Such rewards must be sufficient to stimulate loyalty, as demonstrated by a failed 1994 Rothmans programme in which the rewards were too low.[36]

Display units and assistance with POS marketing

RJ Reynolds reported that "[Australian] retailers immediately realised they were sitting on a "gold mine" at retail when print and OOH [out of hours] went away", and that as a result "the cost of the real estate went through the roof for Australia", forcing manufacturers to pay millions of Australian dollars for entire massive sets of retail display hardware to ensure "an advantaged position (the only piece of 2000 cm advertising)".[37] Presumably this high cost was not just for the physical manufacture and installation of the units, but also a large fee for the right to use the only small piece of advertising space still available. PML has also acknowledged the importance of providing "innovative and customised instore [display] hardware"[44] and other merchandising supports, shouldering the financial burden placed on retailers as a result of regulatory changes to the display of cigarettes. As RJ Reynolds noted: "[providing customised hardware] could play a major role in the future on who is perceived as the must-have companies. Retailers will be looking for new and creative ways to sell and merchandise cigarettes."[37]

Personal relationships between company representatives and retailers certainly appear to be valued in tobacco culture, as evidenced by awards to staff who excel in developing these "invaluable" relationships,[50] and RJ Reynold's concern that after TAP "field people [were] totally confused about what [was] important... morale was five times worse than their expectations...[and] massive cultural/past behaviour change issues...existed".[37] "Field people" assist retailers with everything from planograms or POGs—diagrams that show how and where to display products in order to increase customer purchases—to local area marketing—designing a stock selection and display tailor made for the demographics of the area in which the business is situated.[51]

In 1998 a Wills marketing manager illustrated just how serious the industry is about the minutiae of legal cigarette displays in regulation sales units. "We've been pushing retailers to put their cigarettes on the back wall, and we've had some initiatives where we've block-stocked our products. Instead of using a gravity-fed overhead dispenser, we've used a cascade tray to build up a big brand image. That orients the

†A picture of this display unit can be viewed at http://www.ashaust.org.au/lv4/Lv4resources_tobacco_ads.htm

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Table 2 Content of brand advertising in retail trade publications*

	Premium	Mainstream	Value	Total
Number of unique advertisements	23	11	10	44
Number of brand families represented	8	2	3	13
New things announced	8	5	4	17
Cigarette pack appears	19	11	9	39
Imagery other than pack or trademark used	20	9	6	35
Text schools in retailing	6	9	8	23
Positioning statement used	15	6	7	28

*Number of unique advertisements January 2001 to June 2003 containing the listed content.

product towards the consumer rather than having it facing the floor so you see more of the packet. The company has also changed the packet colours on one of its major brands—Horizon—so that it's a uniform blue. The aim of the exercise is instant recognition: along with Benson and Hedges, that's given us full gold and blue blocks on display and that helps our brands stand out."[52] The maintenance of "POS dominance", the strengthening of brand symbols and colours for instant recognition (via pack design), and the extension of these colours and the brands' personalities into the POS are continuing, carefully negotiated strategies,[44] which also offer benefits to the retailer through highly organised and professional support for their merchandising.

Alliance building

The manufacturers promote their corporate image direct to retailers, and work to recruit retailers as political allies.[44 53 54] Retail trade publications contain both editorials consistent with tobacco rhetoric and photographs of tobacco manufacturers' constant presence at retail trade fairs, seminars, and award nights.

All three manufacturers take out frequent corporate advertising in retail trade journals, promising the retailer better service and support and urging them to work with company representatives to "maximize your profits".[51 55] Each promotes a slightly different corporate identity. BATA, the serious industry leader, warns about the penalties for selling "chop chop" (illegal loose tobacco), promises to provide important information on its corporate website, and occasionally promotes the benefits of its brands with dense pages of text and graphs. PML's corporate image is more approachable, promising good service and support, brands that young people like to smoke, and bigger profits. Imperial, the new entrant, promises high tech "younique" service unencumbered by age and tradition, pledging "at Imperial, we take a more individual approach to your business. We listen, we learn and we deliver". Tobacco is part of retail culture.

Brand advertising in trade publications

Another important channel of communication between the industry and retailers is brand advertising in retail trade publications. A total of 44 such advertisements were examined as previously described. The results are presented in table 2.

The advertisements examined did not solely or even primarily perform an information function. Only a minority announced something new, such as changes in pack size, pack style, or tar banding.

Two kinds of imagery appeared in the advertisements: packs or trademarks, and other imagery. Retailers selling cigarette products need to be able to identify cigarette packs: this enables them to make orders and provide customers with the products they request. It is thus unsurprising that advertising in retail trade publications frequently contained pictures of packs. However, it is not necessary for a retailer to be able to associate, for example, Alpine with deserted beaches or Winfield with boxing matches. Despite this, particularly in premium and mainstream advertising, imagery in addition to the trademark or pack was also used to

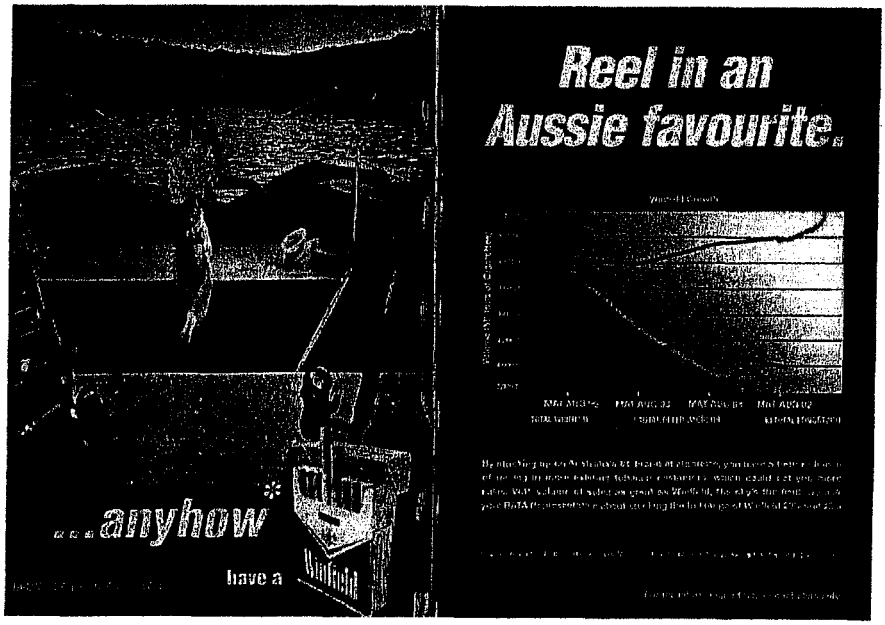


Figure 1 Mainstream advertisement, featuring positioning statement and imagery to build brand identity as well as retail information regarding sales volume.

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build these associations, attempting to create brand identities in the retailers' minds.[25 26] Imagery used included 1950s-style photographs; carefree beach scenes; abstract compositions based on electrical wires and computer chips; scenes of fishing, playing billiards or doing woodwork; nightclub-style lights; calm lakes; and tablecloths holding soothing cups of coffee.

The function of text in the advertisements also differed between the brand categories premium, mainstream, and supervalue. Positioning statements for high profit premium brands in particular were relatively abstract and focused on building brand identity,[25 26] including "WHEN YOU'RE READY", "Fresh is Alpine", "LIVE&WIRED", "CONNECT&COMMIT". "The spirit of Marlboro in a light cigarette", "TEST IT", or "Passion for Power". Positioning statements for mainstream (fig 1) and supervalue brands more frequently emphasised the value proposition for the brand, such as "Australia's best value". Text which explicitly schooled in retailing was proportionally far less common for premium brands, consistent with the strong brand identity building orientation in their advertising.

e-Distribution: placing tobacco companies at the heart of retail business

A 1994 PML document observed: "the importance of the distribution system is growing as more marketing restrictions are placed on the industry."[43] Accordingly, both BATA and PML have made globally unique efforts in the area of distribution in recent years. Both now have associated companies—e-Orders, established by PML in January 2001, and Quatro Four, launched by BATA in December 2001—which operate as major integrated distribution hubs for small retailers (convenience, newsagents and petrol stations,) not just for tobacco products, but for a range of fast moving consumer goods including beverages, confectionery, ice cream, phone cards, convenience foods, dairy products, and automotive parts.[56] e-Orders has 650 retail customers, and Quatro Four signed more than 2000 in its first nine months of operation, including both national chains and small independent retailers.[56 57]

Although at present retailers can use both systems simultaneously for different products, the trade thinks that "ultimately, there is only really room for one ordering system. The two electronic ordering specialists—e-Orders and Quatro—are scrambling for critical mass, for retailers and suppliers".[56] e-Ordering has become a new frontier for competition and control between the manufacturers. The systems are currently advertised and editorialised about extensively in the trade literature, promising increased efficiency, tailoring, reduced supply chain costs to the retailer, integration with POS technology to enable automated stock management, and upcoming financial management services such as electronic invoicing and automatic account payment. Quatro Four offers incentives such as a years' free internet access for joining up, and promises convenience store owners that they will "help you compete with the big guys" (large grocery supermarket chains) by providing budget priced POS computer systems and other technology.[56]

It is important to note that these two initiatives are not centralised systems rolled out to Australia from overseas—they are local startup enterprises, and may in fact be implemented in overseas markets by PMI and BAT if they continue to be successful. Both systems contain tobacco advertising, position tobacco at the heart of a retailer's business along with other more benign product categories, and according to their spokespeople "will enable sales reps to go back to being professional representatives for their companies, helping retailers to build their sales, rather than spending inordinate amounts of time as order takers".[58] It remains to be seen whether the manufacturers value sales representatives as they say they do, or whether an increase in e-ordering will lead to their redundancy.

DISCUSSION

The POS, always an important marketing environment for the Australian cigarette industry, has been transformed in the last five decades. Originally retail marketing was a mere support mechanism for above-the-line activities. When above-the-line was banned, the retail environment became the front line for brand building, absorbing massive resources and being seen as the primary site for sustaining relationships with the consumer. When retail was restricted by some states, the industry conceded only incrementally and under duress. The fact that the law is broken in retail marketing suggests that the retail promotions, however modest, are still highly prized in Australia's dark market.

Given that the industry explicitly defines retail as the new frontier in a dark market, effective tobacco control regulation should include stringent control of the retail environment. Given the industry's creativity and risk taking, the only way of preventing promotion of products at retail would be to require all products to be placed under the counter. Consumers could make purchases from product listings, and the law could define and standardise the format of these listings, allowing only product names and differentiating information such as pack size. The industry expects tobacco products to be forced under the counter, and their expectations should be fulfilled.

Another measure of the importance of the retail environment is the energy and resources expended by the industry on their relationships with retailers, demonstrated through trade promotional expenditure, in-store marketing assistance, alliance building, brand advertising in the trade press, and the new electronic retail distribution system. Regulating some of these aspects of the retail environment will be much more difficult than regulating the display of products.

Elements potentially more amenable to change are branded advertising in the retail press and TPE. Given that TPE impacts on price and thus can reduce the effectiveness of taxation strategies, the possibility of regulating it on economic as well as marketing grounds could be considered. Branded product advertising to retailers could potentially be banned in the upcoming review of the TAP Act. Brand identities are built in these advertisements by associating brands with distinctive imagery and by the use of brand positioning statements. In premium cigarette advertising in particular, brand identity building is more prominent than retailing information. It is hard to imagine why the tobacco industry would continue investing in such brand building activity if they did not think it was beneficial to the business of selling more cigarettes. Retailers' brand recognition requirements could be fulfilled by simple text lists and thumbnail package illustrations, a format already used for presenting information on brand share in some publications. Retailing information, such as market share and profit margins, could readily be provided without being associated with brand identity building imagery.

The tradition of the industry paying for in-store display hardware provides an opportunity. This precedent means that regulatory changes in retail displays could in future be defined as the industry's financial responsibility, reducing the burden on individual retailers. In contrast, the industry's traditional role in supporting and informing retailers as to the display of cigarettes should ideally be absorbed by health authorities, moving the emphasis from maximising sales to compliance with regulation. If the rise of e-distribution does

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What this paper adds

A small number of studies have investigated point of sale (POS) and relationships with retailers in international contexts, showing that the tobacco industry control the pricing and merchandising of their product by making substantial payments to retailers, that the industry match retail marketing to the stores' clientele, and that retail marketing increases when other forms of marketing are restricted.

Industry documents show that the POS, retailers and distribution became increasingly important as Australia's marketing environment became more restricted. Retailers' power increased, and as a result manufacturers now use their representatives, incentives, merchandising support, and retail publications to maintain retailer loyalty and build brand identities despite bans. Cigarette manufacturers now control distribution of tobacco and non-tobacco products to small retailers in Australia, placing themselves at the heart of retail business.

undermine the role of the sales representative it may provide a window of opportunity to effect this change.

The major threats to tobacco control in the retail sector appear to be the strong political alliances between tobacco and retail, profits that tobacco products offer to retailers, and the new developments in e-distribution. These will all be difficult to disrupt. It may be necessary for health groups to begin traditional alliance building activities with the retail sector, as has been done to an extent with the sporting sector in the advent of local sponsorship bans. It may also be necessary, as occurred in sport and the farming sector, to commit some proportion of public monies to support the movement of small businesses away from dependence on tobacco and into other categories. Given the tobacco tax windfall that the federal government collects and does not hypothecate, this seems a reasonable means by which to acknowledge the genuine financial dependence of some small businesses on tobacco.

If these regulatory challenges can be met, and other forms of below the line marketing are also regulated, Australia may, finally, become a truly dark market for tobacco.

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India
"Live life Kingsize" (Four square)
from the magazine Colours

Indonesia
"Taste the freedom" (Kansas/Philip Morris)

Japan
"Perfect days" (Lark/Philip Morris)

Senegal
"The real American taste" (L&M/Philip Morris)
"USAuthentic" (Houston)
"Perfection all the time" (Excellence)

Uganda
"True taste, true spirit" (Sportsman)
"Smooth all the way" (Embassy)
"The winner's choice" (Supermatch)
"The test of success" (Rex)
Dunstant Kiwanuka

Serbia & Montenegro
"For people who want more" (Walter Wolf)
"Freedom has no limits" (Ronhil/Rovinj, Croatia)
"How to spend a million?" (Pall Mall/BAT)
"Think about it" (Pall Mall/BAT)
Andjelka Dzeletovic, Institute of Public Health of Serbia

AD WATCH

Worshipping at the Alpine altar: promoting tobacco in a world without advertising

"Glisten. The party to go with your glamourpuss dress." "Glisten. Music to go with your rockstar hair." "Glisten. Cocktails to go with your spanking ring." ("Minimum age 18. Photo ID required. Tobacco & alcohol products for sale."[1]) Three highly stylised advertisements, one for each byline, and each featuring a young woman on the dancefloor flaunting dress, hair and ring respectively, had been splashed in expensive full colour across the street music press and on the Wavesnet website (www.wavesnet.net) for weeks (fig 1). On the night of Thursday 6 September at least some glamourpusses believed the hype at the high profile nightclub Home, located in Sydney's CBD waterfront entertainment district. A report on the sparkling event in a moment, but first, a bit of context.



Figure 1 Advertisement for "Glisten", a party sponsored by Wavesnet.

Australia passed its Tobacco Advertising Prohibition Act in 1992. Its stated objective was to "improve public health" by limiting messages and images that could persuade Australians to start or continue to use tobacco.[2] It defines "advertisements" broadly, as " . . .any writing, still or moving picture, sign, symbol or other visual image, or any audible message, or any combination of two or more of those things, that gives publicity to, or otherwise promotes or is intended to promote" among other things, purchase or use of tobacco, or tobacco trade marks and designs.[2] The Act prohibits the publication of any such advertisements, with some defined exceptions (including point of sale, which is now being phased out in most states).[2] Publication is defined so broadly that, generally speaking, under the Act any activity that brought a tobacco design or brand to the attention of a section of the public, gave it publicity, promoted it or intended to promote it, could be considered a breach.

Big tobacco is nothing if not creative. A number of authors have documented a new trend in "getting around" such stringent advertising restrictions: event promotion via third parties. Action on Smoking and Health UK has highlighted the use of this strategy by British American Tobacco in Europe via the www.citygobo.com website,[3 4] and Tobacco Control has recently documented the similar use of Wavesnet in Australia.[5] Wavesnet was established in October 2000 by Mojo (the advertising agency managing Philip Morris's Alpine account in Australia), and the two share directors and are owned by the same company. Wavesnet promotes and sells "must have" items for young women online, and collects the demographic details and consumer preferences of users in return for information and

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invitations to events.[5 6] An incentive to "sign up" to the database is provided by a 10% discount in the "online shop".[1]

The first round of Wavesnet events was a series of fashion awards at which roving "cigarette girls" sold Alpine for less than recommended retail and cigarettes could readily be taken from displays without payment.[5 6] Negative publicity followed, and Phillip Morris reportedly first claimed that their involvement was transparent and thus benign, and then, in the face of continued condemnation, promised that it would not happen again.[7] So when the green and glamorous advertisements for Glisten, a party sponsored by Wavesnet, emerged, Australian tobacco control advocates were keen to see whether they would stick to their promises. To find out, I bought a ticket and joined the fray.

VIP playground

The attitude started on arrival. Glisten aimed to provide its patrons with an "A list" identity from the front door onwards. Portable barriers divided the entranceway into sections, and provided (literally) red carpet treatment for "VIP Wavesnet members" only. Given that anyone who claims to be over 18 can become a member online, it's a pretty efficient trip to stardom. There were identification checks on the door, which seemed less focused for the "members"; however, I didn't see any 13 year olds waved through, and the crowd certainly seemed familiar enough with club etiquette. The actual ages of individual ticket holders is probably less important than the fact that the average age was younger that the usual club crowd, with a majority in their late teens or early 20s.

There is no doubt that the party was bankrolled by someone: the DJs (including out-of-towners) were excellent and a generous design budget had marked Glisten as a Wavesnet event. Wavesnet's colours, font, and logos' were everywhere—green and gold columns lit from the inside displayed Wavesnet action girl silhouettes around the edges of the floor; mirror balls, metallic confetti and metallic body painted go-go dancers reflected the Wavesnet-green lighting design; and the projection screen (a common feature of dance parties) interspersed the "Glisten" and Wavesnet advertising images with live camera feeds of the crowd and the usual abstract computer generated patterns.

Wavesnet acts as an umbrella for cutting edge design and fashion companies, and they got plenty of exposure. In a large side room beauty experts gave makeovers in front of backstage dressing room-style mirrors bordered by bare lightbulbs (using the featured brand of cosmetics). The girls' rest rooms held free tampon samples. On catwalks and stages cute, confident, and incredibly young models "performed" special fashion shows, wearing, carrying, and drawing attention to the Wavesnet range of earrings, hairclips, bags, and jewellery. They also displayed the names of the featured designers, who were often in attendance to be applauded at the end of the shows, providing an air of Milan-Paris-London authenticity. Next to the catwalk, sleek laptops could be used to purchase the merchandise, alongside glass cabinets displaying the real thing. A pair of slightly older girls roamed the crowd with clipboards, hot-pink cowboy hats on their big blonde hair, tight "ask me how you could become a rockstar" t shirts revealing their perfect stomachs, collecting the contact details of girls who looked young and funky enough to match the Wavesnet image. And, of course, the DJs played and the party people danced.

The Alpine altar

By now I am sure that those of you familiar with industry tactics are shouting "show me the tobacco". Cigarettes played a subtle, but special, role in the evening. The regular cigarette vending machine had been put away for the night, one assumes to control the range of tobacco products available. Just inside the front entrance, to one side, near the main drinks bar and the main dance floor, stood a luminous white altar to Alpine. It was a small curved bar, with a white back wall containing an alcove custom built to hold and highlight a block of Alpine cigarette packets, massing the white and silvery green design of the brand. It was lit to provide a soft, otherworldly glow. And most lovely of all, it was tended at all times by a pair of gorgeous, glamorous, ageless women, identical icons, in shiny silver-white bobbed wigs, long sparkling white gowns, and perfect faces. Alpine, it seemed, was my ticket to timeless screen siren status, with a futuristic twist.

I asked one of the visions whether she had anything other than Alpine, and with an understanding smile, she opened a hidden drawer to display a small supply of Marlboro and Marlboro Light. All brands were for sale at prices similar to retail and the only way to procure cigarettes was to take the initiative and ask the glittering angels in white—there was no possibility of theft, and nothing as trashy as roving "cigarette girls" or free giveaways. This was not about cheap and nasty adolescent entry to menthol. This was about style. This was about seduction. This was about a brand.

Naomi Klien, a Canadian journalist and media commentator, has recently taken Sydney by storm with her book "No Logo".[8] It is a must for anyone hoping to combat global marketing and the inexorable march of the transnationals, and a few points are particularly salient here. Gone are the days, argues Klien, when a smart company invested in improving its product and informing its consumers. We are now in a world of branding. Multinationals like Nike have outsourced the dirty and troublesome business of manufacturing, transforming themselves into marketing companies. Their profit maximisation strategy? To make their identities and logos emblematic of a lifestyle to which we can aspire, so that, irrespective of what benefit the brand actually confers, we embrace it as an "actualisation" of our true selves and institutionalise it at the heart of our culture. No anecdote of Klien's illustrates this more chillingly that the fact that

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the Nike "swoosh" logo has become the most requested design in tattoo parlours all over North America: consumers so thoroughly co-opted that they clamour to brand even their own bodies.[8]

The new market

Klien also reflects on the newest generation of consumers and the techniques designed to sell to them. Media savvy, information rich, and postmodern, 21st century kids see through traditional advertisements in a second, and in response, the marketing machine has changed gear. Companies now recruit MTV generation staff to leadership positions. They commission "Cool Hunters" [sic] to ensure that their messages are suitably ironic and ahead of the cutting edge. And, despite the fact that they can advertise freely through the mass media, they pay boutique marketing companies who specialise in "building word of mouth in urban areas and inner cities"—that is, hiring and paying "street crews" and individual youth to talk up new product as part of their everyday lives (new bank accounts on university campuses, new hip-hop releases downtown). The new world of marketing is one-on-one, the campaigns are part of your ordinary conversations, the salesperson is the coolest kid in your class, and you don't know that she is on the payroll. The marketing has gotten as cynical as its audience, and it is way under their skin.

So how does all of this relate to a dance party on a waterfront in the southern hemisphere? It certainly raises questions regarding strategy and objectives. Since the Sydney party at least two of the sponsors, informed of the Philip Morris connections, have publicly expressed surprise and disappointment, and one has withdrawn from an upcoming Melbourne event. Whatever purpose Wavesnet achieves, it apparently justifies risking the wrath of other businesses.[9] One hypothesis, that Wavesnet is a means to extend Alpine green beyond the cigarette packet, seems improbable: it's crass, and besides, the two greens clash, and in branding consistency is everything. The idea that Wavesnet is there to create a database of potential Alpine smokers and their consumer preferences seems more likely, and worth pursuing in light of the Wavesnet website disclaimer: "[By registering] you grant wavesnet.net the right to disclose to third parties your User Information, other than credit card details . . . for the purposes of any transmission of the business conducted by wavesnet.net relating to this web site."[1]

If I had been one of the 18 year olds at Glisten, I would have seen three types of women working for the promoter, all in matching pairs or threes to heighten the impact. Fun, cheeky, energetic girls my own age modelled hairclips and handbags: I doubt I would remember what they looked like the next day, the accessories were the star there. Older, white trash rockstars took my demographic details, but I'm pretty sure they were just a bit too cheap for me to want to be them. The high priestesses of the Alpine Altar rose above, and their silvery styling was as clear a brand as any tattoo: glittering, white, and glamorous. They are the ones I'm most likely to talk about in the morning.[1]

What did Glisten do? Glisten created a world to which most young women in a consumer society would aspire, a world which contains their ideal sounds, looks, venues, people, and technology: in short, a lifestyle. Glisten casually placed Alpine, along with many other interesting activities, in that lifestyle. Perhaps Alpine was only one of many featured products because young Australian women in 2001 are too smart to accept blatant tobacco sponsorship of their public space. Perhaps it was a shield against the Tobacco Advertising Prohibition Act, allowing the argument that the altar was not promotion, but design in keeping with a larger event. Perhaps it was to provide Alpine with vicarious legitimacy from the presence of other products, heightened when Alpine was made just a little more desirable than the whole range of desirable things. Did Glisten attract the coolest young women, imitated by others, who are so valuable to youth marketing? Was the all important word-of-mouth created? Did Glisten add to a database which will be available to Alpine's marketing team? Did it contribute to the creation of a brand so conceptually powerful that girls would be prepared to damage their bodies to internalise the qualities it stands for? We need to ask these questions, and I'm sure Wavesnet's directors know the answers. Because if other transnational marketing companies are inside the minds of the next generation of consumers, you can bet that Phillip Morris is there too.

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A longitudinal study of externally visible cigarette advertising on retail storefronts in Massachusetts before and after the Master Settlement Agreement

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Objectives: To assess the effect of the Master Settlement Agreement (MSA) on the amount of cigarette advertisements visible from outside of over-the-counter tobacco retailers, for five specific premium brands and an "all other" category, for five types of establishments, and in three areas (windows/doors, building/other detached areas, and sidewalks); to assess the relation of total exterior retail cigarette advertising to illegal sales to youth.

Methods: Observations were conducted on the number of cigarette advertisements visible from outside tobacco retail establishments in a paired convenience sample (n = 556) in Massachusetts before and after the MSA. Archival databases containing information on merchant compliance with age related sales laws during the time period were used to assess the relation of total cigarette advertising with sales to underage youth. Paired sample *t* tests assessed planned comparisons pre- to post-MSA; Spearman's ρ tested associations for dichotomous variables.

Results: Significant post-ban increases were observed in the prevalence of exterior cigarette advertising on gas (petrol) stations and gas mini/marts (gasoline retailers) buildings, windows, and doors. Significant declines were observed on windows of liquor stores. Winston advertising declined overall, while advertisements of the "all other" brand category increased. Correlations between advertising and illegal sales, while modest, were significant.

Conclusions: These pre- to post-MSA increases suggest the tobacco industry may be shifting expenditures selectively from billboard advertising to retailer exteriors more favoured by youth. Greater amount of cigarette advertising visible from outside over-the-counter tobacco retailers is associated with greater cigarette sales to minors.

Tobacco products are among the most heavily advertised and promoted products in Massachusetts.[1–3] Young people are exposed to substantial advertising and promotion of tobacco products.[1 2 4 5] Cigarette advertising for the youth preferred brands (Marlboro, Newport, Camel, and Winston[6 7]) is pervasive in magazines with high youth readership[8] and on retail establishments.[1 3] Likewise, advertising for brands popular with minority youth is higher in magazines with higher minority youth readership[9] and in communities with higher minority populations.[1] More cigarette advertisements are visible from the outside of establishments where Massachusetts' youth report regular purchase of cigarettes[1]—that is, gas (petrol) stations/gas mini-marts and convenience stores.[6] Nationally, youth who purchase cigarettes report similar patterns and middle school youth (6th, 7th, and 8th grades) are as likely as high school youth to purchase cigarettes from gasoline selling establishments, but less likely than high school students to purchase from convenience stores.[10] Furthermore, cigarette advertising and promotions increase the risk of younger people smoking[5 11 12] while exposure to certain anti-tobacco advertising reduces that risk.[13 14]

The Master Settlement Agreement (MSA)[15] signed by the four major cigarette manufacturers and the states' attorneys general in November 1998 has as a goal reduction in youth smoking rates. Several provisions that ban or limit exterior advertising in terms of size, placement, and audience composition address involuntary youth exposure to tobacco advertising, specifically: billboard and transit advertising are banned, and the size of exterior advertisements on storefronts is limited to 14 square feet. Payments to states are linked to reduction in youth smoking, while payments by the four largest tobacco companies are linked to their combined total market share.

However, cigarette advertising significantly increased in magazines with high youth readership when comparable quarters immediately preceding and following the MSA were analysed.[16] This strongly suggests some redirecting of the monies previously spent on outdoor advertising, now banned by the MSA, into venues that ensure youth exposure.

While the MSA does not specifically ban cigarette advertisements visible from the outside of stores, if the tobacco industry were intent on reducing youth smoking prevalence, cigarette advertising might be expected to decrease post MSA. With the demise of federal and state regulatory prohibitions designed to reduce youth involuntary exposure to cigarette advertising (that is, Food and Drug Administration (FDA)[2] and Massachusetts Regulation 940[17]), it is important to assess whether youth have actually benefited from the retail advertising restrictions of the MSA.

In a representative sample of storefronts in the USA, Wakefield and colleagues reported increases in the percentages of vendors with any tobacco advertising and with higher amounts of tobacco advertising in the three months after the MSA as compared to the three months before.[18]

A study (Operation Storefront) of externally visible storefront tobacco advertising (cigarettes, cigars, chew), in which the authors analysed a convenience sample of 2840 (39%) over-the- counter tobacco retailers (OTCTR) in Massachusetts,[1] formed the basis for the present study. This paper reports on changes in the number and placement of cigarette advertisements visible from the outside of OTCTRs in a paired sample (n = 556) surveyed in the first quarter 1998 (pre-MSA) and again in the last quarter of 2000 (post-MSA).

METHODS

We tested the following questions:

(1) Has externally visible cigarette advertising increased since the signing of this agreement, especially in establishments frequented by youth?

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(2) Have brands with extensive billboard advertising pre-MSA redirected resources to retailer storefronts including windows, buildings and sidewalks?

(3) Are retailers with more externally visible cigarette advertising more likely to sell to underage youth?

We assessed: (1) the changes in the mean number of cigarette ads for each brand/category by placement (building and detached area, sidewalk, windows and doors) visible from outside of five different types of tobacco retail establishments—that is, convenience, grocery, liquor, pharmacy and gas station/gas mini-marts (referred to here as gasoline retailers); (2) change in the mean totals for cigarette brands having high billboard expenditures pre-MSA; and (3) the relation of total cigarette advertising to illegal sales of cigarettes to youth.

Data complied by Competitive Media Reporting[19] were used to determine cigarette brands with extensive billboard expenditures pre-MSA (that is, Marlboro, Camel, and Kool). Four teams of one or two youths and one adult were trained according to the same protocol as in 1998 (time 1 protocol),[20] and openly collected identical information for the premium brands originally counted—that is, the top five ranked ordered by Massachusetts youth who smoke Marlboro, Newport, Camel, Winston, and Kool,[6] as well as two additional brands, Parliament and Lucky Strike, with changed ad campaigns during this time period. Cigarette advertisements, which included any incidence of brand or generic advertising, were counted for each of the three distinct areas of exterior advertising: (1) buildings and detached area (parking lots, fences, gas pumps, etc); (2) sidewalks; (3) windows and doors (which included advertisements affixed to the interior glass to be viewed from outside). Each of the seven specified brands of cigarettes was counted independently and any other cigarette brand was recorded in an "all other" category. Parliament and Lucky Strike were later recoded into the "all other" category to conform to the time 1 protocol. Two team members verified all counts and in all but one instance, pictures were taken. Printed information describing the advertising study was available for the merchant upon request, but was not offered in advance. Data entry, checking, and analyses were conducted or supervised by the authors.

We developed the paired sample from the original time 1 sample in a three step process (figs 1 and 2). Firstly, OTCTR data excluding department stores (n =4 2) collected pre-MSA (n = 2798) were cross matched against an archival database of results of underage purchase attempts from independent, representative samples of Massachusetts tobacco vendors collected annually during the same period (October 1997 through September 2000). The sample methodology and protocol for conducting these checks conform to federal monitoring requirements, is consistent over time, and is described in depth elsewhere.[20] Briefly, a randomised cluster design with stratification on geographic region and tobacco control funding status was utilised with census of all tobacco vendors located in the (randomly) selected clusters. OTCTRs that had not been subject to a compliance check in the previous three years (n = 1404) were eliminated. For vendors with checks in multiple years, the most recent outcome (sale or no sale) was used. This allowed us to assess the overall relation between retailers' illegal cigarette sales and the average amount of externally visible cigarette advertising.

Secondly, we stratified on whether or not a picture was taken at time 1 and oversampled those without (64% *v* 50%). Since picture taking was optional in the original study, we were concerned that the communities not taking pictures were perhaps less organised in their tobacco control effort. This produced a sample of 758 establishments to be surveyed at time 2. Thirdly, to minimise the likelihood that changes detected pre- and post-MSA were the result of a change in ownership, franchise or type of store (which might affect the display of advertising and the propensity to sell to underage youth), all identifier information (establishment name, address, type, and franchise) collected at time 2 had to match that recorded at time 1. The resulting convenience sample of 556 tobacco retailers (73% response rate) accounts for approximately 9% of all Massachusetts OTCTRs. Table 1 displays the number and percentages of establishments in Operation Storefront, the derived sample, and the paired sample for each of the five establishment types (convenience, grocery, liquor, pharmacy, and gasoline retailers) as well as the illegal sales rate for each type of establishment from archival data.

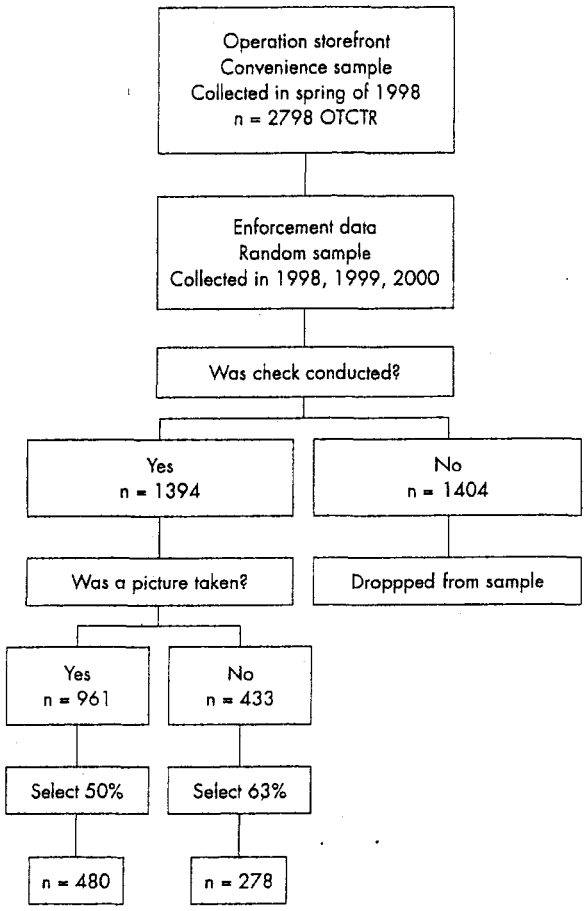


Figure 1 Decision tree for derivation of time 2 sample.

Planned comparisons, tested with a series of paired sample *t* tests conducted in SAS version 8.1, assessed changes in mean number of cigarette advertisements pre- and post-MSA overall, by selected brands, exterior placement, and type of establishment. Spearman's ρ tested the strength of association for dichotomous variables, and χ^2 tests assessed the comparability of the samples (Operation Storefront, derived sample, matched sample).

RESULTS

The proportions of the five types of establishments as tested by χ^2 analyses are comparable across all samples.

Changes in cigarette advertising

Table 2 presents the mean number of cigarette advertisements for the matched sample of 556 over-the-counter retail tobacco vendors by brand (Marlboro, Newport, Camel, Winston, Kool) and "all others", exterior placement (building/*detached*, sidewalk, windows/*doors*), and type of establishment. Subtotals are

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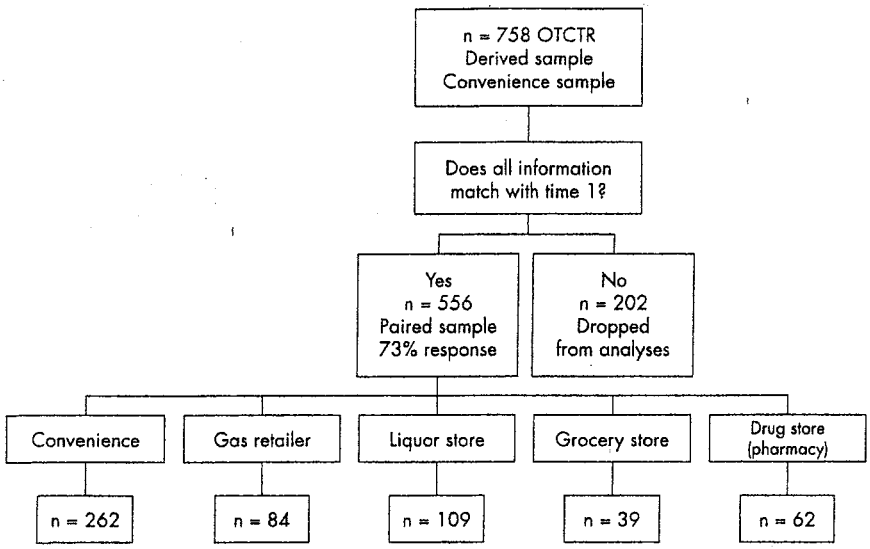


Figure 2 Decision tree for paired sample time 2.

provided for each brand by placement, type by placement (far right hand column), and overall totals for brand, type, and placement at time 1 (pre-MSA) and time 2 (post-MSA). The time 1 to time 2 increase in externally visible cigarette advertising is 9%. Most cigarette advertisements were found on windows (80%) pre- and (79%) post- MSA, but the greatest percentage increase pre- to post-MSA was found for buildings (15%). The increase on buildings of gasoline retailers was over 200% and this type of retailer had the greatest percentage increases overall (56%).

Table 3 summarises the significant results. Externally visible cigarette advertisements on retail establishments have increased pre- to post-MSA for the brand category "all others" and decreased for Winston. These changes are driven primarily by changes on windows. Increases in total cigarette advertising was marginally significant ($p = 0.07$, data not shown).

Increases from time 1 to time 2 in the overall amount of externally visible cigarette advertisements were revealed for establishments where youth regularly purchase cigarettes—for example, gasoline retailers—and were significant overall, on buildings and windows.

Brands categories with increased exterior advertising on gasoline retailers included "all others", Camel, Kool, and Newport. Marlboro advertisements significantly increased on the buildings of gasoline retailers and results were suggestive for sidewalks (pavements) as well ($p = 0.072$, data not shown). Close to threefold increases are found on buildings of gasoline retailers when the three brands with strong billboard presence pre-MSA (Marlboro, Camel, and Kool) are combined; findings were also suggestive that Kool increased advertising pre- to post-MSA ($p = 0.068$, data not shown). Increases in advertising on windows for gasoline retailers were found for "all others", Camel, and Newport. All other brands also showed significant increases on convenience store windows.

While we found no significant reductions in total cigarette advertising visible from outside of any type of establishment, significantly fewer Camel ads were visible from outside of liquor stores post- versus pre-MSA, with declines in Kool ($p = 0.050$) and Winston ($p = 0.057$) marginally significant (data not shown). The significant declines revealed on the windows of liquor stores were attributable to changes in Winston, Camel, and Kool. Similarly, convenience stores exhibited declines in Winston and Newport advertising with reductions somewhat suggestive for Camel ($p = 0.07$, data not shown). Significant declines in Winston advertising occurred both on buildings and windows of this establishment type.

Relation of advertising to illegal sales

Overall around 15% of minors who attempted to purchase cigarettes from these establishments were successful, although the rate varied with type of establishment as shown in table 1.

Although the effect is modest, it is evident that average amounts of cigarette advertising and illegal sales rates recorded across the period of this study are correlated ($\rho(555) = 0.097$, $p = 0.022$). While none reached significance, within type correlations (with the exception of drug stores) were positive and consistent with the overall results ($\rho(61) = -0.137$, $p = 0.29$; $\rho(261) = 0.02$, $p = 0.76$; $\rho(38) = 0.097$, $p = 0.56$; $\rho(83) = 0.101$, $p = 0.36$; $\rho(108) = 0.138$, $p = 0.15$.)

DISCUSSION

Results of this study cannot be generalised to all of Massachusetts, as the convenience sample, which formed the

Table 1 Sample characteristics by type of establishment

	Operation Storefront		Sample		Matched sample		
	n	%	n	%	n	%	Illegal sales (%)
Convenience Store	1194	43	358	47	262	47	18.3
Gasoline retailers	564	20	133	18	84	15	17.9
Grocery store	290	10	69	9	39	7	7.7
Liquor store	508	18	127	17	109	20	8.3
Pharmacy/drug store	242	9	71	9	62	11	12.9
Totals	2798	100	758	100	556	100	14.9

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Table 2 Mean number of cigarette ads on buildings, sidewalks, windows, and combined by establishment

	Marlboro		Camel		Winston		Kool		Newport		All other brands		Totals	
	Time		Time		Time		Time		Time		Time		Time	
	1	2	1	2	1	2	1	2	1	2	1	2	1	2
Buildings														
Convenience store	0.256	0.221	0.153	0.073	0.168	0.069*	0.061	0.057	0.160	0.122	0.221	0.237	1.019	0.779
Grocery store	0.026	0.026	0.000	0.000	0.077	0.000	0.000	0.000	0.051	0.000	0.000	0.051	0.154	0.077
Liquor store	0.128	0.101	0.000	0.000	0.009	0.018	0.000	0.018	0.018	0.028	0.037	0.073	0.193	0.239
Pharmacy/drug store	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Gasoline retailers	0.179	0.595*	0.095	0.298	0.095	0.286	0.024	0.226	0.000	0.107	0.226	0.440	0.619	1.952*
Totals	0.174	0.216	0.086	0.079	0.101	0.079	0.032	0.065	0.083	0.079	0.146	0.196	0.622	0.714
Sidewalk														
Convenience store	0.095	0.126	0.027	0.015	0.023	0.015	0.004	0.015	0.004	0.015	0.034	0.034	0.187	0.221
Grocery store	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Liquor store	0.009	0.055	0.009	0.018	0.018	0.018	0.046	0.037	0.009	0.000	0.037	0.101	0.128	0.229
Pharmacy/drug store	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Gasoline retailers	0.417	0.179	0.024	0.048	0.060	0.036	0.024	0.024	0.000	0.036	0.179	0.214	0.702	0.536
Totals	0.110	0.097	0.018	0.018	0.023	0.016	0.014	0.018	0.004	0.013	0.050	0.068	0.219	0.230
Windows														
Convenience store	1.603	1.710	0.656	0.618	0.905	0.653*	0.355	0.462	0.668	0.508	0.981	1.821****	5.168	5.771
Grocery store	0.179	0.205	0.128	0.103	0.154	0.077	0.077	0.000	0.128	0.179	0.077	0.256	0.744	0.821
Liquor store	0.789	0.587	0.394	0.147**	0.431	0.257*	0.257	0.110*	0.367	0.229	0.385	0.523	2.624	1.853*
Pharmacy/drug store	0.048	0.097	0.016	0.000	0.016	0.000	0.000	0.016	0.032	0.000	0.065	0.032	0.177	0.145
Gasoline retailers	1.238	1.333	0.119	0.345*	0.476	0.393	0.167	0.310	0.048	0.179**	0.607	1.167**	2.655	3.726*
Totals	1.115	1.147	0.415	0.379	0.595	0.423**	0.248	0.288	0.406	0.324	0.642	1.158****	3.423	3.719
Combined														
Convenience store	1.954	2.057	0.836	0.706	1.095	0.737**	0.420	0.534	0.832	0.645*	1.237	2.092****	6.374	6.771
Grocery store	0.205	0.231	0.128	0.103	0.231	0.077	0.077	0.000	0.179	0.179	0.077	0.308	0.897	0.897
Liquor store	0.927	0.147	0.404	0.165**	0.459	0.147	0.303	0.147	0.394	0.147	0.459	0.147	2.945	0.147
Pharmacy/drug store	0.048	0.097	0.016	0.000	0.016	0.000	0.000	0.016	0.032	0.000	0.065	0.032	0.177	0.145
Gasoline retailers	1.833	0.345	0.238	0.690*	0.631	0.345	0.214	0.560*	0.048	0.321**	1.012	1.821**	3.976	6.214*
Totals	1.399	1.460	0.520	0.477	0.719	0.518**	0.295	0.371	0.493	0.415	0.838	1.423****	4.264	4.664

*p<0.05; **p<0.01; ***p<0.001; ****p<0001

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Table 3 Summary of results of paired *t* test

Establishment	Location	Brand category	Time 1	Time 2	df	t	p Value	Time 2 change
All establishments	Exterior overall	All other	0.84	1.42	555	6.22	<0.0001	0.690
		Winston	0.72	0.52	555	−3.1	0.002	−0.278
	Windows/doors	All other	0.64	1.16	555	6.07	<0.0001	0.813
		Winston	0.59	0.42	555	−2.95	0.003	−0.288
Gasoline retailers	Exterior overall	Total	3.97	6.21	83	2.57	0.011	0.564
		All other	1.01	1.82	83	3.07	0.003	0.802
		Camel	0.238	0.69	83	2.53	0.014	1.899
		Kool	0.214	0.56	83	2.06	0.042	1.617
		Newport	0.048	0.32	83	2.73	0.008	5.667
	Building	Total	0.619	1.95	83	2.23	0.028	2.150
		Marlboro	0.179	0.595	83	1.99	0.049	2.324
		Marl/Camel/Kool	0.298	1.12	83	2.02	0.046	2.758
	Windows/doors	Total	2.65	3.73	83	2.34	0.022	0.408
		All other	0.607	1.167	83	2.87	0.005	0.923
		Camel	0.119	0.345	83	2.51	0.014	1.899
		Newport	0.048	0.179	83	2.97	0.004	2.729
Liquor stores	Exterior overall	Camel	0.404	0.165	108	−2.9	0.005	−0.592
	Windows/doors	Total	2.62	1.85	108	−2.18	0.031	−0.294
		Winston	0.431	0.257	108	−2.23	0.027	−0.404
		Camel	0.394	0.147	108	−2.89	0.005	−0.627
		Kool	0.257	0.11	108	−2.31	0.023	−0.572
Convenience	Exterior overall	All other	1.24	2.09	261	5.21	<0.0001	0.685
		Winston	1.095	0.737	261	−3.42	0.0007	−0.327
		Newport	0.832	0.645	261	−2.23	0.029	−0.225
	Windows/doors	All other	0.98	1.82	261	5.34	<0.0001	0.857
		Winston	0.905	0.653	261	−2.27	0.018	−0.278
	Building	Winston	0.168	0.069	261	−2.32	0.021	−0.589

basis of the longitudinal study, is not representative and may favour areas with more active tobacco control. This could underestimate any increase in exposure as the more active communities may be more likely to seek voluntary reduction in storefront advertising or enforce community zoning or safety concerns that would affect cigarette advertising as part of all exterior advertising. No interior advertising (other than that affixed to windows and doors and meant to be viewed from outside the store), promotional items, catalogues, displays or functional items were counted in this study and we may therefore be underestimating the amount of youth exposure in Massachusetts. Wakefield and colleagues[18] documented increases in interior as well as exterior exposure pre- and post-MSA.

Longitudinal studies are subject to selection bias. Although no sample differences were detected, the matching criteria we employed may further advantage the more established stores or the more stable neighbourhoods. We believe that the disadvantages in our conservative approach are more than offset by our ability to infer that if exterior tobacco advertising has not decreased among these vendors, it is unlikely that it has decreased in any group of vendors; and that changes over time in exterior retail cigarette advertising are less likely caused by individual differences in establishments than by environmental pressures, either pro- or anti-tobacco control.

While it is true that many of the 27 significant results of the 120 planned paired comparisons would not survive a conservative correction for inflated α error, and chance alone could be expected to produce six significant results, random fluctuations should be distributed across all five types of storefronts and all three external areas. Furthermore, they should be equally likely to produce decreases as increases. This was not the case. We found over four times as many significant results as could be expected by chance alone, and increases (16) outnumbered decreases (11) by a margin of close 3 to 2; this ratio was slightly greater when considering only those with a probability level of $p < 0.01$ (8 to 5). Although the overall change in total cigarette advertising (9%) is comparable to that found by Wakefield and somewhat suggestive of increases ($p = 0.078$), and the increase in "all others" reached significance, this masks differences by brands, establishments, and placement which can differentially impact youth exposure. With the exception of Winston, there is no evidence that youth are less exposed to any externally visible cigarette brand advertisement after the MSA than before. Planned comparisons provide evidence that two years after the MSA, youth are still at risk for continued involuntary exposure from external retail cigarette advertising, particularly from gasoline retailers which have high rates of illegal sales and are often frequented by youth.[10] Retailers where youth prefer to purchase cigarettes (gasoline retailers and convenience stores) have increased their cigarette advertising exposure from time 1 to time 2, and the increase is significant and substantial (150%) for gasoline retailers. Changes in brand/category exposure for convenience stores is mixed with increases for "all other", decreases in Winston and Newport, and suggested increases for Kool.

Although increases in total cigarette advertising were noted on buildings, sidewalks, and windows, results were significant only for the windows and buildings of gasoline retailers which, because of the size of their lots and placement of buildings (often stand alone with three exposed sides), may have more available space than convenience stores for replacement advertising redirected from the billboard campaign. Significant increases overall and on the buildings and windows of gasoline retailers are troubling as this may signal a move towards more expansive and far reaching advertisements with increased involuntary exposure for younger

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impressionable children[21] in vehicles, especially when those brands with strong pre-MSA billboard campaigns are combined.

While the design of this study did not allow us to assess changes in size of cigarette advertisements, Wakefield and colleagues noted an 8% increase in vendors with any tobacco advertising post-MSA, but a 22% increase in those with "high" levels of tobacco advertising (five or more ads or at least one ad with a dimension of at least 1 foot (30 cm)); the greatest increase in "high" levels (32%) was noted in parking lots (exclusively found in gasoline retailers either with or without convenience stores).

Furthermore, a national study of youth access to tobacco products found middle school smokers as likely as high school smokers to purchase their cigarettes in gasoline retail establishments, but less likely to purchase in convenience stores.[10] Significant decreases in total cigarette advertising on windows occurred on liquor stores only. Liquor stores have reduced levels of cigarette advertising[1] and lower rates of illegal sales to minors relative to other tobacco vendors.[20] There is anecdotal evidence that liquor stores, experienced in age verification for alcohol sales and sometimes staffed by undercover police personnel, may have incorporated age checking for tobacco sales earlier than other establishments. Also, age verification is highly predictive of sales outcomes.[21] Furthermore, liquor stores in Massachusetts are also less likely to be within 1000 feet (300 m) of schools[1] and presumably less likely then to contribute to involuntary youth exposure.

It is probable that the restrictions on cigarette advertising near schools promulgated by Massachusetts (and the FDA) still influenced merchants during this time period. When one team was kept from taking pictures and left per instructions, another adult upon revisit found that all storefront advertisements had been removed. Upon inquiry, he was told "that the store was now in full compliance with all regulations". This shows not only the need for unobtrusive surveillance when conducting community based research, but the power of formal regulations and monitoring by a government entity. Unfortunately, any constraint exercised by individual vendors or the tobacco industry while awaiting the final decision of the Supreme Court is now unnecessary.*

Finally, while the effect size is modest, underage youth are more successful in obtaining cigarettes in establishments with greater amounts of cigarette advertisements. The association between amount of advertising and sales to youth is especially intriguing as buyer's age (older), lack of age verification, and self service displays are highly predictive of illegal sales.[20] It is possible that dependence on revenue from tobacco sales affects both the amount of advertising visible from the outside of stores, and the effort given to age verification. In related research, Cowling[22] found the type (tobacco industry, or tobacco control programme) of age notification sign displayed by tobacco merchants to be associated with differential rates of illegal sales to youth, with those vendors having only the industry sign most likely to sell to underage youth. It is probable that communities in California and Massachusetts with active tobacco control programmes that enforce age related sales laws also encourage the voluntary removal of cigarette advertisements as well as the display of non-industry tobacco control signs; vendors who voluntarily reduce advertisements may also be more careful about selling to youth. Youth who smoke may view stores that display only industry sponsored age requirement signs, or have greater amount of exterior cigarette advertising, as being more tobacco friendly and may then frequent these stores more often. More research is needed to understand this relationship better.

What is evident from our study is that advertising over this 30 month period in a well established sample of tobacco retailers is not static; that brands and establishments and even placement on establishments change. While we applaud any decrease in total cigarette advertising on the windows of retail establishments, the reduction on liquor stores that depend upon and cater to an adult clientele is more than offset by the increases in gasoline retailers that do not. The industry may not be specifically targeting youth, but exposure to storefront cigarette advertising has increased in spite of the MSA, and any residual effects during this collection period of the regulations promulgated by the FDA and the Commonwealth will likely diminish. We are also unsure how the recent withdrawal of Philip Morris advertising from magazines with substantial youth readership will impact upon the amount of externally visible Marlboro advertising, a brand which accounted for almost one third of the observed advertising and is overwhelmingly preferred by youth who smoke.[6] That cigarette advertising has not decreased post-MSA but has increased so dramatically in gasoline retailers calls into question the effectiveness of the MSA in reducing involuntary youth exposure, and begs that government regulation be strengthened and supported to protect youth from intended or unintended exposure.

What this paper adds

One goal of the Master Settlement Agreement (MSA) is to reduce youth smoking rates. It therefore contains provisions on the amount, size, and placement of exterior cigarette advertising allowed as well as the banning of tobacco ads on billboards and transit vehicles. One study, with cross sectional national surveys conducted three months before and three months after the effective date of the MSA external advertising and promotional restrictions, showed an increase in total (inside and outside of retail establishments) tobacco advertising and promotions pre- to post-MSA.

The present study examines changes in externally visible cigarette advertisements in a matched sample of established tobacco retailers in Massachusetts across a 30 month period, which extends the post-MSA collection date a year later from other studies. The results suggest that youth are still exposed to cigarette advertising externally visible from outside of retail storefronts in Massachusetts 18 months after the effective date, and documents changes consistent with reaching a youth audience—that is, significant increases in advertising on the windows of establishments where youth prefer to purchase cigarettes (gasoline retailers) and significant declines for establishments not preferred by youth (liquor stores) which have an age requirement of 21 for purchase of alcohol. During the period of the study, externally visible cigarette advertising was positively associated with illegal sales to underage youth.

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* Since the signing of the agreement, Massachusetts regulation 940, which mirrored the language of the FDA banning tobacco advertising within 1000 feet (300 m) of schools, was similarly enjoined and subsequently struck down by the US Supreme Court (June 2001).

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Progression to Established Smoking
The Influence of Tobacco Marketing

COPY

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Background: Recent studies have shown that tobacco advertising leads to the onset of smoking among adolescents. However, much more still remains to be learned about the impact of tobacco advertising in the later transitions, mainly from experimentation to established smoking. In this study, we focused on the influence of tobacco advertising and promotions on the transition from experimentation to established smoking.

Methods: Data were derived from a longitudinal survey of adolescents in California. Adolescents who were classified as experimenters at baseline were included in the analyses (N=965). Receptivity to tobacco advertising and promotions refers to the development of a positive affective response to the communication (e.g., having a favorite tobacco advertisement or being willing to use a promotional item).

Results: Approximately 32% of adolescents who were experimenters at baseline in 1993, progressed to established smoking by follow-up in 1996. Progression was higher among Caucasian (37.3%) than Hispanic (21.9%) or African-American (17.6%) adolescents. Adolescents who perceived that most of their peers smoked, had poor relationships with family members, and were exposed to smoking friends and family members were more likely to progress to established smoking at follow-up in 1996. In addition, adolescents who were receptive to advertising and believed that they could quit anytime were more likely to progress to established smoking than those who did not think they could quit anytime. Adolescents who were willing to use a promotional item and who believed that they could quit anytime had the highest rate of progression to established smoking (52%).

Conclusions: This study provides evidence that receptivity to tobacco advertising and promotions is an important factor in progressing from experimentation to established smoking among adolescents. Because perceived ability to quit made adolescents more likely to progress, counter–tobacco marketing campaigns should incorporate messages about addiction and difficulties associated with quitting.

Medical Subject Headings (MeSH): adolescence, advertising, smoking, tobacco (Am J Prev Med 2002;22(4):228–233) © 2002 American Journal of Preventive Medicine

Introduction

After 30 years of sustained public education about the health effects of smoking, adolescents are the only age group that continues to take up smoking in significant numbers in the United States.[1] Throughout the early 1990s, a major increase in the prevalence of adolescent smoking was observed in a number of studies.[2,3] For instance, between 1996 and 1997 cigarette smoking prevalence for 12th graders increased from 34% to nearly 37%.[4]

Several studies have attributed changes in tobacco-marketing practices as a contributing factor to the increase in smoking among adolescents.[5–8] In addition, recent surveys have found that the brand choices of adolescent smokers were heavily concentrated on those brands with the largest advertising budgets.[9,10] In addition to these studies linking tobacco advertising to smoking initiation, other studies have discussed potential reasons to expect tobacco advertisement sensitivity among adolescents prior to its recent restrictions. First, children and adolescents are not isolated from tobacco advertising's attractiveness and inducements. Therefore, commercials and advertising that have an impact on adults cannot be assumed to leave an adolescent unaffected.[7] Second, the pervasiveness and ubiquity of cigarette advertising in multiple media and forms make cigarettes a cultural commonplace, which creates a

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benign taken-for-granted attitude that Marlboro's advertising agent called "friendly familiarity."[7] Finally, adolescents have biased perceptions and judgments. They tend to overestimate the prevalence of smoking among both peers and adults; the degree of this overestimation has been shown to be a predictor of smoking initiation.[11] Adolescents also tend to underestimate the negative attitudes of peers and the risks to which they are personally exposed should they smoke, which creates doubts about whether their smoking is in any sense an informed choice or decision.[12]

Major relevant psychological theories, such as social learning theory and the health belief model, predict that the level of perceived harm of experimentation with a product will be a major determinant of the likelihood that any given individual will experiment.[13] Similarly, we hypothesize that the influence of tobacco industry advertising and promotion on the progression from experimentation to established smoking may be affected by an adolescent's perceived ability to quit.

In this article, we consider adolescents who were experimenters at baseline in 1993, and examine predictors of progression to established smoking (smoking at least 100 cigarettes in lifetime) by follow-up in 1996. Specifically, we investigate the influence of receptivity to tobacco advertising and perceived ability to quit on the progression from experimentation to established smoking. In addition, we explore other potential variables that may affect the relationship between receptivity to tobacco advertising and adolescent smoking.

Methods

Sample

We report data on a representative sample of California adolescents aged 12 to 17 years at baseline in 1993. These adolescents were identified using random-digit-dialed, computer-assisted telephone interview (CATI) methodology as part of the California Tobacco Surveys (CTSs).[14]

In 1993, Westat, Inc., enumerated the members of a total of 30,910 households in California and identified 6892 adolescents, who represented the baseline sample. With parental permission, in-depth interviews on tobacco issues were completed for a total of 5531 (80.3% response rate) of these adolescents. Initially, there was no funding to support a follow-up survey, and parents were informed only that we might contact them again in the future. In 1996, we used extensive tracing methods and were able to locate 61.0% (n =3376) of the 1993 respondents and completed detailed follow-up telephone interviews. Accounting for both the initial and follow-up response rates, the overall response rate for the longitudinal study was 49.0%.

Measure of Smoking Behavior (Experimenters and Established Smokers)

We used the following questions to define experimenters and established smokers: (1) "Have you ever smoked a cigarette?" (2) "Have you ever tried or experimented with cigarette smoking, even a few puffs?" (3) "Think about the last 30 days. On how many of these days did you smoke?" and (4) "Have you smoked at least 100 cigarettes in your life?" An experimenter was defined as an adolescent giving an affirmative response to any of the first three questions and "no" to the fourth question. Both current and noncurrent experimenters were included in this study. An established smoker was defined as an adolescent who reports smoking at least 100 cigarettes in his/her lifetime.

Receptivity to Tobacco Advertising and Promotional Activities

We used a measure of receptivity that was developed in a previous study, which was based on the persuasive communication theory[13,15,16] that groups adolescents into four levels: minimal, low, moderate, and high.[5] The development of a positive affective response to the communication (e.g., having a favorite tobacco advertisement or being willing to use a promotional item) indicated a greater degree of receptivity.[15,16] We defined the highest level of receptivity as having or being prepared to use a tobacco promotional item, and used the following questions: (1) "Some tobacco companies provide promotional items to the public that you can buy or receive for free. Have you ever bought or received for free any product which promotes a tobacco brand or was distributed by a tobacco company?" and (2) "Do you think that you will ever use a tobacco industry promotional item, such as a T-shirt?" .

Adolescents who had or who would be willing to use an item were considered highly receptive to tobacco promotional activities. An adolescent was categorized into the moderate receptivity group if he/she could name a favorite cigarette advertisement. Adolescents who did not have a favorite advertisement but could name any advertised cigarette brand were categorized into the minimal receptivity group. Finally, those who did not have a favorite advertisement and who could not name any advertised cigarette brand were grouped into the low receptivity group. Because of the small sample size in this study, we collapsed the receptivity index into three levels by combining the minimal and low categories into one group. Furthermore, our previous study showed no difference in smoking uptake between adolescents in the minimal or low categories of receptivity.[5]

Perceived Ability to Quit

Adolescents were asked a question related to their perceived ability to quit if they started to smoke regularly: "If I started to smoke regularly, I could stop smoking anytime I wanted." Response categories for this question were "agree" and "disagree."

Exposure to Peer and Family Smokers

Adolescents were queried about exposure to peer smokers with these questions: "About how many best friends do you have who are male?" and "Of your best friends who are male, how many of them smoke?" The same two questions were asked concerning female best friends. Adolescents who reported that none of their male or female best friends smoke were classified as unexposed to peer smokers. To determine

exposure to familial smokers, respondents were asked: "Do any of your parents, stepparents or guardians now smoke cigarettes?" and "Do you have any older brothers or sisters who smoke cigarettes?" Adolescents who responded "no" to both questions were classified as having no exposure to familial smokers.

Personal characteristics. Questions addressing personal characteristics were related to religiosity and perceived prevalence of peer smoking. Religiosity was assessed with the following question: "How often do you attend religious services?" We compared those who responded "often" with all other responses: "never," "rarely," or "sometimes." Perceived prevalence of peer smoking has previously been found to be related to adolescent smoking. This was assessed through the following question, "How many people you know, who are about your age smoke cigarettes?," with response categories of: "none," "a few," "some," and "most." We compared adolescents who responded that most of their peers smoke compared to the other categories combined. Finally, perceived school performance was assessed by responses to the following question: "How do you do in school?" Response categories were "much better than average," "better than average," "average," and "below average."

Relationship with family members. We examined two items related to the quality of the adolescent's relationship with family members. Respondents were asked to agree or disagree with the following two questions: (1) "My family looks for things to nag me about" and (2) "I have a lot of arguments with my family." Using these two questions, we created three levels, indicating a good, fair, or poor relationship with their family.

Analysis

All analyses were conducted using the SAS statistical package.[17] The CTSs contain a full sample weight, in addition to 51 replicate weights, to provide estimates that are representative of adolescents in California with respect to age, gender, race/ethnicity, and education. However, because the primary objective of this study was to draw conclusions about the impact of receptivity to tobacco advertising and other personal characteristics on progression to established smoking—rather than to generalize to the state as a whole—we conducted the analysis without using the replicate weights.

We used the stepwise logistic regression procedure to identify the independent predictors of established smoking by follow-up. Receptivity to advertising and perceived ability to quit were the main independent variables. In addition, we included the same predictors that we found in an earlier study, which predicted initiation of smoking among adolescents.[5] We used a significance value of 0.10 for entry criteria into the model and 0.05 to remain in the final model. We also examined all two-way interactions between receptivity to tobacco advertising and the other risk factors for progression.

Results

Table 1 presents the demographic characteristics of adolescent experimenters according to their progression to established smoking. Overall, approximately 32% of adolescents who were experimenters at baseline progressed to established smoking by follow-up in 1996. Males (34.6%) and females (30.0%) had similar rates of progression to established smoking. Progression to established smoking was significantly more likely among Caucasians (37.3%) than among Hispanics (21.9%) or African-American (17.6%) adolescents.

Table 1. Demographics of adolescent experimenters who progress to established smoking by follow-up

Demographic predictors in 1993	*n*	% established smokers in 1996[a]	*p* value
Overall	965	32.4	
Age group			
12–13	187	29.9	
14–15	395	37.2	0.029
16–17	383	28.7	
Gender			
Male	502	34.6	
Female	463	30.0	0.123
Race/ethnicity			
White	614	37.3	
Black	34	17.6	
Hispanic	247	21.9	0.001
Asian/other	70	34.3	
Perceived school performance			
Much better than average	144	25.0	
Better than average	361	32.7	0.100
Average/below average	460	34.6	

[a]Weighted percentages.

Table 2 presents the results of the multiple logistic regression analysis, which show the impact of receptivity to tobacco advertising, exposure to other smokers, personal beliefs about smoking, personal characteristics, and perceived ability to quit anytime. Several factors were significant in predicting progression from experimentation to established smoking. Adolescents who believed that they could quit smoking anytime were almost twice as likely to progress to established smoking compared to those who did not think they could quit anytime. Receptivity to tobacco advertising and promotions was also a significant predictor of established smoking. Experimenters who were highly receptive to tobacco marketing were 70% more likely to become established smokers at follow-up, compared to those who were minimally receptive.

Exposure to other smokers was also a significant predictor of progression to established smoking. Adolescents exposed to both family and friends who smoked were more than twice as likely to progress compared to those not exposed to smokers. Among the remaining factors, religiosity, the perception that most peers smoke, and a poor relationship with family members were also

Table 2. Predictors of progression to established smoking among experimenters at baseline (N=965)

Predictors in 1993	*n*	% established smokers in 1996	Odds ratio[a]	95% CI
Religiosity (church attendance)				
Never to sometimes	663	35.6	1.00	(reference)
Often	302	25.5	0.65	(0.47–0.90)
Perceived prevalence of peer smoking				
None to some peers smoke	778	29.6	1.00	(reference)
Most peers smoke	187	44.4	1.72	(1.20–2.46)
Relationship with family members				
Good	450	27.8	1.00	(reference)
Fair	294	31.3	1.15	(0.82–1.62)
Poor	221	43.4	1.81	(1.26–2.60)
Exposure to smokers				
None	173	17.9	1.00	(reference)
Family members only	140	28.6	1.72	(0.98–3.02)
Friends only	312	34.6	1.95	(1.21–3.15)
Both family and friends	340	39.4	2.55	(1.59–4.10)
Receptivity to tobacco advertising				
Minimal	184	24.5	1.00	(reference)
Moderate (favorable advertisement)	407	29.2	1.23	(0.81–1.88)
High (willing to use promo)	374	39.8	1.71	(1.11–2.61)
Perceived ability to quit anytime				
Cannot quit anytime	703	28.0	1.00	(reference)
Can quit anytime	226	44.3	1.87	(1.37–2.56)

[a]Adjusted for age, gender, and race/ethnicity.
CI, confidence interval.

important predictors of progression from experimentation to established smoking (Table 2).

Figure 1 presents the effect of receptivity to tobacco advertising and perceived ability to quit smoking anytime on progression to established smoking. There is a significant interaction between these two predictors on progression to established smoking. For experimenters who were minimally receptive to tobacco advertising at baseline, perceived ability to quit anytime did not have a differential impact on progression to established smoking at follow-up. However, for adolescents who were receptive to advertising, those who believed they could quit anytime were much more likely to progress to established smoking than those who did not think they could quit anytime (Figure 1). Adolescents who were willing to use a promotional item and who believed that they could quit anytime had the highest rate of progression to established smoking (52%).

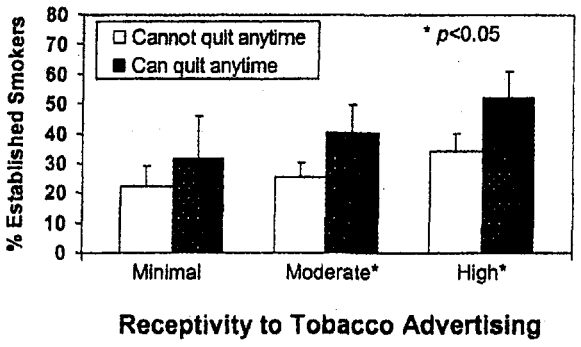


Figure 1. Effect of receptivity to advertising and perceived ability to quit anytime on progression to established smoking

Discussion

The major finding of this study is that receptivity to tobacco advertising and promotions predicted progression from experimentation to established smoking. This finding is important when added to the earlier study,[5] because it shows that tobacco advertising influences not only smoking experimentation, but also progression from early smoking behavior to regular smoking. Furthermore, it adds credence to the previous studies' conclusions by helping to rule out the possibility of a confounding variable as an alternative explanation.

An additional finding in this study was the differential risk of progression by the adolescents' perceived ability to quit anytime. Adolescents who were highly receptive to tobacco advertising and who believed that they could quit anytime had the highest risk of progression to established smoking. The finding that baseline beliefs about the ability to quit smoking influence the initiation process argues for including advertisements that focus on nicotine addiction in mass media antismoking campaigns.

Previous studies have shown that the relationship

between receptivity to tobacco advertising and promotions is a significant predictor of smoking uptake.[5,8,18] However, factors that moderate the effect of advertising have not been studied, especially in a longitudinal setting. The results from this study suggest an association between tobacco advertising and adolescents' perception of their ability to quit, which could lead to an increased pattern of smoking.

The rate of progression from experimentation to established smoking found in this study (32.4%) is consistent with rates from a national study of adolescent experimenters and progression to established smoking.[19] There were significant differences in rates of progression by gender and race/ethnicity. African-American adolescents were much less likely to progress to established smoking than non-Hispanic Caucasian adolescents, which is consistent with other studies on adolescent smoking.[20,21] This finding suggests that further research is needed to examine the smoking patterns among African-American adolescents, as recommended by other researchers.

Limitations of the study include reliance on self-reported information without any biochemical validation of the adolescents' smoking status. However, studies of adolescents have shown that there is stability of self-reported substance use in this population and that questionnaires provide reliable data.[22,23] An additional concern relates to the issue of attrition or loss to follow-up. This is especially a concern when there is differential loss to follow-up among groups in the study. We examined the baseline demographic distribution of both respondents and nonrespondents, and found no major differences between these two groups for demographic variables of age, gender, and race/ethnicity. However, experimenters and established smokers at baseline were somewhat less likely to be followed up than the never-smokers. Hence, our estimate of the impact of tobacco advertising is a conservative one, since the influence of attrition in this study would have reduced our ability of finding any effect. Finally, since this study examined only the transition from experimentation to established smoking, it is not clear whether the findings are unique to only this transition in the uptake process.

It is important to emphasize the receptivity aspect of tobacco advertising, since it is not the mere exposure to the advertisements that has the greatest influence but rather the process of accepting the image and eventually the smoking behavior that goes with it. In this study, in addition to identifying receptivity to tobacco advertising as a predictor of progression from experimentation to established smoking, we identified a potential moderator of tobacco advertising: perceived ability to quit anytime. Several studies have shown the influence of tobacco advertising in encouraging adolescents to take up smoking and the results have been consistent. This study's results provide additional evidence that tobacco advertising is also an important predictor of progression from experimentation to established smoking. Since the results from this study, as well as others examining the influence of tobacco advertising, broaden the generalizability of the findings, a more comprehensive restriction or complete ban on tobacco image advertising may be warranted.

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Youth Targeting By Tobacco Manufacturers Since The Master Settlement Agreement

The first study to document violations of the youth-targeting ban in magazine ads by the three top U.S. tobacco companies.

by Paul J. Chung, Craig F. Garfield, Paul J. Rathouz, Diane S. Lauderdale, Dana Best, and John Lantos

ABSTRACT: The 1998 Master Settlement Agreement (MSA) between tobacco manufacturers and forty-six states bans manufacturers from targeting minors through advertising. To determine how youth targeting in magazine cigarette advertisements changed after the MSA, we analyzed magazine readership and cigarette ads in U.S. magazines from 1997 to 2000. In 2000 all three major manufacturers (Philip Morris, R.J. Reynolds, and Brown and Williamson) failed to comply with the MSA's youth-targeting ban, selectively increasing their youth targeting. Banning all magazine advertising of cigarettes may be necessary to eliminate youth targeting in magazines.

MOST SMOKERS BEGIN SMOKING before age eighteen, and the likelihood of smoking onset drops rapidly thereafter.[1] Tobacco industry documents describe an acute awareness that capturing this underage market is essential to long-term success.[2] Cigarette advertising has been shown both to attract adolescents to smoking and to establish smoking as a social norm.[3]

Attempts to curb adolescent exposure to cigarette advertising began in 1969 with the banning of television and radio ads.[4] In recent years the proportion of high school students who smoked rose from 27.5 percent in 1991 to a peak of 36.4 percent in 1997 before drifting back to 28.0 percent in 2000.[5] The alarming increase in the first half of the decade was among the factors that prompted a reexamination of regulatory policy, culminating in the November 1998 Master Set-

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tlement Agreement (MSA).[6]

The MSA, signed by tobacco manufacturers and forty-six states' attorneys general, prohibits tobacco manufacturers from taking "any action, directly or indirectly, to target Youth within any Settling State in the advertising, promotion or marketing of Tobacco Products."[7] As a blanket youth-targeting ban, this provision applies to all types of advertising, including transit ads, billboards, and magazines.

Whereas transit ads and billboards were explicitly and completely banned in the MSA subprovisions, application of the youth-targeting ban to magazines was not clearly specified. With respect to magazines, most researchers have attempted to evaluate compliance with the MSA by appropriating a 1996 Food and Drug Administration (FDA) definition of "youth magazine." The FDA divides magazines into two types, youth and adult. Youth magazines are those having either more than two million youth readers (under age eighteen) or more than 15 percent youth readership.[8]

Using this FDA definition, a prior study found that both total and youth-oriented tobacco advertising expenditures had increased in 1999 after the MSA.[9] A second study, also using the FDA youth magazine definition, found that expenditures in adult and youth magazines in 2000 were not remarkably different from expenditures prior to the MSA.[10] While these studies did show that tobacco ads continued to reach large numbers of youth, they could not determine if tobacco companies were actually violating the MSA youth-targeting ban. Simply measuring changes in the number of ads or expenditures does not measure targeting. For example, a tobacco company's resources may fluctuate from year to year, thus changing the number of ads it can place or how much it can spend, for reasons unrelated to youth targeting.

Targeting occurs only when the average distribution of ads or expenditures favors magazines with more youth readers. In other words, a manufacturer engages in youth targeting when it is more likely to advertise in a magazine with more youth readers than in a magazine with fewer youth readers.

We created a model that identified changes in youth targeting by tobacco manufacturers over time, looking specifically at how the ratio of ads placed at different youth readership levels shifted from 1997 through 2000. For this analysis we gave wide latitude to the tobacco industry, accepting at face value the claim that youth targeting did not occur prior to the MSA. If that were the case, then any subsequent increase in the propensity to advertise in magazines based on youth readership would represent new-onset youth targeting and would violate the MSA.

Methods

■ **Data sources.** We obtained magazine readership data from Mediamark Research Incorporated (MRI).[11] MRI's database is an advertising industry standard and is used by tobacco manufacturers in their own advertising research.[12] MRI tracks both youth (ages 12–17) and adult readers in forty-eight of the most widely read magazines in its data set.[13] We abstracted readership data for these magazines from MRI's fall 1999 report.

Ad placement and spending data were obtained from Competitive Media Reporting (CMR).[14] CMR compiles all ad placement units and estimates expenditures for all members of the Publishers Information Bureau. Ad placement units correspond roughly to the number of ad pages. For simplicity, we refer to ad placement units as "ads." We abstracted ad and spending data by cigarette brand for the forty-eight magazines in our data set, tracking each year from 1997 through 2000. Of the forty-eight magazines, twelve either did not accept cigarette ads by policy or were not completely tracked by CMR, leaving thirty-six magazines in the final data set (Exhibit 1).

■ **Statistical analysis.** We analyzed the number of ads placed by each manufacturer in each magazine in each full year from 1997 through 2000. The last full year before the MSA, 1997, was used as a baseline for each manufacturer's advertising. Advertising in each subsequent year was then compared with this baseline. We examined how the ratio of ads placed at differing youth readership levels shifted over time. The model accounted for all magazine-level factors that might also influence ad placement, such as total adult, young adult, female, and minority readerships. The details of the models are beyond the scope of this discussion.[15] Instead, we provide a hypothetical example demonstrating the application of a simplified version of our model.

Two hypothetical magazines, Magazine A and Magazine B, differ in their number of youth readers. Magazine A has a youth readership of 2.2 million, while Magazine B has only 1.7 million. In 1997 a tobacco company placed fifty ads in Magazine A and thirty ads in Magazine B. In 2000 Magazine A received forty ads and Magazine B, twenty ads.

Looking only at the total number of ads or using just the FDA's youth magazine definition, we might call this change an improvement. Not only has the total number of ads decreased by twenty, but also the number of ads in magazines with more than two million youth readers has decreased by ten. But measuring a change in the number of ads does not by itself measure a change in targeting. As stated earlier, targeting occurs only when the average distribution of ads or expenditures favors the magazines with more youth readers.

EXHIBIT 1
Thirty-Six Magazines In Sample For Study Of Youth Tobacco Advertising, 1999

Magazine	Total readers (millions)	Percent of readers 18–24 years old	Percent of readers 12–17 years old	Number of readers 12–17 years old (millions)
Allure	5.0	30.7%	28.4%	1.4
Better Homes and Gardens	34.6	6.7	4.9	1.7
Cable Guide	10.6	14.3	18.5	2.0
Car and Driver	9.5	22.8	15.3	1.5
Cosmopolitan	17.7	27.3	10.5	1.9
Ebony	12.5	14.9	13.9	1.7
Elle	5.0	31.1	13.9	0.7
Entertainment Weekly	9.8	22.8	18.5	1.8
Essence	8.3	16.7	13.4	1.1
Family Circle	23.1	6.1	4.3	1.0
Field and Stream	12.3	11.8	10.2	1.3
Glamour	12.7	28.8	14.7	1.9
Hot Rod	7.9	18.8	27.9	2.2
In Style	5.7	22.3	21.1	1.2
Jet	10.2	15.7	16.0	1.6
Life	17.5	15.1	12.3	2.2
Mademoiselle	6.5	32.7	14.3	0.9
Marie Claire	3.1	31.4	24.0	0.7
McCall's	14.3	6.1	4.8	0.7
Motor Trend	7.8	19.4	17.6	1.4
Newsweek	21.2	11.6	9.8	2.1
People Weekly	39.0	13.9	10.0	3.9
Popular Mechanics	10.1	13.1	14.6	1.5
Popular Science	7.4	13.7	21.2	1.6
Road and Track	5.7	16.3	18.8	1.1
Rolling Stone	10.7	32.7	23.9	2.6
Soap Opera Digest	7.5	19.9	12.3	0.9
Spin	4.2	40.6	25.8	1.1
Sport	5.5	16.7	37.8	2.1
Sporting News	4.2	11.0	26.3	1.1
Sports Illustrated	27.1	18.0	18.3	5.0
Time	24.2	11.0	7.8	1.9
TV Guide	39.9	13.5	13.7	5.5
Vibe	8.0	30.1	34.2	2.7
Vogue	11.0	24.6	17.0	1.9
Woman's Day	21.4	7.5	5.2	1.1

SOURCE: Mediamark Research Incorporated.

In other words, targeting is measured by calculating a proportion, the ratio of ads placed in a given magazine over ads placed in another magazine with fewer youth readers. To examine the change in targeting, we follow this proportion over time.

In our example, we divide the number of ads in Magazine A by the number of ads in Magazine B in each year, and then compare each year's ratios. In our hypothetical example, the ratio of ads between Magazine A and Magazine B in 1997 was 50/30, or 1.67. In 2000 the

ratio of ads was 40/20, or 2.00. Comparing the two ratios, we find that the ratio in 2000 (2.00) was 20 percent greater than the ratio in 1997 (1.67). The tobacco company, given two magazines that differ by 0.5 million youth readers, was 20 percent more likely to advertise in the magazine with higher youth readership (Magazine A) in 2000 than it was in 1997. In other words, targeting increased by 20 percent in this population of two magazines differing by 0.5 million youth readers.

This simplified example looks at a population of only two magazines. Our actual model examined all possible two-magazine combinations in our thirty-six-magazine sample and accounted for the previously described magazine-level factors that might also affect ad placement.

Study Results

From 1 January 1997 to 31 December 2000, an estimated $1.01 billion was spent to place 12,000 cigarette ads in the thirty-six magazines in our sample. The expenditures represented approximately three-quarters of the total cigarette advertising dollars spent by tobacco companies in all U.S. magazines during this time period.[16] Together, the top three manufacturers (Philip Morris, R.J. Reynolds, and Brown and Williamson) accounted for 96 percent of the expenditures in our sample and 86 percent of the ads. Therefore, we focused our analyses on these three manufacturers.

Since the FDA youth magazine definition had been widely publicized, it was likely that tobacco companies had adopted different advertising strategies for magazines above and below the FDA threshold. Therefore, it was important to determine which magazines met the FDA youth magazine criteria. Eighteen magazines had more than 15 percent of their readership in the group ages 12–17, while nine had more than two million readers in that age group (Exhibit 1).

For the tobacco industry as a whole, cigarette ad spending increased by $1.6 million per magazine per year (26 percent) after the MSA. Spending increased both above and below the FDA threshold for all manufacturers. In contrast, the number of cigarette ads in our sample dropped by 26 percent after the MSA. The decrease was similar above and below the FDA threshold.

Exhibit 2 shows the results of our analysis of youth targeting. To account for different advertising strategies above and below the FDA threshold, we first analyzed advertising behavior only in those magazines with fewer than two million youth readers. Within this group of magazines, for every 0.5 million youth reader difference between any two magazines, in 2000 R.J. Reynolds was 57 percent

EXHIBIT 2
Change In Youth Targeting Since 1997, By Tobacco Manufacturer, Year, And Millions Of Youth Magazine Readers

Manufacturer	Year	Percent change in youth targeting since 1997	*p* value
Youth readership less than two million			
R.J. Reynolds	1998	23%	0.25
	1999	30	0.13
	2000	57	0.02
Brown and Williamson	1998	15	0.61
	1999	34	0.19
	2000	62	0.09
Philip Morris	1998	1	0.90
	1999	0	0.99
	2000	11	0.45
Youth readership more than two million			
R.J. Reynolds	1998	-19%	0.12
	1999	-21	0.07
	2000	-31	0.01
Brown and Williamson	1998	-24	0.21
	1999	-28	0.06
	2000	-27	0.16
Philip Morris	1998	3	0.75
	1999	19	0.04
	2000	14	0.21

SOURCE: Authors' analysis of raw data collected from Mediamark Research Incorporated and Competitive Media Reporting.
NOTE: "Percent change in youth targeting since 1997" is the change in likelihood that a manufacturer will choose to advertise in one magazine over another based solely on 0.5 million more youth readers.

more likely to place ads in the magazine with higher youth readership than it was in 1997. In other words, youth targeting by this company increased by 57 percent per 0.5 million youth reader difference between any two magazines with fewer than two million youth readers. Likewise, Brown and Williamson's youth targeting increased by 62 percent from 1997 to 2000 among magazines with fewer than two million youth readers. Philip Morris in 2000 did not show a statistically significant change in targeting.

Next, we analyzed advertising behavior in those magazines with more than two million youth readers. Within this group of magazines, for every 0.5 million youth reader difference between any two magazines, R.J. Reynolds was 31 percent less likely in 2000 to advertise in the magazine with higher youth readership than it was in 1997. In other words, R.J. Reynolds' youth targeting decreased by 31 percent per 0.5 million youth reader difference between any two magazines with more than two million youth readers. Neither Brown and Williamson nor Philip Morris showed statistically significant changes in these magazines in 2000.

Using the alternative FDA definition, we conducted a separate

analysis looking at magazines with less than 15 percent youth readership (Exhibit 3). Within this group of magazines, for every 5 percent youth readership difference between any two magazines, Philip Morris was 55 percent more likely in 2000 to advertise in the magazine with higher youth readership than it was in 1997. In other words, Philip Morris's youth targeting increased by 55 percent per 5 percent youth readership difference between any two magazines with less than 15 percent youth readership.

When analyzing magazines with more than 15 percent youth readership, we found that Philip Morris showed a 28 percent decrease in youth targeting from 1997 to 2000. Neither R.J. Reynolds nor Brown and Williamson showed statistically significant changes in targeting in 2000 when the magazines were analyzed by percentage youth readership.

Comment

Despite an explicit ban in the November 1998 MSA, youth targeting through cigarette ads increased in 2000 for all three major manufacturers in magazines with youth readerships below the FDA thresh-

EXHIBIT 3
Change In Youth Targeting Since 1997, By Tobacco Manufacturer, Year, And Percentage Youth Magazine Readership

Manufacturer	Year	Percent change in youth targeting since 1997	*p* value
Youth readership below 15 percent			
R.J. Reynolds	1998	73%	0.08
	1999	88	0.03
	2000	35	0.29
Brown and Williamson	1998	57	0.26
	1999	28	0.40
	2000	-10	0.80
Philip Morris	1998	-3	0.84
	1999	-1	0.95
	2000	55	0.04
Youth readership above 15 percent			
R.J. Reynolds	1998	-41	0.03
	1999	-41	0.02
	2000	-18	0.36
Brown and Williamson	1998	-30	0.24
	1999	1	0.98
	2000	-5	0.86
Philip Morris	1998	3	0.79
	1999	3	0.75
	2000	-28	0.04

SOURCE: Authors' analysis of raw data collected from Mediamark Research Incorporated and Competitive Media Reporting.
NOTE: "Percent change in youth targeting since 1997" is the change in likelihood that a manufacturer will choose to advertise in one magazine over another based solely on 5 percent more youth readership.

"Tobacco companies have violated their agreement and continue to expose youth to their ads virtually unchecked."

old. This study is the first to document violations of the MSA youth-targeting ban. We contend that the MSA's failure to operationalize the ban with respect to magazines may have made these violations possible.

At first glance, the industrywide decrease in cigarette ads in magazines with more than 15 percent youth readership or more than two million youth readers is encouraging. However, we show that this decrease occurred simultaneously with a general decrease in all cigarette ads. Furthermore, this decrease in ads occurred in the setting of a consistent increase in ad expenditures. Therefore, the decrease in ads may have been driven by a marked increase in cost per ad rather than a good-faith effort by manufacturers to decrease youth exposure to advertising.

When the FDA created its youth magazine definition in 1996, it established a guideline that resonated with the public. In response, both Philip Morris and Brown and Williamson publicly committed to adopting the FDA definition by 2001.[17] However, we have shown this definition to be fundamentally incompatible with the legal language of the 1998 MSA youth-targeting ban.

Whereas the MSA explicitly bans all youth targeting, the FDA definition implicitly encourages it among magazines with fewer than two million youth readers or less than 15 percent youth readership. For instance, intentionally placing more ads in magazines with 1.5 million youth readers than in magazines with 1.0 million youth readers is clearly youth targeting and is banned by the MSA. However, the widespread popularity of the arbitrary FDA youth magazine definition created an opportunity for tobacco advertisers to exploit youth readership differences below two million or 15 percent. In fact, it is entirely possible for a manufacturer to simultaneously violate the MSA and adopt the FDA definition. One way would be to increase youth targeting below the FDA threshold, while decreasing youth targeting above it.

It appears that such a scenario may have occurred. A recent study showed that overall youth exposure to ads did not change after the MSA, which supports our hypothesis that increased selective targeting is able to compensate for any decreased targeting above the FDA threshold.[18] In our study we find that between 1997 and 2000 both Brown and Williamson and R.J. Reynolds increasingly targeted magazines with youth readership just under the limit of two million youth readers (Exhibit 2). Likewise, Philip Morris in 2000

increased its targeting of magazines with youth readership just under the 15 percent limit (Exhibit 3). This pattern suggests intent to maintain or increase youth exposure to advertising by all three manufacturers. Youth targeting that increases in magazines up to 15 percent youth readership or two million youth readers, and then decreases thereafter, is consistent with a strategy that intensifies targeting beneath the public radar.

Our study has limitations. First, we were able to collect complete data for only thirty-six magazines. Although we cannot determine just how well these magazines reflect all magazines, they do attract the large majority of cigarette ad expenditures, and their readership characteristics do accurately reflect the demography of magazine readers in the United States.

Second, 2000 may have been another transitional year as manufacturers attempted to change their advertising strategies. Follow-up analysis in the near future would increase our understanding of trends.

Third, we assess changes in youth targeting relative to 1997. Since 1997 ended almost a full year before the MSA, we assumed that advertising in that year reflected a stable baseline pattern of ad placement. For reasons that we may not have considered, 1997 could have been an anomalous year. Nevertheless, it is important to remember that our method accepted at face value the tobacco industry's claim that no targeting was occurring at baseline in 1997. Even so, we were able to find strong evidence of subsequent, new violations of the MSA youth targeting ban.

WE HAVE DEVELOPED A NEW METHOD to evaluate tobacco manufacturers' compliance with the targeting ban with respect to magazines. We have determined that youth targeting has not just persisted but has selectively increased. Tobacco companies have violated the terms of their settlement agreement and continue to expose youth to their magazine ads virtually unchecked. We contend that achieving significant reductions in youth exposure to tobacco advertising may require the absolute ban in magazines that already exists in television, radio, transit space, and billboards.

The authors thank the Robert Wood Johnson Clinical Scholars Program for its financial support of this study.

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Cigarette Brand Variation Increases since Legislation Reduces Point-of-Sale Promotion

Don Cook & Christine A. Edwards

ISSUE ADDRESSED:

Has there been an increase in the number of cigarette brand variations since the introduction of new Regulations restricting point of sale cigarette displays?

METHODS:

A comparison of the number of popular cigarette brand variations using two copies of The Australian Retail Tobacconist magazine dated 1 year apart.

RESULTS:

There had been an increase in brand variation in all five of the popular brands examined. The total number of variations of the five brands examined increased from 67 in November 1998 to 117 in November 1999.

CONCLUSION:

The Regulations were introduced in part to reduce the visual impact of a massed display of a particular brand. By increasing the number of brand variations, permitted under the regulations, the visual impact of numbers of cigarette packs displayed (and thus promoted) is maintained.

SO WHAT?

The only practical way to reduce point of sale cigarette promotion may be to prohibit any display of tobacco products so that cigarettes become an "under the counter product".

KEY WORDS:

tobacco, legislation, brand variation, promotion

Introduction

Cigarette marketing is important for tobacco companies to recruit smokers.[1] Starting with bans in broadcasting since 1973, state and federal governments have legislated to restrict tobacco advertising. In 1992 the *Tobacco Advertising Prohibition Act (Cwlth)* (TAP Act) banned all forms of tobacco advertising in the print media. Exemptions existed in both instances in the case of "incidental or accidental broadcast or publication of images showing smoking or tobacco products". By 1980 tobacco companies had become the largest sponsors of major Australian sports including cricket and rugby league. This enabled a flood of "incidental" tobacco advertising to appear in print and broadcast media.

In 1995 the TAP Act addressed the problem by ensuring that tobacco sponsorship would be phased out by 1996. The only exemption to this ban was on international events that would not otherwise be held in Australia. The Australian Formula One Grand Prix is an example of such an event.

Under the provisions of the TAP Act (1992), advertising at point-of-sale may continue provided it is in compliance with relevant state or territory requirements. With the advertising bans in place, this point-of-sale advertising has become one of the few places left for promotional opportunities.

In 1993, NSW restricted point-of-sale advertising.[2] The regulations restricted advertising visible from a public place and also restricted the advertising to a maximum of 2000 cm^2. Under this Act, parallel promotions were also banned. A parallel promotion is when a non-tobacco product (e.g. golf balls,

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cameras, diaries) are attached to the cigarettes and may only be purchased with them. These restrictions were often ignored; there were many examples of parallel promotions to be found after 1993. To overcome the 2000 cm^2 restriction on advertising, tobacco companies introduced jigsaw cartons. Each carton would have a piece of a picture promoting that brand, and when the cartons were stacked in the correct order the complete picture would emerge.

After submissions and discussion from tobacco control advocates and various industry groups, the regulations in the *Tobacco Advertising Prohibition Act (Cwlth)* were moved to the *NSW Public Health Act* (1991) and strengthened on 31 August 1999.

Among the objects of the regulations are:

- to regulate advertising on packages containing tobacco products; and
- to regulate the display of tobacco products in shops and retail premises.[3]

Tobacco advertising is now banned completely at point-of-sale.

The new regulations also restrict the number of packets of any cigarette brand variation permitted on display to two. A brand variation in relation to cigarettes is defined as a kind of cigarette distinguishable from others kinds by one or more of the following characteristics:

- its brand name;
- its flavour;
- its tar content; and
- the number of cigarettes contained in the retail package in which they are sold.

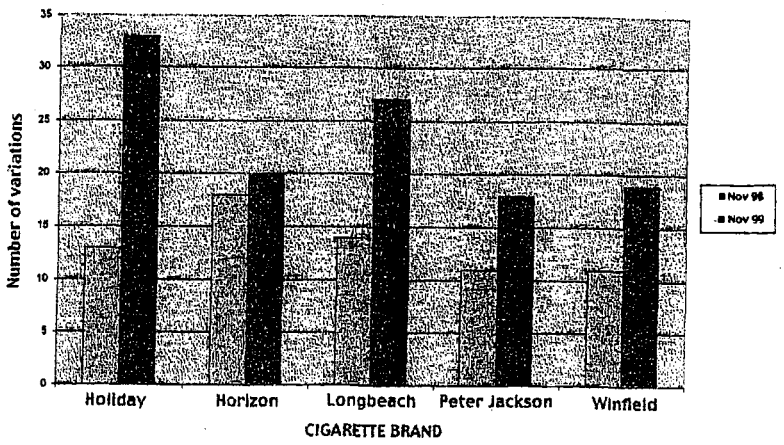
The restriction to two packs of a brand variation was intended to reduce the visual impact of large numbers of packs displayed together and thus reduce point-of-sale promotion.

Method

Shortly after the introduction of the August 1999 restrictions it came to our attention that the number of brand variations had increased. In order to measure the extent of this increase we made a comparison between lists of cigarettes available to retailers in the November 1998 and November 1999 editions of the *Australian Retail Tobacconist*.

Five popular brands were looked at: Holiday, Horizon, Longbeach, Peter Jackson and Winfield.

FIGURE 1. Changes in the number of brand variations between 1998 and 1999.



Results

There had been an increase in the number of brand variations for all five brands examined.

Four brands added new pack sizes.

Holiday added six new variations to its existing 20s pack and introduced six 25s and eight 40s to the product line.

Longbeach added one variation to its 25s and introduced four 20s and eight 30s to the product line.

Horizon reduced its 30s by one brand variation and introduced three 20s to the product line.

Peter Jackson introduced seven 25s to the product line.

Winfield increased the number of variations available in its 20-pack size from three to 11 by adding only those variations previously only available in 25s.

Conclusion

Tobacco manufactures were quickly able to counter regulations aimed at reducing point-of-sale promotion by increasing the number of pack variations. It is interesting to compare this to previous claims that changes to pack size, new health warnings and other proposed changes would be difficult and expensive for the industry.

Perhaps it is time now to remove all cigarette point-of-sale promotion and have cigarettes out of sight, below the counter.

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Banning Retail Displays and Signage

Rob Cunningham
Canadian Cancer Society

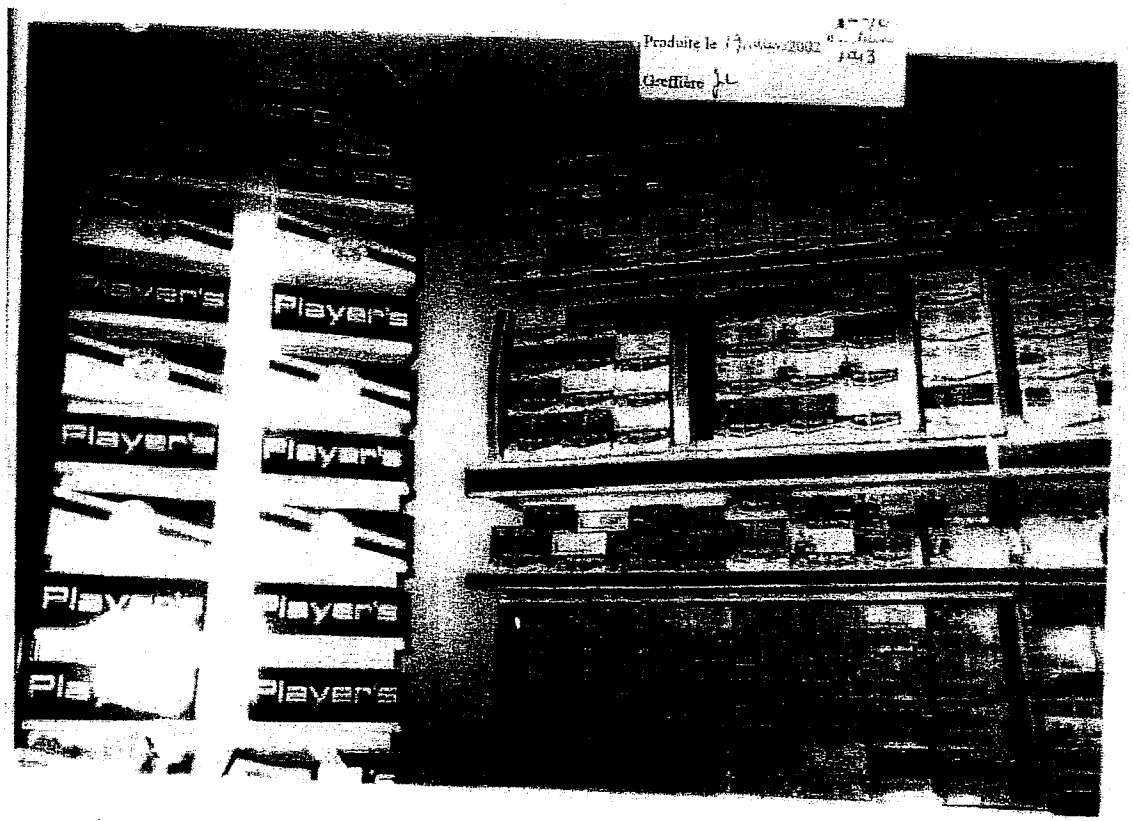
Presented at
Ontario Tobacco Control Conference 2004
May 6, 2004, Toronto, Ontario

RECOMMENDATION: Ban All Tobacco Signage and Visible Displays of Tobacco Products at Retail

Importance of retail promotion

- It works!
- Incredible reach:
  - smokers and non-smokers
  - children and adults
- Always working: 24/7

Power walls


Player's
Player's
Player's
Player's
Player's
Player's
Player's
Player's

Counter top displays



Most important type of promotion

- $77 million (2002) paid by manufacturers
- Compare: $60 million on sponsorships (1996)
- Increasingly crucial as other types of promotion curbed

Retail promotions increase smoking

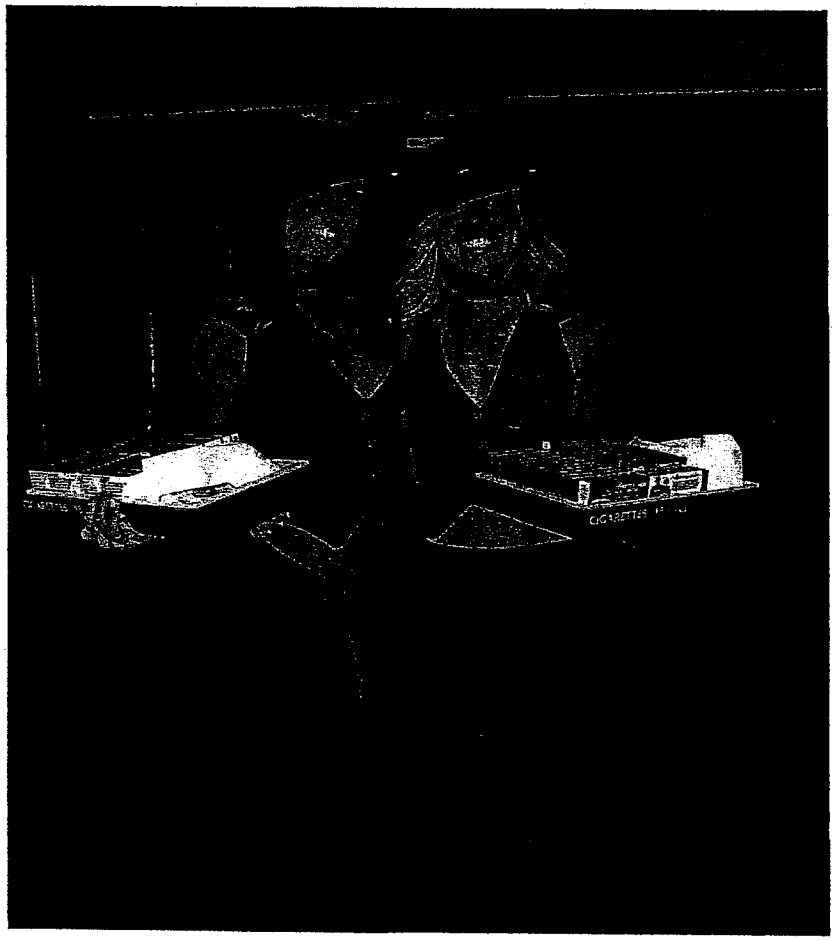
- Increase social acceptability of tobacco products
- Encourage impulse purchases, including
  - Teenage experimenters
  - Ex-smokers struggling to resist cravings
  - Non-daily smokers (1 of 5 smokers)

- "out of sight, out of mind"
- children should not be exposed
- cigarettes should not be displayed as if they were hockey cards or bubble gum

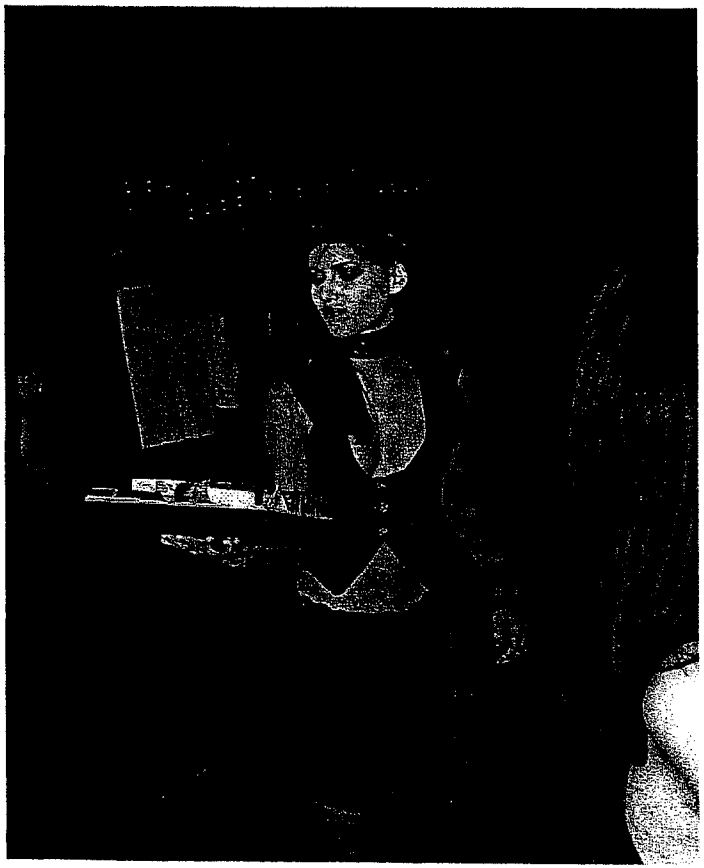
Nicorette gum POS display

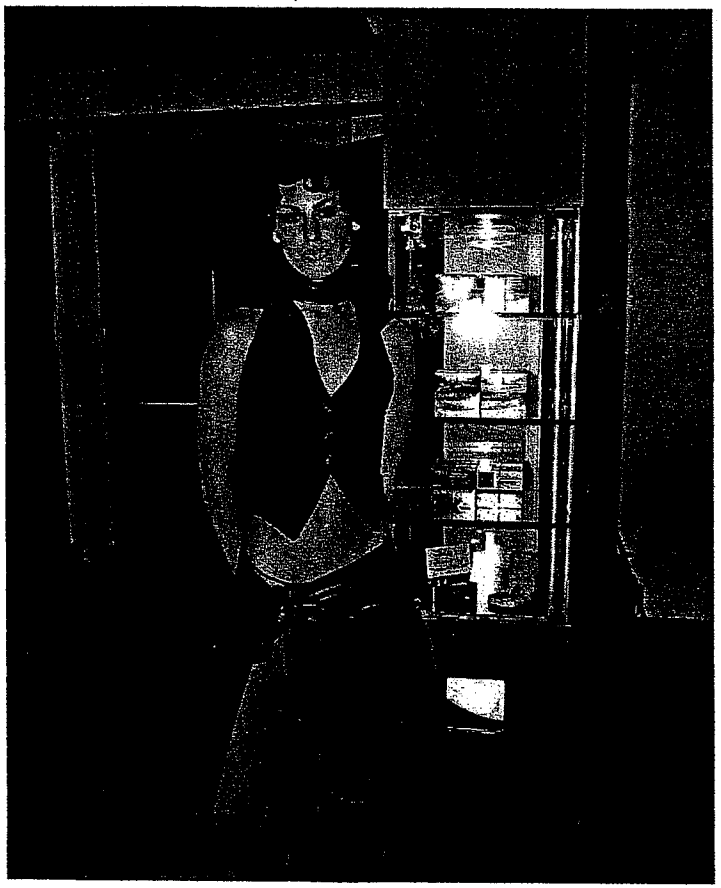


Cigarette girls (1)



Cigarette girls (2)





Responses to some arguments

- Industry payments work out to only 5 cents per pack
- JTI: payments started in 1970s
- Saskatchewan, Iceland experience shows POS promotion ban is feasible
- Imperial Tobacco, in PEI, said it could live with a ban on retail displays
- Reduces break-ins

Legal issues

- Supreme Court to hear Saskatchewan case on federal/provincial jurisdiction issue
- Charter: Alleged unjustified infringement of freedom of expression
  - display of salad dressing on store shelf is not expression protected by Charter
  - "I do not think the display of goods and wares for sale, in this case T-shirts, is a form of expression contemplated by s.2(b) of the Charter."

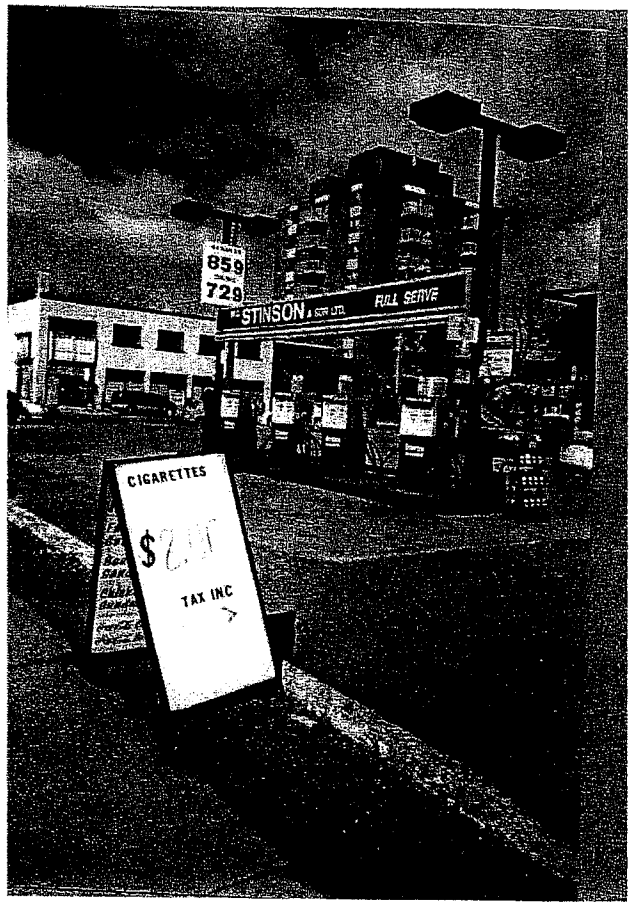
    Ontario Court of Appeal, 1991, *R.* v. *Greenbaum*

Price signs





Price sign at gas station



Price signs should be banned

- Stimulates purchases, just as product displays do
- Contributes to price competition, lowering prices and increasing consumption
- Encourages "sale" prices and marketing of discount cigarettes

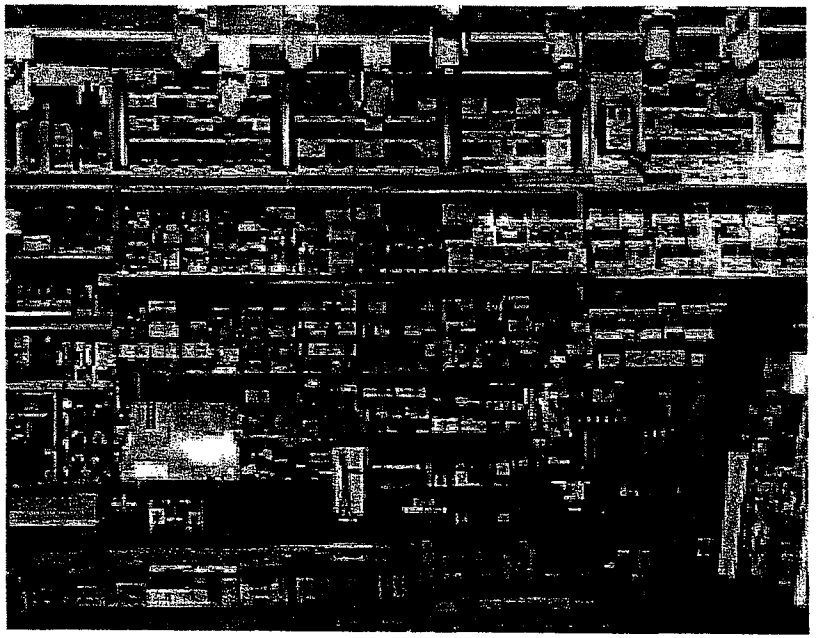
Avoid exemptions

- e.g. tobacconists
- bars
- adult-only premises

Canadian developments (1)

- Legislation in place: Saskatchewan, Manitoba, Nunavut
- Proposed: Ontario, PEI, Northwest Territories
- Enabling authority in place: Federal, BC, Quebec

Saskatchewan – before and after legislation





Canadian developments (2)

- under the counter in pharmacies: Newfoundland, 2004
- Counter top displays banned: NB, NS
- Self-service displays banned: federally, some provinces
- Quebec requires signs to be visible only from inside the store

International developments

- Implemented in Iceland
- Enacted in Ireland
- Enabling authority in United Kingdom
- Proposed in South Africa, New South Wales
- WHO recommends total ban on advertising and promotion

Retail display ban recommended by

- Ontario Expert Panel (1999)
- Ontario Medical Association (2003)
- Ontario Youth Tobacco Team (2004)
- Legislative Committees in Saskatchewan (2000) and PEI (2004)

Conclusion:

Do it!

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AD WATCH

Fuel pump promos: continued

Jennifer Mindell spotted a new venue for cigarette advertising in the UK in 1997—fuel pump handles at petrol (gas) stations.[1] In April of this year, I came across the same marketing technique in Somerset, Pennsylvania, USA, at a Turkey Hill Minit Market, where this convenience store and an Exxon gas station are operated jointly.

On the day I visited the Minit Market, all of the cigarette ads appearing on the fuel pump handles promoted a special sale of Camel, Winston, and Salem cigarettes (RJ Reynolds) for $25.48 a carton (fig 1). Similar ads appeared inside the store on a self service cigarette display rack. Some of the fuel pump handles advertised food or beverage products. A sales clerk informed me that the ads on the fuel pumps rotated among several different brands of foods, beverages, and cigarettes. She showed me a list of the products involved in the rotation, which included another cigarette brand sold by RJ Reynolds (Doral), as well as Marlboro and Basic cigarettes (Philip Morris), and GPC and Viceroy cigarettes (Brown and Williamson).

The sales clerk told me that decisions about which products were to be featured in these promotions came from the Turkey Hill headquarters in Lancaster, Pennsylvania. But because the cigarette ads on the fuel pump handles include the brands' logos and the Surgeon General's warning, one must assume that the cigarette companies authorised (or were directly involved in) these ad placements. No doubt they recognise the value of fuel pump ads, as explained by a British marketing company that sells space on the nozzles:

"Our advertisers are communicating their message on a one-to-one basis directly to their end-customer, in an undisturbed environment for an average of two to three minutes at a time when the customer has little alternative but to hold the message in their hand and gaze at it."[1]

On its website (www.turkeyhill.com), Turkey Hill has a calendar of events supported by the company. The calendar for April 2001 included an Easter egg run benefiting a paediatric rehabilitation centre, a walk for multiple sclerosis, a race/walk for breast cancer research, and a "loving & caring annual walk-for-life" in support of "life-affirming organizations across the county". Given the "life-affirming" efforts by Philip Morris, RJ Reynolds, and Brown & Williamson to stamp out world hunger, domestic violence, poverty, homelessness, and many other social ills,[2–4] opportunities for partnership between Big Tobacco and Turkey Hill would seem to be endless.



Figure 1 Cigarette ad on a fuel pump handle.

RONALD M DAVIS

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One Ford Place, 5C,
Detroit, Michigan 48202-3450,
USA
rdavis1@hfhs.org

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Promotion

POP goes the power wall? Taking aim at tobacco promotional strategies utilised at retail

T Dewhirst

Tobacco promotion at the retail level is pervasive

Tobacco firms face an increasingly stringent regulatory environment. Despite having fewer viable options in the promotional mix, industry promotional spending has persisted, reaching record levels. In the USA, $11.22 billion was spent on tobacco promotion during 2001.[1] Once one form of promotion is banned, tobacco firms utilise other marketing strategies to continue communicating brand imagery. Radio and television advertising was no longer acceptable for cigarettes in New Zealand, the UK, the USA, Canada, and Australia, commencing in 1963, 1965, 1971, 1972, and 1976, respectively. Consequently, the tobacco industry shifted their promotional spending largely toward the print media. Individual tobacco companies also turned to sponsoring broadcast sports events to compensate for lost broadcast advertising exposure. In Canada, with the implementation of the Tobacco Products Control Act that stipulated a ban on tobacco product advertising, expenditures on sponsorship increased considerably during the late 1980s and early 1990s.[2] And once bans were placed on tobacco sponsorship in countries such as Australia, Canada, and New Zealand, the tobacco industry placed further resources toward point-of-sale strategies, package design, trademark diversification, direct marketing campaigns, and "cigarette girls" who returned to bars and nightclubs.[3–9] In the USA, a ban on billboard advertising, in accordance with the 1998 Master Settlement Agreement, prompted an increase in the prevalence of both interior and exterior tobacco advertising at retail outlets (fig 1).[10 11] Richard Pollay has remarked, "It's like squeezing a balloon. You can shut down one media, but the problem just moves somewhere else".[12]

In the context of *partial* advertising bans, retail promotion, which consists of point-of-sale (POS) or point-of-purchase (POP) advertising, has become a central focus of tobacco marketing efforts. According to US advertising trade press, retail merchandising contracts are now the most potent part of a tobacco company's marketing arsenal, and "the contracts are cigarette marketers' primary marketing tool since the 1998 Master Settlement Agreement prohibited most tobacco advertising".[13] A mere 2% of US tobacco advertising budgets was dedicated toward magazines, newspapers, and outdoor locations in 2001.[1] Yet, when combining the point-of-sale advertising, promotional allowances (payments to retailers for shelf space), and retail value added (costs associated with bonus items distributed at retail when cigarettes are purchased) categories, Federal Trade Commission data reveal that US tobacco firms now spend 85% of their promotional dollars via retailers. A similar scenario is evident in Canada. Based on data gleaned from internal industry documents, "retail POS" and "trade promotion" accounted for 53% of the Canadian tobacco industry's promotional budget in 1996.[14] At the time, sponsorship was also permissible, generating 41% of promotional spending. Considering that a tobacco sponsorship ban has been implemented in Canada since October 2003, promotion at retail will presumably become even more prominent.



Figure 1 Marlboro signage, located next to a gas (petrol) station in Baton Rouge, Louisiana, USA, serves as a "mini-billboard". Camel "Pleasure to Burn" ads were also affixed to streetlights situated on gas station property. Photo taken on 29 March 2004.

Tobacco promotion at retail is pervasive. The Point of Purchase Advertising Institute monitors in-store advertising expenditures for 22 industries, and reveals that the tobacco industry is the top spender on in-store media.[15] Merchants receive significantly more money for tobacco display allowances relative to other product categories. Feighery and colleagues, for example, compared incentive programmes among small retail outlets in Santa Clara, California for five different product types: tobacco, beer and wine, soft drinks, snack foods, and candy. They found that, among the five measured product categories, approximately 78% of incentive payments came from tobacco firms.[16]

US tobacco firms typically provide incentives to retailers in exchange for their brands having at least 40% of shelf space (Philip Morris and RJ Reynolds (RJR) purportedly negotiate for as much as 55%), obtaining desirable shelf placement, displaying promotional items and signage, meeting minimum sales volume standards, providing "buy-downs" (retailers pass along reduced prices to consumers), and maintaining one of their brands as the cheapest available.[13 17–19] Some of these incentive programmes have undergone considerable scrutiny, being the subject of antitrust litigation initiated by competing tobacco firms. The Liggett Group filed an antitrust suit against RJR claiming that the firm's "Everyday Low Pricing" programme was unfair. In an attempt to minimise the competitiveness of contending deep discount brands, RJR's programme required that their brands, such as Best Value or Monarch, be the lowest priced offerings at retail.[17] RJR, meanwhile, alleged that Philip Morris' "Retail Leaders" programme, implemented in 1999, was anti-competitive because the firm had considerable clout with its market share and was forcing retailers to give brands, such as Marlboro, superior shelf positions.[17 20]

REPETITION

Repetition is regarded as a cornerstone principle for successfully communicating brand identity. Repetition, both over time and across multiple media, promotes "friendly familiarity". A dense environment of cigarette promotion and imagery gives the impression that tobacco use is socially acceptable, desirable, and prevalent.[21] These impressions are further reinforced by the fact that cigarettes are so readily available. Because tobacco products may be acquired at a vast array of outlets,

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contradictory messages are communicated about the dangerousness of product use. In this issue of *Tobacco Control*, Henriksen and colleagues[22] add to the literature about children and youth being exposed to cigarette promotions in POP environments.[23 24] In many cases, retailers with in-store tobacco promotions are located in close proximity to schools[25 26] and in-store promotions and cigarettes are often displayed at low eye levels adjacent to candy.[27–29]

In some jurisdictions, action has been taken to counter the promotional impact at retail. In Saskatchewan, provincial legislation took effect on 11 March 2002 and stipulates that both the promotion and display of tobacco and tobacco-related products are prohibited in locations where people less than 18 years old have access. The Tobacco Control Act prompted cigarette "power walls" to be covered, and retailers used curtains, frosted glass, and closed cupboards to ensure that tobacco products were not publicly displayed (fig 2).* During May 2002, Rothmans, Benson and Hedges (RBH), Canada's second largest tobacco manufacturer, challenged the Act on constitutional grounds. The legislation was upheld by the Saskatchewan Court of Queen's Bench during September 2002, yet RBH was successful when appealing the decision. The Saskatchewan Court of Appeal declared the Act inoperative under the premise that Section 6 was inconsistent with Section 30 of federal legislation, the Tobacco Act. The Supreme Court of Canada has authorised Saskatchewan to appeal the most recent decision, and it is expected that the case will be heard during 2005.[31] Saskatchewan, with a population of roughly one million, does not represent a large market for the Canadian tobacco industry. However, if Section 6 of Saskatchewan's Tobacco Control Act is upheld, similar stipulations are expected to be enforced in Manitoba, as well as Canada's most populous province, Ontario. It is also anticipated that the Supreme Court of Canada trial will help inform the implementation of retail display ban policies being proposed elsewhere (for example, South Africa, Ireland, and New South Wales, Australia).[31]

The retail venue is now the primary promotional medium for the tobacco industry. Left unregulated, tobacco merchandising in the retail environment will continue to proliferate. Policies such as Saskatchewan's Tobacco Control Act seem warranted, but anything short of a full tobacco promotion ban (as stipulated by the Framework Convention on Tobacco Control) will merely prompt another shift in promotional spending. Alluding to the earlier quote about squeezing a balloon, it is now time to "pop" the balloon in the interest of public health.

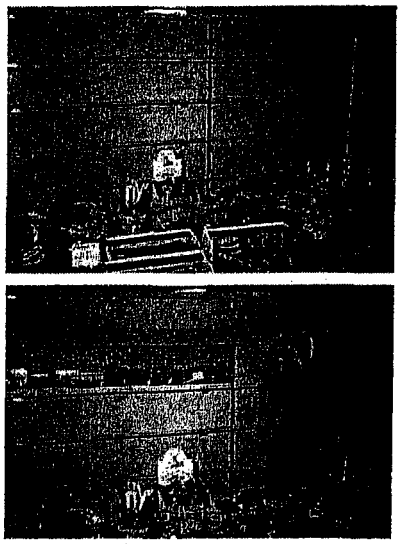


Figure 2 Out of sight, out of mind: Under Section 6 of Saskatchewan's Tobacco Control Act, cigarettes are no longer visible when purchasing the twizzlers or jawbreakers that are seen in the foreground. Photographs taken 5 October 2003.

Tobacco Control 2004;13:209–210.
doi: 10.1136/tc.2004.009043

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* "Power walls" refer to the extensive rows of cigarette packages, in quantities that far exceed what is needed to meet short term purchase levels, which are commonly visible as a backdrop to the cash register.[30]

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AD WATCH

Tobacco sponsorship of Formula One and CART auto racing: tobacco brand exposure and enhanced symbolic imagery through co-sponsors' third party advertising

T Dewhirst, A Hunter

Tobacco Control 2002;11:146–150

Through third party advertising of events such as Formula One and CART auto racing, tobacco brand names continue to attain visibility to a vast audience

Sponsoring sports events is meant to serve a number of marketing objectives for a corporation and its products, including increasing brand awareness, reinforcing or enhancing brand image, and improving sales or market share.[1–4] Moreover, tobacco manufacturers have used sponsorship as a means of circumventing advertising regulations or restrictions. Once cigarette advertising was banned from the broadcast media in the UK in 1965, in the USA in 1971, and in Canada in 1972, individual tobacco companies increasingly turned toward sponsoring broadcast sports events to compensate for lost advertising exposure.[5–7] Despite cigarette advertising not being permitted on television in such countries, auto racing sponsorship serves as a particularly good example of how tobacco companies continuously gain widespread exposure for their respective brands. Citing *Sponsors Report*, it has been reported that Marlboro received nearly 3.5 hours of in-focus exposure during the 15 races of the 1989 Championship Auto Racing Teams (CART) season and a videotape recording of the Marlboro Grand Prix on 16 July 1989 revealed that Marlboro was seen or mentioned 5933 times.[8] More recently, *Sponsors Report* data indicate that from 1997 through 1999 tobacco companies achieved 169 hours of television advertising exposure through sponsoring motor sports events held in the USA, which was estimated to be equivalent to US$411 million in advertising value.[9]

Additional objectives for sport sponsorship are cross-promotional/co-sponsorship opportunities, as well as enhancement of trade relations and goodwill.[2 4 10] Tobacco companies are seldom the exclusive sponsors of an event or team, and in the case of auto racing, multiple sponsors are inevitable considering the exorbitant operating budgets that characterise the sport. Scuderia Ferrari Marlboro, McLaren Mercedes, and British American Racing (BAR) Honda represent the Formula One (F1) racing teams with the largest budgets for the 2001 season, spending $284.4 million, $274.6 million, and $194.5 million, respectively.[11] Although there is a long list of sponsors for each of these teams, tobacco companies represent a particularly significant source of funding. Philip Morris, in its partnership with Ferrari, spends roughly $23 million each year toward race car driver Michael Schumacher's salary, and about $65 million toward having Marlboro placed in multiple locations of the race car, helmet, and overalls of Schumacher and his team mate Rubens Barrichello.[12 13] German cigarette manufacturer Reemtsma, through its West brand, is a key sponsor of the McLaren team, spending $37 million annually for similar sponsor name locations.[13] British American Tobacco, as the primary backer of BAR, contributed about $47 million during the 2000 season.[14] Collectively, tobacco manufacturers annually spend $250 million toward F1 teams.[15]

Strategic alliances or partnerships formed with auto racing co-sponsors provide tobacco manufacturers with opportunities to attain visibility and exposure for their respective brands through co-sponsors' third party advertising. In such advertising, the symbolic imagery that is linked with particular cigarette brand names may be enhanced when surrounded by other products possessing similar desired symbolic qualities. Third party advertising potentially serves a third purpose since co-advertisers in some cases share the advertising costs, permitting each respective company to get a greater bang for their buck (that is, given a set budget, a greater number of exposures are achieved).

To demonstrate the primary purposes fulfilled by third party advertising, this paper draws from marketing literature on sponsorship objectives (including the benefits and disadvantages of being a co-sponsor of racing properties), cites examples from news and trade sources, and utilises interviews with two senior advertising practitioners who have worked on tobacco accounts. While this paper focuses on the dynamics of co-sponsorship in F1 auto racing and, to a lesser extent, CART auto racing, the general concepts are applicable to other types of motor sports sponsored by tobacco corporations, including the Indy Racing League, the National Association of Stock Car Racing (NASCAR) series, and the National Hot Rod Association (NHRA) series.

TOBACCO EXPOSURE THROUGH THIRD PARTY ADVERTISING

Cigarette brand names are visible through the promotion of unrelated products, which are auto racing co-sponsors. A 1990 Philip Morris document acknowledged that, in Taiwan, they had "developed an [F1] alliance with TAG Heuer watches, whereby TAG Heuer places print as well as outdoor advertising, two restricted mediums,

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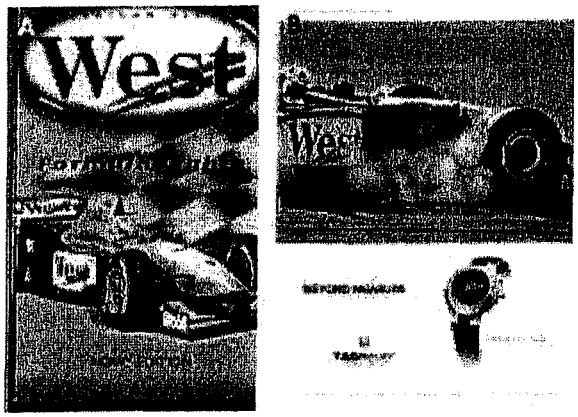


Figure 1 Cigarette package graphics (left) and TAG Heuer/West advertisement (right). Source: West cigarettes were purchased at a duty free shop at Gatwick airport in London, UK on 16 July 2001; advertisement was featured in *Maclean's*, Canada's weekly news magazine, 4 June 2001.

in which our car is prominently featured. Newspaper circulation alone exceeded 2 million".[16] Like Philip Morris, Swiss watch manufacturer TAG Heuer has been a long time F1 sponsor. TAG Heuer has provided timing services for F1 auto racing events since 1969, initiated its timekeeping assistance to the F1 Ferrari race team in 1971, and has acted as the official timekeeper of the F1 championships since 1992.[17]

TAG Heuer is now a partner of the McLaren race team, and as a result of this partnership, West is a cigarette brand presently attaining exposure through third party advertising (fig 1). According to the watch manufacturer's website, "in 2001, TAG Heuer is naturally pursuing its privileged partnership with West McLaren Mercedes". TAG Heuer currently supports a few select athletes and among them are McLaren F1 drivers Mika Hakkinen and David Coulthard.

Honda, Hewlett-Packard, and Molson represent additional companies that have repeatedly engaged in third party advertising for tobacco manufacturers. Honda is a technical partner and engine supplier for the BAR and Jordan F1 teams.[15] With Lucky Strike and Benson and Hedges as respective co-sponsors of these teams, the cigarette brands have been gaining significant visibility through Honda promotions (fig 2). Honda is also the engine supplier for the Marlboro Penske and KOOL Green CART teams, and through feature articles on the race teams in its custom magazine *Velocity*, has provided exposure for the Marlboro and KOOL brands.[18]

Hewlett-Packard has been a Jordan sponsorship partner and technology provider since 1990, the year the Jordan team began racing in F1.[19] Hewlett-Packard has engaged in advertising that not only gives visibility to Benson and Hedges, but surprisingly uses the colours linked with Benson and Hedges packaging as opposed to the colours representative of their own company (fig 3).

As a final but not exhaustive example, advertising for Canada's largest producer of beer, Molson Breweries, has given visibility to the Canadian cigarette brand, Player's (fig 4). The Molson Take Care advertisement from 1998 features CART auto racing driver Greg Moore, who at the time was sponsored by Player's, but died in 1999 as a result of a crash during the Marlboro 500 race. While Moore is depicted in his racing gear with the racing car alongside, the ad copy states, "This isn't a racing poster. It's a don't be stupid poster. Don't drink & drive". There is a certain level of irony associated with this promotion since the message is to act responsibly, yet a cigarette brand is represented.

Both Molson and Player's have been long time sponsors of Indy car racing (now known as CART racing) in Canada. Molson is the title sponsor of CART races held in Toronto and Vancouver, which were founded in 1986 and 1990, respectively. Player's began to sponsor auto racing in Canada in 1961 and currently supports CART drivers, Patrick Carpentier and Alex Tagliani.[20] Player's and beer brand Molson Canadian were partners for the recent canada.com Ultimate Racing Challenge, which gave contestants a chance to win authentic racing gear or a trip to Australia with Patrick Carpentier or Alex Tagliani.[21 22] Alongside with Molson Canadian, Player's is a primary sponsor of the Molson Indy CART races.

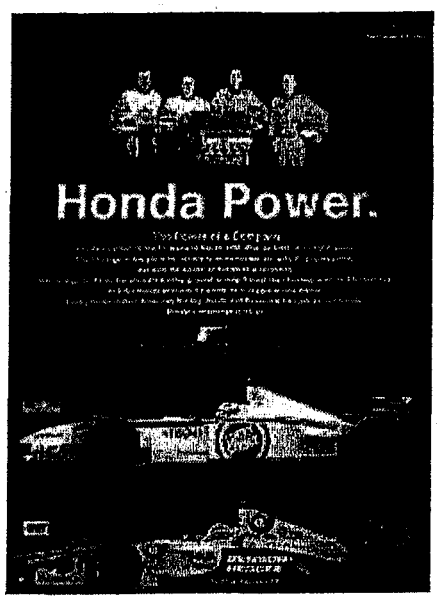


Figure 2 Honda advertisement, with Lucky Strike and Benson and Hedges depicted. Source: *Formula 1 Magazine*, May 2001.

ENHANCEMENT OF TOBACCO IMAGERY THROUGH CO-BRANDING

Sponsorship provides co-branding opportunities, which may enrich the symbolic value of cigarette brands, as well as that of their co-sponsors. Co-branding is defined as placing two or more brand names on a product, its package, or additional elements of the promotional mix.[23] The objectives of co-branding are best realised if the associations of each brand are strong and complementary.[24] The associations among brands are strengthened if there has been a long standing relationship and it is well promoted. According to the president of Co-Options, a US firm that specialises in seeking out co-op marketing prospects: "We want to be matchmakers for brands, but we don't want these to be flings. Our goal is to build long-term relationships that last at least a few years, giving brands maximum benefit from connections with other marketers and brands."[25] TAG Heuer and McLaren (with West cigarettes being a co-sponsor), for example, have been partners since 1985.

The complementarities of brands, meanwhile, may be based on either their functional or symbolic properties. From the perspective of tobacco manufacturers promoting a particular brand, co-sponsors (and co-advertisers) should ideally include products or services with complementary functions, brand images, or identities. A promotion featuring Marlboro cigarettes and a Zippo lighter would exemplify co-advertisers serving complementary functions (that is, how the products may be used together). Applying this concept to F1 co-sponsors, the Tic Tac and Marlboro logos were located side-by-side on the helmet, upper arm, and racing car livery of Michael Schumacher during the 2001 season, whereby consumers were reminded that the mints could be used to combat bad breath resulting from smoking. With respect to

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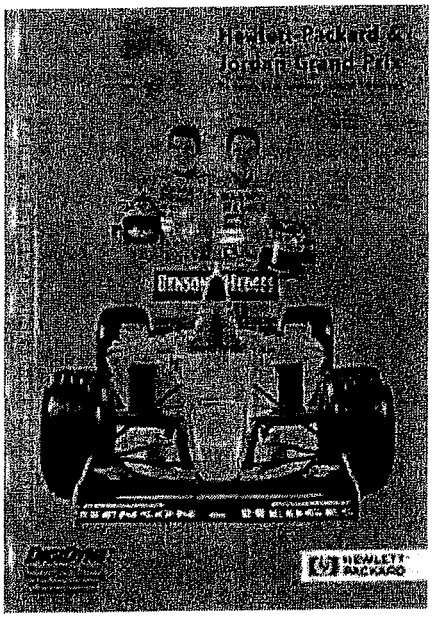


Figure 3 Hewlett-Packard/Benson and Hedges advertisement. Source: *F1 Racing*, July 1999.

symbolic properties, Budweiser beer represents a suitable complement to Marlboro since both brands have consistently been linked with macho, rugged, and independent dimensions in promotions. Such brand matching observations are consistent with McCracken's concept of "Diderot unities" which emphasises that the meaning of goods is largely determined by their relationship to other goods.[26] According to McCracken: "The meaning of a good is best (and sometimes only) communicated when this good is surrounded by a complement of goods that carry the same significance. Within this complement, there is sufficient redundancy to allow the observer to identify the meaning of the good."

The symbolic complementarities of goods help explain why several companies would tolerate an association between their products and a controversial item such as cigarettes. TAG Heuer watches, for example, are positioned as a luxury brand, and have accordingly been linked with dimensions such as prestige, innovation, quality, precision, success, excellence, performance, and popularity (worldwide recognition).[17] With a long history of success and excellence demonstrated, Ferrari Marlboro and West McLaren Mercedes would be seen as appropriate F1 teams to sponsor (both teams share the record of holding 11 drivers' titles).[27] The cigarette brands, meanwhile, gain credibility by being linked with less contentious products.

LOGISTICS OF CO-ADVERTISING: INSIGHTS FROM SENIOR ADVERTISING PRACTITIONERS*

When tobacco branding appears prominently in advertisements for other auto racing sponsors, it is typically the result of pre-existing agreements between a racing team and its individual sponsors, formalised in the sponsorship contract. Racing sponsors are often bound by the terms of their sponsorship deals to use official team photographs in any piece of communication that exploits their connection to the world of motor sports. At the very least, teams ask for final approval of the advertising, which can be withheld if other sponsors are being treated unfairly. Approved images clearly display the names or logos of team sponsors, and this is especially true in the case of key sponsors who occupy the most "real estate" on the cars and other team assets. According to one senior advertising and promotions practitioner, who has worked on major tobacco brands in the Canadian market for the past several years: "Sponsorship agreements and accompanying rights govern everything . . .I can't see any one sponsor having the right to adjust or alter any image, as it would impact on the rights of the others." Consequently, brands such as TAG Heuer, Honda, and Hewlett-Packard enter an odd creative relationship with tobacco brands, with their one degree of separation being the racing property itself.

Tobacco marketers would not likely initiate this creative relationship, although they would warmly welcome it in most cases, and it is anticipated and encouraged to some extent in the design of the sponsorship deals. Peri Luel, vice-president of partners' programmes at Molstar Sports and Entertainment which manages major racing events such as the Molson Indy, explains that while co-branding "is not one of the factors that get played up significantly [in sponsorship offerings], it's inherently part of it". Luel declined any comment on Molstar's dealings with the tobacco industry, but his remarks support the understanding that the tobacco companies' orientation to their co-sponsors is opportunistic rather than proactive. It is unlikely that tobacco companies would offer or be invited to share production or media costs for this kind of third party advertising; there are strong political and perceptual reasons for these creative partners to stay at arm's length. The advertising and promotions practitioner quoted at the beginning of this section acknowledges that tobacco marketers will "go for a ride on anything they can", but goes on to explain that any exchange of money to help cover advertising costs "would be extremely risky for the tobacco company to be involved in. The fallout with the public and legislators would not be worth it . . .they have enough problems staying out of trouble on their own. [The tobacco company and the primary advertiser] would probably be the recipients of adverse synergy: 1 + 1 = more than twice the heat." This appears to have been the case in June 2001, when both TAG Heuer and Reemtsma, the maker of West cigarettes, were scrutinised by the French publication *Le Monde* after West branding elements appeared in a TAG Heuer billboard that featured an F1 car (as seen in fig 1).[28] TAG Heuer was accused in the press of violating French laws governing tobacco advertising, and defended itself by saying that as a McLaren Mercedes sponsor it was required to use official team images.

In a climate of increasing regulation and scrutiny of tobacco marketing, other corporate players in the racing environment are not eager to be seen as tobacco's willing co-conspirators and risk doing damage to their own valuable brands. Brand managers at large established firms are understandably risk adverse, and they incur some risk already by complying with sponsorship guidelines regarding use of images, as the TAG Heuer controversy shows. A senior strategic planner at a major Canadian advertising agency, with tobacco experience in the UK, speculates on the advertiser's position: "A good partnership is where each party brings positive value to the other . . .I don't think TAG, for example, would respond well to a tobacco company coming to them with the thought of a joint programme. TAG wanted the association with motor sports, and the tobacco logos came along with that. Of course the tobacco company would have been very happy about this."

The two advertising industry sources quoted in this paper cannot point to even one example of traditionally planned co-branded advertising activity that includes a tobacco brand,

*This section is largely based on the findings from three separate interviews. A phone interview was conducted with Peri Luel, vice-president of partnership programmes for Molstar Sports and Entertainment, on 26 October 2001. Two senior advertising practitioners—who requested that their names be withheld—were interviewed through email correspondence on 16 October 2001 and 18 October 2001.

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Figure 4 "This isn't a racing poster. It's a cigarette poster." Molson Take Care/Player's advertisement located at a street-side in Vancouver, Canada. Source: photograph by Timothy Dewhirst.

but the third party advertising that emerges from sponsorship must be recognised as a form of co-branding, despite the fact that it is not a consensual act between like minded corporate partners. In the moment of viewing a poster, print piece, or billboard, most consumers will not speculate or care about the process behind it, or make a distinction between active and passive partnerships. The end result is the same. Sponsorship creates a unique advertising space in this way—relationships develop between brands that would never have been possible through open, direct negotiation because of the serious public relations risks involved for all parties.

A final factor in understanding third party tobacco advertising is the art director's point of view. Credibility is an important agency consideration when the creative goal is to exploit a brand's connection with racing as much as possible; according to Peri Luel of Molstar, maximum leverage of the property is the core lesson of "Sponsorship Marketing 101". This principle in action has potential advantages for tobacco marketers, because tobacco branding has been strongly associated with motor sports for many years, and to avoid showing it in a racing advertisement might under some circumstances be perceived by the professionals who create these ads as slightly jarring to the target consumer (that is, undermining rather than reinforcing the advertiser's connection with the sport). Even if the sponsorship contract permitted it, a digitally altered or "cleaned up" car would not, from the perspective of the agency creative department, be as compelling an image as the real thing—cluttered, colourful, and in many cases (depending on the racing team and circuit) displaying a tobacco message.

CONCLUSION

Through third party advertising, tobacco brand names continue to attain visibility and the symbolic value of the brands are further enriched as a result of surrounding product complements. While cost efficiencies may also be fulfilled through third party advertising and co-branding activities, the senior advertising practitioners interviewed for this paper consistently maintained that tobacco companies are highly unlikely to assist with the costs of such advertising. Considering the long standing, dominant presence of tobacco companies in motor sports, however, the advertising practitioners continued by claiming that many co-sponsors likely depict tobacco livery in their advertising in an effort toward being "authentic" and to adhere to the stipulations outlined in sponsorship contracts. As tobacco sponsorship becomes less commonplace in auto racing as a result of newly implemented policies within many jurisdictions, it will be important to monitor that the prevalence of tobacco imagery depicted in advertising declines accordingly.

Third party advertising, much like sponsoring broadcast sport events, represents an opportunity for tobacco manufacturers to circumvent tobacco promotion regulations. As tobacco control policies are developed, such loopholes need to be anticipated and accounted for. What remains problematic, however, are jurisdictional issues. When the European Commission stipulated that tobacco sponsorships in F1 would be banned in 2006, for example, it was threatened that races might be moved out of Europe and held in alternative locations such as China, South Korea, and Indonesia (where restrictions on tobacco promotion are much less severe).[29] Since domestic bans on tobacco sponsorship are typically not applicable to foreign media imported or transmitted into the respective country, many of F1's 300 million television viewers watching each race would remain exposed to tobacco promotions.[30] In light of such opportunities to exploit loopholes, a global treaty that deals with transnational and transborder dimensions of tobacco promotion appears justified.

ACKNOWLEDGMENTS

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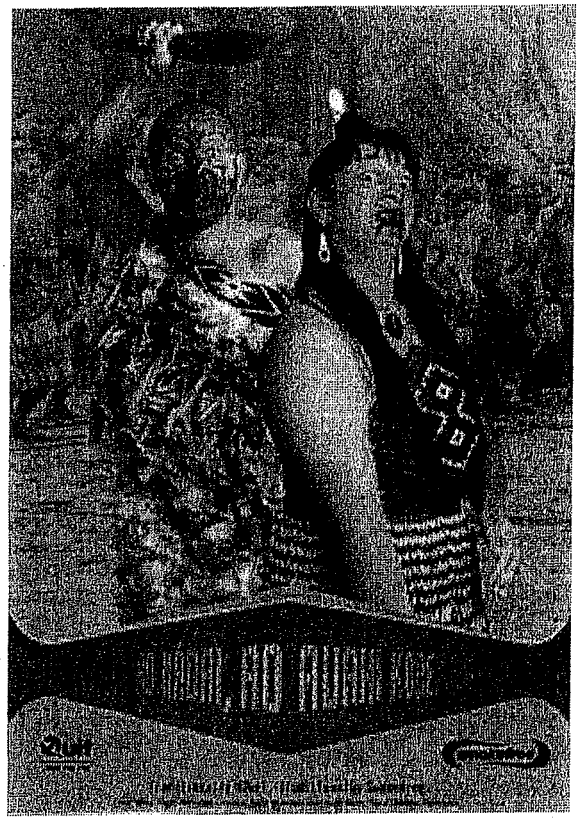
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Ao Maori, Ao Auahi Kore (Traditionally Maori, traditionally Smokefree)—recapturing the traditional Smokefree status of Maori, the indigenous people of New Zealand. Auahi Kore (Smokefree Maori) poster produced by the Health Sponsorship Council of New Zealand. www.healthsponsorship.co.nz

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RESEARCH PAPER

Tobacco point of sale advertising increases positive brand user imagery

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Tobacco Control 2002;**11**:191–194

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Objectives: To determine the potential impact of point of sale advertising on adolescents so as to inform changes to the Tobacco Control Act.
Design: Participants were randomly assigned to one of two conditions. In the control condition, students were exposed to a photograph of a packet of cigarettes; in the intervention condition, students were exposed to an ad for cigarettes, typical of point of sale advertising posters. All students then rated the brand user on a set of 12 bipolar adjectives. Two brands were used in the study: Benson & Hedges, and Marlboro.
Subjects: One hundred year (grade) 6 and 7 students (age range 10–12 years), from four Western Australian metropolitan primary schools, participated in the study.
Results: In a majority of the brand user descriptions, the cigarette advertisements increased brand user imagery in a positive way, especially for Benson & Hedges. For example, participants viewing the Benson & Hedges advertisement, as distinct from those viewing the Benson & Hedges pack only, were more likely to describe the Benson & Hedges user as *relaxed, interesting, cool, rich, adventurous,* and *classy*. Relative to the Marlboro pack only, the Marlboro ad increased positive perceptions of the Marlboro user on *adventurous, interesting,* and *relaxed.*
Conclusions: The results presented here support restrictions being placed on advertising at point of sale, since such ads have the potential to increase positive brand user imagery directly in the situation where a product purchase can take place, and hence the potential to increase the likelihood of impulse purchasing.

Adolescent smoking rates have levelled out in many countries, but appear to be increasing in others.[1 2] It has been estimated that in Australia, 20 000 teenagers commence smoking each year,[3] and in the USA this figure is close to one million.[3] In both countries, almost 90% of smokers commenced smoking before the age of 18.[2 4] Of those who smoke daily in high school, it is projected that 75% will still be smoking 7–9 years later, and one third of these early starters will die from tobacco related causes.[5]

Although the tobacco industry claims that tobacco advertising and promotion are not aimed at those under age, it is widely accepted that cigarette advertising and promotion play a part in children's decision to smoke.[6–10] The industry argues that, far from encouraging the uptake of smoking, its primary purpose is to encourage adults to switch brands.[11]

Innovative studies that have utilised pictures of brand names and logos have shown that children as young as 3 years old can correctly recognise logos and understand advertisements,[12] with up to 90% of US 6 year olds being able to recognise the cartoon character Joe Camel. Other studies using similar techniques have shown that tobacco advertisements are widely recognised by young children, with primary school children being able to identify cigarette brands from advertisements in which the brand names were obscured.[13] A similar study found that exposure to and awareness of tobacco advertisements are positively correlated with adolescent smoking.[14]

Cigarette brand advertising and promotion are characterised by "user imagery" creative tactics.[15 16] It is felt that young people are particularly vulnerable to such advertising, as it contributes to self identity.[17]

Point of sale advertising

Point of sale advertising has become an established means of targeting consumers. The Point of Purchase Advertising Institute, an industry trade group in the USA, asserts that point of sale advertising is designed to target consumers at the place where they will buy the product, drawing shoppers' attention to the advertised brand when they are in the buying mood. It has been found that tobacco impulse purchases increase by as much as 28% when displays are present.[18]

An indication of how effective point of sale advertising can be has been demonstrated by Rothmans in Australia with their deck chair display for their Holiday brand. The deck chair display was produced for placement in 50% of tobacco outlets. Market share growth after two staggered six week campaigns over a nine month period achieved a 1.2% increase for the brand, from 7.0% to 8.2% of total industry sales.[19]

With the lucrative return that can be generated from point of sale advertising, and restrictions on other forms of advertising, it is not surprising that the tobacco industry is diverting large sums of money into this promotional avenue. It has been estimated in Australia that tobacco companies are spending as much as A$15 000 per retail outlet, extending the shop floor area and enabling primary placement of their products. There is no cost to retailers involved, who are merely obliged to provide primary placement of tobacco products for a fixed period. These new and extended counters and display units allow the store to carry and display a quantity of stock that far exceeds demand.[20] In 1999, The Point of Purchase Advertising Institute awarded its "Permanent Display of the Year" award to RJ Reynolds Tobacco for its Camel trade store program.[21]

With no restrictions at point of sale, cigarettes are placed in the corner store alongside soft drinks, lollies, and chewing gum, all products that are innocuous and appeal to the young consumer. A recent survey of tobacco promotion awareness among 15 and 16 year olds in north east England found that 100% of the 629 young people surveyed had seen point of sale marketing for cigarettes.[22]

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Tobacco control legislation and point of sale

As the 2006 European Union ban on overt promotion of tobacco products draws nearer, marketing experts have "warned" that point of sale will become the last avenue for brand building by the tobacco industry. Similarly, in the UK, the Tobacco Advertising and Promotion Bill being debated in the Lords seeks to ban all tobacco promotion except point of sale.[23]

Last year, two pieces of Massachusetts legislation which aimed to curb the use of point of sale tobacco promotions within that state were overturned by the US Supreme Court[24] on the grounds that they were unconstitutional. Importantly, these pieces of legislation, which were aggressively fought by the tobacco and advertising industries, did not provide for a total ban on point of sale, but merely limited it to being more than 1000 feet (300 m) from schools and playgrounds, being at least five feet (1.7 m) off the ground, and banning giveaways.[25]

Within Australia, as for the US, legislation varies between states. In New South Wales, for example, point of sale promotions of tobacco products were banned with effect from 31 August 1999.[26] In Western Australia, the Tobacco Control Act 1990 severely restricts tobacco sponsorship, advertising, and promotion; prohibits competitions, inducements, free samples, and merchandise along with promotion of tobacco products; makes selling tobacco to persons under 18 years of age a criminal offence; and limits the location of vending machines. A review of the Act in 1995 found that a major area of concern related to point of sale advertising in retail outlets and recommended prescribing the number, size, and placement of tobacco advertisements that may be inside a shop or retail outlet. They also recommended that the definition of a dispensing unit be changed to be more prescriptive.[27] However the government has failed to act upon the recommendations.

The Health Department of Western Australia estimates that there are over 4000 outlets selling cigarettes throughout the state. If Australian teenagers visit such stores as frequently as their US counterparts (three out of four teenagers shop at convenience stores at least once a week[12]) it means that adolescents are continually exposed to point of sale advertising.

Point of sale represents an effective advertising avenue for tobacco companies to promote their product and increase their market. This study aims to determine the impact of point of sale tobacco advertising on young people, as this remains one of the few avenues available to tobacco marketers, so as to ascertain the need for changes to the Tobacco Control Act.

METHOD

Participants

A convenience sample of 100 year (grade) 6 and 7 students (age range 10–12 years) from four Western Australian metropolitan primary schools, two with largely blue collar and two with largely white collar catchment areas, participated in the study. The school principals were approached in writing and then followed up with a telephone call requesting the participation of their years 6 or 7 in the study. All agreed, with two requiring a notification letter for the students' parents. Convenient times to conduct the research were arranged and the questionnaires were completed in the classroom under the supervision of the teacher and the researcher. One class only was selected from each school, such that two schools provided access to a year 6 class and two provided access to a year 7 class. All students present on the day of testing were included in the study.

Study design

Two brands were used in the study: Benson & Hedges and Marlboro. Although these brands do not have a high market share among schoolchildren, they are well known among students[2] (table 1; Benson & Hedges awareness). Hence it was felt that any impact of advertising would be strong evidence for a point of sale advertising effect relative to the impact for unknown brands. The "control" condition for each brand was exposure to the cigarette pack only. The "intervention" condition was exposure to a poster ad for the brand. Randomising brands and conditions across students, the students were exposed to a photograph of a packet of cigarettes for one brand and to a poster style ad for the other brand. Hence, approximately n = 50 students were exposed to each brand in each condition. The ads used were selected from magazines published overseas but available in Australia.

Table 1 Percentage of children who could correctly identify the product type (n = 100)

Product name	Correctly identified the product type (%)
Uncle Toby's (food)	97
Winfield (cigarettes)	88
Coca Cola (drink)	100
Peter Jackson (cigarettes)	87
Mars (food)	99
Colgate (other)	98
Milo (drink)	99
Holiday (cigarettes)	81
McDonalds (food)	98
Benson & Hedges (cigarettes)	83
Cadbury (food)	98
Nike (other)	99

Questionnaire

The questionnaire was piloted on 11 children from a non-participating school, and changes made accordingly. The questionnaire took approximately 20–30 minutes to complete and comprised three sections.

Section 1 measured recognition of 12 product brand names and logos. These were Uncle Toby's (cereal), Winfield (cigarettes), Coca Cola (soft drink), Peter Jackson (cigarettes), Mars (chocolate bar), Colgate (toothpaste), Milo (chocolate flavoured drink), Holiday (cigarettes), McDonalds (fast food), Benson & Hedges (cigarettes), Cadbury (chocolate), and Nike (sportswear). Participants were asked to match each brand name to a product by selecting one of four categories (food, cigarette, drink, "other"), or responding "don't know". Section 2 presented the children with colour photographs of the pack of one brand and a poster advertisement for the other. The order of presentation was randomised across respondents. After viewing the pack or advertisement, they then turned the page and were asked to describe, from what they saw in the picture, what kind of people they thought smoked the brand, by selecting from each of a set of 12 adjective pairs: relaxed—stressed out; boring—interesting; unhealthy—healthy; cool—uncool; rich—poor; timid—adventurous; someone I would like—someone I would not like; up-to-date—out-of-date; classy—ordinary; exciting—dull; unattractive—attractive; like me—not like me.

All participants first completed a practice example using a Quiksilver clothing advertisement.

Section 3 contained general questions on where the participants had seen cigarettes advertised, their smoking habits, and their attitude to smoking.

RESULTS

There were approximately equal numbers of girls (n = 47) and boys (n = 53), with the majority of the respondents being 11 years of age (59%) (19% 12 years; 22% 10 years). Only 11 students reported "ever smoking" (only one reported smoking in the "last seven days").

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Table 2 User imagery for Benson & Hedges pack and advertisement

Descriptive word	Benson & Hedges packet (n=50) (%)	Benson & Hedges ad (n=50) (%)
Relaxed**	24	46
Interesting***	18	44
Healthy	2	6
Cool	10	22
Rich***	34	66
Adventurous*	30	50
Someone I would like	22	30
Up-to-date	50	44
Classy	14	26
Exciting	20	30
Attractive	18	24
Like me	20	10

*p<0.1, **p<0.05; ***p<0.01.

Table 3 User imagery for Marlboro pack and advertisement

Descriptive word	Marlboro packet (n=50) (%)	Marlboro ad (n=50) (%)
Relaxed	14	26
Interesting	18	26
Healthy	2	0
Cool	10	12
Rich	36	38
Adventurous*	24	42
Someone I would like	20	20
Up-to-date	38	26
Classy	6	10
Exciting	16	16
Attractive	12	10
Like me	14	8

*p<0.1.



Figure 1 Benson & Hedges advertisement.

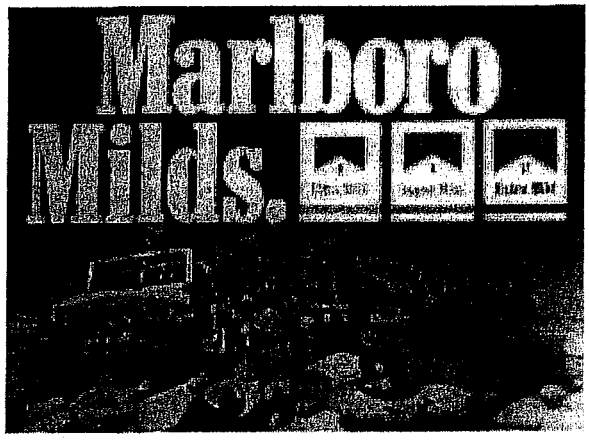


Figure 2 Marlboro advertisement.

Brand identification

Children showed almost 100% awareness for many products, such as Nike, Mars, Coke, Cadbury, and McDonalds, which are purchased and/or consumed by people in their age group. The children's awareness of cigarette products, in terms of being able to identify correctly the brand names as cigarettes, was between 81–88%. This is a high level of awareness for adult products supposedly not marketed to the survey group. The results in table 1 are shown in the order they were given to the students.

Influence of advertising versus pack only

χ^2 analyses were used to assess differences between the conditions. In a majority of the brand user descriptions, the cigarette advertisements increased brand user imagery in a positive way, especially for Benson & Hedges (tables 2 and 3; positive adjectives only shown). For example, participants viewing the Benson & Hedges advertisement, as distinct from those viewing the Benson & Hedges pack only, were more likely to describe the Benson & Hedges user as *relaxed* (46% *v* 24%, p = 0.035), *interesting* (44% *v* 18%, p = 0.009), *cool* (22% *v* 10%, not significant (ns)), *rich* (66% *v* 34%, p = 0.003), *adventurous* (50% *v* 30%, p = 0.066), and *classy* (26% *v* 14%, ns). The impact of the Marlboro ad was substantially less, probably because the scene of outdoor camping was less relevant to this age group. Nevertheless, relative to the Marlboro pack only, those viewing the Marlboro ad were more likely to rate the Marlboro user as *adventurous* (42% *v* 24%, p = 0.0884), *interesting* (26% *v* 18%, ns), and *relaxed* (26% *v* 14%, ns). On the other hand, the Marlboro ad resulted in greater perceptions of the Marlboro user as *out of date* (74% *v* 62%, ns).

DISCUSSION

The generalisability of these results is limited by the small sample size and by the experimental nature of the study. Nevertheless, the methodology is similar to that employed by commercial advertising researchers. These results are consistent with previous studies that show children can easily recognise product brand names and their associated products,[12 13] including cigarette brands, even though cigarettes have limited promotional avenues and tobacco companies claim that advertising is not directed at children.[11]

It is not surprising that companies that invest large sums of money in advertising, such as Coca-Cola and Nike, are recognised by almost all the children (100% and 99%, respectively). What is noteworthy is that nearly 9 out of 10 children were able to recognise the names of cigarette brands, even though tobacco is supposedly an adult product and all forms of media advertising have been banned in Australia since before these children learned to read.

Children are referred to by marketing researchers as "consumers in training". Market researchers believe that brand awareness and positive brand attitudes created in childhood can be the basis for product preference later in life.[28] This effect has even be shown to influence their preference for products that they are too young to use, such as lipstick and diet soft drink.[29] As the tobacco industry itself acknowledges, brand preferences at adolescence tend to remain fixed for life,[30 31] hence making the youth market not just attractive, but essential for tobacco marketers to remain competitive.

Brand user imagery is one of the major positioning strategies that advertisers use to create positive attitudes to their brands, and hence an increased likelihood of purchase.[32] This applies also to the product category.[32] This study found

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What this paper adds

There have been numerous studies of the impact of tobacco media advertising and other promotions on adolescents. However there are few studies that have attempted to assess the potential impact of point of sale tobacco advertising. This study shows that point of sale tobacco advertising has the potential to increase significantly positive brand user imagery, and hence not only adds to long term user imagery, but would increase the likelihood of impulse purchasing.

that advertising can improve a child's perception of people who use the product (user imagery). In the majority of cases, children who were shown a cigarette brand advertisement described the user more positively than those who were shown just a picture of a packet of the same brand of cigarettes. For example, when looking at a Benson & Hedges cigarette pack, 18% of children thought the user would be an *interesting* person, but when they looked at the advertisement this increased to 44%. This increase was noted in a range of categories, clearly indicating that point of sale advertising has the ability to impact on children's brand user imagery.

The two ads clearly had different impacts. The Benson & Hedges ad was a surrealistic drawing (fig 1) whereas the Marlboro ad depicted an outdoors adult scene (fig 2). Given today's children's visual literacy, such graphics appear to be one way tobacco advertisers can reach children without targeting them in a more direct manner that would arouse opposition. Many UK tobacco campaigns use these sorts of ambiguous (or "clever") visual images in their print and poster advertising (for example, the Silk Cut campaign).

Point of sale is obviously an excellent promotional avenue. About a third of children surveyed stated that they had seen cigarettes advertised in shops. Given that children are frequent visitors to shops, this leads to a potentially considerable amount of exposure. The results presented here, at least for Benson & Hedges, support restrictions being placed on advertising at point of sale, since such ads can increase positive brand user imagery directly in the situation where a product purchase can take place. Hence impulse purchases are more likely in such situations than where point of sale ads do not exist. Even if a purchase is not or cannot be made, exposure to the advertising increases user imagery and hence a positive predisposition towards the product for purchase at a later date. In short, the results presented here are precisely what any commercial advertiser would hope to see—that is, evidence that their point of sale advertising works!

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Retail Trade Incentives: How Tobacco Industry Practices Compare With Those of Other Industries

Ellen C. Feighery, MS, RN, Kurt M. Ribisl, PhD, Dale D. Achabal, PhD, and Tyzoon Tyebjee, PhD

ABSTRACT

Objectives. This study compared the incentive payments for premium shelf space and discounts on volume purchases paid to retailers by 5 types of companies.

Methods. Merchandisers were interviewed at 108 randomly selected small retail outlets that sell tobacco in Santa Clara County, California.

Results. Significantly more retailers reported receiving slotting/display allowances for tobacco (62.4%) than for any other product type. The average store participating in a retailer incentive program received approximately $3,500 annually from all sampled product types, of which approximately $2,462 (78%) came from tobacco companies.

Conclusions. Future research should assess the impact of tobacco industry incentive programs on the in-store marketing and sales practices of retailers. (*Am J Public Health.* 1999; 89:1564–1566)

The tobacco industry has shifted away from traditional forms of advertising toward focused retailer incentive programs. In 1996, traditional venues such as magazines, newspapers, and outdoor advertisements consumed only 11% of the tobacco industry's $5.1 billion advertising budget, while 47% of the budget ($2.4 billion) went into retailer incentive programs that included promotional allowances and point-of-sale marketing programs.[1]

Many industries, including tobacco companies, use dual strategies to maximize total sales by *pulling* or encouraging consumers to buy a product while using retailer strategies to *push* or sell a product through a distribution channel.[2] Consumer-based pull strategies include advertising, coupons, 2-for-1 sales, and gifts with purchase. Retailer-based push strategies include payments for prime shelf space, volume discounts, and in-store displays that are designed to motivate retailers to create in-store merchandising environments that maximize sales.[2]

Few systematic data are available on retailer incentive programs.[3] Two studies of tobacco advertising in stores revealed that about 50% to 60% received monetary incentives from tobacco companies to display advertisements, but neither the types nor the amounts of monetary incentives were identified.[4,5] We found no other studies that examined this issue. Given the magnitude of tobacco marketing expenditures in retail outlets, this study was designed to ascertain the types and amounts of incentives received by local tobacco retailers compared with those received for other commonly sold products.

Methods

Design

A cross-sectional survey was designed to investigate the types of retailer incentive programs offered in 5 product categories to

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TABLE 1—Proportion of Stores Participating in Incentive Programs, for 5 Consumer Products Sold in Retail Outlets: Santa Clara County, California, 1997

Consumer Products	Store Received Payments for: Slotting/Display Allowances % ± SE	n[a]	Trade Allowances % ± SE	n[a]	Retailer Incentive Programs, %: Both Slotting/Display and Promotional Allowances	Either Slotting/Display or Promotional Allowances	Neither	n[a]
Candy	2.3 ± 1.6	86	19.1 ± 4.2	89	0	18.8	81.2	85
Snack foods	6.9 ± 2.7	87	11.5 ± 3.4	87	2.4	11.8	85.9	85
Soft drinks	16.5 ± 3.9	91	44.6 ± 5.2	92	9.0	42.7	48.3	89
Beer and wine	9.1 ± 3.6	66	25.8 ± 5.4	66	3.1	26.2	70.8	65
Cigarettes and tobacco	62.4 ± 5.1	93	23.9 ± 4.5	92	18.7	48.4	33.0	91
P	<.001		<.001		<.001			
Cochran's *Q*	94.2 (*df* = 4, listwise n = 62)		34.0 (*df* = 4, listwise n = 62)		30.5 (*df* = 4, listwise n = 61)			

[a]Sample sizes differ because some respondents answered "don't know" and some refused to answer, and because a subset of stores did not sell beer and wine.

small retail outlets in 1 urban county in California. Categories other than tobacco were included to provide comparative data, as well as to mask the focus of the survey from the respondents and thereby minimize refusals and bias.

Sample

A random sample of 250 small retail outlets selling tobacco in Santa Clara County was chosen from a comprehensive list maintained by the State of California for taxation purposes. This sample represented 29% of the small retail outlets in the county. Small retail outlets were taken from 5 store types that each averaged less than 2000 square feet of retail space. Small outlets were chosen because formative work revealed that managers of larger outlets, such as chain grocery stores, were less knowledgeable about marketing incentives because they were negotiated at the corporate level. Eligibility criteria required that (1) outlets were small retail stores, (2) the owner or manager was available and could complete the interview in English, and (3) the outlet sold tobacco products and had in-store advertising or promotional displays (to ensure that there was a potential for advertising or product display incentives).

A total of 133 stores met the study criteria. The sample attrition was primarily due to the unavailability of an owner or manager on the premises. Of the 133 stores, 108 agreed to in-person interviews (81.2% response rate), 4 of which were completed by telephone. In an effort to complete the surveys, stores were visited 2 to 3 times; 25 merchants (18.8%) refused to participate, with most saying they were "too busy." The breakdown by store type was as follows: chain convenience stores (n = 17, 15.7%), gas stations (n = 38, 35.2%), small grocery markets (n = 20, 18.5%), liquor stores (n = 31, 28.7%), and tobacco stores (n = 2, 1.9%). This final breakdown was highly representative of the county sample. Nearly all interviews were conducted with the owner (45.4%) or manager (45.4%); the rest were conducted with an assistant manager or head clerk. Informed consent was obtained and confidentiality assured. Data collection occurred in November and December 1997.

Measures

Merchants were asked by our trained interviewers whether they received slotting allowances, point-of-purchase display allowances, or trade allowances, and if so, how much they received on average in a typical month in 1997 for the following 5 product categories: candy, snack foods, soft drinks and other nonalcoholic beverages, beer and wine, and cigarettes and tobacco products. *Slotting allowances* were defined as "fees that manufacturers pay retailers to encourage them to carry a new product or to allocate premium shelf space to a product." *Point-of-purchase display allowances* were defined as "payments or price reductions for displaying advertising materials such as posters, clocks, or display racks." *Trade allowances* were defined as "free goods or price reductions in return for the purchase of specific quantities of goods."[6] The data for slotting and point-of-purchase display allowances were combined because merchants said that these were typically paid as 1 lump sum.

Statistical Analysis

The Cochran *Q* test, a nonparametric test for dichotomous variables, was used to determine whether there were significant mean differences across the 5 product categories in the rate of receiving payments for slotting/display allowances and trade allowances.

Results

Table 1 shows the percentage of stores receiving each of the incentive programs and the number of programs in which they participated for the 5 product categories. Participation rates varied significantly ($P<.001$) across the product types for each of the 2 types of marketing incentives. For tobacco products, 62.4% of respondents reported receiving slotting/display allowances; soft drinks were the next highest at 16.5%. Trade allowances were offered at the highest rate for soft drinks (44.6%), followed by beer and wine (25.8%) and then tobacco (23.9%). We also compared whether tobacco companies were more likely than other companies to offer both retailer incentive programs. These data clearly show that the tobacco industry was more likely than other industries to offer *both* types of incentive programs (i.e., slotting/display allowances and promotional allowances). Stores receiving both types of incentives were significantly more likely to receive them for tobacco than for any other product type ($P<.001$).

Descriptive statistics on the monthly amounts paid to retailers for the various marketing incentives are presented in Table 2. Among those stores that reported amounts of allowances, tobacco industry slotting/display allowances averaged $204.51 per month.

Total annual allowances paid for these 2 marketing incentive programs were computed for a subsample of stores (n = 38) that carried all 5 products and that reported a dollar amount for either type of incentive payment. On average, these stores received $3157 annually across the 5 product types, of which 78%

TABLE 2—Average Amount of Marketing Incentive Payments Paid Monthly to Retailers by Vendors for 5 Consumer Products: Santa Clara County, California, 1997

	Amt Stores Received for Slotting/Display Allowances[a]			Amt Stores Received for Trade Allowances[a]		
Consumer Product	Mean	SD	n	Mean	SD	n
Candy	NA	NA	0	$35.38	11.4	8
Snack foods	$70.00	10.0	2	$60.00	17.3	3
Soft drinks	$47.86	16.1	7	$66.27	13.7	22
Beer and wine	$100.00	NA	1	$137.50	37.5	4
Cigarettes and tobacco	$204.51	26.8	41	$112.40	46.6	10

Note. NA (not available) indicates that standard deviation could not be computed with only 1 data value.

[a]Data on the mean dollar value of these marketing incentives are displayed only for the subset of stores receiving that type of incentive payment. Sample sizes for stores receiving allowances are lower than for the dichotomous responses from Table 1 primarily because many stores did not receive these payments, and to a lesser extent because of "don't know" responses and refusals.

was from the tobacco industry. Among these stores, 78.9% received more money from tobacco companies than from any of the other 4 industries, even though only 33% reported that the tobacco sales category accounted for their highest sales volume. Although the sample sizes were small and conclusions drawn from them should be viewed with caution, tobacco industry incentives far exceeded those paid by other industries.

Discussion

The data show that all 5 industries use retailer-oriented "push" strategies to sell their products; however, tobacco spending dwarfs the other 4 categories. These survey results suggest that tobacco companies use generous incentives and aggressive marketing programs to motivate retailers to prominently display, promote, and advertise their products to ensure the high visibility of their products and marketing materials.

This study is limited by its narrow geographic scope and reliance on self-reported data from merchants. In addition to replicating this study in a larger geographic area, future research should include large stores and those with no tobacco advertising. Future efforts to understand how incentive programs are administered might also include examining recently disclosed tobacco industry documents to learn more about retail trade incentives. In addition, because alcohol companies are prohibited by law from providing slotting allowances to retailers,[8] our finding that a small number of stores reported receiving slotting allowances from beer and wine companies also warrants further study.

Substantial attention has been focused on tobacco advertising campaigns aimed at *consumers*, even though the tobacco industry spends far more on *retailer* incentive programs that ensure prominent placement of tobacco products in stores. Our evidence indicates that the tobacco industry may be adapting to restrictions on advertising and promotions targeted at consumers by shifting the marketing emphasis to the retail trade. Perhaps the Federal Trade Commission should consider expanding its ongoing investigation of Philip Morris' merchandising practices to the tobacco industry as a whole.[7] New policies may be needed to address the push marketing strategies of the tobacco industry and their impact on in-store marketing environments. □

Contributors

All authors participated in the conception and design of the study and interpretation of the data. K. M. Ribisl was the primary data analyst; E. C. Feighery and K. M. Ribisl were responsible for the initial writing of the manuscript. All authors reviewed and edited drafts and approved the final version.

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RESEARCH PAPER

How tobacco companies ensure prime placement of their advertising and products in stores: interviews with retailers about tobacco company incentive programmes

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Background: About 81% of cigarette manufacturers' marketing expenditures in the USA is spent to promote cigarette sales in stores. Relatively little is known about how these expenditures help the manufacturers achieve their marketing goals in stores. A better understanding of how tobacco companies influence the retail environment would help researchers and tobacco control activists to monitor industry presence in stores.

Objective: To describe the types of tobacco company incentive programmes offered to retailers, how these programmes impact the store environments, and possible visual indicators of retailer participation in incentive programmes.

Study design: In-depth qualitative interviews with a convenience sample of 29 tobacco retailers were conducted in 2001.

Setting: USA.

Main outcome measures: The types and requirements of retailer incentive programmes provided by tobacco companies, and how participation in a programme alters their stores.

Results: The retailers provided insights into how tobacco companies convey promotional allowances and special offers to them and how these incentives shape the retail environment. Retailers noted that tobacco companies exert substantial control over their stores by requiring placement of products in the most visible locations, and of specific amounts and types of advertising in prime locations in the store. Retailers also described how tobacco companies reduce prices by offering them volume based discounts, "buy two, get one free" specials, and "buying down" the price of existing product..

Conclusions: Tobacco companies are concentrating their marketing dollars at the point-of-sale to the extent that the store is their primary communication channel with customers. As a result, all shoppers regardless of age or smoking status are exposed to pro-smoking messages. Given the financial resources spent by tobacco companies in stores, this venue warrants closer scrutiny by researchers and tobacco control advocates.

The retail store is the major communication channel between the tobacco companies and their present and future customers. The tobacco companies offer a variety of incentives to retailers to stimulate or "push" sales of their products.[1 2] Of the record US$9.57 billion spent by the cigarette manufacturers to market their products in 2000, the overwhelming majority of this spending occurred in retail outlets.[3]

Tobacco companies spent $4.26 billion dollars or 44.5% of the total expenditures on point-of-sale advertising and promotional allowances, which include payments to retailers for prime shelf space and in-store displays as well as volume discounts and promotional price reductions (buydowns). Tobacco companies spent $3.52 billion dollars or 36.7% of the total expenditures on retail value added items, such as gifts with purchase and multi-pack discounts. Taken together, the cigarette manufacturers spent 81.2% of their marketing dollars in stores, where the industry is relatively free of regulation.

These expenditures are intended to increase demand and to ensure a ubiquitous supply of product for the addicted customer. A 1999 statewide survey of stores in California that sell cigarettes found that they feature an average of 17 cigarette ads and promotional materials, such as display racks, posters, signs, and branded functional items (for example, clocks, shopping baskets). About 90% of all tobacco marketing materials were located within four feet (1. 3 m) of checkout counters, the prime location in most stores.[4] In a survey of stores in 42 states also conducted in 1999, 92% had some form of tobacco point-of-purchase marketing materials. Over one quarter of the stores offered multi-pack discounts.[5] The results of these two studies suggest that tobacco companies have made strategic use of retail outlets to market their products.

Little systematic data are available on retailer incentive programmes because these transactions are negotiated privately[6] and are unique to each retail outlet. A small study of tobacco retailers in one California county found that tobacco companies were far more likely to offer slotting/display fees than were manufacturers of four other product types, and about two thirds of the retailers (62.4%) received payments from tobacco companies.[7] An overview of slotting fees and trade promotions provided by tobacco companies to retailers suggested that in return for financial incentives offered to retailers, the tobacco companies require a fair amount of control over product placement, advertising and pricing. [2] The present study builds on prior efforts by exploring in-depth the nature and characteristics of the exchange between tobacco companies and retailers, and its subsequent effect on the store environment. Qualitative interviews were conducted with managers and owners of stores that sell tobacco to learn about how tobacco company incentive programmes impact their store environments in terms of product and ad placement and pricing strategies, and identification of possible visual markers of tobacco company incentive programmes in stores.

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METHODS

Sample

In spring of 2001, in-depth telephone interviews were conducted with a convenience sample of 29 tobacco retailers in 21 US states. Respondents were identified from the Yahoo! Yellow Pages. We recruited owners or managers of independent stores, such as small groceries, convenience stores, and liquor stores. We also recruited store managers (or department managers) of retail chains, such as supermarkets, pharmacies, and franchise and non-franchise convenience stores. Respondents included 15 store managers, nine assistant or section managers, and five owners. Types of stores included: nine small grocery stores with and without gas (petrol), nine convenience stores with and without gas (petrol), five liquor stores, three chain supermarkets, two chain pharmacies, and one mass general merchandiser. Fourteen stores were independently owned, eleven were part of a chain, and four were franchises.

Procedures and measures

All interviews were conducted by the San Francisco based market research firm of Cooper Roberts Research. A script that ensured anonymity was read to retailers and consent was secured before commencing the interview. Interviews lasted 30–45 minutes, and participants were given a $100 gift certificate as an incentive. Areas of discussion included: the types and requirements of retailer incentive programmes provided by tobacco companies, how participation in a tobacco company programme alters the store environment, and visual markers of tobacco company incentive programmes.

Analysis

The interviews were audio taped and the tapes transcribed in full for line-by-line thematic analysis. A multi-step process was used to identify the key findings from the interviews. Each of the authors reviewed the interview transcripts and major topics of interest were identified. A subset of the major topics was assigned to each author to cluster retailer comments accordingly. The author then reviewed the transcripts and identified key themes in a major topic area. These emerging themes were illustrated by verbatim anonymous quotes from the retailers. The clustered topics, themes, and comments were then reviewed and edited by all authors.

RESULTS

The results are organised into four major categories: (1) competition among tobacco companies for sales and store space; (2) descriptions of incentive programmes; (3) requirements of participation in these programmes; and (4) visual markers of tobacco company incentives in stores.

Retailer perceptions of competition among the tobacco companies

The merchants confirmed that stores are prime targets of aggressive marketing by tobacco companies. They observed that there is stiff competition as tobacco companies compete for sales. Competition is particularly intense between the two largest companies, Philip Morris and RJ Reynolds. Retailers noted that the smaller tobacco companies are at a competitive disadvantage compared to these two companies. Most of the retailers said that they take advantage of the competition by participating in several incentive programmes. Tobacco companies are sensitive to the practices of their competitors. As one company reduces the price of a pack or carton of cigarettes, another company is likely to match the promotions by reducing the prices of their own brands.

> "The steam engine of the tobacco world has control of the market and sets the standards. They set standards for everything. They are the leader and everyone follows. Everyone follows what they do whether it is advertising, pricing or promotions. Philip Morris is definitely the leader here. Whatever they come out with then RJR follows." (Manager of independent convenience store with gas)

> "Most of the time Marlboro [Philip Morris] and RJR compete and not the smaller guys. If Camel [RJ Reynolds] does some advertising Marlboro does too. They drop their prices too. Occasionally Newport [Lorillard] will provide a coupon or something like that." (Owner of a convenience store with gas)

Retailer descriptions of incentive programmes

Retailers described two major mechanisms used by tobacco companies to convey promotional allowances and special offers to them. Retailers said that volume discounts and display allowances typically are included in contracts, although there is substantial variability in how they are configured. Some retailers said that buydowns (time limited price reductions or sales) were included in their contracts, whereas others noted that these were offered through inventory counts and invoices to document the sales. This section describes contracts and their usual provisions, followed by a discussion of buydowns.

Contracts

Many of the retailers reported they currently have or used to have contracts with tobacco companies. Retailers described contracts in a variety of ways so it appears that tobacco companies do not offer just one standard contract to all retailers but instead tailor the various provisions to individual stores or chains. There was consensus, though, that the companies offered volume discounts via contracts for stores meeting minimum sales volume standards. After the sales volume is determined by the average number of cartons sold, the tobacco company offers a contract to the retailer that specifies a level of payment to be made on a periodic basis (for example, discounts range from 25–90 cents per carton sold in a quarter). In return for these payments, the retailers said that they must agree to abide by specifications on placement of the product on displays and shelving units. These types of contracts were usually long term, although the volume and terms were reviewed regularly. Payments are usually made quarterly. Sometimes contracts even specified pricing. The tobacco companies tried to control where their products were placed as well as the amount of space allocated to their products in stores by offering retailers these types of deals.

> "Philip Morris has contracts for different levels for different volume. More volume, the better the contract—the more money you get. Buydowns, percent of display area and placement of display are part of the contract. Some contracts last 30 days, others quarterly, still others last longer. Marlboro is the most demanding." (Independent convenience store owner)

> "Some reps require contracts; they have different volume levels. The contract asks for prime advertising location in the store, near the first register or a banner outside. The store would get a payment." (Independent liquor store manager.

> "They come in and say I want 45% of your space, if that is the market share they command in the area. They say, 'I will provide the rack/bin and I will pay you 35 cents a pack for a year' . . .. You have to maintain the right percentage of their product, put up signage and keep track

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of your cartons which they pay you for." (Independent convenience store manager)

"With our RJR contract, we can't sell any cartons lower than the best value of $18.14. We can't carry cigarettes that sell for less than that. They pay quarterly for that. They give us big racks for the cartons and a pack rack. Doral also is in the carton spot by the front door. It stands on the floor and customers can pick out what they want. We can only sell cartons for $30.03. That is the highest we can go. We purchase them for $20.14 in the Doral brand and sell it for $27.14." (Independent liquor store owner)

Buydowns

A common type of incentive offered by the tobacco companies is a buydown which is used to place existing inventory on sale. The buydown specifies the sale in terms of the "cents off" on each pack in the store's inventory for a defined period of time. Unlike volume discounts, the entire price reduction is passed on to the customer when a product is on buydown. In return for the opportunity to offer the sale, the retailer must use special displays and signage provided by the tobacco company. At the end of the buydown period, the retailer is reimbursed the difference between the inventory price and the reduced price. Since buydowns usually are paid after the product has been sold, the retailer essentially fronts the sale. According to our sample of retailers, these are becoming increasingly popular and may be replacing other forms of incentive programmes. Virtually all retailers who were interviewed participate in buydowns.

You get the rebate for any number of cartons bought. We don't receive that until we submit a form and our receipts. Then we receive a check for the difference. We are selling cigarettes and losing money until we are reimbursed." (Manager of independent convenience store with gas)

"They show us an invoice . . . It's counted as inventory off the product. It shows the amount and then the manufacturers give us a check for the difference. It decreases the cost of the goods sold. It's not volume based (it's one for one.) In order to get a buydown, you have to reduce price." (Independent grocery/liquor store owner)

"They used to do that (T-shirts, cameras, caps, etc) but with the tobacco lawsuits they don't give those out anymore . . .. They make up for that with buydowns and things like that." (Owner of independent grocery with gas)

"In our location we don't put anything on sale. We are very hardcore here meaning we are rural and don't have a lot of competition. None of my product goes on sale unless the sales rep requests a .25-cent buydown." (Manager of truck stop/franchise convenience store with gas)

The retailers reported that sales via buydowns are offered regularly and are sometimes an on-going programme. The retailers indicated that a sales promotion of at least one brand is going on all the time. Often, if one company puts a premium brand on special, another company would do the same with its premium brand. A tobacco company may offer a complete brand line on buydown (for example, all Marlboro brand extensions) or several brands at a time. The amount of money reimbursed on each carton varied widely among brands and companies. Some brands appeared to be on sale through continuous buydowns, and in other cases, different brands were rotated.

"[We] usually have a buydown going on all the time. It rotates around different brands and different companies." (Independent convenience store owner)

"It is mostly on Camels, Winston, Doral, and Value [RJ Reynolds brands]—they usually give us back about $6-7 a carton . . .. Camel and Winston will be on buydown 2 months on and 1 month off. Philip Morris might put its Marlboro and Basics on buydown at the same time. Kool [Brown & Williamson] are about $3 off and Salem [RJ Reynolds] $4." (Independent liquor store manager)

Requirements of participation

In exchange for volume discounts and buydowns, retailers are expected to follow tobacco company requirements to place products and advertising in specific locations and to advertise special prices prominently.

Prime product placement

The retailers clearly described how the tobacco companies competed with each other to attain prime placement of their products in stores to obtain high consumer visibility. Aside from vying for prime placement of the display unit, they also wanted to ensure they had the best position on the displays themselves.

"The tobacco companies have the displays and they were trying to outbid each other . . .They are trying to get the space right behind the counter where the racks are . . .. They want the customer to see the cigarettes and the price right behind the cashiers." (Manager of franchise convenience store with gas)

"Bigger companies want their product at eye level. The smaller companies, Brown and Williamson, usually only offer contracts for temporary displays." (Independent convenience store co-owner)

"Philip Morris requires that they have 48% of space. Since that is what they sell nationwide. RJR doesn't specify percent of space." (Independent liquor store owner)

"They [the reps] tell us what promotions are coming up, look for out-of-date cigarettes, and check placement and percentage of their cigarette brands." (Independent grocery store owner)

Although retailers noted that competition for prime space is strong, they also observed that tobacco companies are increasingly supportive of clerk assisted sales methods. Several retailers expressed support for this shift because it reduces shoplifting.

"The manufacturer wants cigarettes behind the service counter and not self-serve and as long as you do that, they will pay you promotional money. Along with certain limitations on how the rack is set like 30% or whatever they want. To my knowledge, they actually want it behind doors or the counter so it isn't self-serve. It's to comply with legislation. I didn't argue because of shoplifting. . . .The way the manufacturers have been going

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is a positive direction. Our inventory is more protected (from shoplifters)." (Independent convenience store owner)

Prominent placement of ads.

Incentive agreements also require prominent placement of signs. Many of the retailers claimed that tobacco companies stipulate how the store is supposed to advertise their products. Retailers are instructed to place signs in prime places like on product shelving and register/counter space. They described their experience with the placement of signs in almost every section of their store.

"They send a diagram that shows where the signs should go." (Franchise convenience store manager)

"I have them at the front window and door, places like that. I put signs on the special priced cigarettes on the shelf. . . .They are to be put on a stand and out in the road. . . .Each sign you can use in different ways. They come with double stickers, so it can be seen on both sides of the door. For a promotion, I would put up about 5 signs and they vary in size. You would see a sign that says like two for one price or one that says buy one get one free. We advertise the current lowest price in the store. Each sign will have its own logo. I clearly put what brand it is." (Owner of independent convenience store with gas)

Visual markers of tobacco company incentives in stores

According to the retailers, stores that participate in tobacco company incentive programmes look different from those that do not. The retailers observed that clearly marked shelving units and displays, products placed in prime locations, discounted prices (with signs for specials or sales), and multiple signs in the same store indicate that a store is participating in an incentive programme. Retailers were asked whether and how they could tell if a store participated in a programme.

"Yes. Just by what is on sale . . .. I would see what they have price-wise going on compared to what we have. You can tell from the racks and the displays out what is on promotion . . . the shelf display on top of the counter. You would see the signage all over the counter area. It would be like a logo with buy one get one free and brand. I would assume just a price poster would be their regular price." (Assistant manager of a chain convenience store with gas)

"Just signs and stickers, coupons, buy 2 get one free. Can't put on sale without a deal . . .. It's pretty obvious since the brand name is on there and you know who the manufacturer is. (Independent convenience store manager)

"If (you) don't get incentives, it's obvious because everything will be full price. The cigarettes would be buried someplace where you can't see them." (Independent liquor store manager)

Advertisements indicating "special" prices usually reflected incentive agreement reductions. The retailers said that they are usually required to display ads for these promotions.

"When I run promotions I put a cardboard sign in the window. I have a sign on the display rack. There are price signs on there also. I have a Camel sign and Winston and American Spirit [RJ Reynolds]. They are little signs on there with the logo." (Independent liquor store owner)

What this paper adds

Tobacco companies spend about 81% of their marketing dollars on retailer incentives and product specials in the retail outlet to secure prime placement of their products and ads, and to price their brands competitively. It is estimated that about two thirds of tobacco retailers participate in at least one type of tobacco company incentive programme.

This is the first qualitative study of retailer descriptions tobacco company incentive programmes. Tobacco retailers provided in-depth information describing the types of incentive programmes that are offered by tobacco companies, how these incentive programmes function, and how these programmes affect the store environment. The perspective of tobacco retailers on these topics has not been featured in past studies. Information from this study will help guide future research and policy efforts in the area of point-of-sale marketing.

"You get the reduced price signs. They would be around the registers and cigarette area. They vary in size, it depends on what you want to do." (Independent convenience store manager)

DISCUSSION

The purpose of this paper was to describe the experiences of tobacco retailers with tobacco company incentive programmes, how these programmes impact their store environments, and possible visual indicators of retailer participation in incentive programmes. The interviews with retailers provided insights into how tobacco companies convey promotional allowances and special offers to retailers and how these incentives shape the retail environment. The retailers demonstrated a high level of familiarity with these topics and there was remarkable consistency in their responses. Clearly, the financial inducements provided to retailers by tobacco companies help to increase their profits from cigarette sales, however, they come with strings attached. Tobacco companies exert substantial control over the retail environment by requiring retailers to place their products in the most visible locations and to place specific amounts and types of advertising in certain locations in the store. The retailers identified visual markers of retailer participation in incentive programmes, and the most obvious one was branded signage that advertised prices and sales. Other markers included the placement of company brands on ads and product displays in prominent locations such as the counter area.

The 1998 Master Settlement Agreement (MSA) between tobacco companies and state attorneys general eliminated the use of many of the traditional forms of advertising the tobacco companies had been using, such as billboard and transit advertising, and it restricted sponsorships.[8] The retail outlet, a venue that already had been growing as an important communication channel for tobacco companies, was left relatively unregulated by the MSA. Since the adoption of the MSA, significant increases in the amount of tobacco advertising and sales promotional activities have been observed at retail outlets.[9] One advertising trade publication noted: "marketing restrictions continue to tighten, leaving fewer ad options available to the $50.1 billion (tobacco) industry and each player scrapping harder for sacred shelf space and point-of-sale signage in store – where the vast majority of tobacco marketing dollars are spent."[10] The retailers in this study confirmed that competition is fierce among tobacco companies and that Phillip Morris currently dominates the retail environment. It is clear from these interviews that tobacco companies offer, and most retailers accept, a wide variety of incentive programmes to ensure good placement of their products and advertising in prominent places in stores.

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The retailers in this study described several strategies used by tobacco companies to drive down prices including volume based discounts, buydowns, and special offers such as multi-pack discounts. It seems contradictory that the tobacco companies would have raised cigarette prices five times from 1991 to 2001,[11] and then turned around and offered an array of programmes to reduce cigarette prices. Perhaps, tobacco companies may be using these strategies to soften the immediate impact of these increases[12] or to protect their market share against deep discount brands.[13] Another reason may be that these strategies allow the companies to have greater control over the advertising, pricing, and placement of cigarettes in retail outlets than if they had simply lowered the wholesale price of cigarettes. For instance, the companies would not have been able to ensure that the full price reduction would be passed along to the consumer as with a buydown, and the merchant would not have been obligated to display signage and promotional materials for the special prices. Finally, there may be accounting or tax advantages related to these strategies that are not yet fully understood.

The retailers' insights into tobacco company marketing strategies provide useful information to community activists and local tobacco control programmes. The visual markers identified by the retailers may provide guidance about how to assess tobacco marketing in stores. The amount and placement of ads outside the stores, the amount and placement of ads and product displays around the counters inside the stores, and cigarette brand prices all may indicate that the retailer is participating in incentive programmes. However, further investigation into reliable markers is warranted. It also is important to understand that tobacco company incentive programmes are indeed an exchange that occurs between the companies and retailers. Retailers gain financially from these incentive programmes in exchange for tobacco company control over tobacco marketing in their stores. This mutually beneficial arrangement may pose a serious barrier to achieving voluntary reductions in tobacco marketing in store environments.

Tobacco companies are concentrating their marketing dollars at the point-of-sale to the extent that the store has become their primary communication channel with smokers and non-smokers alike. The store environment serves to expose all shoppers regardless of age or smoking status to pro-smoking messages, to project powerful cues to smoke, and to stimulate cigarette purchases.[14 15] Given the financial resources being spent in stores by tobacco companies for these purposes, it is surprising that this venue has received relatively little attention from researchers, community activists, and policy makers. Because stores provide such a broad reach, closer examination of tobacco marketing practices in this venue and its resulting impact on consumers is warranted.

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Retailer participation in cigarette company incentive programs is related to increased levels of cigarette advertising and cheaper cigarette prices in stores

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Abstract

Purpose. The retail outlet is the cigarette companies' major marketing channel to reach present and future customers. Of the $11.2 billion spent by them to market their products in 2001, approximately 85% was spent on retailer and consumer incentives to stimulate sales. This study examines the extent of retailer participation in these incentive programs, and the relationship between participation and the amount and placement of cigarette marketing materials and products, and prices in stores.

Methods. Observational assessments of cigarette marketing materials, products, and prices were conducted in 468 stores in 15 U.S. states. Telephone interviews were conducted with store owners or managers of these stores to determine the details of their participation in incentive programs.

Results. Cigarette companies engaged 65% of retailers in an incentive program. Nearly 80% of participating retailers reported cigarette company control over placement of marketing materials in their stores. Stores that reported receiving over $3,000 from incentive programs in the past 3 months averaged 19.5 cigarette marketing materials, and stores receiving no money averaged only 8.2 marketing materials. In multivariate analyses, participation in incentive programs offered by Philip Morris and R.J. Reynolds was positively related to the number of cigarette marketing materials for each of these companies' brands in stores and the placement of their cigarettes on the top shelf. The price of Newports was significantly lower in stores that received incentives; no price difference was found for Marlboro.

Conclusions. Stores that participate in cigarette company incentive programs feature more prominent placement of cigarettes and advertising, and may have cheaper cigarette prices.
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Keywords: Cigarette advertising; Retail outlet marketing; Promotional allowances; Slotting fees

Introduction

In addition to being the primary venue for its product sales, the retail outlet is the cigarette companies' major marketing channel to reach current and future customers. Of the record $11.2 billion spent by cigarette companies to market their products in 2001, approximately 85% was spent on retailer and consumer incentives to stimulate cigarette sales in stores. Spending on point-of-purchase (POP) marketing programs, which include point-of-sale advertising and promotional allowances, accounted for 42.2% of the total expenditures. Another 42.5% was spent on retail value-added items such as multipack discounts (e.g., buy two, get one free) and gifts with purchase [1].

Many companies in the retail sector use a sophisticated blend of consumer-oriented advertising and various retailer-centered sales promotion methods to move a product off the shelves and into the hands of consumers [2]. These dual strategies maximize total sales by *pulling* or encouraging consumers to buy the product, while the retailer strategies

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are used to *push* or sell the product [2]. Consumer-based *pull* strategies include the use of advertising, coupons, multipack discounts, gifts with purchase, and time-limited sales (buy-downs). Retailer-based *push* strategies include items in the promotional allowance category, such as volume discounts, and payments for prime shelf space (slotting fees) and in-store displays with the manufacturers' brand(s) prominently visible. Thus, "pull" strategies focus promotional resources directly on the consumer while "push" strategies focus promotional resources on the retailer. Both types of strategies may be used to reduce the price of the product. As the expenditures cited above demonstrate, cigarette companies offer lucrative retailer incentive programs that include a mix of "push" and "pull" strategies for the strategic placement of their advertising and products in prominent locations in retail outlets.

Given the limited amount of space in retail outlets, cigarette companies compete fiercely with each other for the prime locations [3,4]. An overview of the literature on cigarette company slotting fees and trade promotions provided to retailers suggests that in return for financial retailer incentives, the cigarette companies require a fair amount of control over product placement, advertising, and pricing [5]. A recent qualitative study consisting of in-depth interviews with cigarette retailers confirms these findings [6].

Little systematic data are available on retailer incentive programs because transactions are negotiated privately [7] and are unique to each retail outlet. A study of cigarette retailers in one California community found that about two-thirds of the retailers (62.4%) received promotional payments from one or more of the cigarette companies, which was far higher than the rate given by manufacturers of any of four other product types (soft drinks, candy, snack food, and alcohol). A typical store receiving payments in 1997 from one or more of these manufacturers would be paid $3,156.96 annually, with 78% ($2,453.40) provided by the cigarette companies. Although this study was limited to small retailers in only one community, it confirmed that most small retailers received financial incentives from cigarette companies and that the amount of money was substantial [8].

Although the total marketing expenditures by cigarette manufacturers is published annually by the Federal Trade Commission, little is known about the precise impact of these expenditures on the store environment. To date, no published study has examined the relationship between participation in cigarette company incentive programs and the store environment or cigarette prices. The study reported here is based on a national sample of retail outlets and examines (1) the extent of retailer participation in cigarette company incentive programs, (2) cigarette company requirements for advertising and merchandising in stores participating in programs, (3) the relationship between participation in incentive programs and the amount and placement of cigarette marketing materials and products in stores, and (4) the relationship between participation in incentive programs and the prices of two major brands.

Methods

To study the relationship between cigarette companies' incentives paid to retailers and cigarette marketing in stores, data were used from a larger study funded by the National Cancer Institute under the Community and State Initiative of the Tobacco Research Branch. The goal of the larger study is to generate national estimates of (a) in-store cigarette advertising and marketing materials, (b) cigarette sales to minors, and (c) retailer participation in cigarette company incentive programs, as well as to examine the relationships between these variables. The present study draws upon three data sets from the national study: the *retail marketing survey data set* to document the amount, types, and placement of advertising and promotion of cigarettes in stores; the *compliance check data set* to determine the prices of two premium cigarette brands; and the *retailer incentive interview data set* to identify types and amount of incentives that retailers receive from cigarette companies.

Sample

The sample of stores was selected using a stratified multistage cluster design. The first-stage sampling units were states, the second-stage units were communities, and the third-stage units were cigarette retail outlets. The 48 states in the continental US comprised the state sample universe. Alaska and Hawaii were excluded for purposes of economy of data collection. To ensure a diverse representation of states, the states were stratified by their 1999 Strength of Tobacco Control (SoTC) Index, a measure of state efforts, resources, and capacity to perform tobacco control [9]. Five states within each SoTC tertile were selected with the probability of selection proportionate to population.

The community universe was defined as either incorporated or Census designated places in the 15 selected states. Incorporated and Census designated places having fewer than 25,000 persons were excluded from the community universe to reduce data collection costs. From the 1,284 communities in the 15 selected states, 75 communities were sampled with probability of selection proportional to population.

The frame used for sampling retail outlets within the selected communities was the business establishment database maintained by InfoUSA. The frame consisted of stores with Standard Industrial Classification codes known from our previous work to have at least a small probability of selling cigarettes [10]. Stores on the list were screened by telephone for availability of cigarettes by the single pack, and those that did not sell were removed from the frame.

Measures

Cigarette marketing materials and product placement

Between July 30 and October 11, 2001, 22 trained observers gathered data on the amount and placement of

cigarette retail marketing materials on the store exterior and interior. These assessments were completed in a total of 1,392 stores.

The current study examined four different types of marketing materials that featured cigarette brand names of the four largest (Philip Morris, R.J. Reynolds, Brown & Williamson, and Lorillard) cigarette companies: (1) large shelving units used to merchandize packs and cartons of cigarettes (referred to here as "shelving units"); (2) portable displays that hold packs of cigarettes ("displays"); (3) interior advertisements; and (4) exterior advertisements. Branded minimum age-of-sale signs were not counted as marketing materials.

A measure representing the total number of marketing materials per store was computed by summing the number of shelving units, displays, and interior and exterior advertisements per store. In addition, the distribution of cigarette products by manufacturer on the first shelf of shelving units was recorded because it is one of the prime locations in stores. A dichotomous variable was created indicating whether the same manufacturer produced all of the cigarette packs or cartons on the top shelf of a shelving unit.

Stores were classified into one of seven store types: *convenience*, *convenience and gas*, *grocery/deli*, *supermarket*, *drug store/pharmacy*, *liquor store*, or *other*. Because of small numbers, general merchandise, newsstand, gas only, and other were collapsed into the "other" category.

Price of cigarettes

The price of a single pack of cigarettes was obtained during compliance checks to assess cigarette sales to minors. On a randomly rotating basis, the price of a single pack of either Marlboro or Newport cigarettes was collected. Because local sales tax may be added to state sales tax in some states, several store receipts from each community were used to determine the sales tax rate in the community. In the current study, price excluding sales tax and state excise tax was used to increase the comparability of cigarette prices across states and communities.

Incentive participation

Following completion of the retail marketing surveys, the stores were contacted to complete a telephone interview about participation in cigarette company incentive programs, such as promotional allowances and buy-downs. An average of 7.7 telephone attempts was made per store to complete the retailer incentive survey. All interviews were completed in English, and time of day varied. A verbal consent script approved by the Battelle Centers for Public Health Research and Evaluation IRB was read to retailers and consent was granted before commencing the interview. The survey generally took between 10 and 20 min to complete, and participants received a $20 money order as compensation for their participation. The interviews were conducted between August 11 and November 1, 2001. This process yielded a sample of 524 stores.

As part of the retailer incentive interview, respondents answered questions regarding retailer incentives received, requirements of contractual agreements with manufacturers, and their monthly cigarette sales volume. Separate questions asked whether the store currently had a contract with any cigarette manufacturers and whether the store currently received any buy-downs (a time-limited sale on existing inventory offered to a retailer by a cigarette company with the stipulation that it is passed on to the consumer) [11]. If a merchant provided an affirmative response to either of the above two questions, follow-up questions were asked to determine with which company or companies the store had such agreements. Stores were classified as participating in an incentive program if they indicated that they received either buy-downs and/or had a contract with any of the four major cigarette companies (Philip Morris, R.J. Reynolds, Lorillard, and Brown & Williamson). Among stores participating in incentive programs, follow-up questions were asked about four marketing requirements that were based on provisions of the Philip Morris Retail Leaders Program [12]. Merchants were asked whether they were required by a cigarette company to (1) follow a diagram (plan-o-gram) of where to place shelving and displays in stores; (2) stock cigarette company's products in highly visible locations around the checkout counter; (3) place cigarette company's products in prominent locations on shelves; or (4) display advertising for cigarette company's products. When a positive response was given to any of the above items, merchants were asked to identify which manufacturer(s) had the requirement.

Merchants reported the amount of money received from tobacco companies during the past 3 months. Unlike other incentive variables, merchants were not asked to identify the specific companies from which they received money. Thus, this measure was not restricted to money received from just the four major cigarette manufacturers. The variable for money received was collapsed into five categories; one category for no money received, and approximate quartiles for those that received some money. To measure sales volume, merchants reported the number of cases or cartons of cigarettes sold per month. For analysis purposes, values reported in cases sold per month were converted to cartons sold per month using the equivalence of 60 cartons per case. The resulting variable for number of cartons sold per month was categorized into quartiles.

Integrated data set

A data set was constructed that included stores with complete data for the compliance checks (n = 1,547),

retailer marketing surveys (n = 1,392), and incentive interviews (n = 524). The resulting sample consisted of 468 stores. This sample includes 18.4% convenience stores, 44.4% convenience with gas, 7.3% grocery/deli, 4.7% supermarkets, 10.3% pharmacies, 10.7% liquor stores, and 4.3% other store types (due to rounding, does not add to 100%).

The sample size of the integrated data set was reduced primarily because of a relatively low response rate for the retailer telephone interviews. Therefore, a nonresponse analysis was undertaken that compared stores with and without retailer incentive interview data on key retail marketing material variables. After controlling for store type, analysis of variance tests failed to identify any statistically significant differences between the stores with and without incentive interview data in the mean number of marketing items per store ($P \approx 0.26$) or the interaction between interview completion and store type ($P = 0.55$). Stores where interviews were completed had a total of 12.0 marketing materials (SD = 9.6) and stores where interviews were not completed had a total of 10.4 marketing materials (SD = 9.1). The nonresponsive analysis showed that the differences were not significant when store type was included in the model.

Data analysis

Participation rates for incentive programs and requirements were generated for each of the four companies of interest. Additionally, we examined three correlates of participation: store type, cigarette sales volume, and amount of money received quarterly for incentive programs. The mean number of cigarette materials per store was plotted against the amount of money received. Because the variable for money received from cigarette companies included all of the companies, for this one analysis, total marketing materials per store included marketing materials from any cigarette manufacturer. To assess whether participation in incentive programs was associated with an increased number of marketing materials, the mean number of company-specific materials was computed for stores that did and did not participate in incentive programs for each of the four major cigarette companies. To examine the effect of participation in incentive programs on the retail environment, we conducted four multiple linear regression models and one logistic regression model, for each of the four cigarette companies of interest. The predictor variable was participation in an incentive program. The outcomes for the linear regression models were number of shelving units, number of displays, number of interior ads, and number of exterior ads. The outcome for the logistic regression models was presence of at least one shelving unit with all cigarette products on the top shelf from the respective manufacturer, such as Philip Morris or R.J. Reynolds. A separate regression analysis was conducted on the price of Marlboro and Newport cigarettes and participation in incentive programs offered by the manufacturers of these two brands. In all regression models, store type was dummy coded, with convenience store with gas serving as the reference group. Listwise deletion of missing cases was used on a model by model basis. All analyses were performed using SPSS 10.0 for Windows.

Results

Retailer participation in incentive programs and requirements

Data presented in Table 1 indicate that nearly half of retailers participated in an incentive program with either Philip Morris (54%) or R.J. Reynolds (46%), and just over a quarter with Lorillard (29%) and Brown & Williamson (29%). About two-thirds (65%) participated in one or more incentive programs. The majority of the retailers who participated in one of these programs reported that they were required to follow a marketing diagram. Regarding placement of cigarette products, fewer than one-fourth of retailers who participated in programs were required to stock cigarette products near the counter, but the percentage required to place products in prominent shelving locations ranged from 34% to 62% across the different companies. Approximately half of retailers were required to display cigarette advertising (range, 45–60%). Overall, it appears that a higher proportion of retailers participating in programs offered by Philip Morris and R.J. Reynolds were required to follow these marketing requirements than retailers participating in other cigarette company programs.

Table 1
Retailer participation in cigarette company incentive programs and incentive requirements, by company

	Philip Morris (%)	R.J. Reynolds (%)	Lorillard (%)	Brown & Williamson (%)
Participates in incentive program (n = 427)	53.6	45.7	28.8	29.0
Requirements of incentive programs[a]				
Follow a marketing diagram	79.7	74.4	55.0	59.2
Place products in prominent shelving locations	61.5	51.8	34.2	38.8
Display product advertising	60.2	60.0	45.1	50.0
Stock products near counter	24.7	22.8	16.4	18.9

Note. Sixty-five percent of stores participate in one or more incentive programs with one or more companies, 30% participate in one or more incentive programs with two or more companies.

[a] Percentage of those participating in respective cigarette company incentive program.

Table 2
Bivariate relationships between company-specific marketing materials and participation in company-specific incentive programs

	Participation	Philip Morris	R.J. Reynolds	Lorillard	Brown & Williamson	Total[a]
Shelving unit, mean (SD)	yes	1.39 (1.34)	0.64 (0.90)	0.34 (0.63)	0.26 (0.54)	2.01 (1.65)
	no	0.75 (1.29)	0.29 (0.72)	0.05 (0.25)	0.06 (0.27)	1.39 (1.79)
Display, mean (SD)	yes	0.36 (0.76)	1.52 (2.13)	0.34 (0.69)	0.73 (1.21)	2.18 (2.89)
	no	0.27 (0.70)	0.45 (1.04)	0.13 (0.41)	0.27 (0.63)	1.25 (2.16)
Interior ads, mean (SD)	yes	2.76 (2.63)	3.36 (3.39)	1.34 (1.81)	1.80 (2.35)	7.04 (5.90)
	no	1.26 (2.81)	1.24 (2.74)	0.51 (1.12)	0.57 (1.14)	3.94 (5.92)
Exterior ads, mean (SD)	yes	0.68 (0.86)	1.56 (1.88)	0.98 (1.55)	0.60 (1.07)	2.81 (2.97)
	no	0.22 (0.50)	0.30 (0.84)	0.30 (0.89)	0.14 (0.52)	0.81 (1.69)
Total marketing materials	yes	5.19 (3.66)	7.08 (6.12)	3.01 (3.63)	3.38 (3.74)	14.04 (9.49)
	no	2.51 (3.63)	2.28 (3.91)	0.98 (2.07)	1.04 (1.79)	7.39 (8.24)
Dominant top shelf[b] (%)	yes	56.77	35.38	26.02	17.74	NA
	no	28.28	13.36	2.96	6.93	NA

NA = not applicable.
[a] Total values refer to the total number of marketing materials from Philip Morris, R.J. Reynolds, Lorillard, and Brown & Williamson. Œ Yes represents receiving incentives from any of the four companies.
[b] Dominant top shelf = at least one shelving unit has top shelf 100% one company.

Relationships between marketing materials and participation in incentive programs

When retailers participated in an incentive program with a given company, their stores generally featured more marketing materials for brands manufactured by that company (see Table 2). For instance, retailers who reported participating in a Philip Morris incentive program had more shelving units with logos of Philip Morris' brands, more displays, and interior and exterior ads. Stores participating in a Philip Morris program had 5.2 total marketing materials for Philip Morris brands compared with 2.5 materials in stores not participating. Moreover, 57% of stores participating in Philip Morris programs had one or more shelving units that contained only Philip Morris brands on the top shelf, compared with only 28% of stores not participating. Similar relationships were observed with the other three companies. Altogether, stores that participated in one or more incentive programs had 14.0 marketing materials, whereas, nonparticipating stores featured only 7.4 marketing

Table 3
Regression models predicting company-specific marketing material outcomes, by participation in company-specific incentives, controlling for store type

	Number of built-in shelving units		Number of displays		Number of interior ads		Number of exterior ads		Percent with at least one dominant top shelf	
	B	SE	*B*	SE	*B*	SE	*B*	SE	Exp(*B*)	95% CI
Philip Morris specific outcomes										
Participates in incentive program	0.66**	0.14	0.11	0.08	1.53**	0.29	0.31**	0.08	3.26**	(2.04, 5.23)
Store type[a]										
Convenience	−0.34*	0.17	0.01	0.10	−0.62	0.35	−0.20*	0.09	0.55*	(0.32, 0.96)
Drug store/pharmacy	0.31	0.23	0.34**	0.13	1.53**	0.47	−0.46**	0.13	1.90	(0.90, 4.01)
Grocery/deli	−0.38	0.25	−0.08	0.14	−0.64	0.51	−0.22	0.14	0.33*	(0.13, 0.82)
Liquor	−0.55*	0.22	0.13	0.13	−0.51	0.45	−0.39**	0.12	0.26**	(0.11, 0.61)
Supermarket	1.38**	0.34	−0.11	0.20	0.82	0.72	−0.43*	0.19	4.05*	(1.28, 12.85)
Other	−0.34	0.31	−0.04	0.18	−0.92	0.66	−0.44*	0.17	0.16*	(0.04, 0.75)
(Constant)	0.83**	0.14	0.23**	0.08	1.34**	0.29	0.48**	0.08	0.51**	
RJ Reynolds specific outcomes										
Participates in incentive program	0.34**	0.08	0.97**	0.17	1.89**	0.32	1.15**	0.15	3.07**	(1.84, 5.13)
Store type[a]										
Convenience	−0.14	0.11	−0.31	0.22	−0.20	0.40	−0.28	0.19	0.57	(0.31, 1.06)
Drug store/pharmacy	−0.13	0.14	−0.32	0.29	−1.12*	0.54	−0.59*	0.25	0.43	(0.16, 1.18)
Grocery/deli	0.10	0.15	−0.17	0.31	0.31	0.58	−0.21	0.27	0.66	(0.25, 1.73)
Liquor	−0.15	0.14	−0.18	0.27	−0.92	0.51	−0.31	0.24	0.76	(0.33, 1.74)
Supermarket	0.18	0.21	−0.79	0.43	−0.06	0.81	−0.57	0.37	0.86	(0.23, 3.28)
Other	−0.12	0.20	−0.51	0.40	−1.41	0.75	−0.36	0.35	0.00	(0.00, 4.8e+8)
(Constant)	0.34**	0.08	0.67**	0.16	1.63**	0.29	0.55**	0.14	0.22**	

Multiple linear regression analysis for all outcomes, except percentage with at least one dominant top shelf for which logistic regression was performed.
[a] Convenience with gas is reference category.
*$P < 0.05$.
**$P < 0.01$.

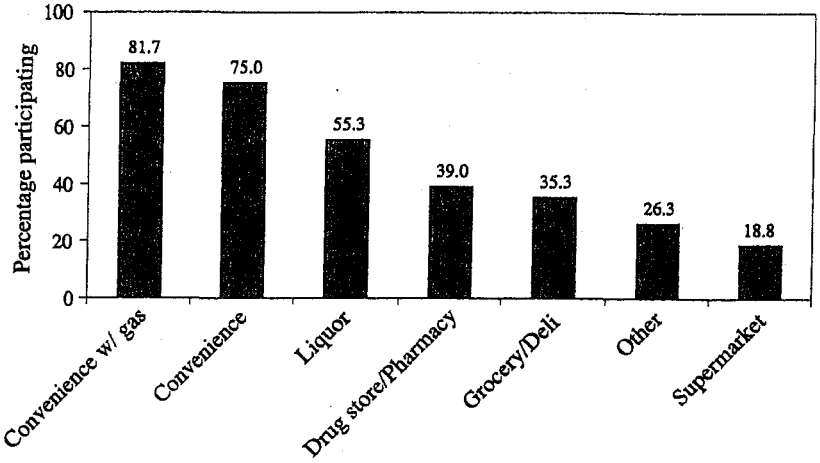


Fig. 1. Retailer participation in tobacco company incentive programs by store type (n = 430).

materials for cigarettes. These relationships were examined at the bivariate level only, and no statistical significance tests were performed.

The next analysis was conducted at the multivariate level with tests of statistical significance (Table 3). Models were generated for all four companies and yielded similar results. For economy of presentation, data are presented here for the two largest cigarette companies: Philip Morris and R.J. Reynolds.

In multiple regression models that controlled for store type, there was a significant positive relationship between participation in incentive programs and number of marketing materials. Specifically, stores that participated in a Philip Morris incentive program featured more shelving units, interior ads, and exterior ads for cigarette brands manufactured by Philip Morris. The number of displays was unrelated to participation in Philip Morris incentive programs. In a multiple logistic regression analysis, stores participating in Philip Morris incentive programs were more likely to feature one or more shelving units with the top shelf devoted exclusively to Philip Morris products. Similar findings were observed for R.J. Reynolds incentive programs and marketing materials, whereby stores that participated in the program had more marketing materials or better placement for all five dependent variables examined.

Correlates of retailer participation in incentive programs

Fig. 1 displays the relationship between participation in incentive programs and store type. The two store types most likely to participate in cigarette company incentive programs were convenience stores that sold gasoline and convenience stores. Supermarkets, "other," grocery stores/delis, and drug stores/pharmacies were the store types that were least likely to participate. Stores that sold more cigarettes were generally more likely to participate in incentive programs (Fig. 2). Only 39% of stores selling 0–99 cartons per week participated in an incentive program compared to 80% participation in stores selling 650–4000 cartons per week. Fig. 3 depicts the relationship between the amount of money received for incentive programs (past quarter), and the total number of marketing materials.

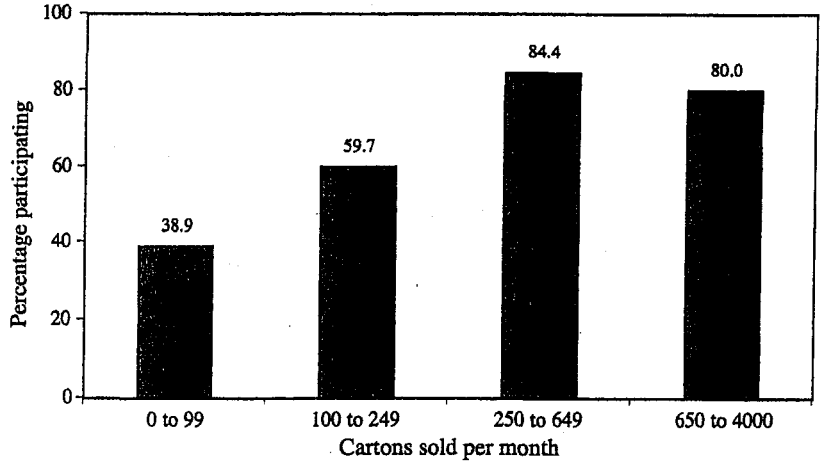


Fig. 2. Retailer participation in tobacco company incentive programs, by sales volume (cartons of cigarettes sold per month) (n = 353).

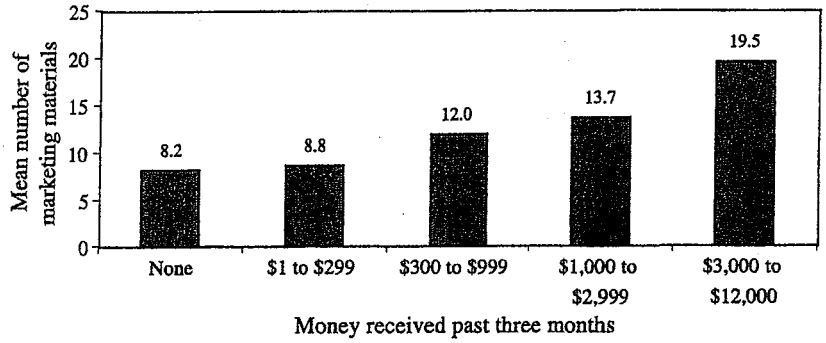


Fig. 3. Mean number of cigarette marketing materials per store by money received from tobacco companies (n = 252).

Stores that received no money or $299 or less featured fewer than nine cigarette marketing materials on average. Stores that received $300 to $999 or $1000 to $2999 featured 12–14 marketing materials, and stores receiving $3000 to $12,000 featured nearly 20 marketing materials.

Price of cigarettes by retailer participation in incentive programs

The overall mean price of a pack of Marlboro cigarettes without sales and excise taxes was $3.02 (SD = 0.42) and for Newport cigarettes was $3.10 (SD = 0.40). In two separate models, we tested the relationship between price of Marlboro and Newport cigarettes and participation in incentive programs with the manufacturer of each brand (Philip Morris and Lorillard, respectively) controlling for store type (Table 4). Participation in a Philip Morris incentive program was not significantly related to the price of a single pack of Marlboro cigarettes. However, there was a significant relationship between participation in a Lorillard incentive program and price of a single pack of Newport cigarettes. The price of Newports in stores that participated in incentive programs was $0.27 less than in stores that did not participate ($P < 0.01$). Although not a focus of this study, the relationship between cigarette prices and store type is also presented.

The lack of a difference in the price of Marlboro led to further exploration of this finding. One explanation was contained in the way in which questions about incentive programs were asked. The questions in the incentive interviews were limited to participation in *company* buy-downs but not about buy-downs on *company-specific brands* in the previous 3-month period. However, cigarette companies offer buy-downs at the level of specific brands, and only a subset of their brands are on buy-down at any given time. For instance, Philip Morris may offer 25 cent price discounts on Parliament or Virginia Slims, but not on their Marlboro brand [3]. Thus, an ancillary analysis of store ads and displays announcing "specials" (price discounts) was conducted. The proportion of ads with specials was much higher for other Philip Morris brands, such as Basic, Parliament, and Virginia Slims (62%, 49%, and 50%, respectively) than for Marlboro (31%) suggesting that these brands were more likely to be on "buy-down" than Marlboro. This may explain the lack of difference in the price of Marlboro between stores where retailers claimed to participate in Philip Morris incentive programs and stores where retailers said they did not.

Table 4
Regression models predicting price of cigarettes excluding excise and sales tax for Marlboro and Newport by participation in company-specific incentives, controlling for store type

	Marlboro		Newport	
	B	SE	*B*	SE
Participates in incentive program	−0.02	0.07	−0.27**	0.06
Store type				
Convenience	0.10	0.08	0.00	0.07
Grocery/deli	0.06	0.12	0.02	0.10
Supermarket	0.17	0.17	0.12	0.13
Drug store/pharm.	0.05	0.11	−0.03	0.09
Liquor	0.13	0.12	0.07	0.08
Other	−0.23	0.17	0.09	0.12
(Constant)	2.98**	0.07	3.16**	0.04

Convenience with gas is reference category.
**$P < 0.01$.

Discussion

This study is the first to examine the extent of retailer participation in cigarette company incentive programs, advertising and product placement requirements for retailer participation in these programs, and how participation in these incentive programs is related to cigarette advertising, promotion, and pricing in stores. Approximately two-thirds of cigarette retailers participated in cigarette company incentive programs. This is about the same level of participation in incentive programs that was observed in a study of small cigarette retailers in one California community [13]. Most retailers participated in the programs of more than one cigarette company, and only a few limited themselves to exclusive agreements with just one company.

The results of this study confirm a common theme expressed in the business media about the fierce competition among cigarette companies for retail space following the implementation of the Master Settlement Agreement (MSA). The MSA restricted cigarette companies' use of several traditional media outlets (e.g., billboard and transit advertising, etc.) but did not restrict retail outlet marketing other than to ban exterior signs larger than 14 ft^2 [3,4,14]. All four of the major American cigarette companies offer incentive programs; however, the two largest companies, Philip Morris and R.J. Reynolds, exerted a higher degree of control over the amount and placement of products and advertising than did Brown & Williamson or Lorillard.

Also of note is the strong relationship between the amount of money received from participation in these types of programs and the amount of marketing materials in the stores. Those retailers who were in the highest quartile of money received had over three times as many branded cigarette company ads and promotional materials as those in the lowest quartile. Moreover, our results showed that retailers who participated in an incentive program were more likely to feature the company's brands on the top shelf, one of the most highly prized locations in the store. In short, these cigarette company incentive programs are achieving their intended purpose. Stores that participate in these programs contain more ads and promotional programs, and are more likely to feature products in prime locations.

Retailer incentive programs, particularly buy-downs, are extremely important to the cigarette companies as they compete for customers. The most direct evidence that a store is participating in a buy-down with a cigarette company is that one or more brands from that company are on "special," which often makes that brand cheaper than its competitors. Because of the price differential reported here for Newports, it appears that retailers may have been participating in a Lorillard buy-down for this brand. However, based on the ancillary analysis of ads for other Philip Morris brands, it appears that Marlboro may not have been "on sale" at the time of data collection.

In prior retailer interviews, merchants emphasized that buy-downs were important because they bring more customers into their stores and stimulate sales [6]. Cigarette companies and retailers have fought to protect the use of buy-downs when attempts have been made to regulate them. In 2002, the Massachusetts Department of Revenue attempted to eliminate the use of retail price promotions by the cigarette companies claiming that these violated the terms of the state's fair pricing law [15]. Under pressure from the New England Convenience Store Association, the governor intervened and ordered the Department to delay these provisions to its regulations [16]. The Department of Revenue subsequently adopted and initiated enforcement of the more stringent regulations in 2003 [17]. In New York, Lorillard sued the Department of Taxation and Finance when it clarified its regulations and deemed buy-downs illegal under its minimum pricing law. The New York State Court of Appeals upheld lower court rulings on the Department's interpretation of the law [18].

As noted in Methods, the results of this study are limited by a low response rate among cigarette retailers, so results should be interpreted with caution. However, the statistical tests performed comparing respondents and nonrespondents found that there were no significant differences in the amount of advertising in the stores of respondents and nonrespondents. As mentioned earlier, the rate of participation in cigarette company incentive programs is consistent with an earlier study [13]. Also, this study quantifies the extent of control that cigarette companies exert over the retail environment that were reported in a review of slotting fees and trade promotions offered by cigarette companies to retail stores [5]. This study is also limited in its ability to associate price with participation in incentive programs. An interpretation of the findings about the price of Marlboro is somewhat constrained by the questions asked in the retailer interviews. The questions were limited to participation in company incentive programs including buy-downs, but not about specific brands on buy-down in the previous 3-month period. Future studies should inquire about specific brands on buy-down, and focus on more than just the two leading brands.

Point-of-purchase (POP) advertising is powerful. When brands are displayed and featured with a price cut, sales increase dramatically [19]. In addition, consumers recall in-store advertising for almost 30% of the products they purchased, with cigarettes enjoying one of the highest rates [20]. One study found that abstinent smokers selectively attend to and remember smoking stimuli [21]. It is conceivable that the intentions of someone who is trying to quit may be thwarted by a stop at a local market on the way to or from work. Given the power of POP advertising to stimulate purchases, it is also important to consider the effect of exposure to these stimuli on youth. Several studies have demonstrated a relationship between youth exposure to cigarette advertising in stores and perceived ease of ability to purchase cigarettes [6,22] as well as experimentation with smoking [23]. Further exploration of the effects of advertising on cessation efforts and uptake of smoking is warranted.

This study demonstrates that many cigarette retailers are participating in cigarette company incentive programs and that these programs are related to the amount and placement of cigarettes and cigarette marketing materials. Because of the concentration of the cigarette manufacturers' marketing dollars in this venue, further research is necessary to determine the effect of these marketing practices on consumers. Policy efforts to control cigarette marketing and promotions in this environment should also be explored such as strengthening minimum price laws to prohibit retail price promotions and granting authority to the Food and Drug Administration to regulate the marketing of tobacco products.

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Tobacco Control 2001;10:184–188

Cigarette advertising and promotional strategies in retail outlets: results of a statewide survey in California

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Abstract

***Objective*—To examine the extent and types of cigarette advertising materials in stores and to assess tobacco company compliance with the 1998 Master Settlement Agreement (MSA).**

***Design*—A cross-sectional analysis of a random sample of 586 stores that sold cigarettes.**

***Setting*— US state of California.**

***Main outcome measures*—Trained data collectors classified cigarette advertising materials by type (signs, displays, functional items), location (interior or exterior), and placement (below 3 feet (1 m) or near candy).**

***Results*—California retail outlets featured 17.2 (SD 16.1) tobacco advertising materials on average, and 94% of stores featured at least some advertising. About 85% of these were within 4 feet (1.3 m) of the counter. About 50% of the stores had ads at or below 3 feet, and 23% had cigarette product displays next to candy. In violation of the MSA, 3% of stores featured signs with cartoons and 11% had large exterior signs.**

***Conclusions*—Tobacco companies are aggressively using stores to market cigarettes. Moreover, the spirit of the MSA—to protect children from cigarette advertising—has not been realised. Future studies should monitor industry use of this venue and assess the impact of exposure to cigarette advertising materials in stores on adult smokers and youth.**

(*Tobacco Control* 2001;10:184–188)

Keywords: advertising; point-of-sale advertising; tobacco industry

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Tobacco companies spend more money on the retail outlet than any other advertising venue.[1] In contrast, tobacco companies spend relatively little on traditional print venues such as newspaper and magazine advertising. Retail outlet or point-of-purchase (POP) spending includes slotting fees, promotional allowances, and other POP marketing programmes. Since 1985, POP marketing expenditures have been the number one spending category for tobacco companies and each year POP spending has surpassed the amount spent on either print or outdoor advertising. Since then, both the amounts and proportion of money spent on POP marketing have increased dramatically, from $692 million (28% of total spending) in 1985 to $3.9 billion (47%) in 1999. By 1997, print and outdoor categories accounted for only 11% of the $8.2 billion advertising budget.[1]

Recent efforts to restrict tobacco product advertising have focused largely on more traditional venues, such as magazines and billboards, while the retail outlet virtually has been ignored. The Master Settlement Agreement (MSA) between the state attorney generals and the tobacco companies aimed to prevent youth smoking by limiting tobacco sponsorships and promotional activities, and banning tobacco billboards.[2] Two provisions directly affected advertising in retail outlets: a limit on the size of exterior signs to no more than 14 square feet (1.3 square metres), and a ban on the use of cartoons in all advertising.[2] The proposed Food and Drug Administration (FDA) regulations on the marketing of tobacco products would have been more stringent because they mandated black and white, text only advertisements at retail outlets and banned self-service cigarette displays.[3] However, the US Supreme Court ruled that the FDA did not have the authority to regulate tobacco products.[4]

Tobacco company in-store advertising materials may serve many of the traditional functions of advertising, such as increasing smokers' daily consumption by cueing smokers to light up or buy cigarettes, reducing current smokers' resolve to quit or consider quitting, and encouraging former smokers to resume their habit by reminding them of their favourite brand every time they visit a store.[5] These advertising messages are all conveniently delivered in the same place where customers can readily purchase a pack of cigarettes.[6] Moreover, POP ads and displays have been found to boost average tobacco sales by 12%[7] to 28%.[8]

Retail outlet advertising, like other forms of advertising, may also entice children and young adults to begin smoking.[5] Cigarette advertising has been related to increased uptake and maintenance of smoking among adolescents.[9–12] Few studies have examined the extent and impact of youth exposure to tobacco ads in retail outlets. However, because three out of four teenagers shop at a convenience store at least once a week,[8] many teens are exposed routinely to retail outlet tobacco advertising messages. In fact, a high percentage of seventh grade (12–13 year old) students (62%) recall seeing cigarette advertising in retail outlets.[13] Furthermore, children

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who report seeing cigarette advertising in retail outlets were 38% more likely to have experimented with smoking.[13]

Despite the vast amount of spending at retail outlets and its strategic importance to the tobacco companies, few studies have examined tobacco advertising in retail outlets. Earlier studies of 23 outlets in San Diego, California, and 61 in Buffalo, New York, found that stores featured substantial amounts of tobacco advertising and product displays.[14 15] In 1995, a convenience sample of 5700 retail outlets was surveyed by volunteers as part of the California Operation Storefront campaign to raise awareness about tobacco advertising in stores. Tobacco POP advertising and promotions were found next to candy and at the eye level of young children.[16] In a study of tobacco advertising within 1000 feet (300 m) of schools in six Boston, Massachusetts neighbourhoods, 92% of 580 outdoor advertisements were at retail outlets.[17] These studies have helped raise awareness about retail outlet advertising strategies, but were limited because either they were conducted in a single city, had small sample sizes, or non-random sampling of stores.

Because of the magnitude of tobacco industry expenditures in retail outlets and the limited research in this area, we conducted a study in a representative sample of California stores that sell cigarettes to: (1) examine the quantity and types of advertising materials used by tobacco companies to advertise cigarettes; (2) assess the amount of tobacco advertising by store type; (3) assess compliance with the MSA provisions that ban large exterior cigarette advertisements and the use of cartoons in any advertising; and (4) examine the placement of cigarette advertising materials in locations where children would be more likely to be exposed to them such as near the counter, near candy, and at eye level of small children.

Table 1 Types and definitions of advertising materials collected at stores

	Measure	*Definition*
1) Type of material		
	Signs	Number of signs that are posters, banners or lighted signs made by a cigarette manufacturer that are not part of other existing items such as displays or overhead bins. Categorised by size including < or ≥ 14 square feet to determine compliance with Master Settlement Agreement provisions to limit size to 14 square feet
	Displays	Number of displays with brand specific advertising including freestanding racks provided by the manufacturer for the display of cigarette products and plexi-glass enclosed packs of cigarettes that are visible but inaccessible to consumers and clerks.
	Functional items	Number of brand specific items that have utility (for example, branded shopping baskets, clocks, and overhead bins)
2) Location		
	Exterior	Number of materials located on the outside of the store including on windows, doors, the building and sidewalk, or in the parking lot. Signs posted on the inside of the store, but facing outside were counted as exterior.
	Interior	Number of materials located inside the store including those attached to window or door excluding those facing outside. Recorded as "near" if on, behind, or within 4 feet of the counter/checkout area, or "far" if more than 4 feet away from counter/checkout area
3) Placement		
	Below 3 feet	Presence or absence of advertising materials at or below 3 feet from the floor
	Next to candy	Presence or absence of displays within 6 inches of candy (sweets)

Methods

SAMPLE

As part of an earlier study conducted in 1997, a random sample of 700 California stores that sold cigarettes was identified from a comprehensive list of 40 186 retail outlets maintained by the California Board of Equalization for taxation purposes. In March 1999, telephone verification confirmed that 626 stores (89.4%) were still in business and sold cigarettes. Trained data collectors then visited all 626 stores and completed 590 surveys (four stores did not sell cigarettes, seven were partially completed, 10 were denied by the store owner or clerk, 11 stores were out of business when visited, and four stores were not found).

MEASURES

Stores were classified into one of seven categories: (1) convenience stores, including those that sell gas (petrol); (2) gas (petrol) stations, with no convenience store; (3) large drug stores (pharmacies), with at least three cash registers; (4) large markets, with at least three cash registers; (5) liquor stores; (6) small stores, including small drug stores and markets; and (7) tobacco stores (discount cigarette outlets and/or cigar/pipe stores). Store type also served as a proxy for store size.

Coders attended one and a half days of classroom instruction and an additional half day of in-store supervised training to learn the protocols for recording cigarette advertising materials. Staff coded each material along three dimensions: (1) type of material; (2) location of material; and (3) presence or absence of materials that might be more visible to children. These dimensions are defined in table 1.

Compliance with the MSA was measured by identifying exterior signs larger than 14 square feet, or signs with cartoons. Cartoons were defined in accordance with section II (1) of the MSA: cartoons are defined as having comically exaggerated features, attribute human characteristics to animals or inanimate objects, or may attribute superhuman characteristics to figures (human or otherwise).[2] To measure children's potential exposure to cigarette advertising, the existence of any advertising materials at or below 3 feet (1 m) from the floor and placement of displays within six inches (0.17 m) of candy was noted.

Interrater reliability was assessed in a random sample of 53 stores (9% overlap), whereby two coders independently collected data on each store. Pearson correlation coefficients were computed to measure reliability for the number of advertising materials: interior signs ($r = 0.77$); exterior signs ($r = 0.88$); plexi-glass enclosures ($r = 0.64$); displays ($r = 0.73$); and functional items ($r = 0.68$). Reliability for the two dichotomously scored items was assessed using Cohen's κ: existence of signs at or below 3 feet

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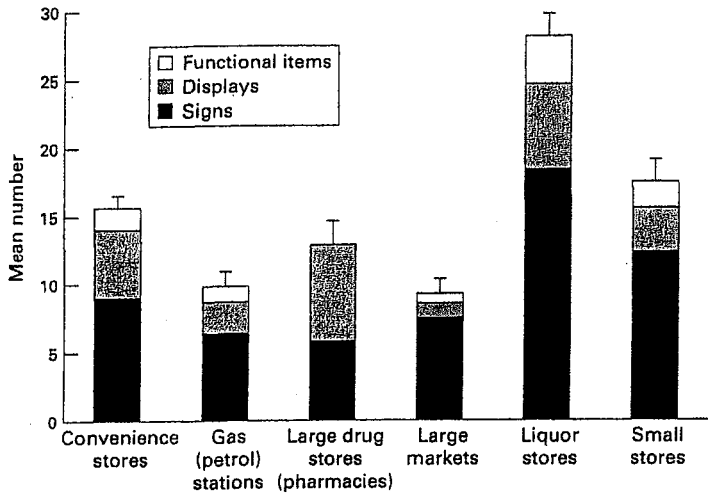


Figure 1 Tobacco retail marketing material by store type. Functional items: items with cigarette advertising that serve an additional purpose (for example, an ashtray or a clock). Displays: racks provided by the manufacturer for the display and sale of packs of cigarettes, generally with brand specific advertising and plexi-glass enclosed packs of cigarettes that are visible but inaccessible for purchase. Signs: posters made by a cigarette manufacturer and not part of other existing items. Error bars represent upper bound 95% confidence interval.

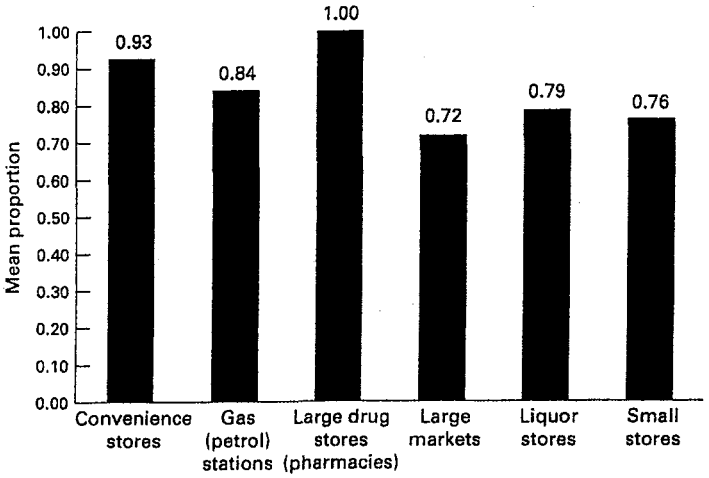


Figure 2 Proportion of interior tobacco retail marketing material within 4 feet (1.3 m) of the counter by store type. Stores without interior tobacco retail marketing materials were excluded (n = 49).

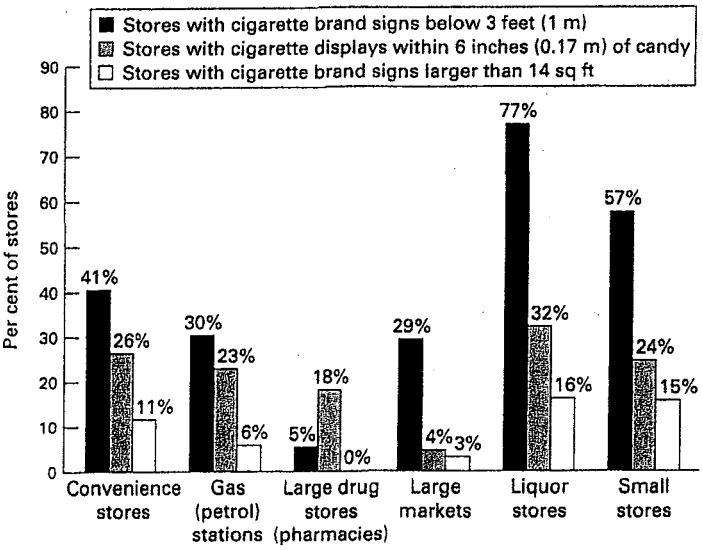


Figure 3 Percentage of stores with cigarette advertising materials easily visible to children.

from the floor had fair agreement beyond chance ($\kappa = 0.41$), and for displays within 6 inches of candy agreement beyond chance was poor ($\kappa = 0.27$).[18]

DATA ANALYSIS

Descriptive statistics were computed to characterise the quantity and nature of cigarette retail advertising and advertising materials in different types of stores. Appropriate measures of central tendency (mean), precision (95% confidence interval (CI)), and sample variability (SD) were employed. Tobacco stores (n = 4) were removed from all analyses because of their small sample size. All analyses were performed using SPSS version 6.1.[19]

Results

The average retail outlet in California (n = 586) featured a total of 17.2 cigarette advertising and promotional materials. Specifically, these retail outlets contained an average (SD) of: 3.6 (5.0) exterior signs, 7.5 (8.9) interior signs, 3.3 (4.0) cigarette displays, 0.9 (1.8) plexi-glass enclosed packs, and 1.7 (2.0) functional items. Figure 1 shows how the mean number of advertising materials per store varies among the different store types. Liquor stores had the greatest number of total advertising materials of any store type, followed by small stores and convenience stores. In addition, liquor stores had more signs and functional items than other store types. Large drug stores had more displays than any other store type, averaging 6.8 per store, more than double the overall mean number of displays. Ninety four per cent of all stores had at least one cigarette advertising material.

Figure 2 illustrates that the vast majority (83%) of cigarette retail advertising materials that appeared within 4 feet (1.3 m) of the counter for all store types. In large drug stores, all materials were within 4 feet of the counter.

Figure 3 presents the proportion of stores that potentially expose children to cigarette advertising material by featuring interior signs at or below 3 feet, or locating displays within 6 inches of candy. Almost half of all stores had cigarette signage at or below 3 feet (48%). These signs were most prevalent in liquor stores (77%), followed by small stores (57%). Drug stores rarely had signs at or below 3 feet (5%). Displays placed next to candy were found most often in liquor stores (32%). Approximately a quarter of convenience stores (26%) and small stores (24%) had cigarette displays placed within 6 inches of candy. Only 3% (n = 17) of stores had signs with cartoons (data not shown). All signs with cartoons advertised the RJ Reynolds brand Joe Camel. Overall, 11% of stores were in violation of the MSA by displaying at least one exterior sign larger than 14 square feet. Liquor stores (16%) and small stores (15%) were most often in violation, followed by convenience stores (11%). No large drug stores had exterior signs larger than 14 square feet.

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Discussion

The purpose of this study was to: (1) examine the amount and types of advertising in retail outlets; (2) assess the amount of cigarette advertising by store type; (3) assess compliance with the MSA provisions that ban large exterior cigarette advertisements and the use of cartoons; and (4) examine the placement of cigarette advertising materials in locations where children would be more likely to be exposed to them. The study results reported here portray a clear picture of the tobacco companies' use of retail space to advertise and promote their products by placing large numbers of signs, functional items, and displays in prominent locations. Although all types of retail outlets included in the survey contain advertising materials, liquor stores followed by small stores are by far the most heavily saturated with signs and functional items. Some might argue that advertising in liquor stores is not a problem since adults primarily shop there. However, when California eighth grade smokers were asked where they bought their last cigarettes, the highest proportion (28%) responded "liquor stores". Another 26% identified small stores[20] which had the second highest amount of cigarette advertising materials.

The checkout counter area is coveted by all manufacturers who compete to have their products displayed there. Therefore, it is the prime in-store location for the purposes of advertising and displaying cigarette products. Almost 85% of all cigarette signs and displays were located within 4 feet of the counter area. Given this saturation, it is virtually impossible for young and adult shoppers to avoid exposure to pro-smoking messages when buying their snacks, food, beverages, or gasoline.

Although large drug stores had fewer signs and no functional items, on average they exhibited twice the number of displays than other store types. Our surveyors reported anecdotally that displays were often located next to nicotine replacement products. This observation raises an interesting question: are cigarette companies placing displays here to encourage quitters to relapse or are the drug companies trying to encourage smokers to quit? Since both the pharmaceutical and tobacco industries are vying to sell their products to smokers,[21] the proliferation of cigarette displays at drug stores is disturbing.

As mentioned earlier, the MSA contains two provisions that directly affect stores. We found that 3% of the stores had signs with Joe Camel cartoons. We also found that 11% of the stores had exterior signs that exceeded the MSA size limit of no more than 14 square feet. In the absence of data before the MSA, we do not know if these findings represent a decrease in the number of stores with cartoons or signage of this size. It is clear though that the spirit of the MSA is not being followed: almost half of all stores had ads that were at or below 3 feet and almost a quarter had cigarette product displays next to candy. These findings confirm the results of earlier studies.[15 16] They also indicate that while tobacco companies may be following the specific provisions of the agreement, there appears to be blatant disregard for its intent to protect children from tobacco advertising.

What is already known on this subject

Tobacco companies spend about half of their marketing dollars to advertise and promote their products in stores. Despite the vast amount of spending in retail outlets and its strategic importance to the tobacco companies, few studies have examined tobacco advertising in retail outlets. These studies have been limited because either they were conducted in a single city, or had small sample sizes or non-random sampling of stores.

What this paper adds

The results of this cross-sectional analysis of a random sample of 586 stores that sold cigarettes in California portray a clear picture of the tobacco companies' use of retail space to market cigarettes aggressively. Moreover, the spirit of the Master Settlement Agreement—to protect children from cigarette advertising—has not been realised.

This study is limited by its focus on stores in California. Tobacco company marketing strategies may differ in other states. There is some evidence that tobacco companies have more extensive retail advertising activities in states with higher tobacco taxes and state funded tobacco control programmes, such as California.[22] The tobacco companies may be using ubiquitous retail outlet advertising to reach their customer base given that about 65% of California smokers attempted to quit smoking at least once in the previous year.[23] A national study of stores is needed to identify regional or state differences among all types of tobacco products including cigarettes, smokeless tobacco, and cigars. In addition, the effects of exposure to tobacco advertising on children and adults should be investigated in order to assess what retail outlet advertising actually "buys" tobacco companies.

Although this study found that most stores contained generous amounts of cigarette advertising, it was impractical to obtain data on all types of advertising in stores so we were unable to determine what proportion consists of cigarette advertising. Secondly, while rigorous training yielded highly reliable measurement for nearly all variables, for one variable—placement of displays within six inches of candy—reliability was lower than desired. Future studies should incorporate other training methodologies to enhance reliability of the data.

The tobacco industry is spending the largest share of its marketing dollars at the retail outlet where it is relatively free of regulation. The recent MSA and state lawsuits against cigarette companies have reduced tobacco company use of several traditional advertising venues, such as billboards. As a result, the retail outlet has become a hot property for cigarette

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companies[24] and POP displays by cigarette companies have proliferated.[7 25] Increasingly, the retail outlet is an important communication channel for its advertising, not just a place to buy products.[26 27] The results of this study support this phenomenon. Clearly, the retail outlet should be monitored carefully to determine cigarette company advertising strategies. The placement of these materials near the counter, at or below 3 feet, and next to candy virtually ensures that all shoppers, including children, are exposed to a number of messages that promote smoking.

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base for modern tobacco marketing. Although the health community has succeeded in blocking Big Tobacco's encroachment into traditional markets, we are falling behind the collaborative efforts between the tobacco industry, bar and nightclub owners, and alternative press.

In the southwest, TIM promotion represents an aggressive form of tobacco marketing. The "iron triangle" formed by the tobacco industry, bar and nightclub lobby, and alternative press forms a powerful political opponent. We must recognise this new threat and confront the growing influence of this coalition in the political arena. The "Battle for Bars" symbolises more than private versus public intervention—it embodies the latest layer of tobacco industry deception where we must fight for the minds and health of America's young people. For a detailed review of TIM strategy, visit: http://www.tobaccofreedom.org/issues/specials/alibi

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Fiji: finger for BAT

Many readers will have been nauseated by reports generated from the publication of British American Tobacco's (BAT's) first "social report", part of its massive self rehabilitation exercise. Even the mere linking of a tobacco company's name to the concept of corporate social responsibility in a glossy document, while absurd to most people, seems enough to fool others into thinking it has changed its ways. On all the issues that really matter, BAT's social report is either cosmetic, evasive or deceitful, as Clive Bates of the UK's Action on Smoking and Health commented. "What is shocking is the gullibility of some parts of the ethical investment and corporate social responsibility community. They have blindly lapped up the glossy report and soothing PR without bothering to test if they are in any way related to BAT's real-world operations."

One truly emetic response appeared in the UK, BAT's home country, from the lofty sounding Institute of Business Ethics. An entire issue of its publication *Ethical Performance* was devoted to a company focus on BAT, most of it reading as if penned by the company's own PR staff. Page after designer polished page of lavishly illustrated articles, under headings such as Safer products, Supply chain monitoring, and Environment, proffered articles with equally positive and misleading titles—Playing it safe, Responsible production, and Greening tobacco, respectively.

How very reassuring, then, to find that in Fiji, a country so small that any big tobacco company might be tempted to think it could buy its respectability there with the greatest of ease, BAT got possibly the most robust and appropriate response of any in the world. Health minister Pita Nacuva cancelled a meeting with BAT officials, due to include non-government organisations and church representatives, accusing the company of unscrupulous advertising and promotional activities. "I would like to know whether this implies that selling death and diseases is legitimate," he mused, a tad rhetorically, one suspects.

BAT's local panjandrum described the cancellation as "disappointing"—well, he would, wouldn't he? Congratulations minister; you are a model for public health colleagues worldwide.

D SIMPSON

Canada: demolishing the power walls

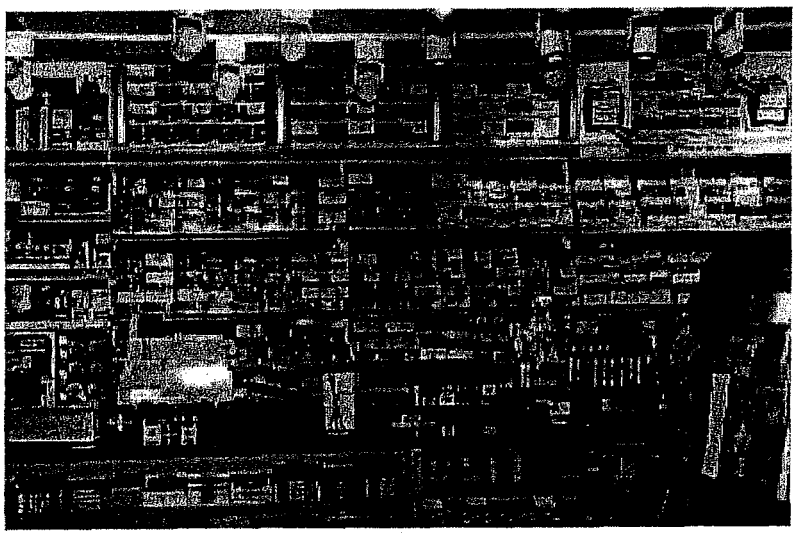
Traditional forms of tobacco advertising are banned in Canada, and likely to stay that way after a landmark ruling last December from the Quebec Superior Court dismissing a constitutional challenge from the cigarette companies. However, extensive rows of cigarette packages, in quantities far greater than are necessary to supply consumers, are still a big part of the tobacco industry's marketing plan. Commonly called "power walls", these rows of tobacco products are found in stores across Canada and in many other countries. These displays are in clear view of children, placed next to confectionery, and reinforce the idea that smoking must be both very common and socially acceptable.

In June 2001, the province of Saskatchewan tabled legislation to ban tobacco product displays in public areas where young persons are permitted access.

A group proclaiming themselves to be "poor" retailers mounted an expensive campaign urging retailers to oppose the legislation. Not to be outdone, the provincial health coalition countered with an information and lobbying campaign of its own. The retailer group later admitted to being part of a tobacco industry coalition.

In July 2001 the Tobacco Control Act was unanimously passed by the provincial legislature and became law in March 2002. According to enforcement officers, implementation has gone smoothly. Compliance and acceptance are high and there have been no significant problems economically or otherwise. No tobacco products can now be publicly displayed at retail outlets in the province, thus ensuring that the availability of these products more adequately reflects their deadly nature.

In May, Rothmans Benson & Hedges Inc, part of BAT, reacted to the loss of this last avenue to market to youth by launching a lawsuit. The province's minister of health, the Hon John Nilson, observed: "Our legislation



A "power wall" of tobacco products.

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In this shop, a "power wall" has been replaced by closed cupboards.

must be working if this tobacco company is suing us ... The Government of Saskatchewan will defend The Tobacco Control Act from this attack. We will continue to prevent tobacco companies from displaying tobacco products that encourage people, especially youth, to smoke." The legal challenge was dismissed in September, but application to appeal was granted the following month. As with other measures aimed at reducing smoking, the tobacco companies never give up the fight. Nor, given the health issues involved, will Saskatchewan.

The banning of tobacco product displays is a new wave in tobacco control. Similar legislation has been passed in Iceland, Ireland, the Canadian province of Manitoba, and is being considered by other Canadian provinces and Australian states.

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Thailand: victories and defeats in the long war

November 8 is a date of special significance in Thailand, as it is both the date of official funding of ThaiHealth in 2001 and the effective date in 2002 of new restrictions banning smoking in public places, including air conditioned restaurants. A previous article has highlighted that the adoption of the health promotion fund is a crucial milestone for tobacco control (*Tobacco Control* 2001;**10**:48–54). While a quick survey shows tremendous strides for tobacco control, the tobacco industry has quietly gained ground in many areas, too.

The industry has been able to limit Thailand's efforts to monitor tobacco control indicators, gained policymaking friends and slowed or disabled important tobacco consumer protection efforts. For example, the ingredient disclosure requirements did not result in direct consumer disclosure of ingredients. While the pictorial health warnings on cigarette packs are approved and will eventually be in place, processes like this are often unnecessarily delayed. Tobacco industry documents from court actions make it clear that the transnational tobacco companies working in Thailand have been able to gain many allies among politicians, circumvent or flagrantly violate advertising laws, and influence the nature and extent of research on tobacco, by providing money or support to major research institutes and influential academics in Thailand. These three strategies, together with corporate sponsorship and philanthropy, have slowed progress in tobacco control.

A recent newspaper editorial in support of tobacco control in Thailand challenged tobacco control agencies to do more to achieve a rapid decline in the total number of smokers. Tobacco control advocates and organisations are seriously pursuing these end points as well as intermediate goals. Nonetheless, building an infrastructure of positive tobacco control programmes takes some time. It requires



Students in Thailand pass a no smoking sign.

breaking down the industry's negative, well funded strategies of negligence, diversion, and delay. In short, the task is confronting and taking apart a complex hidden agenda supported by vast resources. So far so good, but the race is increasingly a case of constantly having to win the next victory, whether on November 8 or other dates each year, despite a continuous stream of obstacles from the tobacco industry.

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Japan: smoke clouds over the land of the rising sun

To western observers interested in tobacco control policy, Japan is a fascinating anomaly. Despite its extraordinary achievements in manufacturing and technology, coupled with its high levels of education and research, and an economy that until a recent blip, probably only temporary, has been a world leader, its smoking rates have been sky high, with subsequent disease levels to match. In many ways, to a westerner it is rather like a Germany of the East.

Two decades ago, Japan had the highest male smoking prevalence of any industrialised country, at around 80%, but an almost negligible prevalence among women. Then came the invasion of American tobacco companies led by the US Trade Representative in 1985. Along with Thailand, Taiwan, and South Korea, Japan rolled over and modern tobacco promotion began. Until then, the Japanese tobacco monopoly (ironically, in view of Japan's high incidence of hypertension and stroke, it was called the Japan Tobacco and Salt Public Corporation) had been supplying a large and eager male market but had desisted from what must have so attracted the

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Tobacco Control 2001;10:196–197

AD WATCH

Marketing life after advertising bans

While advertising bans severely restrict the capacity of the tobacco industry to promote its products, it is intriguing to consider how the millions of dollars the industry was previously able to roll out for print, electronic, billboard, and point of sale advertising campaigns is now being spent.

In Australia, all print, radio, and television advertisements are banned. Point of sale advertising is banned or being phased out in most jurisdictions, and only a handful of major international sporting events are able to be sponsored by the tobacco industry prior to a 2006 phase out.[1] Yet the industry can still manage to spend tens of millions of dollars marketing its products. What do they spend this on? Insights were provided recently when advertising agency Belgiovane Williams Mackay (BWM) picked up the $A10 million account for the newest entrant into the Australian market, Imperial Tobacco,[2] which controls just 16.5% of the market.[3] BWM's advertising brief for Imperial was for "below the line" marketing activity, including point of sale material, packaging, events management, and relationship marketing.

Event promotion is a key strategy for tobacco companies to promote their products through displays, typically at glamorous party settings or popular events, often at adult venues, but always where teenagers or young adults are present in large numbers.

The brazen example described below involved an aggressive marketing strategy with an advertising agency that used the internet, leverage from non-tobacco brands, gifts with purchases of tobacco, and event based marketing (the sponsorship of young fashion designers' awards) as core strategies.

Wavesnet

In March 1996, Philip Morris became the owner of a trademark called Waves.[4] It was used to distribute a magazine entitled Waves that offered a catalogue of trendy gift ideas and fashion shows aimed at a young female market. The catalogue contained some references to smoking and some subtle imagery evoking a connection with the PM menthol *Alpine* brand, such as images from the *Alpine* sponsored women's golf event and Alpine scenery reminiscent of the *Alpine* pack. *Alpine* is almost exclusively smoked by women.

The Waves trademark steadily built up a consumer database via the catalogue and value added gifts offers with tobacco purchase. These included a cosmetic pouch, cosmetic mirror, lip liner, diaries, and stylistic salt and pepper shakers with a free extra pack. The Waves strategy became a Trojan horse from which Philip Morris could unleash the next phase in its new strategy to extend the brand's appeal to younger women.

The strategy was launched in October 2000, when Wavesnet was registered as a company and a funky Wavesnet website established (www.wavesnet.net). The website, dealing with fashion, bars, and "hip" events and products, was established by Mojo, an advertising agency managing the PM *Alpine* account.[5] A background search on the company revealed that the three directors and company secretary of Wavesnet were also directors of Mojo or of Publicis Communications, which controls Mojo.[6] A Philip Morris spokesperson confirmed to the *Herald Sun* newspaper that Philip Morris licensed the use of the Wavesnet trademark to Publicis.

The website offers free passes and drinks to people who subscribe online. Subscribers enter personal details including name, address, telephone numbers, and email address into the compulsory fields in the online registration form. For their efforts, and even if under the age of 18, they are immediately sent an email message stating in teen chatroom vernacular:

> "you're in_ wavesnet_ your member no. is_ u and friend now have_free entry_2 your state's fashion's future designer awards_ on the night_ u get_ vip status_ free drinks_ a bag_ full of free stuff_ u get 2_ rub shoulders with australia's top designers_ all u have 2 do is rock up_ and your name will b @ the door_ check out_ your state's details @_ wavesnet.net_ c u there_"

The event in question was a glamorous fashion event "Who will you be wearing next?" promoting the work of young fashion designers.

Computer terminals at the Wavesnet events allowed attendees to sign up on site. Insiders have suggested that as many as 40 000 people may be registered on the Wavesnet database. Wavesnet's general manager confirmed that there were plans to hold dance parties as well as fashion awards nights and that building up a database of members' likes and dislikes was one of the reasons for the existence of the Wavesnet website.[7]

A key element of the strategy is affinity marketing—leveraging the power of iconic "to-die-for" youth brands such as compact discs, confectionery, lingerie, and clothing with the target market. By using the Wavesnet brand and name, Philip Morris was able to keep the owners of these brands in the dark about the Philip Morris connection. When they learned of the links, all known sponsors expressed their outrage at the deception and withdrew their support.[8] The website is also linked from other sites that appeal to young women, including www.femail.com.au, that had no idea that they were in fact dealing with a company backed by Philip Morris.[9]

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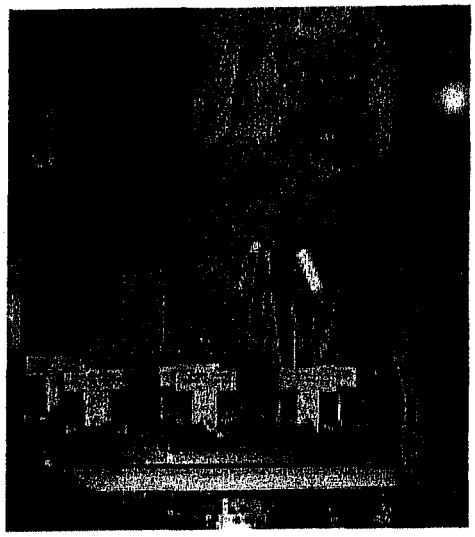


Figure 1 Making Waves. New events based marketing strategies promote a glamorous and youthful image. Photograph by Dean Martin, Adelaide Advertiser.

Neither the website nor the plethora of printed advertising materials reveals that Philip Morris pulls the strings of Wavesnet. In fact, where Philip Morris was mentioned, it was as a supporter along with several other corporate entities. There was nothing to suggest Philip Morris controls the operation. Very few, if any, attendees would be aware of the control that Philip Morris has over Wavesnet.

It is not just advertising bans the industry must counteract, but also poor public perceptions among Philip Morris' target audience. Would young people queue up to a tobacco company promotional event? Would they be willing to provide personal and identifying information to a tobacco company?

At the state final of the "Who will you be wearing next?" event in Melbourne, all attendees were given free gift packs including products from these companies which included lingerie, jewellery, herbal tea, mouse pads, magazines, CDs, and confectionery. There was an *Alpine* booth with young women dressed in *Alpine* green outfits selling the brand at about $1.50 (or about 18%) below the recommended retail price (fig 1). The venue featured extensive decorations in cigarette packet colours, while various high profile fashion identities and models were also in attendance. An unattended *Alpine* cigarette display was prominent throughout the night from which several patrons were observed taking packets, although staff assured attendees that they were not free samples, but only available for sale.

An organiser for other major events has revealed that, in return for handing over sponsorship dollars for an event on 15 December 2000, Philip Morris wanted "its corporate colours to be evident at the rave, and for cigarette sellers in fetching outfits to roam the dance floors looking for customers."[10]

Events promoters, particularly for dance parties, are receiving big support from the tobacco industry. As investigative journalists in Melbourne have revealed: "One promoter who has enjoyed British American Tobacco sponsorship for several events, says cigarette company involvement in raves keeps the punter's tickets low and the dance party scene flourishing."[11] And therefore achieves greater exposure of tobacco products to potential customers.

The future

It now appears that events marketing will remain a key element of the tobacco industry's future strategies in Australia. The gay community, young people, and rave and dance party patrons remain key targets. Quit Victoria is aware of more examples of "shelf" companies that have been established which have begun the process of marketing tobacco products at events.

Similar occurrences are now being reported in Europe, where BAT has been implicated in an internet marketing strategy that entices people to events promoted where the industry is able to expose them to their tobacco products.[11]

Vigilance in monitoring these activities that are marketed more directly to target markets is critical. Governments will now need to look at reforms that stem these practices, including bans on mobile retailing, and broader definitions of "tobacco advertisement" than have been addressed in current legislation. Restrictions should be broadened to include colours and imagery that evoke connections with tobacco brands, and electronic and audio messages, and to restrict further the display of tobacco products—ultimately banning tobacco packs from public display.

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Keep Smiling

NO ONE'S GOING TO DIE

Gerard Hastings, Lynn MacFadyen

AN ANALYSIS OF INTERNAL DOCUMENTS FROM THE TOBACCO INDUSTRY'S MAIN UK ADVERTISING AGENCIES

KEEP SMILING. NO ONE'S GOING TO DIE

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Published the Centre for Tobacco Control Research and the Tobacco Control Resource Centre

The **Centre for Tobacco Control Research** was established by the Cancer Research Campaign at the Centre for Social Marketing at the University of Strathclyde in 1999. It receives core funding from the Cancer Research Campaign. Its aims are to develop and evaluate interventions to prevent smoking and encourage cessation; to investigate the effects of tobacco marketing; and to evaluate tobacco control policies and their effect on smoking. The CTCR is directed by Prof. Gerard Hastings.

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Foreword

This report makes shocking reading. It shows how powerful and cynical marketing campaigns have been used by the tobacco industry to encourage people to start and continue smoking. Every possible channel of communication is pressed to the cause, from conventional advertising and sports sponsorship to the internet and innovative shop displays. Other aspects of marketing such as the pack, pricing and even product design itself, are used at every opportunity to enhance the appeal of tobacco. Vulnerable groups such as the young and the poor are favourite targets. Voluntary agreements and government public health policy are treated with equal contempt.

Perhaps most shocking of all is that this damning evidence comes, not from new research by the public health community, but from the industry's own advertising agencies. This report highlights some of the more flagrant marketing activities, revealed when thousands of pages of internal business documents were released at the behest of the United Kingdom Health Committee Inquiry into the Tobacco Industry. And in all these pages there is not one hint of ethical concern or moral doubt. The naked pursuit of profit and market share overrides all qualms.

The policy response must be swift, firm and comprehensive. At a national level, this report underlines the need for a Tobacco Regulatory Authority, as recommended by the Health Committee, which I chair, with the statutory powers and flexibility to control all aspects of tobacco marketing. The Authority will play a leading role in the European arena, where the importance of tobacco control has already recognised.

On a global level, this report provides vital evidence of the pressing need for an international public health treaty to restrict the transnational predations of the tobacco industry. The Committee stressed its support for the proposed World Health Organisation Framework Convention on Tobacco Control, and its concern that the tobacco epidemic is increasingly being exported to the developing world. This report confirms that the tobacco pandemic is being driven by the industry's marketing of this deadly product, that their commercial hunger will always defeat voluntary solutions, and that strictly enforced statutory controls are the only answer in reducing the terrible toll of illness and death caused by tobacco.

David Hinchcliffe, MP

Introduction

As part of their investigation into the conduct of the UK tobacco industry, the House of Commons Health Committee obtained access to the internal documents of the industry's advertising agencies. The Centre for Tobacco Control Research (CTCR), at the University of Strathclyde was asked to analyse these documents and prepare a report for the Committee's investigation. This document presents the key findings from that report.

The Committee identified the five main advertising agencies responsible for the output of tobacco advertising in the UK: CDP, M&C Saatchi, Mustoe Merriman Herring and Levy, TBWA GCT Simons Palmer Limited and Lowe Howard-Spink. On the CTCR's advice, the Committee requested a range of documents from the advertising agencies, including: contact reports between client and agency, client briefs, creative briefs, media briefs, media schedules, advertising budgets, market research reports and any documents which made links to other forms of marketing communication or strategy. This request produced 16 large boxes of documents.

These documents were analysed qualitatively around seven recurring themes:

- The impact of advertising on consumption as well as brand share.
- Response to Government policy and regulation.
- Targeting the young and the promotion of brand imagery.
- The role of marketing.
- Sponsorship.
- Offensive practices.
- Health issues.

The findings from this analysis are contained in this report and include direct quotes taken from the original documents.

Summary

The House of Commons Health Committee obtained a range of documents from five of the advertising agencies which have accounts with the UK tobacco industry. These provide a unique glimpse into the mindset and tactics of both tobacco advertisers and their clients.

The title of this report comes from the gung ho signing off in a letter[1] from one of the ad agencies to its client. Its tone perfectly captures that of the documents: a mixture of ebullience and cynicism. Ethical doubts are never acknowledged; health problems are rarely mentioned, except to determine how consumer concerns can be minimised and sublimated; regulation is seen as providing minimum standards that should be pushed as much as possible; and the prime driver for both the industry and the ad agencies is the maximising of commercial success. The enthusiasm for this last goal is palpable and raises serious questions about the acceptability of such activity given the public health consequences of smoking. It certainly discredits any potential for self regulation.

The documents establish the following key points:

1. ***The aim is to increase consumption as well as brand share.*** The notion, much vaunted by the industry, that their concern is to expand brand share, rather than a sector of the market – or the market as a whole – is exploded. The documents show how branding and consumption are inextricably linked; that individual brands will gain from market expansion – and therefore deliberate plans are made to encourage it; that efforts are made to enhance the social acceptability of smoking per se, not just particular brands; and that the industry is actively involved in increasing per capita consumption, recruiting new smokers and discouraging existing ones from quitting.

2. ***Other strategies include undermining Government policy and evading regulation.*** It is clear that considerable efforts have been made to undermine tobacco control policy. Serious consideration is given to attacking Tessa Jowell, ideas for resisting and circumventing the advertising ban are explored and campaigns that will undermine budget price rises are developed and run. These latter two activities confirm an interest in expanding consumption as well as brand share.

   The black market is a more blatant means of undermining Government policy and there is considerable evidence that the industry is at least happy to benefit from it, if not to actively encourage it.

   Voluntary codes are treated with equal cynicism. During the period covered by the documents, advertising was controlled by the Advertising Standards Authority (ASA) through its Committee on Advertising Practice (CAP). The documents make it clear that the agencies played cat and mouse with the ASA, pushing the limits and avoiding their rules when possible (for example, by advertising to UK holiday makers in Spain).

3. ***The young are a key target, and imagery is the way to reach them.*** In many instances, care is taken to refer to young adult smokers, but there is also an overwhelming recognition that young people and the "youth market" are vital to commercial success. Their lifestyles, motivations and aspirations are all the subject of detailed and continuous market research and everything possible is done to attract and retain them. Specifically, again and again, the conclusion is drawn that young people smoke for emotional reasons and that branding can meet these needs by adding aspiration, coolness and "street cred" to the product. All of this also runs completely contrary to the ASA code, which stipulates that cigarette ads should not suggest that smoking is associated with social success or play on the susceptibilities of those who are emotionally or physically vulnerable, especially the young.

   The fact that so many smokers start as children is never overtly acknowledged, but equally no concern is expressed that active marketing to sixteen year olds will also attract children. For example, the agencies know that 10 packs are bought disproportionately by the young smoker as a cheap route to premium or aspirationally branded products, typically from small independent shops. They recommend appropriate packaging and distribution strategies. We know from previous research that children also prefer top brands and buy their tobacco from small independent retailers. The obvious dangers are never even acknowledged.

4. ***The issue is marketing, not advertising.*** Even though the documents come from advertising agencies – and therefore one would expect them to emphasise the role of advertising – it is very apparent that all aspects of marketing play a crucial role in efforts to increase sales. The documents show how segments of the population are identified and then the product, its price and its distribution are all manipulated to maximise satisfaction (and hence the uptake and continuance of smoking). Advertising is only part of the communications effort that supports this, along with other tools such as the pack, POS (point of sale material) and direct mail.

No cognisance is taken of ethical questions such as target group vulnerability (the poor, students and women, for example, are all mooted) or the acceptability of creative ideas or offerings.

5. ***Sponsorship and advertising have become one.*** Sponsorship and advertising perform the same key task of promoting the all important brand images that appeal to young smokers. They are both used in the same campaigns and companies research and adjudicate on their success in exactly the same way. The only distinction drawn between the two is that sponsorship is more hidden, enabling covert or "subliminal" messages to be used. Given this, it is surprising that regulators continue to treat tobacco sponsorship and advertising differently, and extremely worrying that sponsorship will not disappear until 2006.

6. ***Insult to injury.*** Paradoxically, although marketing is supposedly about making the consumer the centre of the company's efforts, and ensuring that their satisfaction is paramount, smokers are not treated with great respect. Their intelligence is questioned, one segment (which amounts to 27% of their most loyal customers) is referred to as "slobs", and they are actively deceived.

7. ***Health issues are avoided.*** Far from warning their customers of the hazards of smoking, care is taken to avoid any association with health. For example, a New Year campaign for Hamlet had to be toned down to avoid the subject, and an idea for an ad featuring bungee jumping was felt to be 'taboo' for a tobacco manufacturer. Only in the low tar segment is health occasionally addressed, and then the emphasis is on emotional rather than rational communication – vague (and misleading) reassurance, not hard facts.

However, to return to our initial comments, perhaps the most disturbing aspect of these documents is not that they reveal unprincipled and sharp practice – reprehensible though this is – but their light hearted tone and complete absence of any ethical qualms. One quote from a creative brief epitomises this:

"What do we want this work to achieve?
We want more 18-34 year old blokes smoking B&H than ever before. We want to see these dudes ripping-up packets of Marlboro and Camel and treating them with the disdain that second rate, American filth deserves. For Christ's sake what the hell are people doing smoking brands that are made to be smoked by 'cowhands' and not by the youth of the trendiest, coolest, most happening country in the world. In many ways this brief is really a charity brief. Trying to help people recognise the error of their ways, thinking they are being cool smoking what Roy bloody Rogers smoked and opening their eyes to the unchallengeable truth that the coolest smoke in the world is a B&H.

We want to see Great, British B&H in the Ben Sherman shirt pockets of Brit-popped, dance-crazed, Tequila drinking, Nike kicking, Fast Show watching, Loaded reading, Babe pulling, young gentlemen.

So what we need is the coolest, most exciting, white knuckle ride of a campaign ever."[2]

One is left with the inescapable conclusion, that given the greatest threat to public health this country has faced since the great plague, these people are having fun, making money and showing absolutely no concern for the consequences of their actions.

1. Consumption as well as brand share

Committee on Advertising Practice (CAP) rules state that advertisers should not encourage consumption either by expanding the number of smokers or increasing the amount each individual smokes. In addition, the tobacco manufacturers have long claimed that their interest is in brand share and switching, not expanding the market, encouraging uptake, increasing per capita consumption or discouraging cessation. However the documents show these claims to be disingenuous.

First, as detailed elsewhere in this report, the documents make it clear time and again that people, especially young people, smoke for emotional reasons, and that branding is being used to cater for these needs. For example, it provides reassurance to the health conscious feeling guilty about their smoking (Section 7) or the poor, anxious about having to trade down to a cheap brand (Section 2). It also adds positive associations to tobacco that are particularly attractive to the young (Section 3).

In each of these instances the effect is not just to increase the appeal of a particular brand, but of smoking per se. It provides the smoker – and would be smoker – with palpable benefits for taking up or continuing with the habit. Put simply, branding increases consumption.

There is also evidence of specific campaigns that are deliberately designed to support the idea of smoking, rather than individual brands.

For example, a document produced for Japan Tobacco regretted the fact that "The smoker is under siege" and suggested a campaign that would promote the idea that:

"Smoking can be a delight for everyone if it is done right."[3]

Their aim was to:

"...make a statement showing their support for smokers. They want to communicate to both smokers and non smokers alike showing that if sense is allowed to prevail life will be the better for everyone."[4]

Similarly, a campaign supporting smokers' rights and undermining antismoking activity is described.

"Young adult smokers as a group feel victimised by the anti-smoking lobby – bans in public places and annual price rises are constant complaints. Active support for smokers' rights is likely to be popular among this group."[5]

And the contribution of their other, brand specific, advertising to this defence of smoking is recognised.

"..as smokers become more and more persecuted, they look to advertising as a friend."[6]

This desire for market expansion is overtly acknowledged in some less cautious moments. A report on the cigar market emphasises the need for *"...reinvigoration of the cigar market"*

It goes on to state that:

"There needs to be an attitudinal shift towards cigars, from a target group who are otherwise put off by 1. a product that is too difficult to trial and 2. the image baggage that the market has to date."[7]

And suggests lessons can be learned from the cognac market where there has been:

"...a fundamental shift in the gravity of the market and the image of the sector as a whole."[7]

The encouraging example of the USA is also highlighted:

"The USA has shown that it is possible in a post-tobacco ban world to reinvigorate a tobacco market."[7]

Finally the report concludes:

"It is clear that there is a requirement for a reinvigoration of the cigar market. To create that we have shown that there must be a fundamental shift in the attitudes of consumers to cigars, plus a move to make the centre of gravity of that market younger.

Without this reinvigoration we will continue to see a decline in the size of the cigar market, which will hurt all brands but particularly Hamlet (as the one relying most on the full spectrum of the market). From a selfish point of view we are also exposed to

another manufacturer carrying out that reinvigoration and stealing a march on Gallaher."[7]

This thinking is transferred to brand strategy. When discussing Hamlet they lament the *"disappearance of tobacco culture"* and talk about ensuring *"that Hamlet remains part of the fabric of every day lives"*. This feeds directly into strategy:

- "We have to step up our presence amongst younger and potential cigar smokers
- If we don't do this now, we will probably lose a whole generation of smokers, hastening the decline of the market and our brand
- Cinema offers us a very powerful tool in bringing in new cigar smokers
- It meets our overall brief for Hamlet and it's advertising:
  'Ensure people keep thinking about cigars ..., [creating] advertising that is a talking point'"[8]

Recruiting new smokers is also a key part of Hamlet's strategy, a task made more difficult by the disappearance of cigar advertising from television in 1991:

"With the lack of tv we haven't been able to keep up the interest in cigar smoking for ***potential recruits****"*[8]

"Much of Hamlet's success is based on ***getting people young****"*[8]
"Gaining a disproportionately large share of ***new recruits to the market*** *is a key element in hamlet's success"*[8]

The documents reveal that the development of Hamlet Extra Mild Cigars was tailored to the needs of cigarette smokers thinking of quitting and health conscious cigar smokers.

"There is some further evidence that enhances the chance of Hamlet extra mild having specific appeal to these smokers.....These are cigarette smokers looking to move away from cigarettes and considering cigars as an alternative."[9]

- "As the majority of cigar smokers previously smoked cigarettes, many will associate extra mild with a step on the way to giving up
- If you're in this mindset then there is a good chance of you being drawn to Extra Mild."[9]

It is clear that retaining cigarette smokers who want to quit is considered as commercial success.

- "Of people trying to give up cigarettes 8.27% smoke cigars
- Of these people 73.64% smoke Hamlet
- It's vital for us to maintain this level of success"[9]

The papers also reveal that active attempts are made to increase the amount each smoker consumes, regretting that *"people are missing the triggers to smoke a Hamlet"* and emphasising the need *"to get people when they might smoke a Hamlet"*.

"If the bar only stocks single cigars, the customer only buys one. However, by stocking packs of 5 cigars, there is a chance that he may buy 5.
We want them to restart stocking packs of Hamlet, not just individual cigars."[10]

Turning to cigarettes, clear attempts are also being made both to attract "new entrants" and retain potential quitters. New entrants or starters are seen as a crucial sector and success here is carefully monitored. For example, a drop in their numbers is a threat to Silk Cut, while L&B (Lambert & Butler) and Marlboro Lights are envied for their success among this sector.

"The only economy brand to feature significantly in the list of new starter brands is L&B, which has improved its share of this group by over 2% (to 9.5%) since 1997. If this rate of growth persists, it can be expected that the proportion of new starters smoking an economy brand will show some growth in the future"[11]

"43% of ***new entrants*** *smoke low tar brands compared with 27% of all smokers. Premium brands account for 63% of new entrants compared with just 51% of all smokers, primarily at the expense of the midprice sector.*

*In 1996 Silk Cut KS was the biggest low tar brand among new entrants by a substantial margin. In 1996/7, the brand's share of **new entrants** has fallen to almost half its 1996 level – 6.0% from 11.2%. Qualitative research has repeatedly identified Silk Cut KS as dated and with an increasingly unappealing image. The brands decline among **new entrants** can perhaps be explained by the heavy presence of young adults for whom image is an important consideration. The same rationale can be used to explain the continued strength of Marlboro Lights which is the main brand for 7.3% of **new entrants** compared with 3.1% of all smokers."*[12]

*"Marlboro Medium is growing among young adult smokers in terms of main brand and occasional usage as well as **first time trial**. The challenge is to improve awareness of the variant and therefore **drive adoption forward**."*[5]

*"Ultra has yet to demonstrate a consistent ability to **attract new smokers**. The key question is "can we expect the brand to appeal to **new entrants** – or is there a positioning that we can adopt that makes the brand more attractive to **entrants**?"*[13]

*"More people, as a percentage of the population smoke in the north. For people entering the market, it is a fairly normal market to be entering – nothing special – and you are likelier to go into the market and adopt the brands that are already prominent. Hence the big brand gets more than it's fair share of **recruitment** because people see no problem in adopting it. Where smoking isn't so prevalent, as in the south, there's more of a choice to make because people probably aren't aware which brand is the brand leader. Brand size therefore doesn't automatically give you a massive share of **recruits**."*[14]

At the other end of the smoker's career the desire is to retain smokers. Cessation is a threat and low tar options backed by reassuring imagery can fend it off:

*"In conclusion, the 'threat' to the existing smoker base for the brand seems more likely to come from a desire **to give up smoking** (which is more strongly held by the SCUL [Silk Cut Ultra Light] smokers than the SCEM [Silk Cut Extra Mild] smokers), rather than from competitor brands."*[15]

"Indeed, it is the very low tar level of SCUL and its perceived less harmful affect on health which explains the high opinion held by users of their brand. This is supported by the brand's imagery with the high association with 'health conscious people'."[15]

*"A minority saw low tar cigarettes as a stage on the way to quitting smoking .... However, more common was a sense that low tar was a way of **making quitting less urgent or necessary**"*[15]

"Who are we talking to?
Mainly more upmarket women who want to give up and believe they will. But they still enjoy the ritual and the "hit".[17]

2. Undermining Government policy and evading regulation

The Government

The prospect of a Labour Government, the ad ban and budget increases in tobacco tax are all lamented, and steps are taken to limit their effect.

One brainstorming session generated the idea of attacking Tessa Jowell and "positioning her as the minister of bans".

"Possible Routes
1. Undermine Jowell, position her as the Minister of Bans, undemocratic and rash/ hasty decisions. Undermine other supporters eg. Branson (cite connections with Rizla/Virgin)"[18]

In the Committee sessions, the representative from M&C Saatchi dismissed this as part of an agency "brainstorm", one of "a list of ideas", none of which "saw the light of day"[19].

However, the papers show that a range of such ideas (see Figure 1) were taken into consumer research and one directly attacking Tessa Jowell was only dropped because it did not work[20].

Figure 1: Anti-Government advertising concepts taken into consumer research[21]

The restriction on cigarettes is just the beginning
How soon will it be before the government starts to interfere in other areas of our lives?

Soon all foods that are potentially 'dangerous' (like butter, coffee and sugar) may be restricted in the same way as cigarettes are.

Will restrictions on cigarettes be limited to marketing?
Although the government is only talking about restricting marketing on cigarettes at the moment, we may well see other restrictions soon.

Are smokers going to be forced to buy cigarettes in plain packs, and hide them from view like criminals?

Smokers are being used as pawns in a political power struggle
Tessa Jowell believes that the tobacco issue is her ticket to the top. She knows that public support is her key to success.

So far, in her quest for power, she has increased the harshness of any proposed marketing ban at every stage and presented a biased case.

The Government is restricting our rights to freedom of speech
Any potential marketing ban imposed by the government is a denial of the right to free commercial speech.

Even extreme political parties are given this basic liberty, which is going to be denied the tobacco industry.

In a similar vein, another campaign deliberately set out to attack the Government.

*"The purpose of this advertising is to ensure that people are made aware of the, in effect, closing date for Gratis, and in so doing lay down some ground work **deflecting people's anger towards the Government** and not at their brand."*[22]

Deliberate attempts are also made to minimise the impact of specific policies. A report details techniques used to circumvent bans in other countries:

"To illustrate how some manufacturers have continued to present brand names to their customers through brand name diversification's on non-tobacco products, innovative point of sale marketing, and creative sponsorships."[23]

"Manufacturers responded to the ban by reinforcing their relationships with retailers to ensure a competitive edge in product placement, merchandising and point of sale. Retailer contact strategies were reviewed, and salesforces strengthened. Advertising in trade magazines was increased and direct mail to retailers introduced."[23]

"Even in the presence of an advertising ban it is possible, through intensive point of sale efforts, price discounting and use of new communications media (see Appendix), to reinforce the image of existing brands with the consumer and to launch new brands, eg. Price, L&M, Horizon."[23]

Efforts are made to maximise activity before the ban takes effect and to ensure marketing communications continue afterwards:

"On December 10th 1999 all cigarette advertising will be banned in the UK. Any plans to launch new brands must be brought forward to beat the deadline. With this in mind Imperial Tobacco are launching a new low price brand called Richmond. Our task is to make a big splash in the last five weeks before the run out."[24]

"Imperial has the machine technology to print high quality images on the cellophane wraps but to date the technology has been under-utilised. We want to look at making the current L&B campaign work using the pack outer as our advertising medium. Yes we have looked at this before but brand advertising on packs was one of a number of requirements and we only came up with a couple of designs. They want to concentrate on this area alone as it will become very important after the ad ban."[25]

"B&H sell over 2 million packets a day (and there haven't been 1 million days since Jesus was born...!) Even with a market decline of 2% per year this still means B&H will remain a huge business for at least 260 years....why should they stop marketing their products simply because advertising is banned?"[21]

"Agency presented ideas for advertising and non-advertising solutions post ad ban. Client requested that Agency concentrate on non-advertising solutions creating a direct dialogue with Sovereign smokers and smokers of competitive brands, Client agreed to investigate ideas presented and advise Agency if they are required to progress with any thoughts."[26]

The budget increases in excise duty are also undermined with carefully timed mail shots and price related advertising:

"The role of the mailing is to 'disguise' the duty increase (15p) on a packet of fags."[27]

"If we do our job properly then Mayfair should be able to attract more smokers in the post-budget period which is when people are most aware of the costs of their smoking."
"It is strongly skewed to C2DEs."[28]

"Many people decide to switch to brands such as Mayfair when the budget puts up the price of cigarettes – Dec, Jan. We wish to advertise before this period, to maximise the numbers who take up Mayfair. This means that the task of the campaign will be to position Mayfair as the best value brand in

the market. Being a positioning job means that the advertising will need to be more than simply a packshot and a price flash."[29]

Branding is used to make cheap and inferior products more appealing:

"They are uncomfortable with repeated reminders that they are smoking a cheap cigarette. Almost all would rather be smoking a premium brand, and all know (because it is obvious) that a cheaper product is an inferior product. Thus, anything which implies quality is gratefully received."[30]

And this despite their clear admission that higher taxes reduce overall market size:

"High taxation appears to affect overall market size more seriously than advertising restrictions, and precipitates price discounting among manufacturers."[23]

However, perhaps more contentious than any of these areas is an apparent willingness to exploit bootlegging as a part of their marketing strategies for 'roll your own' (RYO) tobacco.

Access to the bootlegger is crucial to sales:

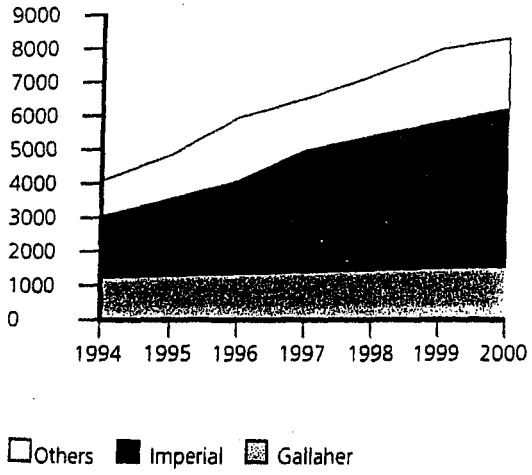
- *"But many, the majority even, are buying at "Duty Free" prices:*
  - *often £3 instead of £8 for 50g*
  - *less than a packet of cigarettes*
- *A considerable number of respondents had clearly tapped into a regular supplier:*
  - *this availability seems to benefit Golden Virginia rather than Old Holborn"*[31]

"Bootleggers (who account for over 70% of the market in most areas) only bother with big brands – Old Holborn and Golden Virginia. We need to ***create a demand*** *for Amber Leaf among the newer, younger consumers to encourage both shop purchase and a* ***willingness among bootleggers*** *to sell Amber Leaf."*[32]

This last observation is dramatically born out by a presentation that breaks down smuggled tobacco by tobacco company and clearly identifies bootleggers in Belgium as a route into the UK market (see Figure 2).

Figure 2: Marketing to bootleggers

UK RYO VOLUME FORECAST
(DUTY PAID +BOOTLEG)



AMBER LEAF
- Gaining share of Duty Paid
- Not chosen by bootleggers
- Product liked by G.V. [Golden Virginia] smokers
- New packaging next month

AMBER LEAF
KEY ISSUES
- UK Distribution
- Adoption by bootleggers
- Awareness and trial
- Brand Positioning

AMBER LEAF
A Co-ordinated Approach
- Trial through bootleggers and Duty Free
- UK promotion/direct mail
- Packaging changes
- Media

AMBER LEAF
Belgium
- Introduction of 50g new design from January 1998
- Introduction of 25g pack from April 1998
- Free papers available (boxed) from April 1998

Duty Free
- Promotions, probably March/April/May using free tin 'kit'?

Voluntary regulation

Not surprisingly, given this rather cavalier attitude to government policy and statutory regulation, the voluntary codes of the ASA also come in for some cynical treatment. Various references are made to "stepping close to the legal rulings", "pushing the ASA" and "sailing very close to the wind", and the strategies proposed clearly deserve these labels:

"Stepping close to the legal rulings this technique has proven to be very successful for Gallagher recently when they have run the attached two ads to generate trial for King Size and Sobrani respectively."[21]

Suggestions for Formula 1 try to sneak parts of the 'B&H Special Filter' name and logo into camera shot and even the Jordan logo, pushing copyright law as well as tobacco regulations in the process.

"As you will see we have a couple of thoughts:

1) We feel if we can legally say the words "A Special F1" [as in Special Filter] then we could utilise the area behind the driver's head – as you see – to attempt to get a little closer to more "overtly" implying the brand on the car. Do you think we could get this past the various legal bodies? If Rothman's can get away with "racing" in the brand typeface, I think we may have a case.

2) We wonder if you could slightly corrupt the Jordan logo to include a large "ampersand" [from B&H]. I think this will be sailing very close to the wind. Our reasoning for suggesting it is that the ampersand is not actually part of your logo though if it were to appear I believe people would recognise it as being so."[34]

"This is to confirm that we (B&H account team) have asked Noel to come up with some implicit branding options for the Jordan team Formula 1 cars for the French Grand Prix. The reason being that all cigarette branding must be removed to comply with Government Regulations."[35]

"Thought should also be given to style press specific concepts. Gallaher are keen to develop a B&H conversation with this target. Therefore scenarios and people (as young as we can push them with the ASA) to appeal to the 20-25 year olds should be considered."[36]

One obvious way to avoid the ASA altogether is to advertise to their customers (and potential customers) when they are outside the UK:

"Rules and Regs considerably restrict what we can do in the UK – particularly with dialogue and wardrobe but Rules don't apply outside the UK. There are some very good media opportunities targeting UK consumers abroad, particularly aimed at holiday charter flight traffic. We want some executions using our characters that don't need to go through CAP's vigorous approval process that can be tailored to British smokers abroad many of whom will be buying duty free....."[37]

"Because we are advertising outside the UK we don't have to worry about CAP approval. We can therefore be more flexible with dialogue, props and wardrobe."[38]

"Most of the national dailies have weekly versions, but these are targeted at expatriates rather than holidaymakers. Only The Sun produces a Spanish daily edition, with a circulation of about 30-40,000.
They claim that about 75% of British newspapers read in Spain are The Sun and the News of the World."[39]

"Roadside billboards ... It's not really feasible to cover off all the individual resorts as they are strung out along the entire Mediterranean cost. The following regions could be prioritised"[39]

However, the most blatant transgressions against ASA guidelines come in their clear desire to expand the market (Section 1), and their use of imagery to target and appeal to the young (Section 3).

3. Image and youth

Tobacco advertisers are not allowed to target those under 16, and the tobacco industry loudly protests that their interest is only in adults. In many of the documents, great care is taken to use the phrase 'young adult smokers'. However, at other times more general terms such as 'young people' and the 'youth market' are used. Furthermore, there is evidence of market research being done with people as young as 15 years. Figure 3 shows a reanalysis of 'TGI' data (a standard industry resource that is bought on a subscription basis by many advertising agencies) to provide a detailed picture of the values and aspirations of Silk Cut smokers. The original sample included 15 year olds.

Figure 3: Market research with 15 year olds[40]

A reanalysis of TGI data, providing details of the values and aspirations of Silk Cut smokers. The sample included 15 year olds.

SILK CUT – AGE SPLITS

15-35 YEAR OLDS

- Younger Silk Cut smokers are much more like their peer group than all smokers:
- Slightly higher on societies core values – less Inner Directed

35-65+ YEAR OLDS

- Again all 35+ year olds who smoke are very Sustenance Driven with a strong Outer Directed pull. This pull will be partly caused by the rejection of core society values embodied by the Belongers.
- Silk Cut smokers over 35 are more Sustenance Driven, looking very like their peer group. Androgeny and excitement the only Inner Directed values perhaps link in with older values associated with cigarette smoking.

PORTRAIT OF SILK CUT SMOKERS

15-35 YEAR OLDS

- The are watching a whole host of TV, dipping into a wide variety of types of programmes.
- 80% of them watch the news with only the Conspicuous Consumers being under represented in this area.
- Sport (General and Specialist), films (recent and old) and detective series are watched by them all. The Sustenance Driven watching more films and drama than the rest.
- Soaps and sit coms are also watched especially by the Conspicuous Consumers.
- Travel Programme

As a group they particularly enjoy:

- Sport
- Soaps
- Sit coms and satirical comedy
- Films

Whether the industry is deliberately targeting young people under 16 will remain a matter for dispute. However, the documents do make clear that smoking among the young is as much about image as about product attributes. Smoking is recognised as a 'rite of passage', with youngsters looking for reassurance and an identity.

"To smoke Marlboro Lights represents having passed a rite of passage, ie. it is not something done by immature smokers. Neither is it smoked by older people, unlike Silk Cut which is seen as being fit for all. Silk Cut's universality of appeal is a problem for younger smokers for it means the brand lacks sufficient "street cred"."[41]

*"Young adult smokers are **looking for reassurance** that they are doing the right thing, and cigarettes is no exception. Any break with a brand's heritage must be carefully considered in order not to throw doubt into the minds of young adult smokers."*[5]

*"Young adult smokers are also **searching for an identity**. Cigarettes have a key role to play as they are an ever-present statement of identity. By inference, if a brand of cigarettes does not convey much in the way of image values, there may well be little reason for a young adult smoker to persist with or adopt the brand. Strong image values can help establish an identity, weak image values are of no use."*[5]

- *"...new smokers...*
- *Smoking for these people is still a badge. A sign of maturity, discernment and independence."*[42]

"Younger smokers give more weight to imagery of cigarettes and pay more attention and are open to fashionable brands and up-to-date designs."[43]

"What did 1995 B&H SF advertising need to achieve?

- *Cement the brand into the repertoire of the experimental smoker"*[44]

"4. The success of Marlboro Lights derives from its being:
The aspirational lifestyle brand

- *"cool", everybody's smoking it in bars & clubs image*
- *The Diet Coke of cigarettes"*[45]

Successful brands – most notably Marlboro Lights – exploit these emotional needs and insecurities.

"To be successful any Gallaher brand will have to tackle Marlboro's coolness of image – smokers do smoke the image as well as the taste. B&H could try to leverage a more British Street Cool image, whilst Silk Cut could utilise a more European, stylish outlook. What I think would be very important in any further research is that we devote as much time to these questions of potential brand imagery, as to points over product and taste."[46]

- *"Chic, foreign "Cafe, wine bar, cosmopolitan"*
- *Younger, aspirational, "Much more interesting for the young like Marlboro"*
- *Like Marlboro Lights in particular? (Marlboro "feel" with Lights product values)"*[47]

"If everyone else is doing it you don't want to stick out. It's a fashion thing .... in the pubs you're all in big groups with your Hooches and Marlboro Lights"[48]

"What I would add is that there is a definite sub-culture among younger r.y.o smokers, and I believe their desire to display their exclusivity could be supported by provision of unusually desired "badges" such as (transparent?) Raw lighters and rolling machines. This will enable them to differentiate themselves from uncool, older GV smokers, who I suspect would not be particularly motivated to buy the product by either the advertising or the packaging."[49]

"Mike
We have been approached by Branded Youth, a below-the-line agency that specialises in brand development in association with the clubbing culture. We think that they could be quite useful given your promotional efforts within the 18-24 market. A very brief summary of their activities is attached. If you are interested, we would be happy to take this further on your behalf."[50]

As one creative brief evocatively put it:

"....How do we want to change what people think, feel or know? We want to engage their aspirations and fantasies – 'I'd like to be there, do that, own that'."[51]

Failure to "engage their aspirations" causes alarm:

"The imagery surrounding Silk Cut remains unaspirational for the style conscious, and also more mainstream: it is female, glossy, chic and glamorous. User imagery has become the very young (starter cigarette) and middle aged (part time, health freak, not a real smoker)."[52]

Detailed and typically qualitative market research is therefore conducted:

"Since 1996, an annual qualitative project has been conducted, looking into the lifestyles, hopes, fears and motivations of young adult smokers. Although all respondents are smokers, the information is much broader than smoking behaviour. The insight it provides into what is important to young adult smokers can be of great value to brand marketers."[5]

"iii) To track the image of Marlboro and key competitors and develop a measure of brand involvement.
iv) To evaluate smokers' relationships with brands.
v) To separately identify the effect of Marlboro's sponsorship of the Ferrari Formula 1 team on the overall effectiveness of Marlboro advertising."[53]

"To track the image of Marlboro against a set of key competitor brands using a number of image statements and a measure of brand involvement."[54]

This research guides the development of "image building" campaigns:

*"The other notable increase is for L&B, for which spontaneous advertising awareness increased from 1% in 1996 to 6% in 1997. Again, this will be the result of the heavy ATL (ie. advertising) support the brand has received, particularly since the introduction of the current **image building campaign.**"* [5]

*"A surreal campaign for the 1990's. Simple, beautiful images reflecting the **aspirational qualities of B&H**."*[55]

"Position Ultra as a modern, contemporary cigarette for (especially) younger adult smokers"[56]

These campaigns then provide appropriate psychological support to the young smoker.

"Historically 'the' premium brand was Benson and Hedges
Losing this badge for 18-24 year old smokers, is likely to increase decline
This brand needs an infusion of style, coolness and aspiration
Our objective is to produce a piece of communications that will boost B&H's image with style conscious 18-24's"[57]

"The client is adamant that she wants the shot to mirror the original, primarily because it researched so well against the younger style press target."[58]

"Overall, 44% of young adult smokers choose one of just three brands – B&H SF, L&B KS and Regal KS – as their most often brand. For each of these brands, their share of young adult smokers is at least 50% more than their share of all smokers."[5]

"So what we need is the coolest, most exciting, white knuckle ride of a campaign ever."[2]

Media are carefully selected to ensure that these emotional benefits get through their young target.

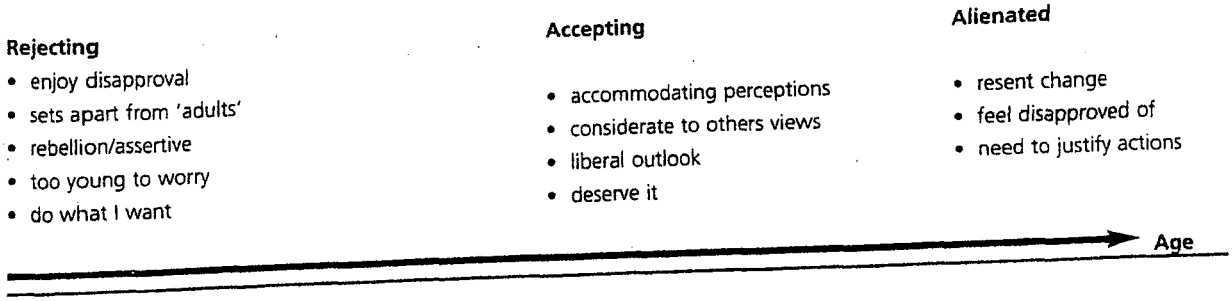
"The first key observation about spontaneous brand awareness among young adult smokers is that this group is generally better aware of the brands on the market. For example, 77% of all smokers were spontaneously aware of B&H in 1997, compared with 86% of young adult smokers. This can be explained partly by the amount of activity which is targeted at young adult smokers within the industry."[5]

"In this case we would recommend taking space in the mainstream youth titles and running the 'Celebration' campaign"[59]

"The most likely ATL [advertising] spend will be against the younger smokers ... ie in Young Men's Style Magazines. There is unlikely to be any money spent on posters in 1998."[60]

Furthermore, it is clear that imagery is not just important to young smokers. As noted in Sections 2 and 7, comforting associations are used to provide older smokers with reassurance about both the costs and health risks of smoking. Figure 4 shows how these needs are plotted against increasing age.

Figure 4 Brand imagery and associations vary with smokers' age[61]



Astonishingly, all this goes on despite clear CAP rules prohibiting the association of smoking with social success or any attempts to play on the susceptibilities of those who are emotionally or physically vulnerable, especially the young.

In addition, whether or not children are deliberately targeted, no consideration is given to the very obvious danger that marketing aimed at 'adults' (ie. those over 16) may actually reach those under 16. This is perhaps most apparent when the documents discuss the issue of packs of 10 cigarettes. There is a clear recognition that these are bought predominantly by young adult smokers:

"...the key bias is towards the young adult smoker, where we see 1 in 5 young adult smokers buying a 10s pack regularly and, they account for 43% of regular 10s packs buyers."[62]

In independent outlets (ie. corner shops):

"Whilst 10s packs are growing within all the trade sectors of the market, it is within the Independent Sector where we see the highest share of pack sales....79% of 10s pack sales are within the Independent sector."[62]

As a cheap route to premium brands:

"The 10s pack market is dominated by the leading brands; the top 5 brands account for 60% of 10s pack sales."[62]

"The higher penetration of regular 10s buying amongst young adult smokers may be a function of the greater acceptability of 10s packs by this age group of smokers and the fact that they are image conscious. As the laydown prices of cigarettes have increased, the younger adult smokers may have traded down to a 10s pack of a premium brand or, chosen to buy a premium 10s pack when they entered the market,

rather than buying into cheaper 20s pack of an economy brand."[62]

However, they express no concern that these brands and outlets also appeal to children, though ample independent research has shown this to be the case[63,64,65]. Chillingly, however, they do recognise that 'new entrants' to the market are likely to approach through these routes.

"Whilst this data is not completely reliable it does reinforce the picture from old BJM data in highlighting the role of the 10s pack amongst young adult smokers and potentially new entrants to the market."[62]

"If 10s packs are used as a trial pack and possibly, increasingly used as a trial pack as prices increase, then 10s packs will become a more important mechanic in the market. This may be especially true for brands targeted at the young adult smoker."[62]

The documents demonstrate very clearly the deficiencies of voluntary agreements on tobacco marketing. The tobacco industry is strongly motivated to bend or circumvent them; the documents provide many examples of this mindset and the innovative solutions it produces. In addition, the subtlety and complexity of much marketing – and especially branding – simply defy regulation. For instance, the gold colour used in so much Benson and Hedges communication is frequently acknowledged in the documents to be aspirational, yet no restrictions have ever been placed on its use.

4. Marketing, not advertising

Even though the documents come from advertising agencies – and would be therefore be expected to place particular emphasis on advertising – it is very apparent that all aspects of marketing play a crucial role in efforts to increase sales. The documents reveal a text book approach to the challenge. First, the population as a whole is divided into smaller, more homogenous segments. The viability of each group is then analysed to determine if they are suitable for targeting. Finally, customised marketing strategies are devised for those groups that hold most promise.

However, unlike text book marketing, no reference is made anywhere to the ethics of targeting particular groups or using particular strategies. This is of particular concern, as the poor, women and students all emerge as front runners.

The poor can be reached by a combination of price offerings, gift schemes and reassuring branding to make inferior products feel better:

"Typically you should aim at the downmarket smoker both male and female who will be affected most by recent price increases."[66]

"Who are we talking to:
Glasgow's smokers – they smoke because they enjoy it. They also love the gift scheme with over 50% of the Club franchise unemployed this probably explains its popularity."[67]

"They are uncomfortable with repeated reminders that they are smoking a cheap cigarette. Almost all would rather be smoking a premium brand, and all know (because it is obvious) that a cheaper product is an inferior product.
Thus, anything which implies quality is gratefully received."[30]

Women might be susceptible to their own brand:

"Smoking remains marginally female in profile, a bias which is slightly increasing ...
Women are heavier smokers of certain niche brands, but there are none which are overtly female in attitude and approach ....
Opportunity possibly exists for overtly female targeted cigarette, (perhaps tapping into female cigar smoking trend?)"[68]

Students appeal because they are image conscious, young and readily accessed through student unions and college campuses.

"Students form an important part of the Marlboro target market, particularly the Lights variant, which is claimed as the main brand by 15% of those in full time higher education (1996 data)."[21]

"Imperial have booked space for Lambert and Butler in the National Union of Students show guide. They want an L&B execution that will particularly appeal to students."[21]

"18-24s are a key target and a problem area for Gallaher
Several areas of potential could be investigated for students

- *commodity, no frills brand (discussed above)*
- *brand available only on campus*
- *retro, kitsch styling, tapping into 60s/70s/80s style nostalgia (Abba, Jo Bogie. etc)"*[68]

Having identified their target market, all forms of communication, not just advertising, are used to approach them. A list from one of the agencies gives some idea of the range of alternatives:

- *"Quality and stylish packaging.*
- *Strong PR coverage (a more difficult medium to achieve control in with cigars, than other products).*
- *Controlled editorial coverage – ie. advertorials.*
- *Product placement at relevant events etc (consider relevant associations where appropriate).*
- *Peer group endorsement – controlled at first (hopefully spontaneous in time).*
- *Investment in distribution (the right outlet as a marketing exercise).*
- *Premium pricing."*[69]

PR and sponsorship are obvious alternatives, and the similarities between sponsorship and advertising are highlighted in Section 6. At this point, it is perhaps just worth noting how innovative some of the ideas are.

"The 'pink pound' is very important to Benson & Hedges, loads of affluent adults with a generally high levels of disposable income, which is why B&H will this year be one of the principle sponsors of 'Pride '98'."[60]

"Subsequently, I thought there may be an opportunity for Gallaher – Silk Cut, B&H and Hamlet – to be exclusive cigarette and cigar suppliers to the K Group. In return the K Group would require Gallaher to pay for the 2 cigarette "girls" in the Wardour Street flagship which could be dressed in the B&H Gold colours for the year, and obviously provide a competitive price on the supply of cigarettes and cigars across all the bars. The cost to pay for these girls would be in the region of £30,000 per annum."[70]

And why is the K Group so attractive?

"Without doubt it's set to become one of the trendiest and most sought after bars in Soho. This concept is a being rolled out throughout the country and there are already K Bar's in Putney and Wimbledon and Kartouche in Chelsea, with further K-Bars planned in Chelsea and Bournemouth later in the year."[70]

Point of sale promotions are also important:

"Sovereign could offer to tile retailer's floors in black and white.
As cigarette smokers will tend to purchase a newspaper, Sovereign could take the opportunity to place branding around the paper stand or paper gantry.
There could be a tie up with a newspaper or magazine."[71]

Databases are actively being developed:

"Preparing for a post – advertising world
- *Launched 'Focus' in 1987?*
- *Database of 7,000,000+ names"*[72]

"...they will receive a pack of Hamlet Extra Mild and Gallagher will have captured their name for their database."[73]

And the potential of the internet is beginning to be exploited:

"Silk Cut have sponsored the Rugby League Challenge Cup since 198? ... This year it has been decided to develop an internet site which will provide a news and results service for the Challenge Cup."[74]

"Current perceptions
Silk Cut sponsor the Challenge Cup
Silk Cut is rather feminine, a bit old fashioned and dull."[74]

"Desired perception
Silk Cut must be smart, modern, high tech and fun if they can come up with a site like this."[74]

But perhaps the most important additional form of marketing communication is the pack itself. Its immense value as both a communication tool and a 'badge' is readily acknowledged and great care is taken to ensure that it continues to communicate the correct image.

"This brand will succeed or fail by its image, which is largely dictated by the advertising we have generated. ***The pack is pivotal to this*** *– the pack, and in particular its bright yellow colour, is the distinguishing element of the new brand – therefore our current advertising combines a dramatisation of the pack with an appropriate attitude."*[75]

"Remember this campaign has its origins in a very simple truth, the smokers of B&H when they put their pack on the pub table, will always have it noticed by their friends. ***It is their badge and all we are trying to do is celebrate it."***[76]

"...the easiest way to communicate with current smokers is through the ***pack*** *and through our extensive direct communications activities..."*[77]

"Utilise modern printing techniques to the full by coming up with ways to use the pack outer as an advertising medium for Lambert and Butler. Make the L&B pack really stand out at point of sale against the competition."[25]

"Reactions to alternative label designs

- Coloured labels tend to be seen as younger, for kids, like sweetie labels, cheap; comparisons made with alcopop brands (Hooch)
- rolit like a pack of condoms or a "lite" chocolate/Options drink
- rolit branding looked young
  - like sweets, Love Hearts, Refreshers
  - similar approach to some of alcopop drinks"[31]

"Cigarette packs are still considered to be **badges**, albeit that the cigarettes themselves seem to be losing a large amount of the glamour and aspiration that used to be associated with them."[78]

When the pack shows signs of weakness, redesign is quick to follow:

"Club is loosing share, primarily to Lambert & Butler. These losses are most apparent amongst 18-44 year olds. Research identified that this group found the packaging old and boring – **so the pack has been redesigned**, (see attached) on top of this Gallaher have decided to (in effect) drop the RRP by swallowing the Governments 21p duty increase."[60]

However, efforts to meet the needs of these groups do not stop at communication. Pricing, distribution and the product design itself all play their part. Cheap products are offered to low income smokers (see above) and the impact of price on brand perception is recognised.

"As laydown price becomes more of an issue, Royals cannot rely on its '24 for price of 20' position among young adult smokers. There is a real danger that the brand will miss out on the transfer to the economy sector unless the 20s format can be built into a credible proposition. Awareness and availability are also key issues."[5]

Effective distribution delivers convenience, and good relationships with retailers ensure that their brands are pushed.

"Research over recent years has shown that one of the values most important to young adult smokers is 'convenience'. This means that young adult smokers find it much more important than the smoking population as a whole that things are easy to do, or buy. They want (and feel entitled to get) what they want, where they want it, when they want it .... From a R(UK) perspective, it is clearly important to maintain as much range-stocking as possible to retain these young adult smokers who find another variant acceptable on an occasional basis."[5]

"Against this backdrop, Cognition has conducted research amongst independent retailers in order to inform the development of Gallaher's communications with independent retailers. The global objective of this research is to aid the optimisation of these communications, as a step towards maximising sell through the independent sector."[79]

"To identify perceptions of Gallaher in terms of broad corporate profile and how this is communicated/reflected through direct marketing, specifically with the aim of **enhancing brand advocacy.**"[79]

Finally, the product itself has a powerful marketing function:

"Smokers buy cigarettes frequently. They carry their brand around with them and see other brands constantly. The product is the **prime** means of communicating a change. The position that Berkeley finds itself in makes looking at the product, as a means of communication, we believe, an important area, certainly worth consideration."[60]

And new product development ideas ensure that it will evolve, and so continue to provide appropriate aspirational and pharmacological benefits. Witness, for example the development of Hamlet Extra Mild to target quitters discussed in Section 1. Other ideas include an 'Expresso' cigarette to fit new 'café culture', a lads cigarette (complete with page 3 imagery) and Scottish and Welsh cigarettes to exploit devolution.

"EXPRESSO

- *Pressure on smokers (allowable smoking areas, perceived antisociability of the ritual etc.) leads to need for concentrated "hit" – quick and unobtrusive cigarette*
- *Need for credible urban, urbane cigarette brand in tune with 90s smoking-friendly arenas e.g. Cafes, Bars, Street*
- *Express: concentrated quick hit (caffeine/nicotine) with young, streetwise imagery (full strength Marlboro Lights)"*[67]

"Opportunity exists, therefore, for a male targeted brand, perhaps co-branded with Loaded or with scantily clad women on the cigarette paper!"[68]

"Both Scotland (index 90 despite Kensitas) and Wales (87) are slightly weak areas for Gallaher
Current movement towards devolution provokes strong nationalistic sentiment
Opportunity for nationalistic (but not jingoistic) cigarette seems to exist)"[66]

The fact that some of these suggestions may not make it to market – or indeed may be technically impossible – is beside the point. What emerges is a world in which every idea, every device is harnessed to meet company needs: more smoking by more people. Removing advertising only scratches the surface of this activity.

5. Sponsorship

Sponsorship, whether of sporting or other events, is treated differently from advertising in the UK Government White Paper 'Smoking Kills'. However, the documents show that the two have in fact become indistinguishable.

The prime purpose of sponsorship, like advertising, is to create and bolster the all important brand images that are used to meet the emotional needs of smokers, especially of young smokers. Events are chosen for their potential in this area. Careful consumer research is carried out to examine the image of particular sports, and the most appropriate and influential ones are then selected.

Perhaps the most blatant example of this (and the most worrying, given that it is due to continue until 2006) is sponsorship of Formula 1. Research conducted for Gallaher's identifies *"Formula One, Big boat sailing, Basket ball, Ice Hockey"* as "More active sports, with potential to create a more dynamic, exciting brand image" (see Figure 5, Chart 2). The image of Formula 1 is then described in more detail as *"international, glamorous, challenging, fast, furious, dangerous, living life to the full and living life on the edge"* (Figure 5, Chart 3).

The document concludes that Formula 1 can make the B&H brand more *"dynamic"*, *"macho"* and *"youthful"* (Chart 5) – flagrantly disregarding the spirit of the voluntary agreement.

Figure 5: How Formula 1 makes the B&H brand more youthful and exciting[82]

CHART 1

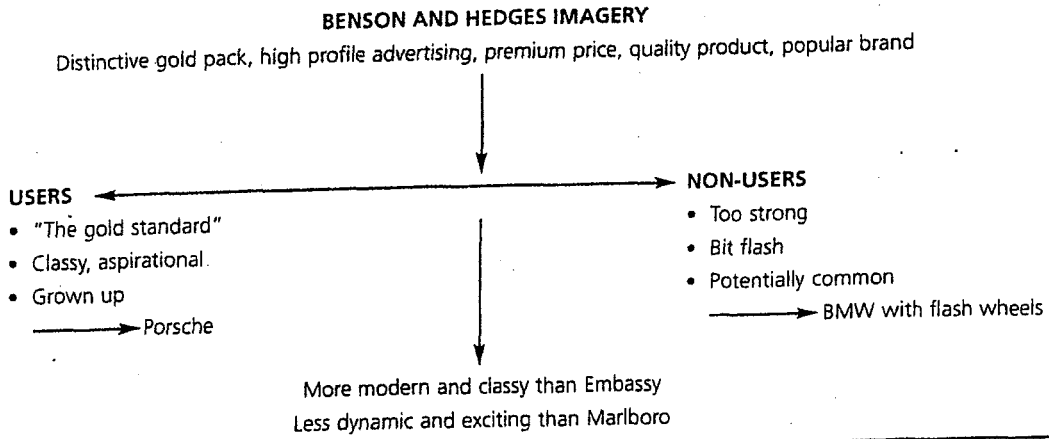


CHART 2

MORE ACTIVE SPORTS, WITH POTENTIAL TO CREATE A MORE DYNAMIC, EXCITING BRAND IMAGE

- Formula One
- Big boat sailing
- Basket ball
- Ice Hockey

LESS ACTIVE SPORTS, MORE APPROPRIATE TO REINFORCE EXISTING BRAND IMAGERY

- Darts
- Snooker
- Bowls
- Golf and cricket
- Tennis and horse riding

With the caveat that some sports are more appropriate for cigarette sponsorship than others

CHART 3

SUMMARY IMAGE OF DIFFERENT SPORTS

FORMULA ONE

- International
- Rich people, expensive sport
- Glamorous
- Challenging
- Mental fitness
- Fast, furious, dangerous
- Living life to the full
- Living life on the edge

→ Ferrari, Porsche, Lotus

CHART 4

BENSON AND HEDGES BRAND IMAGE FIT

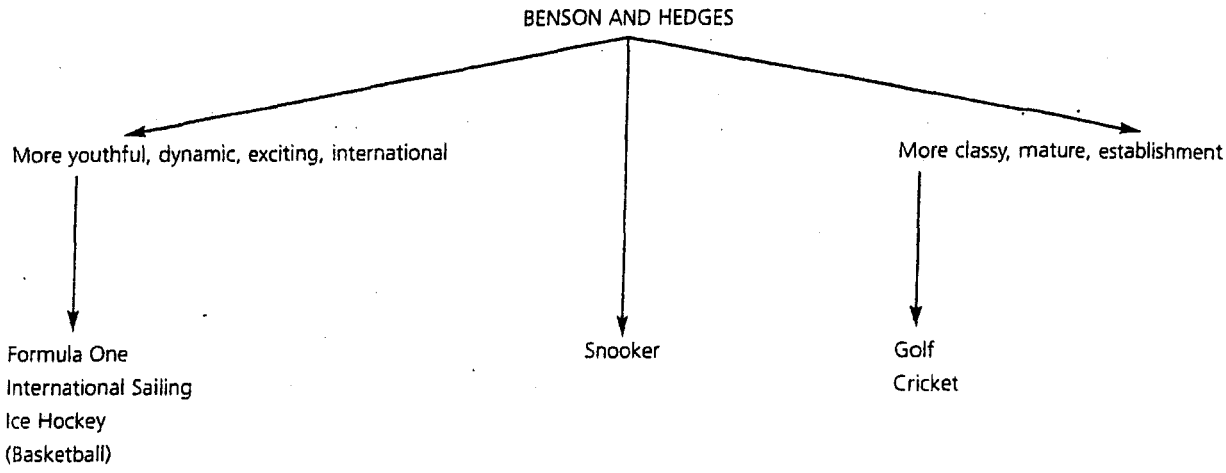


CHART 5

CONCLUSIONS

- Formula One is one of the least contentious sports for association with cigarette sponsorship, indeed there is a natural fit between the two.
- The image is dynamic, macho and international and consequently can potentially bring these image values to a brand.
- Formula One is seen to be an appropriate fit for Benson and Hedges and can help to drive the more youthful and exciting elements of the brand imagery.

A further market research report concludes, in similar vein, that F1 sponsorship makes the brand *"very powerful"* and lends *"associations with, young fast, racy, adult, exciting, aspirational, but ultimately attainable environments"*.

"Benson & Hedges sponsorship of Formula One is entirely coherent with expectations and offers the brand many opportunities to capitalise on positive associations. For instance, by sponsoring Formula One respondents claimed it made them believe that Benson & Hedges was a big, major league, very powerful brand with plenty of money. It also lent associations to the brand with young, fast, racy, adult, exciting, aspirational but attainable environments. It was coherent with all that respondents knew of the brand but also extended associative territory to make the brand more youthful, more dynamic and more exiting."[83]

The similarities between F1 sponsorship and advertising planning are overtly recognised:

"If we assume an advertising ban in 1998 we should begin to think differently.

What image do we want to leave out consumer with?

- *Gold*
- *Gold pack*
- *Quality*
- *Aspiration*
- *Class*

The premium cigarette
.... The same logic that led us to Formula One sponsorship"[84]

Other sponsorship deals are selected with equal rigour. Rugby league and the Whitbread Round the World Yacht Race make Silk Cut more adventurous and masculine.

"By celebrating Silk Cut's involvement in the Rugby League, people should think that Silk Cut is an ***exciting dynamic and less pretentious brand."***[85]

"What should they think after seeing the advertising?
That Silk Cut is sponsoring a boat in the Whitbread yacht race and, therefore, is actually quite a ***masculine, adventurous brand."***[86]

The Renaissance Silk Grand Tour (a sponsored series of night club style parties) and the mooted deal with K bars (see Section 4), offer modernity and youth.

And Hamlet's connections with Rugby:

"...exploit Hamlet smokers affinity with sport in general
And rugby in particular"[87]

The links between sponsorship and advertising are not simply that both are trying to get across the same image based messages. In addition, the two mediums are deliberately used to support each other:

"What should they think after seeing the advertising?
That Silk Cut is actually a cool brand to be seen smoking because it is enabling more Renaissance club nights .... Therefore the sponsorship advertising will need to communicate the relationship between Silk Cut and Renaissance by featuring the extensive list of gigs and by appealing to their self-image to give them some defensive ammunition."[88]

"Why are we advertising?
Silk Cut are sponsoring a boat, captained by Laurie Smith, in the next Whitbread Round the World Yacht race. In order to get maximum publicity from this event they want to place 'announcement' ads in all national newspapers that run editorial on the race – to appear next to, or near, the editorial."[88]

Furthermore, the advertisers themselves find it difficult to disentangle the effects of their sponsorship from their advertising....

"To identify separately the impact of Malboro's sponsorship of the Ferrari team on the overall effectiveness of Marlboro advertising."[54]

... not least, because the criteria for success are identical:

"Barry
As I'm sure you are aware there was excellent coverage of the new Jordan car last night on both the 9 O'Clock News and the News at Ten. The respective All Men TVRs for the bulletins were 11.8 and 14.4. If we assume that the coverage equated to a 60" commercial on each station, I've estimated the equivalent advertising value to be £185,000. When the value of additional news slots on Channel 4, Channel 5 and Sky are added in, I expect the figure would exceed £250,000.
Not bad to start off with!"[89]

The only significant difference between sponsorship and advertising that the papers acknowledge, is a disturbing one: the sales pitch in sponsorship is more hidden, enabling covert or "subliminal" messages that can get round the defences of their "wary" and media literate young targets:

"At each event the level of Silk Cut branding is intended to be subliminal, with no direct reference to Silk Cut cigarettes. However, a strong visual clue is given to the sponsor's identity by the night clubs (in which the events are staged) being 'clothed' in large areas of purple silk."[90]

"Who are we talking to?
Urban Venturers: Aged between 18-30, students/graduates just out of university, short of money but spend all they have on good nights out. They are very advertising literate, and consequently very wary of big brands latching on to aspects of their lifestyle and exploiting them. To this end Silk Cut needs to compliment the Renaissance imagery in an intriguing and stylish way."[88]

In summary, the documents show that the tasks of sponsorship and advertising are virtually identical. Of the two, sponsorship is perhaps of greater concern: it is particularly well suited to the communication of brand imagery; it is easily used to sidestep controls on advertising; and it lends itself readily to covert communication. Despite all this, it is currently treated more leniently than advertising by the regulators and, in the case of Formula 1, will remain in place for another six years.

6. Insult to injury: "These people are not rocket scientists"

Paradoxically, although marketing is supposedly about making the consumer the centre of the company's efforts, and ensuring that their satisfaction is paramount, the documents show that smokers are not always treated with great respect.

A number of cluster analyses have been conducted, dividing the market into homogenous groups preparatory to identifying target markets, as described in Section 4. The resulting groups include:

One dubbed "slobs", who amount to 27% of the market.

"CLUSTER 1 – 'Slobs'
27% of cigarette smokers, aged 18-24 years, are represented by this cluster with 71% of them being C2DEs .... Describing members of this cluster as 'Slobs' may seem unkind, but this title is particularly earnt by their low concern with their appearance and the little effort they make to keep themselves informed."[91]

*"**Slobs** ... downmarket ... less likely to have gone on to further education ... particularly found in Scotland and Midlands/Anglia. Special Filter and Club perform best ... committed smokers ... show commitment or concern about little else, eg. health, diet, appearance, promotions."*[92]

A group of "Nottingham females"were characterised as "rough, unfocussed, insecure, brazen, inarticulate"[93], and others whose intelligence is questioned:

"These people are not rocket scientists. They get frustrated by advertising that goes over their heads."[94]

"NB L&B smokers are pretty down market – anything too clever will go over their heads. The advertising needs to be kept fairly easy."[95]

*"Primarily we are talking to existing B&H smokers, who are 20-45, mass market with a male bias. They currently see smoking B&H as slightly indulgent because they know it is now considerably more expensive than other brands. What helps to keep them loyal is an **irrational belief** that in some way B&H is better than other brands."*[96]

Furthermore, on occasion, outright deception is sanctioned:

*"The attached ad is a trial generating ad for the launch of Hamlet Extra Mild. **The idea is to trick Castella Classic smokers** into applying for a free pack under the belief they will receive Classic back. In fact they will receive a pack of Hamlet Extra Mild and Gallagher will have captured their name for their database."*[74]

"Gratis Sales Promotional Advertising:
- *gifts and scheme as more desirable than it really is"*[64]

"To try and stem this flow away from B&H and regain share, we now have Gratis. This is providing people with a sense of value and should help convince people to stay with the brand."[97]

7. Avoiding the issue of health

Far from warning their customers of the hazards of smoking, the tobacco companies take care to avoid any association with the issue. For example a New Year campaign for Hamlet had to be toned down to avoid the subject:

"Gallaher do not feel that they can make overt references to health/getting healthy in their advertising for cigars.
This means that the two New Year ads presented to date need to be amended.
The press idea – Work-out calendar – focuses on health and health resolutions.
We need to move the focus away from health: *making it around an alternative single resolution or about resolutions in general.*
The radio ad had the same problem, being based in the thought of improving health in the New Year. Again we could look to go back with this ad if ***we moved the focus away from health.***"[60]

An idea to feature bungee jumping was felt to raise associations with death which would be taboo for a tobacco manufacturer:

"The difficulty with bungee Jumper from the client's point of view was that if the public followed through the logic of the execution, they would assume that a bungee jumper landing in concrete would most likely result in ***fatallty****. This as you can imagine is* ***something of a taboo area with a tobacco manufacturer.***"[98]

Similarly, efforts are made to avoid ads appearing near health related editorial:

"Agency to speak to CDP in order to ensure that Sovereign does not appear opposite health section of The Mirror in the future."[99]

The topic of health is important, especially in the low tar sector, but reference to it is very indirect and vague – emotional rather than rational. Branding, names and liveries are used to create reassuring images and associations, but hard facts are avoided.

"Indeed, it is the very low tar level of SCUL and its perceived less harmful affect on health which explains the high opinion held by users of their brand. This is supported by the brand's imagery with the high association with 'health conscious people'."[15]

"Use of white on the pack
- *White signals the low tar category*
- *Correlation between amount of white, and the tar/nicotine levels of the cigarette*

"The whiter the pack, the healthier they are"
"Looks less harmful than other brands""[100]

- *"Critical to retain key elements of Silk Cut communication:*

- low tar ("healthy"), quality and distinctiveness
(combination of gold and purple)"[100]

"As a rational proposition 1mg is vulnerable to competitive parity claims, whereas the emotional territory of "very low" is ownable as a higher-level benefit which cannot be usurped by rivals."[56]

Low tar brands are used to retain and reassure smokers concerned of the health effects of smoking.

"Who are we talking to?
The core low tar (and Silk Cut) smoker is female (though males are by no means to be ignored), upmarket, aged 25 plus, a smart health conscious professional who feels guilty about smoking but either doesn't want to give up or can't. Although racked with guilt they feel reassured that in smoking low tar they are making a smart choice and will jump at any chance to make themselves feel better about their habit."[101]

"Less harmful low tar cigarettes hence can be associated with higher self-esteem"[16]

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RESEARCH PAPER

Reaching youth at the point of sale: cigarette marketing is more prevalent in stores where adolescents shop frequently

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Objective: Although numerous studies describe the quantity and nature of tobacco marketing in stores, fewer studies examine the industry's attempts to reach youth at the point of sale. This study examines whether cigarette marketing is more prevalent in stores where adolescents shop frequently.
Design, setting, and participants: Trained coders counted cigarette ads, products, and other marketing materials in a census of stores that sell tobacco in Tracy, California (n = 50). A combination of data from focus groups and in-class surveys of middle school students (n = 2125) determined which of the stores adolescents visited most frequently.
Main outcome measures: Amount of marketing materials and shelf space measured separately for the three cigarette brands most popular with adolescent smokers and for other brands combined.
Results: Compared to other stores in the same community, stores where adolescents shopped frequently contained almost three times more marketing materials for Marlboro, Camel, and Newport, and significantly more shelf space devoted to these brands.
Conclusions: Regardless of whether tobacco companies intentionally target youth at the point of sale, these findings underscore the importance of strategies to reduce the quantity and impact of cigarette marketing materials in this venue.

Since the Master Settlement Agreement (MSA), concern about tobacco marketing targeting youth has focused on magazines.[1–3] Less is known about the industry's attempt to reach youth at the point of sale. In 2001, US cigarette companies spent $173 million on magazine advertising compared to $9.5 billion on retail marketing.[4] These expenditures pay for traditional signs and functional items (such as branded clocks, hand baskets, and counter mats), price reductions for consumers ("Buy two, get one free") and incentives for retailers to display cigarettes in prime locations, especially around the counter.[5] A US survey of approximately 3000 stores in 163 school neighbourhoods found some form of tobacco advertising at 84% of stores and at least one branded functional item in 69%.[6] The amount of money US tobacco companies spend on retail marketing has more than doubled since the 1998 MSA.[4] One effect of this spending has been observed in California's stores, where the average number of cigarette marketing materials increased 31% from 2000 to 2002.[7]

With a preponderance of tobacco ads and products located near candy and around the counter area,[8–10] it stands to reason that retail tobacco marketing makes a clear impression on young consumers. In a survey of teens from northeast England, all of the 629 15 and 16 year olds reported seeing point-of-purchase marketing for cigarettes.[11] In the USA, adolescents who reported at least weekly exposure to retail tobacco marketing were more likely to have experimented with smoking,[12 13] and teen smokers preferred whichever brand (Camel or Marlboro) was advertised most heavily in the convenience store closest to school.[14]

The problem of widespread ads and promotions for cigarettes is not unique to US stores.[15–18] For example, after countries such as Australia, Canada, Ireland, and New Zealand banned point-of-sale ads for cigarettes, traditional signs were replaced by "power walls" of cigarette packs in quantities greater than necessary to supply consumers.[19] Exposure to such displays may distort adolescents' perceptions about the availability, use, and popularity of cigarettes.[20]

Whether or not tobacco companies intentionally target adolescents at the point of sale, some studies suggest they may be disproportionately exposed to this form of cigarette marketing. In metropolitan settings such as Boston, Massachusetts and San Jose, California, significantly more cigarette advertising was found on store windows within 300 metres of schools than on stores farther away from school.[8 10] Combining data from store observations and school based surveys, this study is the first to examine whether cigarette marketing materials are more prevalent in stores where adolescents frequently shop.

METHODS

In February, 2002, observations were conducted in a census of stores that sold cigarettes in Tracy, California—a central valley community (population 62 500) approximately 100 km east of San Francisco. In 2000, the Tracy population was 65% white, 8% Asian, 6% African American, 1% American Indian, 20% other or multiple categories, and 28% of all residents were of Hispanic origin—quite comparable to the state population.[21] An address list for all Tracy businesses that paid tobacco taxes was obtained from the California Tobacco Control Section and verified with telephone directories and neighbourhood canvassing. Two tobacco-only stores that neither sold snack foods nor permitted entrance to youth under 18 were excluded from the store population, yielding a total of 50 stores.

Two young adults with substantial experience conducting observations of retail marketing were trained to use an established protocol for counting and categorising tobacco marketing materials in stores.[22] Given concern about the role of cigarette packaging as a vehicle for advertising,[23 24] the protocol was expanded to measure shelf space allocated to cigarettes, as well. Branded signs, shelving units, product

Abbreviations: FCTC, Framework Convention on Tobacco Control; ICC, intraclass correlation coefficient; MSA, Master Settlement Agreement; STORE, Survey of Teen Opinions about Retail Environments

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displays, and functional items such as counter mats and shopping baskets were counted separately for the three cigarette brands most popular with youth in the USA (Marlboro, Camel, and Newport)[25] and for other cigarette brands combined. Shelf space for cigarettes was measured by counting product facings, defined as space allocated to cigarette packs on the front row of shelves and displays.[26] Cigarette cartons stacked with the longest side facing front were counted as five; cartons stacked with the shortest side facing front were counted as two.

For comparison, coders also counted branded signs, shelving units, product displays, and functional items for three of the most heavily advertised beer brands in the USA (Budweiser, Miller, and Heineken).[27] Marketing materials for other beer brands were not counted because the sheer volume made it impossible for coders to complete the protocol in a reasonable amount of time.

Coders counted signs indicating that identification is required to purchase tobacco products that are supplied by the tobacco industry, such as the "We Card" sign from Philip Morris. Coders also rated the visual impact of cigarette advertising inside and outside each store using a four point scale adapted from Wakefield and colleagues.[28] The scale values ranged from 0 = no advertising to 3 = everywhere/ "in your face". Store observations were completed before determining which stores were popular among adolescents, thus, the coders were blind to the assignment of stores to this category.

Stores were categorised by type: convenience, drug store/ pharmacy, grocery/deli, liquor, supermarket.[22] Retail and/or gross square footage was not available from the County Tax Assessor's Office for all stores in the sample. Instead, cash register total was used as a proxy for store size because it was highly correlated with gross square footage in the stores where this figure was available ($n = 39$, $r = 0.98$, $p < 0.001$).

Only two of the 50 stores (4%) refused a coder's request to spend 20 minutes counting and categorising signs for a study about point-of-purchase advertising. Six randomly selected stores were observed by the two coders independently and intercoder reliability for all measures was excellent. The highest intraclass correlation coefficients (ICCs) were obtained for counting cash registers (1.0) and age-of-sale signs (0.97), and for rating the visual impact of advertising (0.96); lower intercoder reliability was obtained for counting youth brand marketing materials and product facings (ICCs were 0.86 and 0.74, respectively).

To determine which of the 48 stores were popular with teens, focus groups were conducted with one class from each of the three middle schools in Tracy. Students were asked to nominate 12 stores from the list of all retail tobacco outlets in the school catchment area (the area from which each school drew its student population). Some of the same stores were nominated at different schools, resulting in a total of 27 stores. The selections were confirmed by data from the Survey of Teen Opinions about Retail Environments (STORE) study—an in-class survey of 2125 students in grades 6–8 (ages 11–14 years) whose sample and procedures are described elsewhere.[12] Each school's survey depicted photographs and addresses of the 12 nominated stores and measured the frequency with which students visited each store in the past month. More than one third of students (38%) visited at least one of the 12 stores every day, 28% visited at least one of the 12 stores 2–3 times per week, and 14% visited at least one of the 12 stores weekly. Two of the 27 stores that the focus groups identified as popular were reclassified because more than 80% of surveyed students reported never shopping there.

Independent-sample t tests compared the quantity of marketing materials and shelf space for cigarettes and the visual impact of cigarette advertising in stores popular with teens and other stores in the same community. The quantity of marketing materials and shelf space for "youth brands" (Marlboro, Camel, Newport) and other brands were also compared between the two groups of stores. To adjust for varying store size, such counts are typically divided by the number of cash registers.[28] We report unadjusted means because the average size of stores popular among teens and other stores was not significantly different ($p = 0.63$), the unadjusted numbers are easier to interpret, and the conclusions from tests of adjusted and unadjusted means were essentially the same. Given the skewed distribution of some measures, we also conducted Mann-Whitney U tests, but results did not differ from the parametric tests reported.

RESULTS

The 48 stores contained an average (SD) of 22.6 (21.5) branded cigarette marketing materials and 123.8 (98.9) product facings per store. In the stores popular among adolescents, these numbers increased to 31.0 (24.5) and 153.1 (102.3) per store, respectively (table 1). Combining all brand impressions from marketing materials and products, adolescents were exposed to an average of 184.1 (109.2) cigarette brand impressions per store visit.

There were 3.4 times as many ads for cigarettes on windows of stores popular among adolescents than on other stores in the same community (table 1). Coders' impressions of the quantity of cigarette marketing materials confirmed a disparity between the two groups of stores, as well. Cigarette advertising had significantly greater visual impact in the popular than in the other stores (table 1).

The three brands most popular with adolescents (Marlboro, Camel, and Newport) accounted for 45% of all cigarette marketing materials and 45% of all shelf space for cigarettes in the 48 stores. Stores popular among adolescents contained almost three times more marketing materials and twice as much shelf space for Marlboro, Camel, and Newport than other stores in the same community (table 2). One possible explanation for this difference is that stores popular among adolescents were more likely to be the types of stores (convenience, liquor, and small grocery stores) which typically contain the most tobacco marketing.[6 22] However, a χ^2 test yielded no significant difference in the distribution of store types between the popular and other stores.

Another plausible explanation is that stores popular among adolescents were also popular among adults and therefore contain more advertising for the top selling brands (Marlboro, Camel, and Newport) and more advertising overall. However, we found no differences between popular and other stores in the quantity of marketing materials and

Table 1 Mean (SD) number of cigarette marketing materials and their visual impact by store popularity (Tracy, California)

	Stores popular among youth		
	No (n = 24)	Yes (n = 24)	p Value
Marketing materials by location			
Exterior* mean (SD)	1.7 (2.6)	5.8 (6.4)	0.03
Interior*	12.6 (13.5)	25.2 (23.6)	0.12
Shelf space (facings)*	94.4 (87.8)	153.1 (102.3)	0.16
Overall visual impact (0–3)†	0.9 (0.6)	1.4 (0.7)	0.01

*†Tests compared means adjusted for store size; cell means are unadjusted.
†Average rating for interior and exterior.

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Table 2 Mean (SD) quantity of cigarette marketing materials and shelf space by brand and store popularity (Tracy, California)

	Stores popular among youth*		
	No (n = 24)	Yes (n = 24)	p Value
Cigarette marketing materials			
Youth brands	5.3 (5.8)	14.8 (11.4)	0.01
Other brands	9.0 (9.5)	16.1 (14.1)	0.15
Cigarette shelf space (facings)			
Youth brands	36.3 (36.7)	75.5 (53.4)	0.02
Other brands	58.1 (55.2)	77.6 (54.5)	0.60

*† Tests compared means adjusted for store size; cell means are unadjusted.

shelf space for cigarette brands other than Marlboro, Camel, and Newport (table 1). Nor did we find a significant difference between the quantity of marketing materials for three top selling beer brands (Budweiser, Miller, and Heineken) in stores popular among adolescents (mean (SD) 25.5 (25.0)) and the other stores (23.5 (24.2)).

Finally, we tested whether the tobacco industry's signs about identification required for tobacco purchase were more numerous in the stores popular among teens than in the other stores. California law requires a sign at every cash register warning against illegal tobacco sales to minors, but no law governs the number or placement of such warnings provided to retailers by the tobacco industry. Ironically, stores popular among teens displayed more of the industry's signs and shelving to promote Marlboro, Camel, and Newport, but did not display more of the industry's signs to discourage minors from purchasing these products illegally (mean (SD) 3.9 (2.4)) than did other stores (3.7 (3.2)).

DISCUSSION

According to this study, cigarettes are marketed more heavily in stores where adolescents shop—particularly the cigarette brands most popular with adolescent smokers. Compared to other stores in the same community, stores popular among adolescents displayed more than three times as many cigarette marketing materials outside, and contained almost three times more marketing materials and twice as much shelf space for Marlboro, Camel, and Newport. These three brands account for more than 80% of the cigarettes bought by US adolescents.[29] The four brands advertised most heavily in US stores (Marlboro, Camel, Winston, and Newport)[30] are three of the four brands with the largest sales revenue (Marlboro, Newport, Doral, Camel).[31] The relation between market share and the prevalence of marketing materials and product facings in stores warrants further research, particularly since advertising is related more strongly to cigarette brand choice among adolescents than adults.[32]

This study is the first we are aware of to measure shelf space for cigarettes as an indicator of retail tobacco marketing. The fact that Marlboro, Camel, and Newport accounted for 45% of all marketing materials and 45% of all shelf space for cigarettes in the 48 stores may be purely coincidental. It may also suggest that tobacco companies consider self space devoted to their brands as important as other forms of in-store marketing.

Study limitations

The school based survey did not assess the frequency with which adolescents visited all retail tobacco outlets in the school catchment area. Thus, we cannot confirm that unpopular stores were visited less frequently than the stores nominated by the focus groups. However, incorrect classification would likely decrease the observed differences between the two groups of stores. Future research should use other means to determine which stores are most popular with adolescents, such as merchant interviews or consumer marketing data.

The current study classified marketing materials and product facings into only four brand categories—Marlboro, Camel, Newport, or other. Although "other brands" is a potentially crude comparison for "youth brands", it is unlikely that one or two brand names accounted for most of the marketing materials recorded in the "other" category. In a survey of 1565 US stores, Marlboro, Camel, and Newport accounted for 46% of all cigarette marketing materials, seven of the remaining top 10 brands accounted for 42%, and innumerable other brands accounted for the remaining 12%.[33] The absence of reliable information about the total number of cigarette brands advertised in stores makes it difficult to appreciate the extent to which brands favoured by teen smokers dominate the retail environment. Indeed, it would be helpful if the Federal Trade Commission or other organisations maintained a list of cigarette brands sold.

Although this study examined a small sample of stores in a single California community, observations about the quantity of cigarette marketing materials are quite similar to those from larger, more representative samples. For example, the average number of cigarette marketing materials was slightly lower than the average for a California sample of 569 stores (22.7 *v* 25, respectively),[7] and the proportion of marketing materials for Marlboro, Camel, and Newport in this sample was comparable to the California sample[7] and to a US sample of 1565 stores (45%, 42%, and 46%, respectively).[30] Using a standardised protocol to quantify marketing materials and shelf space for cigarettes, future research should compare the quantity of marketing materials in countries with varying regulations at the point of sale, and determine whether adolescents are disproportionately exposed to cigarette marketing materials, particularly to brands favoured by young smokers.

Implications for tobacco control

Several examples serve to illustrate how successfully US tobacco companies have avoided restrictions on advertising at the point of sale. The MSA, which bans cigarette ads on billboards and limits such ads in magazines and at sponsored events, contains only two provisions that affect ads in stores.[34] One provision limits the size of exterior ads to 14 square feet and another prohibits using cartoons to advertise cigarettes in stores or elsewhere. More stringent regulations proposed by the US Food and Drug Administration—mandating

What this paper adds

Two previous studies found more cigarette ads on store windows within 300 metres of schools than on stores farther away from school, but lacked information about where adolescents shop. This study combined school based surveys with retail observations to determine whether cigarettes are promoted more heavily in stores where adolescents shop frequently. Such stores contained more marketing materials and shelf space for Marlboro, Camel, and Newport than did other stores in the same community. Simply eliminating ads may be insufficient to substantially reduce adolescents' exposure to cigarette brand impressions in stores because the preponderance of these come from product displays. Future restrictions on retail tobacco marketing should consider the potential impact of cigarette packaging as well as advertising.

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black-and-white, text only advertisements and banning self service displays—did not survive judicial review.[35] The US Supreme Court also struck down a Massachusetts law that prohibited placing cigarette ads within 5 feet of the store floor—at children's eye level.[36]

The Framework Convention on Tobacco Control (FCTC) does not specify point of sale in its recommendation to ban tobacco advertising, promotion, and sponsorship.[37] However, the FCTC endorses larger, more vivid warning labels on cigarette packs, like those in Canada and Brazil, which are clearly visible in stores and may serve as important cues to reduce tobacco use.[38] Countries such as Ireland, New Zealand, and Thailand, and several Canadian provinces and Australian states reduce young people's exposure to tobacco marketing by banning tobacco ads at the point of sale. Requiring merchants to stock cigarette packs out of sight, in overhead bins or beneath the counter, is also recommended to prevent smoking.[39] According to this study, that practice could reduce US adolescents' exposure to cigarette brand impressions in stores by as much as 83%.

This study is unique in pairing adolescent self reports with in-store observations to demonstrate that stores popular among adolescents contain more marketing materials and shelf space for Marlboro, Camel, and Newport than other stores in the same community. A replication with larger samples in other jurisdictions is clearly warranted to determine whether this is a pervasive pattern or isolated incident. Whether tobacco companies intentionally target youth at the point of sale also warrants further investigation. Indeed, the strategic use of this venue to reach youth would not be surprising in environments that increasingly restrict tobacco companies' access to traditional advertising venues, such as billboards, magazines, and other media. At a time when cigarette packaging is an increasingly important component of tobacco marketing,[24 40 41] this study underscores the need for strategies that would reduce the quantity and impact of adolescents' exposure to cigarette brand impressions in stores.

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Association of Retail Tobacco Marketing With Adolescent Smoking

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A survey of 2125 middle-school students in central California examined adolescents' exposure to tobacco marketing in stores and its association with self-reported smoking. Two thirds of sixth-, seventh-, and eighth-grade students reported at least weekly visits to small grocery, convenience, or liquor stores. Such visits were associated with a 50% increase in the odds of ever smoking, even after control for social influences to smoke. Youth smoking rates may benefit from efforts to reduce adolescents' exposure to tobacco marketing in stores. (*Am J Public Health*. 2004;94:2081–2083)

The tobacco industry spends more on point-of-purchase marketing than on all other forms of cigarette advertising combined ($9.5 billion vs $1.7 billion in 2001).[1] Since the ban on billboard advertising, promotional materials for tobacco have increased significantly on store windows and around the counter.[2,3] Three out of 4 teenagers shop at a convenience store at least once a week,[4] staying an average of 16 minutes per visit—twice as long as adults.[5] In recent surveys, all 15- and 16-year-olds reported seeing point-of-purchase marketing for cigarettes,[6] and teenaged smokers preferred whichever brand (Marlboro or Camel) was advertised most heavily in the convenience store nearest their school.[7] Experimental studies suggest that retail tobacco marketing exposure distorts adolescents' perceptions about the availability, use, and popularity of tobacco[8,9]—normative beliefs that are precursors of smoking.[10–12]

The only study to correlate adolescents' self-reported smoking with exposure to retail tobacco marketing found that experimentation was 38% more likely for seventh-grade students who said that they visited a convenience, liquor, or small grocery store at least weekly and remembered seeing advertisements for cigarettes sometimes or a lot.[13] Because cigarette advertising is more noticeable to experimenters than to abstinent youths,[14,15] this finding may be attributable to perceived exposure alone. Alternatively, store exposure may be associated with smoking for reasons other than the influence of advertising, such as a propensity for risk taking or lack of after-school supervision, which are established risk factors for smoking.[11,16,17] After we controlled for such risk factors and social influences to smoke, we examined whether adolescent smoking is associated with exposure to stores that contain widespread tobacco marketing.

METHODS

We administered the Survey of Teen Opinions about Retail Environments (STORE Study) in all 3 middle schools in Tracy, Calif (population 62 500), in spring 2003. Of the initial sample of sixth-, seventh-, and eighth-grade students (N=2731), 396 students did not return parental consents, 95 were absent for the survey, and 115 parents refused permission, yielding a response rate of 78%. The final sample (N=2125) was 53% female and 42% Hispanic, 27% White, 11% Asian, 6% African American, 1% American Indian, 1% Pacific Islander, and 12% multiethnic.

Each survey included photographs and addresses of 12 retail tobacco outlets in the school catchment area that were identified by student focus groups as popular destinations for purchasing snacks. Exposure to retail tobacco marketing was coded for students who reported at least weekly visits to convenience, liquor, or small grocery stores, either in response to questions about the pictured stores or in response to questions about visiting any such stores in the past month. Exposure to other forms of tobacco marketing was coded for students who reported owning a cigarette promotional item, sometimes or often seeing tobacco advertisements in magazines in the past week, or sometimes or often seeing people smoking on television or in movies in the past week. Exposure to family and peer smoking was coded, separately, for students who reported having a parent or other household member who currently smokes and for students who reported having at least one friend who currently smokes. The survey also included self-reported grades, a 3-item risk-taking measure,[11] and 4 items of the Authoritative Parenting Index[18] that measure maternal supervision.

We used GLIMMIX for SAS, Version 8.0 (SAS Institute Inc, Cary, NC), to examine the potential effect of school clustering with multilevel modeling, but results did not differ from the standard multiple regression reported here. Odds ratios were computed to test the association between adolescents' exposure to retail tobacco marketing and ever smoking a cigarette, even just a puff. This was the primary study outcome because the prevalence of current smoking was quite small: 2.6% of sixth-, 6.0% of seventh-, and 7.6% of eighth-grade students reported any cigarette smoking in the past 30 days.

RESULTS AND DISCUSSION

Two thirds of the students said that they visited a convenience, liquor, or small grocery store on their way to or from school at least weekly (Table 1); about one fourth of the students reported visiting such stores practically every day. Exposure to retail tobacco marketing was more prevalent among boys; Latino youths; and students who reported low maternal supervision, high risk taking, exposure to social influences to smoke, and exposure to other forms of tobacco marketing.

Table 2 summarizes the bivariate and multivariate associations of ever smoking with de-

mographic attributes and psychosocial risk factors. After we controlled for all other variables in the model, weekly or more frequent exposure to retail tobacco marketing was associated with a 50% increase in the odds of ever smoking—nearly as much as the effect of exposure to a parent or household member who smokes. Although Latino youths were more likely to be exposed to retail tobacco marketing, they had no greater risk for smoking when other variables were controlled.

Because we controlled for confounders such as risk taking, maternal supervision, and self-reported grades, the association between adolescents' store visits and their smoking behavior appears more likely an effect of advertising exposure than an artifact of idle hands or hanging out with the wrong crowd. Relative to other forms of tobacco marketing, retail marketing exposure was second only to owning a cigarette promotional item in increasing the odds of ever smoking. However, the smaller association observed for exposure to cigarette advertisements in magazines and no association for depictions of smoking on television or in movies may be an artifact of redundancy within exposure measures.

This cross-sectional study could not confirm a causal role for retail tobacco marketing in the uptake of smoking but provided stronger evidence for causality than previous studies have by controlling several potential confounds.

The effect of retail tobacco marketing on adolescent smoking may be particularly potent in states with comprehensive tobacco control programs where tobacco advertisements and promotions are more numerous at the point of sale.[19,20] Because the tobacco industry has relatively few regulations on advertising in stores,[21–25] further research, including longitudinal studies, is needed to determine how the proliferation of tobacco marketing in stores affects youths. ■

TABLE 1—Characteristics of Study Participants and Prevalence of Exposure to Retail Tobacco Marketing: 2125 Middle-School Students, Tracy, Calif, 2003

	% of Full Sample (N = 2125)	Prevalence of Exposure to Retail Tobacco Marketing, %	Unadjusted OR (95% CI)
Grade			
6th[a]	33.2	68.0	
7th	29.8	66.1	0.9 (0.7, 1.2)
8th	37.0	65.2	0.9 (0.7, 1.1)
Gender			
Female[a]	53.3	63.9	
Male	46.7	69.1	1.3 (1.1, 1.5)
Ethnicity			
Not Latino or Hispanic[a]	57.9	59.6	
Latino or Hispanic	42.1	76.0	2.2 (1.8, 2.6)
Self-reported grades			
Above median[a]	52.6	60.2	
Below median	47.4	73.1	1.8 (1.5, 2.2)
Parent or household smoking			
No[a]	55.5	60.3	
Yes	44.5	74.0	1.9 (1.6, 2.3)
At least 1 friend smokes			
No[a]	72.3	61.9	
Yes	27.7	77.9	2.2 (1.7, 2.7)
Maternal supervision			
Above mean[a]	50.6	62.7	
Below mean	49.4	70.0	1.4 (1.2, 1.7)
Risk taking			
Below mean[a]	46.3	56.6	
Above mean	53.7	74.6	2.3 (1.9, 2.7)
Own cigarette promotional item			
No[a]	84.8	63.5	
Yes	15.2	82.8	2.8 (2.0, 3.7)
See cigarette advertisements in magazines			
Never or rarely[a]	48.8	55.4	
Sometimes or often	51.2	76.9	2.7 (2.2, 3.2)
See smoking on television or in movies			
Never or rarely[a]	32.0	55.9	
Sometimes or often	68.0	71.4	2.0 (1.6, 2.4)
Exposure to retail tobacco marketing			
< Once/week[a]	33.8	...	...
At least once/week	66.2	...	...

Note. OR = odds ratio; CI = confidence interval.
[a]Reference category.

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Contributors

L. Henriksen helped design the study and supervised all aspects of its implementation. E.C. Feighery helped design the study and supervised store advertising surveys. Y. Wang assisted with the study and data analyses. S.P. Fortmann helped design the study. All authors helped to interpret findings and review drafts of the brief.

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Human Participant Protection

All students were required to return signed parental consent forms in order to participate in this study.

TABLE 2—Unadjusted and Adjusted Odds Ratios (ORs) From Stepwise Logistic Regression for Ever Smoking: 2125 Middle-School Students, Tracy, Calif, 2003

	Unadjusted OR	CI	Adjusted OR[a]	CI
Grade				
6th[b]				
7th	2.7	2.0, 3.7	2.0	1.4, 2.9
8th	4.5	3.3, 6.1	3.0	2.1, 4.3
Gender				
Female[b]				
Male	1.1	0.9, 1.4	NS	
Ethnicity				
Not Latino or Hispanic[b]				
Latino or Hispanic	1.4	1.1, 1.7	NS	
Self-reported grades				
Above median[b]				
Below median	2.7	2.2, 3.4	1.5	1.2, 2.0
Parent or household smoking				
No[b]				
Yes	2.6	2.1, 3.2	1.8	1.4, 2.3
At least 1 friend smokes				
No[b]				
Yes	6.6	5.2, 8.3	3.1	2.4, 4.0
Maternal supervision				
Above mean[b]				
Below mean	1.9	1.5, 2.4	1.5	1.1, 1.9
Risk taking				
Below mean[b]				
Above mean	6.7	5.1, 8.9	3.4	2.5, 4.7
Own cigarette promotional item				
No[b]				
Yes	6.0	4.7, 7.8	2.7	2.0, 3.6
See cigarette advertisements in magazines				
Never or rarely[b]				
Sometimes or often	2.5	2.0, 3.1	1.4	1.1, 1.8
See smoking on television or in movies				
Never or rarely[b]				
Sometimes or often	2.2	1.7, 2.8	NS	
Exposure to retail tobacco marketing				
< Once/week[b]				
At least once/week	2.8	2.1, 3.6	1.5	1.1, 2.1

Note. CI = confidence interval; NS = not selected by stepwise selection method.
[a]Adjusted OR controls for school differences and all other model variables simultaneously.
[b]Reference category.

The parental consent forms explained the study protocol and participant rights. Students also were given a consent form to read and sign before survey administration. The use of human subjects was approved by the human subjects panel of Stanford University.

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Effects on Youth of Exposure to Retail Tobacco Advertising[1]

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The absence of significant restrictions on tobacco advertising in stores has prompted concern about the proliferation of these messages and their impact on youth. This is among the first studies to investigate the effects of adolescents' exposure to retail tobacco advertising. Under the guise of testing teen-interest news stories, 8th and 9th graders (n = 385) saw photographs of a convenience store that was either dominated by or devoid of tobacco advertising while listening to a story about a proposed tobacco control law or one about teen food purchases. Regardless of the news story they heard, students exposed to the tobacco-saturated store perceived significantly easier access to cigarettes, believed more peers tried and approved of smoking, and expressed weaker support for tobacco-control policies than did the comparison group. The study results suggest that widespread tobacco advertising in stores might distort adolescents' perceptions about the availability, use, and popularity of this product.

Stores saturated with tobacco advertising constitute a significant public health concern, especially for youth. Tobacco ads are more numerous in stores located near schools (Barovich, Sussman, Dent, Burton, & Flay, 1991; Cummings, Sciandra, & Lawrence, 1991; Wildey et al., 1992; Woodruff, Agro, Wildey, & Conway, 1995) and in neighborhoods with a higher proportion of residents under age 18 (Ribisl, Feighery, Lee, Schleicher, & Halvorson, 1999). Indeed, many youth are routinely and unavoidably exposed to retail tobacco advertising. According to recent market research, the nation's 23 million teenagers visit convenience stores nearly 100 million times per month (Channel One Network, 2000).

In our research, 62% of a sample of Bay Area seventh graders (n = 571) shopped in a convenience store or liquor store at least once a week (Schooler, Feighery, & Flora, 1996), and 40% of a sample of eighth and ninth (n = 389)

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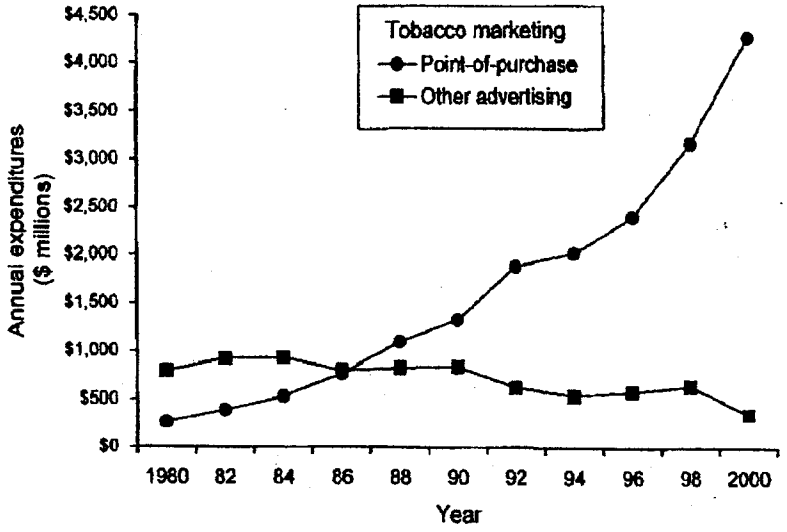


Figure 1. Tobacco industry's expenditures on point-of-purchase versus other advertising, 1980 to 2000.

graders said they visited these types of stores practically every day (Henriksen, Flora, Feighery, & Fortmann, 1999). Surprisingly little is known about whether exposure to widespread tobacco advertising in stores influences youth smoking. To address this gap, the current study examines whether manipulating exposure to retail tobacco advertising affects adolescents' perceptions and attitudes about tobacco use.

Proliferation of Tobacco Advertising in Stores

The tobacco industry spends more on point-of-purchase marketing ($4.3 billion in 2000) than on any other form of cigarette advertising (Federal Trade Commission, 2002). Their retail marketing strategy combines the use of traditional signs and functional items (e.g., clocks, hand baskets, counter mats) with cigarette brand names or logos, and incentives for merchants to display cigarettes in prime locations, especially counter areas (Feighery, Ribisl, Achabal, & Tyebjee, 1999). Over the past 20 years, retail marketing has increased from 21% to 44% of the tobacco industry's total advertising budget (Federal Trade Commission, 2002). Based on data from the Federal Trade Commission (2002), Figure 1 compares spending (millions of dollars) on point-of-purchase ads with spending on newspaper, magazine, billboard, and transit advertising combined.

Pressure to reduce young people's exposure to tobacco marketing has forced the industry to adopt new restrictions on advertising, but few of these affect the

retail environment. The *Master Settlement Agreement* (MSA; National Association of Attorneys General [NAAG], 1998) between the state attorneys general and the tobacco companies contains only two such regulations. One provision limits the size of exterior ads to 14 ft^2 (4.27 m^2), and another prohibits using cartoons in ads (in stores or elsewhere; MSA, Section II-ii; NAAG, 1998). More stringent proposals from the Food and Drug Administration (FDA)—mandating black-and-white, text-only advertisements and banning self-service displays—did not survive judicial review. The Supreme Court ruled by a 5 to 4 margin that the FDA had overstepped Congressional authority in asserting its power to regulate the marketing of cigarettes to young people (*Food and Drug Administration et al. v. Brown & Williamson Tobacco Corp.*, 2000).

Several studies document the preponderance of tobacco ads in stores where youth shop (Cummings et al., 1991; DiFranza, Coleman, & Cyr, 1999; Feighery, Ribisl, Schleicher, Lee, & Halvorson, 2000; Ribisl et al., 1999; Roeseler, Russell, Rogers, Feighery, & Gehrman, 1995; Rogers, Feighery, Tencati, Butler, & Weiner, 1995; Voorhees, Yanek, Stillman, & Becker, 1998; Woodruff et al., 1995). Because procedures for categorizing and counting ads differ from one study to the next, the research yields varied estimates for the amount of tobacco advertising in stores. For example, studies based on random samples of retail tobacco outlets found an average of 14 ads inside and 3.6 ads outside 586 California stores (Feighery et al., 1999) compared to 27 ads inside and 7.5 ads outside 102 Massachusetts stores (DiFranza et al., 1999). In addition, several studies have suggested that retail tobacco ads are positioned where young people are most likely to see them (Pucci, Joseph, & Siegel, 1998; Roeseler et al., 1995; Rogers et al., 1995). For example, more tobacco advertising covered the windows of stores within 1,000 ft (304.8 m) of schools than those farther away from schools (Rogers et al., 1995). One third of outdoor tobacco advertisements within 1,000 ft (304.8 m) of schools were placed at children's eye level, defined as 3.5 ft (1 m) or lower (Pucci et al., 1998). In another study, stores closest to schools were more likely than others to have tobacco ads in children's line of sight: near candy and below 3 ft (0.9 m; Roeseler et al., 1995).

Effects of Tobacco Advertising on Youth

Young people are attracted to tobacco advertising and promotions (Fischer, Schwartz, Richards, Goldstein, & Rojas, 1991; U.S. Department of Health and Human Services [USDHHS], 1994), and the vast majority of adolescent smokers prefer the most heavily advertised brands (Barker, 1994; Pierce et al., 1991; Pierce, Gilpin, & Choi, 1999). Numerous studies reveal that young smokers recognize and know more about cigarette advertisements than do their nonsmoking peers (Aitken & Eadie, 1990; Aitken, Leathar, & O'Hagan, 1985; Aitken, Leathar, O'Hagan, & Squair, 1987; Chapman & Fitzgerald, 1982; Goldstein,

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Fischer, Richards, & Creten, 1987; Klitzner, Gruenewald, & Bamberger, 1991). In addition, greater intentions to smoke are associated with exposure to and knowledge of cigarette advertising (Altman, Levine, Coeytaux, Slade, & Jaffe, 1996; Botvin, Botvin, Michela, Baker, & Filazzola, 1991; Gilpin, Pierce, & Rosbrook, 1997; Unger, Johnson, & Rohrbach, 1995). A few prospective studies have suggested that adolescents' approval of advertising predicts increased susceptibility to smoke and later smoking (Aitken, Eadie, Hastings, & Haywood, 1991; Biener & Siegel, 2000; Dobson, Woodward, & Leeder, 1992; Pierce, Choi, Gilpin, Farkas, & Berry, 1998). In fact, recent research has suggested that tobacco advertising might exert a greater influence on adolescent smoking than does smoking by peers or family members (Evans, Farkas, Gilpin, Berry, & Pierce, 1995; Pierce et al., 1998; Sargent et al., 2000).

Research about the effects of tobacco advertising on adolescent smoking is primarily concerned with young people's exposure to magazine ads, billboards, sponsored events, and promotional items for cigarettes. Comparatively little is known about adolescents' exposure to tobacco advertising in stores. We will briefly summarize the few studies to address this topic.

A recent study demonstrated an association between the tobacco industry's promotional expenditures and rates of adolescent smoking (Redmond, 1999). Dollars spent on conventional advertising (print, billboard, public transit) and sales promotion (point-of-purchase advertising, public entertainment, samples, direct mailing, audiovisuals) were correlated with rates of daily smoking among adolescents. During the period in which sales promotion exceeded advertising expenditures (1983-1992), significantly greater numbers of 9th graders initiated daily smoking than would be expected otherwise. Specifically, year-to-year changes in sales promotions accounted for about 54% of the variance in a smoking deviation score (the difference between actual and expected smoking rates). However, many types of promotional activities occur beyond the boundaries of the retail outlet, such as product or coupon distribution through direct mail or community events. Without removing the expenditures for these types of promotions, the unique contribution of retail marketing to youth smoking is unknown.

A survey of 7th graders from lower income neighborhoods in San Jose, California, provides further evidence of a relationship between exposure to retail tobacco advertising and adolescent smoking (Schooler et al., 1996). Advertising exposure was derived from two types of measures. *Exposure opportunity* measured how frequently students visit the types of stores that contain tobacco advertising (e.g., liquor stores, convenience stores, small markets, grocery stores). *Perceived exposure* measured how often students recall seeing tobacco ads in these venues. About two thirds of the students (62%) reported frequent visits to stores and remembered seeing ads or promotional items for cigarettes in stores "a lot." The odds of experimentation were 38% higher for these youth than for other youth, even after controlling for exposure to smoking by family and friends.

One explanation for this relationship is that widespread advertising and promotions for tobacco in stores makes the product more accessible to youth. Such marketing might encourage minors to obtain tobacco from stores by stealing, purchasing, or *tapping* (asking an older customer to purchase tobacco), particularly if adolescents associate pro-tobacco messages with a low risk of failure and few consequences to getting caught (Rimpelä, Aarø, & Rimpelä, 1993). A few studies have addressed youth access by correlating the amount and nature of tobacco advertising in stores with shoplifting (Caldwell, Wysell, & Kawachi, 1996), illegal sales (DiFranza et al., 1999), and purchase requests by minors (Voorhees et al., 1998). For example, a survey of 150 stores in Baltimore, Maryland, examined the correlation between teenagers' requests to purchase cigarettes (reported by merchants) and tobacco advertisements featuring young adult models (who appeared to be in their 20s or younger). More minors tried to buy cigarettes in stores with youth-oriented tobacco advertising than they did in stores without such ads (Voorhees et al., 1998).

Another explanation for the relationship between exposure to retail tobacco advertising and adolescent tobacco use focuses on social norms. The preponderance of tobacco advertising, promotions, and products in stores might encourage adolescents to perceive smoking as more common and more socially acceptable than it really is (Coeytaux, Altman, & Slade, 1995; Gilpin et al., 1997; Lynch & Bonnie, 1994; Warner et al., 1986). In fact, adolescents' exposure to tobacco marketing in other venues has been associated with inflated prevalence estimates; that is, overestimating the percentage of people who smoke (Kessler et al., 1996; USDHHS, 1994). These and other normative beliefs have been shown to be important risk factors for adolescent tobacco use (Aitken et al., 1991; Evans, Dratt, Raines, & Rosenberg, 1988; Flay, Hu, & Richardson, 1998; Graham, Marks, & Hansen, 1991; Grube, Morgan, & McGree, 1986).

The current study extends previous research by testing both of the aforementioned explanations in the context of a controlled experiment. Based on the explanations outlined earlier, we hypothesize that manipulating adolescents' exposure to retail tobacco advertising will alter their perceptions about the availability and use of this product. Specifically, we predict the following:

> *Hypothesis 1.* Adolescents exposed to a store saturated with tobacco ads will perceive easier access to cigarettes than will adolescents exposed to a store without tobacco ads.

> *Hypothesis 2.* Adolescents exposed to a tobacco-saturated store will believe more peers smoke and will approve of smoking than will adolescents exposed to a tobacco-free store.

This study also examines the effect of retail advertising exposure on adolescents' attitudes toward control policies that affect youth. Lower rates of adolescent

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smoking are associated with policies that restrict tobacco sales and marketing and restrict smoking in public places (Forster et al., 1998; Pentz et al., 1989; Wolfson et al., 1998). However, widespread tobacco advertising in stores might discourage adolescents from supporting tobacco-control policies by creating a pro-smoking environment in which such policies seem unnecessary or undesirable. Thus, we predict the following:

> *Hypothesis 3.* Adolescents exposed to retail tobacco advertising will express weaker support for tobacco-control policies than will adolescents exposed to a store without such advertising.

Method

Design

Students' exposure to retail tobacco advertising was manipulated under the guise of pretesting a news story written for teens. A 2 × 2 between-subjects design examined the effects of exposure to retail tobacco advertising (pervasive vs. absent) and story context (tobacco related vs. unrelated) on perceived access to cigarettes, normative beliefs about smoking, and support for tobacco-control policies.

Sample

A convenience sample of 18 eighth and ninth grade classes from five schools in northern California participated in this study in Fall 1998. Passive parental consent was obtained for all participants ($n = 385$), and fewer than 20% of parents refused permission. The sample was 48% ($n = 186$) female, 52% ($n = 199$) male, and was ethnically diverse: 25% ($n = 98$) Hispanic; 24% ($n = 92$) Asian, Southeast Asian, or Pacific Islander; 18% ($n = 69$) White; 5% ($n = 21$) African American; and 27% ($n = 104$) who specified multiple ethnic origins.

Stimulus Materials

Color photographs of a convenience store were digitally altered to create two versions of the same retail environment: one dominated by tobacco ads and one devoid of tobacco ads. Adobe Photoshop 5.0 (Adobe Systems, 1998) was used to replace and rearrange ads for cigarettes, beer, and snack foods in two pictures—a view of the area around the cash register and one of the storefront widows. These areas were selected because they typically contain the heaviest concentration of tobacco advertising in a store (Feighery et al., 2000). Several different ads for six tobacco brands—Marlboro, Camel, Newport, Kool, Doral, and Special 10s—

appeared in the pictures of the tobacco-saturated store. In the tobacco-free store, cigarette ads were replaced with ads for snack foods, soda pop, and beer. References to store names, such as 7-Eleven, were removed. No clerks or customers were visible in the photographs.

Two fictional news stories were also created for this study. One story, inspired by a news item in a local paper, described a controversy about a proposed law to ticket minors who smoked at a shopping mall near school. Another story described teen food purchases from convenience stores. Stories about these topics were created because they varied the presence or absence of references to smoking, and could be illustrated with both versions of the stimulus photographs. Both stories quoted multiple sources, including a storeowner and customer, and took approximately 90 s to read aloud.

Procedure

Before the experimental manipulation, all students participated in a discussion that was designed to increase the salience of brand advertising. Students were asked to help define the term *brand name*, to correctly distinguish brand names from product types (e.g., Baskin Robbins, Haagen Dazs, Breyer's vs. vanilla, chocolate, rocky road) and to volunteer brand names for several product categories (e.g., cars, clothing, shoes).

Following the discussion of brand advertising, classrooms were randomly assigned to see photographs of the same store either dominated by or devoid of tobacco advertising and to listen to a news story about a tobacco-control law or one about teen food purchases. The instructions invited students to listen to the news story, which was read aloud while they looked at pictures showing where the story took place. Careful attention to advertising was encouraged by telling students that they would be asked about their memory and opinions of the news story and pictures, including questions about brand names. Thus, there were four experimental conditions. Students were exposed to either a tobacco-saturated or a tobacco-free store while listening to a news story that either mentioned or did not mention smoking. Following exposure, students completed a brief paper-and-pencil questionnaire. Not all questions were about tobacco. The questionnaire contained items about students' memory and opinions of the news story and their shopping behavior, in addition to manipulation checks and outcome measures described in the next section.

Manipulation Checks

A convenience store without tobacco advertising is practically inconceivable. Because convenience stores are typically saturated with ads and promotions for cigarettes (Feighery et al., 2000) and because the stimuli were described as

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"pictures of a convenience store," we were concerned about students' perceptions of the store portrayed in the control condition. For this reason, several types of measures—unaided recall, cued recall, perceived exposure to retail tobacco advertising—were included as manipulation checks.

Recall was measured after a brief distraction task. When the pictures were removed from view, students were asked to write down any two things they could remember about the news story. Afterward, an open-ended item asked students to list every brand name they remembered seeing in the store (unaided recall). These lists were coded for the number and names of tobacco brands mentioned, and whether a tobacco or non-tobacco item was mentioned first. Perceived exposure to retail tobacco advertising was measured at the conclusion of the survey: Students indicated how often they recalled seeing cigarette ads in stores on a 5-point scale ranging from 1 (*never*) to 5 (*all the time*). This item was used to test for a mean difference between groups exposed to the tobacco-saturated or tobacco-free store. Finally, students were asked to identify the interior and exterior of the pictured store from an array of six photographs (cued recall).

Dependent Variables

Perceived access. The survey measured perceived access to tobacco from the pictured store and from stores near where students live. Using a 6-point scale ranging from 1 (*very easy*) to 6 (*very hard*), students rated how difficult it would be for students their age to buy cigarettes from the pictured store. Two additional items were adapted from a statewide school survey conducted for California's Department of Health Service Tobacco Control Section (Independent Evaluation Consortium, 1998). Students indicated on a 6-point scale ranging from 0 to 5 the number of stores in their neighborhood that would sell cigarettes to them and to other students their age. These two items were summed to create another measure of perceived access.

Normative beliefs about smoking. A measure of perceived prevalence was created by averaging the two items (Flay et al., 1998). Students estimated how many out of 100 classmates in their grade smoke cigarettes at least once a month. This item was repeated for estimates of the percentage of high school students who smoke cigarettes at least once a month. Using a 6-point Likert scale, students indicated how much they agree with the statement, "Most kids my age think it's okay to smoke cigarettes once in a while." This item was repeated for most high school kids, and the two responses were averaged to measure peer approval for smoking (Chassin, Presson, Sherman, Corty, & Olshavsky, 1984; Independent Evaluation Consortium, 1998).

Support for tobacco-control policies. Six items asked students to indicate how much they agreed with policies that would increase cigarette prices, restrict advertising, enforce laws to reduce tobacco sales to minors, forbid youth from smoking at school, establish fines for youth who try to purchase tobacco, and expel students who smoke on school grounds. These items were adapted from existing measures of support for tobacco-control policies used with adults (Centers for Disease Control and Prevention, 1994; Laforge et al., 1998; Velicer, Laforge, Levesque, & Fava, 1994) and adolescents (Independent Evaluation Consortium, 1998; Unger et al., 1999). Item responses were averaged to create a composite measure of attitudes toward tobacco control, which higher scores indicating greater support for policies that would reduce youth smoking (Cronbach's $\alpha = .81$).

Demographics

The questionnaire also included self-report items about gender, grade level, ethnicity, and smoking susceptibility. A classification scheme developed and validated by Pierce and his colleagues (Choi, Pierce, Gilpin, Farkas, & Berry, 1997; Pierce et al., 1998; Pierce, Choi, Gilpin, Farkas, & Merritt, 1996; Pierce, Farkas, Evans, & Gilpin, 1995; Unger, Johnson, Stoddard, Nezami, & Chou, 1997) was used to categorize students as: (a) nonsusceptible never smokers, (b) susceptible never smokers, or (c) experimenters. Students who reported ever trying smoking (even just a few puffs) were coded as experimenters. Intentions to smoke in the future were used to distinguish susceptibles from nonsusceptibles among the remaining students who had never tried smoking. Using a 4-point scale ranging from 1 (*definitely no*) to 4 (*definitely yes*), students indicated their intention to try smoking cigarettes soon, in the next year, and if a best friend offered them one. Students who failed to answer *definitely no* in each circumstance were coded as susceptible never smokers. Students who never smoked and expressed a firm commitment not to smoke in the future were coded as nonsusceptible never smokers.

Analysis

The chi-square test was used to check that random assignment yielded equivalent groups with respect to tobacco use and other demographics. No association between treatment condition and tobacco use, gender, or grade level was found. To test the hypotheses, a 2×2 ANCOVA determined the effects of exposure to retail tobacco advertising (pervasive vs. absent) and story context (tobacco related vs. unrelated) on perceived access to cigarettes, normative beliefs about smoking, and support for tobacco-control policies, controlling for smoking susceptibility. The primary study hypotheses concern the effect of manipulating adolescents' exposure to tobacco advertising in stores. A factor for story context tested the possibility that explicit references to smoking in the news story might enhance or otherwise alter the impact of the tobacco advertising in the photographs.

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Results

Manipulation Checks

Data from both cued and unaided recall measures suggest that students paid careful attention to the in-store advertising. Almost all students (93%) selected the correct photographs of the pictured store from an array of six pictures. All 194 students who saw the tobacco-saturated store recalled seeing at least one of the advertised cigarette brands: 88% remembered Camel, 82% Marlboro, and 71% Newport. Nearly all students (96%) mentioned a tobacco brand first, and the average number of tobacco brands recalled was 3.16 (SD = 1.16). However, 6% of the students who saw the tobacco-free store mistakenly recalled seeing cigarettes advertised. These 12 cases were eliminated from subsequent analyses.

Differences between the groups who saw the tobacco-saturated or tobacco-free store could still be detected 20 min after exposure. At the conclusion of the survey, students reported more frequent exposure to ads for cigarettes in stores in the treatment condition (M = 4.41, SD = 0.84) than in the control condition (M = 4.17, SD = 1.03), $t(351) = 2.41$, $p < .05$. Thus, the effect of manipulating students' exposure to retail tobacco advertising did not dissipate quickly.

Effects of Advertising Exposure on Perceived Access

Table 1 summarizes the mean differences in perceptions about the access, use, and control of tobacco by exposure to retail advertising. The results are collapsed over the news-story version (tobacco related vs. unrelated) because the factor yielded no significant main or interaction effects for most dependent variables. Regardless of the news story they heard, students believed that cigarettes were more easily purchased from the store saturated with tobacco ads (M = 3.94) than from the store without such advertising (M = 3.62), $F(1, 368) = 3.97$, $p < .05$. Similarly, students exposed to retail tobacco advertising perceived significantly easier access to cigarettes from stores in their neighborhood than the comparison group, $F(1, 368) = 8.20$, $p < .05$. Thus, retail-advertising exposure influenced students' perceptions about the ease of obtaining cigarettes from stores.

Effects of Advertising Exposure on Normative Beliefs About Smoking

The main effect of advertising exposure on perceptions about tobacco use was significant, as shown in Table 1. Students who were exposed to a store saturated with tobacco advertising believed that more students smoked (M = 52.80, SD = 22.26) than did those who were exposed to a store devoid of tobacco advertising (M = 49.22, SD = 20.86), $F(1, 368) = 4.05$, $p < .05$. No significant main or interaction effect of the news story on perceived prevalence was observed.

Table 1

Perceptions About Tobacco Access, Use, and Acceptance by Exposure to Retail Advertising

	Retail advertising exposure[a]			
	Tobacco saturated (n = 194)		Tobacco free (n = 179)	
Perceived access	M	SD	M	SD
Pictured store	3.94*	1.61	3.62	1.52
Other stores	3.41**	2.55	2.74	2.17
Perceived prevalence	52.80*	22.26	49.22	20.86
Policy support	3.89	1.20	4.08*	1.20

Note. Results are collapsed over news-story version (tobacco related vs. unrelated) because the factor yielded no significant main or interaction effects for these dependent variables.

[a]Tests of significance were obtained from ANCOVA, controlling for smoking susceptibility.

*$p < .05$. **$p < .01$.

The effect of retail advertising exposure on perceived approval for smoking depended on which news story students heard, as indicated by a significant interaction, $F(1, 368) = 8.83$, $p < .01$. As shown in Figure 2, students exposed to the tobacco-saturated store perceived significantly more approval for smoking (M = 4.59, SD = 1.22) than did students exposed to the tobacco-free store (M = 4.05, SD = 1.42), but only if they heard the story about food purchases. The opposite was true for students who heard the story about a proposed tobacco-control law. Students exposed to the tobacco-saturated store perceived less approval for smoking (M = 4.04, SD = 1.57) than did students exposed to the tobacco-free store (M = 4.38, SD = 1.41), but this difference was not significant, $t(175) = 1.50$, ns. Thus, the hypothesized effect of retail advertising exposure on perceived approval for smoking was supported only partially.

Effects of Advertising Exposure on Policy Support

As predicted, students exposed to tobacco advertising in stores expressed significantly weaker support for tobacco-control policies (M = 3.89, SD = 1.20) than did the control group (M = 4.08, SD = 1.20), $F(1, 368) = 5.48$, $p < .05$. No significant main or interaction effect of the news story version on policy support was observed.

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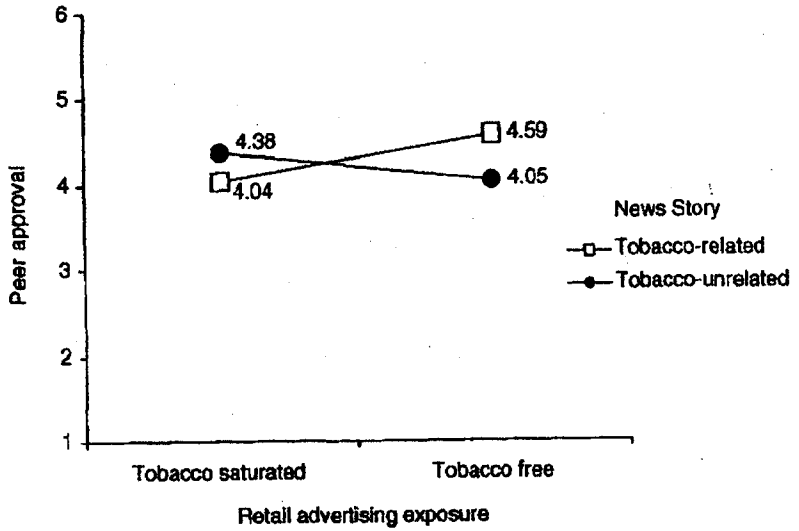


Figure 2. Perceived approval for smoking by retail advertising exposure and story context.

Discussion

Because so few studies of tobacco advertising have addressed the retail environment, the current study sought to fill a gap in the literature by examining the impact of adolescents' exposure to these messages. This research highlights a concern about the ubiquity of tobacco advertising in retail outlets and its impact on youth smoking. Specifically, the study results suggest that widespread promotion of tobacco in stores distorts adolescents' perceptions of the product's availability, use, and acceptance. These outcomes are important because they have been identified as risk factors for adolescent smoking.

Adolescents' exposure to retail tobacco advertising was manipulated under the guise of testing a teen-interest news story. Students in the eighth and ninth grade saw photographs of a convenience store that was either dominated by or devoid of tobacco advertising while they listened to a news story about a proposed tobacco-control law or one about teen food purchases. Whether advertising exposure occurred in a context that mentioned or did not mention smoking had little bearing on the results. Regardless of the news story they heard, students exposed to retail tobacco advertising perceived significantly easier access to cigarettes from the pictured store and other from stores in their neighborhood than did the comparison group. In-store advertising also influenced students' perceptions about tobacco use and approval for smoking among peers. As predicted, perceived prevalence estimates were higher among students who were exposed to

the tobacco-saturated store than to the tobacco-free store. However, the hypothesized effect of advertising exposure on perceived approval for smoking was supported only partially. Perceived approval for smoking was greater among adolescents exposed to retail tobacco advertising than the comparison group, but only among those who listened to the news story that did not mention tobacco.

Retail tobacco advertising influenced adolescents' attitudes toward policies that would reduce youth smoking, such as penalizing minors who try to purchase tobacco, forbidding students from smoking on school grounds, increasing cigarette prices, and restricting marketing. Adolescents exposed to tobacco advertising in stores expressed significantly weaker support for such policies than did the comparison group. In light of increased efforts to pass and enforce tobacco control laws in many states and cities, these findings are noteworthy. The results of this study suggest that retail tobacco marketing contributes to an environment that promotes pro-smoking attitudes among youth and might undermine support for policies designed to restrict youth access and reduce tobacco use.

Study Limitations

Several factors limit the ability to draw conclusions about the impact of routine exposure to retail tobacco advertising in the course of adolescents' daily lives. The artificial nature of the stimulus is one weakness of the current study. This experiment manipulated students' exposure to photographs of stores that were novel (our creation) and unfamiliar. Comments from study participants provided some anecdotal evidence about the quality of the experimental stimuli. Although most students said the stores appeared "real" or "looked like stores in their neighborhood," some mentioned that the photographs appeared to be "doctored" or "phony." To address this problem, a follow-up a study is under way, using a full-motion video to create a more true-to-life simulation of in-store experiences.

The small sample size and random assignment of classrooms to experimental conditions are also weaknesses of the study design. Ideally, students within a class would have been randomly assigned to different experimental conditions running simultaneously in multiple locations—an impossible achievement in overcrowded public schools. Unfortunately, too few classrooms participated in the study to make the classroom rather than the student the appropriate unit for statistical analyses. To address the potential for bias, we computed intraclass correlations and confirmed that these values were not significantly different from 0.

Finally, a controlled experiment is not well suited to test the effects of long-term, cumulative exposure to retail tobacco advertising that plagues our youth. However, the fact that such a brief exposure produced differences, if confirmed, emphasizes the potentially large impact of cumulative exposure to tobacco ads in stores. Future studies should move from a cross-sectional, experimental method

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to a longitudinal, observational method to measure the impact of these messages. Indeed, few longitudinal studies have examined the effects of tobacco advertising on youth, and none have addressed in-store advertising. Such longitudinal data would permit stronger causal inferences about the effects of these messages on adolescents' perceptions, attitudes, and behaviors.

Implications for Tobacco-Control Policy

The tobacco industry's retail marketing strategy is designed, in part, to offset the impact of tax increases and tobacco-control efforts imposed by several states (Chaloupka, Slater, & Wakefield, 1999). Given increased restrictions on other forms of cigarette advertising, it is likely that tobacco companies will intensify their advertising and promotions in stores. One tobacco-industry marketing executive predicts, "Increasingly, the store will be treated not just as an outlet for volume, but as a targeted communication channel" (Pollack, 1999).

Several government- and state-funded health initiatives have specified strategic goals to reduce young people's exposure to tobacco advertising and promotions (e.g., California Department of Health Services, 1998). A more detailed understanding of retail tobacco advertising and its impact on youth smoking would benefit such policy efforts. This study is the first to demonstrate how retail tobacco advertising can contribute to an environment that encourages pro-smoking attitudes among youth. Future research should investigate how to effectively counter the pervasive, pro-tobacco messages in adolescents' consumer environment.

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CIGARETTE BRAND PREFERENCES AMONG ADOLESCENTS

Monitoring the Future Occasional Paper 45

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BACKGROUND

Monitoring the Future is an ongoing study of American young people, based in part on annual surveys of nationally representative samples of eighth, tenth, and twelfth-grade students attending public or private secondary schools in the coterminous 48 states. Since its inception in 1975, it has been funded through a series of investigator-initiated research grants from the National Institute on Drug Abuse to a team of social scientists at the University of Michigan's Institute for Social Research. The epidemiological results of these surveys are published in an annual series of monographs (see Johnston, O'Malley, & Bachman, 1998). The most recent survey, conducted in the spring of 1998, involved nearly 50,000 respondents in 422 schools.

The 1998 survey contained a new question about the brand preferences of those respondents who indicated smoking one or more cigarettes in the prior 30 days – that is, "current smokers." The question read, "What brand of cigarettes do you usually smoke? (Brands are in alphabetical order. Mark only one.)" This question was followed by a list of 23 of the largest-selling brands. The options of "Other" brand and "No usual brand" were also provided to respondents. (See Appendix A for the question and full answer set.)

Between two- and three-thousand ***current smokers*** answered the brand preference question at each grade level (2,048 eighth graders, 2,708 tenth graders, and 2,335 twelfth graders). Not all participants in the study were asked this question because it was contained on only three of the four questionnaire forms used in eighth and tenth grade, and on three of the six questionnaire forms used in twelfth grade.

A number of interesting findings have emerged from the initial analyses of this question—particularly those having to do with the degree of market concentration found, and the extent of differences among subgroups. These findings are presented below.

It should be noted that it is illegal in virtually all states for young people below the age of 18 to purchase, or to be sold, cigarettes. While approximately half of the twelfth graders had reached their 18th birthday by the time the survey was conducted, virtually none of the eighth- or tenth graders had done so.

MAIN FINDINGS

Data are presented here for the total samples of current smokers at each of the three grade levels, as well as for selected subgroups at each of the three grade levels. Some of the tables contain a column of data labeled "all grades" which is a simple unweighted mean of the percentages observed at each of the three grade levels. This is to provide at a glance a summary of relationships, but should not be interpreted as representing all smokers in grades 8 through 12.

The numbers of cases in the analyses sometimes are small, particularly for certain subgroups, so the reader is cautioned to attend to the sample sizes which are presented in each table and figure. Confidence intervals (95% level) around point estimates are given for each of the three grades in Appendix B, separately for each of the three major brands smoked by young people.

Levels of Cigarette Smoking

In 1998 the proportion of students reporting smoking any cigarettes in the prior 30 days was 19.1% of the eighth graders, 27.6% of the tenth graders, and 35.1% of the twelfth graders. These comprise the current smokers who answered the questions regarding brand preference. Other statistics on levels and trends in smoking at the three grade levels are presented in Table 1.

Brand Preferences

By the time they finish high school, nearly two-thirds (65.2%) of American young people who are current smokers say they usually smoke *Marlboro*. Two other brands account for most of the remainder–*Newport* (13.3%) and *Camel* (9.6%). These three brands account for 88.1% of the current smokers in twelfth grade (another 4.1% say they have "no usual brand"). Each of the other brands is smoked by less than 2% of current smokers in twelfth grade, usually by much less. (Table 2 and Figure 3).

Among younger smokers (Figures 1 and 2) these three brands also predominated: They are the usual brand for 81.6% of the current smokers in eighth grade (another 9.7% have no usual brand), and 86.1% of current smokers in tenth grade (where 6.4% say they have no usual brand). Note that the proportion saying they have no usual brand declines with age.

While *Marlboro* is the predominant brand at all three grade levels, it accounts for an increasing proportion of smokers at each higher grade level: 53.7% of the eighth graders; 61.1% of the tenth graders, and 65.2% of the twelfth graders. In part, this may be due to the increasing proportion of students who have a brand preference at older ages.

The second most widely-used brand of cigarettes at all three grade levels is *Newport*. It accounts for 22.5% of the eighth-grade smokers, but its market share declines to 17.7% among tenth-grade smokers, and 13.3% among twelfth-grade smokers.

The third-ranked brand in all three grades is *Camel*. Like *Marlboro*, *Camel*'s share of the youth market appears to increase with grade level: 5.4% of the current smokers in grade 8 say they usually smoke *Camel* cigarettes, 7.3% in grade 10, and 9.6% in grade 12.

Level of Smoking

Among current smokers at all grade levels, those who have an established smoking habit are more likely to have a brand that they usually smoke (Table 3). For example, among eighth graders, 15% of the current smokers who do not yet smoke daily said they have no usual brand that they smoke, vs. only 2.5% of those who smoke one-half pack per day. Similar differences are found at grades 10 and 12. In fact, by twelfth grade practically none of the daily (but less than half-pack a day) smokers (1.3%) and half-pack-a-day smokers (0.7%) are without a usual brand of cigarettes. Thus, it appears that brand loyalty begins to be established very early. This striking fact helps to show why tobacco companies might have a strong motivation to induce young people to establish a preference for their brands at an early age.

Purchasing Their Own Cigarettes

Whether a student purchases his or her own cigarettes was determined by answers to questions about the source of the cigarettes they smoke. Those who indicated that they made any purchase in the past 30 days from any of the following sources were coded as having purchased their own cigarettes: from a vending machine, through the mail, picked them up at a store, or was handed them in a store by a clerk. (See Appendix A for the exact question wording.)

As would be expected, the proportion of adolescents who purchase their own cigarettes rises with age; only 35% of the eighth graders who are current smokers report purchasing cigarettes in the prior 30 days, whereas 75% of twelfth graders do. (See the numerical distributions at the bottom of Table 4.)

Students who purchase their own cigarettes are a bit more likely to report having a usual brand (Table 4). For example, among eighth graders, only 6% of those who purchase their own cigarettes say they do *not* have a usual brand, vs. 12% of those who do not purchase their own. A similar difference exists at the higher grades, as well (2% vs. 10% in tenth grade, respectively, and 2% vs. 13% in twelfth grade).

Age of Smoking Initiation

We examined the grade of initiation of smoking a first cigarette among current smokers in grades 10 and 12 to determine whether those who initiated smoking earlier were more or less likely to develop a particular brand preference. There is no indication that the grade level at which a current smoker first began smoking cigarettes affects his or her current brand preferences (see Table 5).

DIFFERENCES AMONG DEMOGRAPHIC SUBGROUPS

Differences among subgroups were examined across a number of demographic characteristics including gender, race/ethnicity, region, population density, college plans, and level of parents' education. Tables 6 through 11 provide the brand preference data for the various subgroups defined on these dimensions, and Appendix B present the confidence intervals around these estimates for the three predominant brands (*Marlboro, Newport*, and *Camel*) along with significance tests for the differences observed among the groups. Some very important differences were found, as well as some surprising similarities.

Gender Differences

One of the more surprising findings is that *Marlboro* appears to be at least as popular among girls as among boys at all three grade levels, despite the virtually exclusively male depictions in *Marlboro* advertising. Among current smokers at eighth grade, 55.4% of girls vs. 51.7% of boys say they smoke *Marlboro* cigarettes; at tenth grade, 64.1% vs. 58.0%; and at twelfth grade, 66.2% of girls vs. 64.6% of boys (Table 6). (None of these gender differences is statistically significant: See Appendix B.)

Gender differences with respect to *Camel* cigarettes are more in line with conventional wisdom. In eighth grade, 7.3% of boys who are current smokers vs. 4.2% of such girls say their usual brand is *Camel*; in tenth grade, 9.9% vs. 5.0%; and in twelfth grade, 11.2% for boys vs. 8.3% for girls. Still, considering the strong emphasis on male themes in the *Camel* ads, a significant proportion of girls say that *Camel* is the brand they usually smoke. (The gender difference is statistically significant at tenth grade only, but the consistency of the findings across all three grades increases our confidence in their validity.)

Newport shows rather little gender difference. At all grades slightly more females than males report this as their preferred brand, although none of these grade-specific differences reaches statistical significance.

Racial/Ethnic Differences

The sample sizes for the two largest minority groups—African Americans and Hispanics—are quite small at each grade level. The numbers of African American respondents reporting brand preference are only 166 at grade eight, 178 at grade ten, and 106 at grade twelve, for a total of 450 respondents. The numbers of Hispanic respondents on the brand preference question are 257 in grade eight, 245 in grade ten, and 156 in grade twelve, for a total of 658. (The numbers of African American respondents are lower, because African American teens have much lower smoking rates than either whites or Hispanics.)

The ethnic differences in brand preference are dramatic (see Table 7). While the great majority (from 61%-70%) of white adolescents at all three grade levels say they smoke *Marlboro*–as do a smaller, but still substantial, majority of Hispanics (from 57%-65%)–fewer than 10% of the African American adolescents at any grade level smoke *Marlboro*. Instead, their predominant brand is *Newport* (from 71%-82%). Virtually none of the African American adolescents smoke *Camels* (1.7% at eighth grade and 0.0% at tenth and twelfth grade).

Hispanic students at all grade levels appear to be a bit more likely to smoke *Newport* than white student respondents, but their preference rates for *Newport* are not nearly as high as among African Americans. They also appear to be a bit less likely than white students to smoke *Marlboro* or *Camel*, although *Marlboro* is still the choice of the majority of Hispanic students.

Among white respondents, fully 70.2% smoke *Marlboro* by twelfth grade. The proportion increases from 61.1% in eighth grade to 66.1% in tenth grade. This means that the overall increase by grades noted earlier for the popularity of *Marlboros* is highly unlikely to be explained by differential dropout rates among ethnic groups.

Of the three ethnic groups, whites are the most likely to smoke *Camel* cigarettes.

Region

Because of the limited numbers of cases, the regional differences presented here are not always definitive. To the extent that a finding replicates across the three grades–the samples for which are drawn independently of one another–it is considerably more credible.

Marlboro is the leading brand in all four regions, although at all grade levels it tends to account for a lower percent of the brand choices in the Northeast than in the other three regions (see Table 8). (An analysis of variance shows a significant difference among the regions at tenth and twelfth grades in *Marlboro* use.)

At all grade levels the West shows the lowest proportion of students who report smoking *Newport* and the Northeast shows the highest proportion. (The differences among regions in *Newport* use are significant in tenth and twelfth grades and very close to significant in eighth.) Additionally, from 3% to 7% of the students in the Northeast report smoking *Parliament*—far higher than any of the other three regions (where less than 1% at any grade level smoke that brand).

Marlboro accounts for the majority of smokers in all grades for all regions, except the Northeast, where it accounts for 40% of the eighth-grade current smokers, 47% in tenth grade, and 54% in twelfth grade.

Population Density

Marlboro is the most popular brand at all three population density levels, but it is most dominant in the non-metropolitan areas (see Table 9). (The differences in *Marlboro* use are significant for grades 8 and 10.) *Newport* is more prevalent among the metropolitan areas at eighth and tenth grades, whereas differences by urbanicity are rather small by twelfth grade. (These differences are significant at grade 10 and just short of significant at grade 8.)

There are not large or consistent differences in the use of *Camel* cigarettes associated with population density.

College Plans

Among current smokers of the major brands, there is very little difference in brand preference at any of the three grade levels as a function of whether respondents expect to complete four years of college or not (Table 10).

Parental Education

. Parental education is used as an indicator of socioeconomic status. An index based on the level of education attained by both parents is used, or the level of education of the single parent if only one is present. (For a full description of the question and procedures see Johnston et al., 1998.)

Table 11 provides an overview of these findings based on a three-level index of parental education. The analyses discussed below are based on the full five-level index of parental education and are presented in Appendix B. Table B-3 shows that the use of *Marlboro* cigarettes tends to be negatively associated with social class among twelfth graders (an analysis of variance is significant at the .05 level) with the only exception being the relatively small lowest stratum where race composition is likely having an effect. The rates array ordinally from 54% in the highest stratum to 71% in the next-to-lowest. (The lowest is at 63%.) There is much less of a differential at earlier grades, although *Marlboro* use appears to be lowest in the top stratum even at earlier grades.

Newport shows high preference rates in the bottom two strata at twelfth grade--21% in the lowest stratum and 15% in the next to lowest, vs. 9% to 11% in the other strata (Table B-6). (The analysis of variance is significant. Again, racial composition is likely to account for much of this difference.) However, there is much less variability at grades 8 and 10 except that the top stratum still has rates lower than the others.

Camel use also varies with social class, as represented by parental education level. In general, it is a positive association, with the top one or two strata having the highest preference

for *Camel* cigarettes at all three grade levels. (The analysis of variance shows significant differences among the strata at all grade levels, though they are not specifically testing for ordinality or linearity in the relationship.) Again, the differences are most striking at twelfth grade, where 22% of the top stratum reports *Camel* use vs. about 4% or 5% of the bottom two strata (Table B-9).

SUMMARY

In sum, the very high rates of cigarette smoking found among American teenagers in the late 1990s are associated with the popularity of just three brands: *Marlboro* (a Philip Morris product), *Newport* (a Lorillard product), and *Camel* (an RJR/Nabisco product). Perhaps not coincidentally, these have been among the most heavily advertised and promoted cigarette brands, in particular *Marlboro*; and also perhaps not coincidentally, two of them (*Newport* and *Camel*) have aggressively pursued youth-oriented themes in their advertising–the "Alive with pleasure" theme and the Joe Camel theme, respectively.

The clearly dominant brand, however, is *Marlboro*, which has successfully identified itself with the American icon of the Western cowboy, as well as with certain competitive sports, like Formula One racing. By twelfth grade, nearly two-thirds of students who are current smokers (65%) smoke *Marlboro*. Despite the strongly male orientation of the *Marlboro* advertising themes, however, *Marlboro* is at least as popular among girls in their teens as among boys.

Just as there are dramatic racial/ethnic differences in rates of smoking among adolescents (with African American teenagers having by far the lowest rates), there also are dramatic racial/ethnic differences in brand preferences among those who do smoke. *Newport*, a mentholated cigarette, predominates among African American teenage smokers to an even greater extent than *Marlboro* predominates among white teenage smokers.

Finally, the fact that so few of the current smokers in their teen years do not already have a brand that they usually smoke (10% of eighth graders, 6% of tenth graders, and 4% of twelfth-grade current smokers) helps to illustrate why tobacco companies might have a compelling interest in having their advertising and promotion reach underage children.

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Johnston, L.D., O'Malley, P.M., & Bachman, J.G. (1998). *National survey results on drug use from the Monitoring the Future study, 1975-1997. Volume I: Secondary school students.* (NIH Publication No. 98-4345) and *Volume II: College students and young adults.* (NIH Publication No. 98-4346). Rockville, MD: National Institute on Drug Abuse.

Figure 1

Grade 8: Brands Usually Smoked by Current Smokers, 1988

(entries are percentages)
Approx. N = 2050

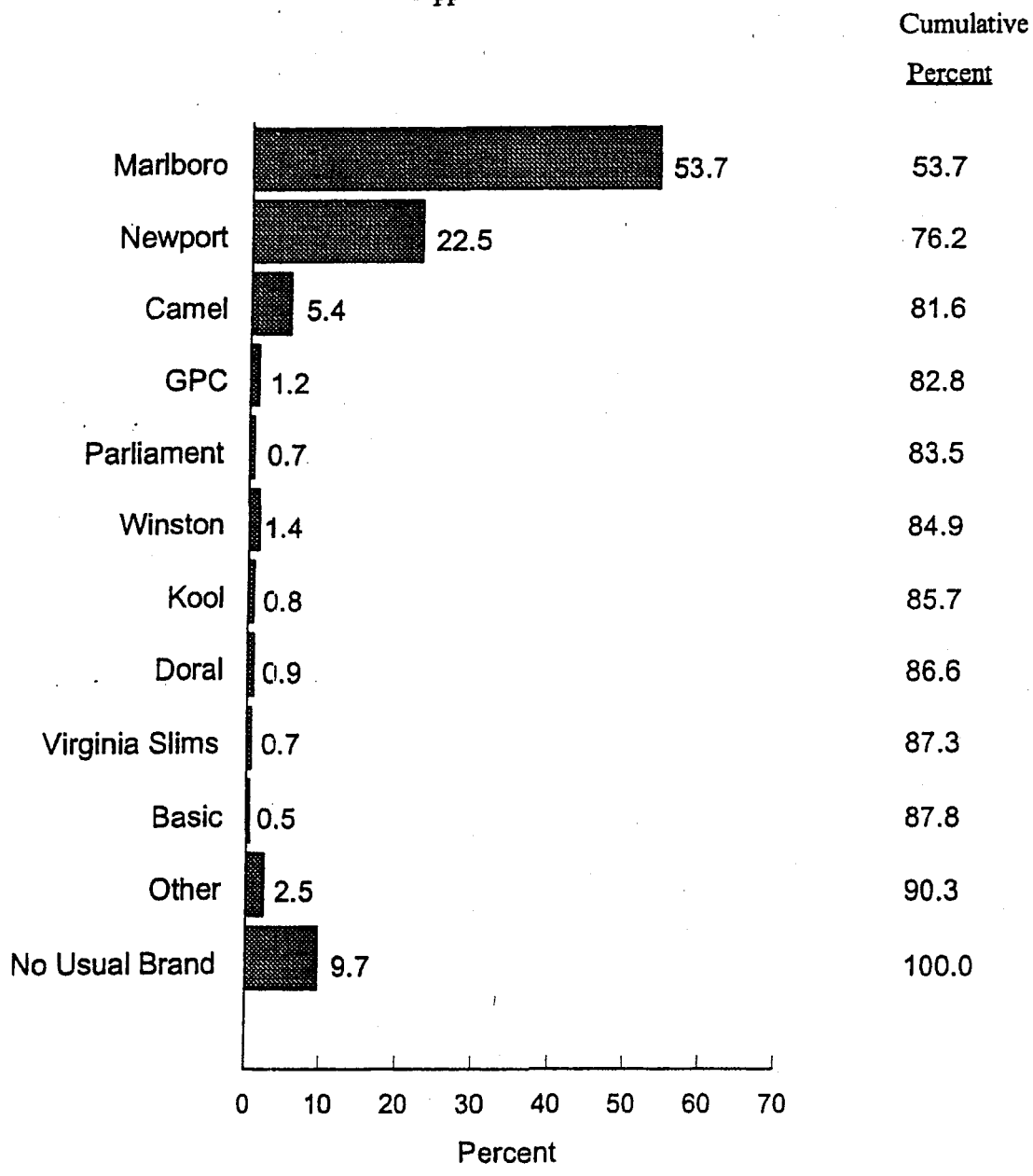


Figure 2

Grade 10: Brands Usually Smoked by Current Smokers, 1988

(entries are percentages)
Approx. N = 2710

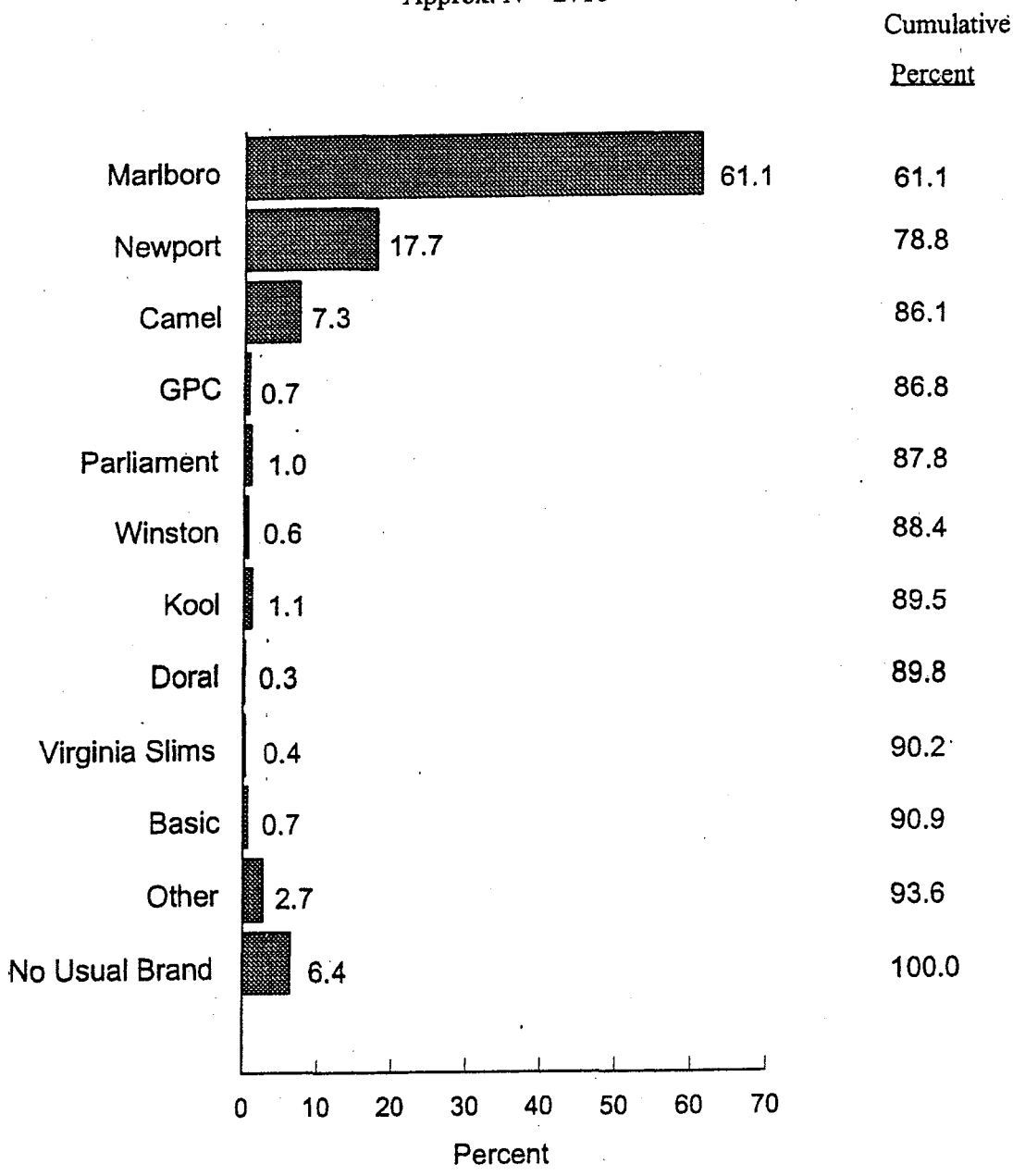


Figure 3

Grade 12: Brands Usually Smoked by Current Smokers, 1988

(entries are percentages)
Approx. N = 2340

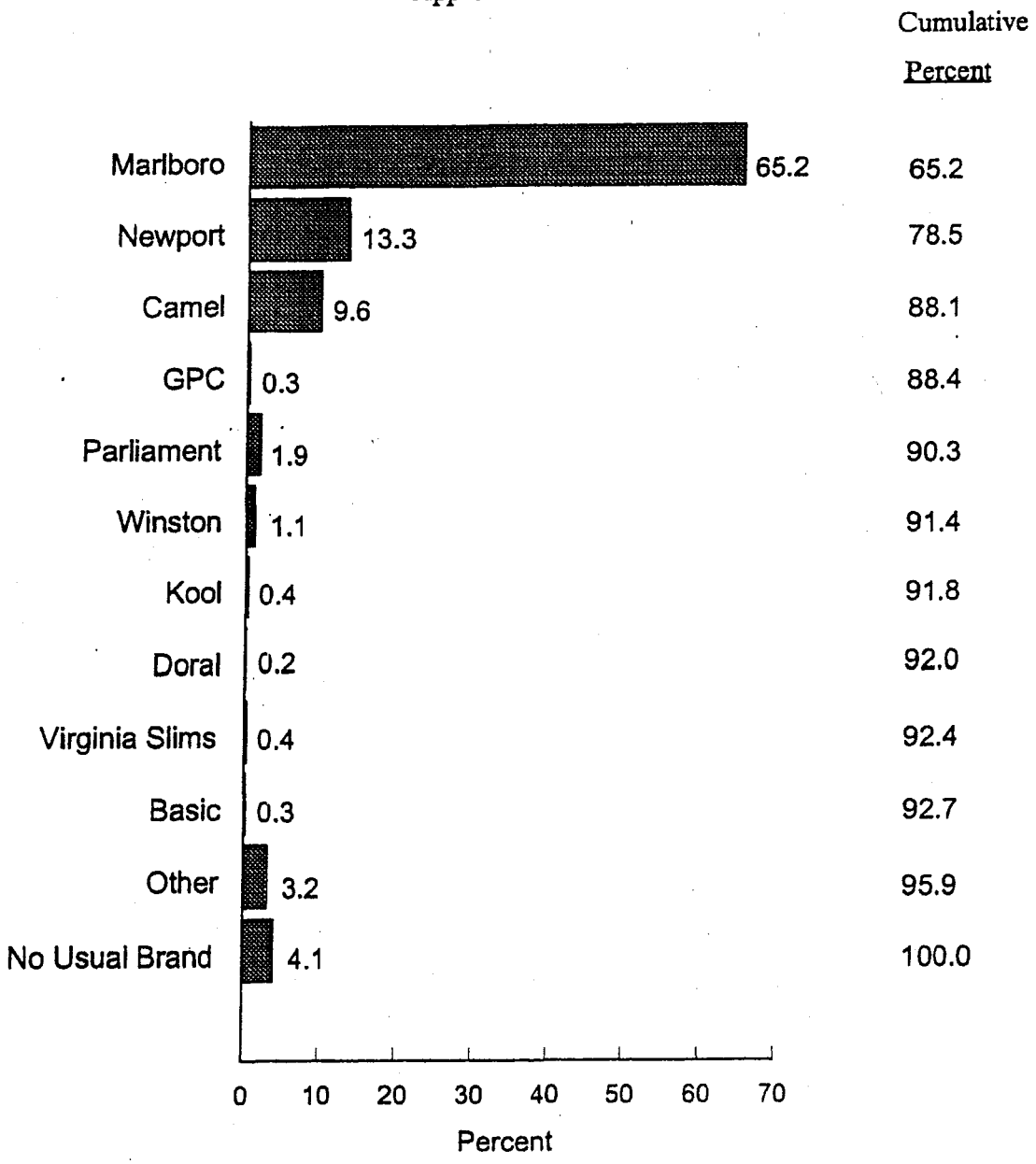


TABLE 1

Long-Term Trends in Prevalence of Cigarette Use for Eighth, Tenth, and Twelfth Graders

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Table 2
1998 Cigarette Brand Preference
for Past Thirty-Day Smokers
(entries are percentages)

	8th grade	10th grade	12th grade	all grades*
form(s):	1/3/4	1/3/4	1/3/6	
Marlboro	53.7	61.1	65.2	60.0
Newport	22.5	17.7	13.3	17.8
Camel	5.4	7.3	9.6	7.4
Parliament	0.7	1.0	1.9	1.2
Winston	1.4	0.6	1.1	1.0
Kool	0.8	1.1	0.4	0.8
GPC	1.2	0.7	0.3	0.7
Basic	0.5	0.7	0.3	0.5
Virginia Slims	0.7	0.4	0.4	0.5
Doral	0.9	0.3	0.2	0.5
Benson & Hedges	0.3	0.4	0.2	0.3
Salem	0.2	0.3	0.3	0.3
Merit	0.4	0.1	0.0	0.2
Misty	0.3	0.1	0.1	0.2
Capri	0.0	0.2	0.2	0.1
Pall Mall	0.1	0.1	0.1	0.1
Cambridge	0.1	0.1	0.1	0.1
Black & Whites	0.1	0.1	0.1	0.1
Kent	0.1	0.1	0.0	0.1
Vantage	0.0	0.1	0.0	0.0
Monarch	0.0	0.0	0.1	0.0
Carlton	0.0	0.0	0.0	0.0
More	0.0	0.0	0.0	0.0
Other	1.2	1.3	2.2	1.6
No usual brand	9.7	6.4	4.1	6.7
N=	2048	2708	2335	

* Average value across the three grades, each weighted equally.

Table 3

1998 Cigarette Brand Preference by Smoking Frequency for Past Thirty-Day Smokers

(entries are percentages)

form(s):	8th grade 1/3/4			10th grade 1/3/4			12th grade 1/3/6			all grades*		
	<1/day	1-5/day	1/2 pk+/day	<1/day	1-5/day	1/2 pk+/day	<1/day	1-5/day	1/2 pk+/day	<1/day	1-5/day	1/2 pk+/day
Marlboro	48.2	58.2	63.6	57.6	64.8	62.6	61.4	65.1	69.0	55.7	62.7	65.1
Newport	19.6	26.6	25.0	13.8	19.9	21.3	11.9	13.7	14.2	15.1	20.1	20.2
Camel	6.0	5.0	4.2	6.2	6.6	9.6	7.5	12.5	9.1	6.6	8.0	7.6
Parliament	0.5	1.1	0.8	0.8	1.4	0.9	1.8	2.7	1.3	1.0	1.7	1.0
Winston	1.3	1.9	0.7	0.5	0.8	0.5	0.7	0.8	1.6	0.8	1.2	0.9
Kool	1.2	0.2	0.5	1.6	0.9	0.6	0.3	0.7	0.2	1.0	0.6	0.4
GPC	1.5	0.3	1.5	1.0	0.3	0.5	0.1	0.0	0.8	0.9	0.2	0.9
Basic	0.9	0.2	0.0	0.9	0.2	1.1	0.3	0.0	0.7	0.7	0.1	0.6
Virginia Slims	1.2	0.1	0.0	0.6	0.1	0.3	0.4	0.3	0.3	0.7	0.2	0.2
Doral	1.3	0.6	0.3	0.0	0.6	0.5	0.4	0.1	0.3	0.6	0.4	0.4
Benson & Hedges	0.5	0.2	0.2	0.6	0.4	0.2	0.2	0.3	0.1	0.4	0.3	0.2
Salem	0.2	0.1	0.0	0.5	0.4	0.0	0.7	0.3	0.0	0.5	0.3	0.0
Merit	0.5	0.5	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.0
Misty	0.3	0.5	0.0	0.2	0.0	0.0	0.0	0.0	0.2	0.2	0.2	0.1
Capri	0.0	0.0	0.0	0.1	0.4	0.0	0.3	0.2	0.0	0.1	0.2	0.0
Pall Mall	0.0	0.0	0.3	0.0	0.2	0.0	0.1	0.0	0.2	0.0	0.1	0.2
Cambridge	0.0	0.2	0.0	0.1	0.0	0.0	0.0	0.0	0.2	0.0	0.1	0.1
Black & Whites	0.2	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.2	0.1	0.0	0.1
Kent	0.1	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0
Vantage	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0
Monarch	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.1	0.0	0.0
Carlton	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
More	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	1.9	0.5	0.2	1.8	1.2	0.8	3.7	2.0	1.0	2.5	1.2	0.7
No usual brand	14.9	3.8	2.5	13.0	1.9	1.2	10.1	1.3	0.7	12.7	2.3	1.5
N=	1125	545	378	1148	784	776	809	690	837			

* Average value across the three grades, each weighted equally.

Table 4

1998 Cigarette Brand Preference by Self-Purchase* for Past Thirty-Day Smokers

(entries are percentages)

	8th grade forms 3 & 4		10th grade forms 3 & 4		12th grade form 6		all grades**	
	No	Yes	No	Yes	No	Yes	No	Yes
Marlboro	53.4	54.5	62.7	60.8	59.9	68.9	58.7	61.4
Newport	17.3	28.9	11.6	24.9	11.4	12.5	13.4	22.1
Camel	6.3	4.0	7.6	6.5	7.3	9.3	7.1	6.6
Parliament	0.3	1.0	1.0	0.4	2.2	1.1	1.2	0.8
Winston	2.2	0.2	0.8	0.2	1.3	1.4	1.4	0.6
Kool	1.3	0.3	1.5	1.2	0.0	0.5	0.9	0.7
GPC	1.4	1.1	0.7	0.2	1.2	0.7	1.1	0.7
Basic	0.8	0.0	0.7	0.6	0.0	0.5	0.5	0.4
Virginia Slims	0.7	2.0	0.4	0.4	1.3	0.2	0.8	0.9
Doral	1.0	0.5	0.1	0.8	0.0	0.1	0.4	0.5
Benson & Hedges	0.3	0.3	0.4	0.5	0.5	0.0	0.4	0.3
Salem	0.0	0.2	0.3	0.1	0.3	0.1	0.2	0.1
Merit	0.7	0.3	0.0	0.0	0.0	0.0	0.2	0.1
Misty	0.6	0.0	0.2	0.0	0.0	0.2	0.3	0.1
Capri	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0
Pall Mall	0.2	0.0	0.2	0.0	0.0	0.0	0.1	0.0
Cambridge	0.0	0.0	0.2	0.0	0.8	0.0	0.3	0.0
Black & Whites	0.0	0.3	0.0	0.1	0.0	0.0	0.0	0.1
Kent	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.1
Vantage	0.0	0.0	0.3	0.0	0.0	0.0	0.1	0.0
Monarch	0.0	0.0	0.0	0.0	0.0	0.3	0.0	0.1
Carlton	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0
More	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	1.7	0.7	1.6	0.7	1.1	2.7	1.5	1.4
No usual brand	11.8	5.7	9.7	2.4	12.8	1.6	11.4	3.2
N=	**669**	**359**	**739**	**582**	**211**	**626**		

* Answered that they had bought cigarettes at least once in the past 30 days by at least one of the following methods: from a vending machine, through the mail, picked them up at a store, or was handed them in a store by a clerk.

** Average value across the three grades, each weighted equally.

Table 5

1998 Cigarette Brand Preference by Grade of Smoking First Cigarette for Past Thirty-Day Smokers

(entries are percentages)

	10th grade forms 1/3/4		12th grade forms 1/3/6		
Grade 1st used:	by 8th	in 9th/10th	by 8th	in 9th/10th	in 11th/12th
Marlboro	62.4	62.7	66.5	66.2	65.4
Newport	16.8	14.7	12.2	11.9	10.4
Camel	7.6	5.9	10.5	9.2	9.2
Parliament	1.1	0.8	1.8	2.3	1.0
Winston	0.6	0.8	1.3	0.7	1.1
Kool	0.9	1.9	0.4	0.2	0.6
GPC	0.6	1.0	0.2	0.7	0.0
Basic	0.7	0.5	0.4	0.3	0.0
Virginia Slims	0.4	0.4	0.4	0.2	0.3
Doral	0.3	0.0	0.3	0.1	0.7
Benson & Hedges	0.4	0.0	0.2	0.2	0.0
Salem	0.4	0.2	0.3	0.3	0.5
Merit	0.0	0.6	0.0	0.0	0.0
Misty	0.1	0.0	0.0	0.2	0.0
Capri	0.2	0.0	0.2	0.1	0.0
Pall Mall	0.0	0.3	0.2	0.0	0.0
Cambridge	0.1	0.0	0.1	0.0	0.0
Black & Whites	0.1	0.0	0.0	0.0	0.0
Kent	0.1	0.0	0.0	0.0	0.0
Vantage	0.1	0.0	0.0	0.0	0.0
Monarch	0.0	0.0	0.2	0.0	0.0
Carlton	0.0	0.2	0.0	0.0	0.0
More	0.0	0.0	0.0	0.0	0.0
Other	1.4	0.7	1.6	2.7	3.4
No usual brand	5.8	9.4	3.2	4.9	7.3
N=	2110	414	1163	627	214

Table 6
1998 Cigarette Brand Preference by Gender for Past Thirty-Day Smokers

(entries are percentages)

form(s):	8th grade 1/3/4		10th grade 1/3/4		12th grade 1/3/6		all grades*	
	male	female	male	female	male	female	male	female
Marlboro	51.7	55.4	58.0	64.1	64.6	66.2	58.1	61.9
Newport	21.0	23.0	15.6	19.1	12.1	13.7	16.2	18.6
Camel	7.3	4.2	9.9	5.0	11.2	8.3	9.5	5.8
Parliament	0.8	0.7	0.9	1.1	0.9	3.0	0.9	1.6
Winston	1.5	1.3	0.8	0.4	1.5	0.6	1.3	0.8
Kool	0.8	0.7	1.2	1.1	0.2	0.5	0.7	0.8
GPC	1.6	0.5	1.1	0.4	0.2	0.4	1.0	0.4
Basic	0.6	0.6	0.8	0.6	0.2	0.5	0.5	0.6
Virginia Slims	0.3	1.0	0.3	0.4	0.1	0.6	0.2	0.7
Doral	0.8	1.1	0.2	0.4	0.2	0.3	0.4	0.6
Benson & Hedges	0.4	0.3	0.3	0.5	0.0	0.4	0.2	0.4
Salem	0.2	0.1	0.5	0.2	0.5	0.1	0.4	0.1
Merit	0.5	0.4	0.1	0.1	0.0	0.0	0.2	0.2
Misty	0.3	0.3	0.0	0.2	0.0	0.1	0.1	0.2
Capri	0.0	0.0	0.0	0.3	0.0	0.3	0.0	0.2
Pall Mall	0.1	0.0	0.1	0.0	0.0	0.1	0.1	0.0
Cambridge	0.0	0.1	0.0	0.1	0.0	0.2	0.0	0.1
Black & Whites	0.2	0.0	0.1	0.0	0.0	0.0	0.1	0.0
Kent	0.1	0.0	0.2	0.0	0.0	0.0	0.1	0.0
Vantage	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Monarch	0.0	0.0	0.0	0.0	0.2	0.0	0.1	0.0
Carlton	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
More	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	1.8	0.8	1.8	1.0	2.6	1.9	2.1	1.2
No usual brand	9.9	9.6	8.1	5.0	5.5	2.8	7.8	5.8
N=	**863**	**1092**	**1209**	**1460**	**1118**	**1087**		

* Average value across the three grades, each weighted equally.

Table 7

1998 Cigarette Brand Preference by Race/Ethnicity for Past Thirty-Day Smokers

(entries are percentages)

form(s):	8th grade 1/3/4			10th grade 1/3/4			12th grade 1/3/6			all grades*		
	black	white	Hispanic	black	white	Hispanic	black	white	Hispanic	black	white	Hispanic
Marlboro	9.0	61.1	56.7	9.7	66.1	64.9	5.2	70.2	57.7	8.0	65.8	59.8
Newport	71.1	14.8	22.0	70.7	12.7	15.9	82.3	7.6	23.0	74.7	11.7	20.3
Camel	1.7	6.3	4.1	0.0	8.3	0.4	0.0	10.9	3.4	0.6	8.5	2.6
Parliament	0.0	0.8	0.7	0.0	1.2	0.3	0.0	2.0	0.6	0.0	1.3	0.5
Winston	1.5	1.4	0.7	0.0	0.7	0.6	0.0	1.3	0.0	0.5	1.1	0.4
Kool	1.4	0.7	0.4	5.3	0.6	3.6	1.5	0.2	1.2	2.7	0.5	1.7
GPC	0.5	0.9	0.8	0.0	0.6	1.8	0.0	0.4	0.4	0.2	0.6	1.0
Basic	0.0	0.8	0.4	0.0	0.8	0.3	0.0	0.4	0.5	0.0	0.7	0.4
Virginia Slims	0.4	0.5	1.4	0.2	0.3	0.6	0.0	0.3	0.2	0.2	0.4	0.7
Doral	1.4	0.9	1.5	0.0	0.4	0.0	0.5	0.2	1.0	0.6	0.5	0.8
Benson & Hedges	1.0	0.1	0.4	5.0	0.0	0.5	0.0	0.1	0.6	2.0	0.1	0.5
Salem	0.0	0.2	0.0	0.4	0.4	0.5	0.0	0.3	0.4	0.1	0.3	0.3
Merit	0.0	0.6	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.2	0.0
Misty	0.9	0.2	0.0	0.0	0.1	0.4	0.0	0.1	0.0	0.3	0.1	0.1
Capri	0.0	0.0	0.0	0.0	0.1	0.5	1.5	0.1	0.4	0.5	0.1	0.3
Pall Mall	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Cambridge	0.0	0.0	0.4	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.1	0.1
Black & Whites	0.7	0.0	0.3	0.2	0.0	0.2	0.0	0.0	0.0	0.3	0.0	0.2
Kent	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Vantage	0.0	0.0	0.0	0.0	0.0	0.8	0.0	0.0	0.0	0.0	0.0	0.3
Monarch	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Carlton	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
More	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	3.7	0.5	0.9	3.1	1.1	0.8	3.5	1.9	2.7	3.4	1.2	1.5
No usual brand	6.8	10.3	9.4	5.4	6.3	7.8	5.4	4.0	7.9	5.9	6.9	8.4
N=	166	1319	257	178	2029	245	106	1818	156			

* Average value across the three grades, each weighted equally.

Table 8

1998 Cigarette Brand Preference by Region* for Past Thirty-Day Smokers

(entries are percentages)

form(s):	8th grade 1/3/4				10th grade 1/3/4				12th grade 1/3/6				all grades**			
	NE	NC	S	W	NE	NC	S	W	NE	NC	S	W	NE	NC	S	W
Marlboro	39.9	50.9	58.4	58.0	47.2	66.9	62.7	68.3	54.1	72.7	68.6	56.9	47.1	63.5	63.2	61.1
Newport	32.2	24.8	22.5	10.1	30.9	13.1	18.0	4.8	21.7	9.1	15.5	5.9	28.3	15.7	18.7	6.9
Camel	4.0	6.8	3.3	9.5	7.4	10.7	5.4	6.2	8.3	8.3	7.6	17.9	6.6	8.6	5.4	11.2
Parliament	3.0	0.4	0.4	0.0	4.3	0.0	0.0	0.2	7.3	0.9	0.4	0.7	4.9	0.4	0.3	0.3
Winston	1.4	1.9	1.5	0.0	0.4	0.2	0.9	0.5	0.7	1.6	0.7	1.4	0.8	1.2	1.0	0.6
Kool	0.8	0.8	0.3	2.0	0.4	0.4	1.6	2.5	0.0	0.4	0.3	0.8	0.4	0.5	0.7	1.8
GPC	2.0	0.8	0.8	2.1	0.4	0.9	0.6	1.0	0.0	0.8	0.0	0.4	0.8	0.8	0.5	1.2
Basic	0.4	0.4	0.5	1.0	0.4	0.7	0.9	0.8	0.0	0.6	0.2	0.6	0.3	0.6	0.5	0.8
Virginia Slims	0.4	0.2	1.1	0.6	0.4	0.2	0.3	0.7	0.7	0.2	0.4	0.2	0.5	0.2	0.6	0.5
Doral	0.0	1.0	1.4	0.4	0.5	0.3	0.3	0.0	0.0	0.4	0.3	0.0	0.2	0.6	0.7	0.1
Benson & Hedges	0.0	0.3	0.2	1.0	0.1	0.2	0.3	1.6	0.4	0.0	0.3	0.1	0.2	0.2	0.3	0.9
Salem	0.0	0.2	0.3	0.0	0.2	0.2	0.2	1.0	0.9	0.1	0.2	0.4	0.4	0.2	0.2	0.5
Merit	0.8	0.3	0.3	0.6	0.0	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.2	0.1	0.2
Misty	0.8	0.0	0.4	0.0	0.0	0.2	0.0	0.3	0.3	0.0	0.0	0.0	0.4	0.1	0.1	0.1
Capri	0.0	0.0	0.0	0.0	0.0	0.1	0.3	0.2	0.0	0.0	0.2	0.6	0.0	0.0	0.2	0.3
Pall Mall	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.3	0.4	0.0	0.1	0.0	0.1	0.1	0.0	0.1
Cambridge	0.0	0.0	0.0	0.3	0.0	0.0	0.2	0.0	0.0	0.3	0.0	0.0	0.0	0.1	0.1	0.1
Black & Whites	0.0	0.0	0.2	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.2	0.0
Kent	0.0	0.0	0.0	0.3	0.0	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.1
Vantage	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0
Monarch	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.1	0.0
Carlton	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
More	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	1.3	0.7	1.6	1.0	1.4	0.9	1.4	1.7	2.0	1.5	1.7	5.0	1.6	1.0	1.6	2.6
No usual brand	13.2	10.4	6.7	12.9	5.9	4.5	6.6	10.0	3.2	3.1	3.3	9.2	7.4	6.0	5.5	10.7
N=	284	577	851	336	600	688	1028	392	433	677	855	370				

* Census regions: NE = Northeast, NC = North Central, S = South, W = West.

** Average value across the three grades, each weighted equally.

Table 9

1998 Cigarette Brand Preference by Population Density* for Past Thirty-Day Smokers

(entries are percentages)

form(s):	8th grade 1/3/4			10th grade 1/3/4			12th grade 1/3/6			all grades**		
	Lg MSA	Other MSA	Non-MSA	Lg MSA	Other MSA	Non-MSA	Lg MSA	Other MSA	Non-MSA	Lg MSA	Other MSA	Non-MSA
Marlboro	43.2	50.7	65.2	53.8	57.4	71.5	58.6	67.2	68.8	51.9	58.4	68.5
Newport	30.8	24.8	13.5	27.1	18.8	9.4	16.2	11.7	13.1	24.7	18.4	12.0
Camel	6.6	5.0	5.0	5.5	7.8	8.0	9.7	11.1	6.7	7.3	8.0	6.6
Parliament	1.5	0.6	0.3	1.2	1.5	0.1	4.4	1.1	0.5	2.4	1.1	0.3
Winston	1.4	1.1	1.7	0.8	0.4	0.6	1.2	0.6	1.8	1.1	0.7	1.4
Kool	0.4	1.6	0.1	0.9	1.8	0.4	0.8	0.2	0.2	0.7	1.2	0.2
GPC	0.8	1.1	1.6	0.1	0.9	0.8	0.0	0.1	1.0	0.3	0.7	1.1
Basic	0.4	0.1	1.2	0.2	0.5	1.5	0.5	0.3	0.1	0.4	0.3	0.9
Virginia Slims	0.4	1.0	0.3	0.3	0.3	0.5	0.5	0.4	0.2	0.4	0.6	0.3
Doral	0.4	0.7	1.6	0.1	0.4	0.4	0.7	0.1	0.0	0.4	0.4	0.7
Benson & Hedges	0.6	0.4	0.0	1.0	0.4	0.0	0.3	0.2	0.1	0.6	0.3	0.0
Salem	0.0	0.2	0.2	0.8	0.2	0.2	0.2	0.5	0.2	0.3	0.3	0.2
Merit	0.2	0.6	0.3	0.4	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.1
Misty	0.3	0.5	0.0	0.0	0.2	0.0	0.0	0.0	0.2	0.1	0.2	0.1
Capri	0.0	0.0	0.0	0.3	0.2	0.0	0.3	0.1	0.1	0.2	0.1	0.0
Pall Mall	0.3	0.0	0.0	0.0	0.0	0.2	0.0	0.2	0.0	0.1	0.1	0.1
Cambridge	0.2	0.0	0.0	0.0	0.0	0.2	0.0	0.2	0.0	0.1	0.1	0.1
Black & Whites	0.2	0.0	0.2	0.1	0.1	0.0	0.0	0.1	0.0	0.1	0.1	0.1
Kent	0.0	0.1	0.0	0.2	0.1	0.0	0.0	0.0	0.0	0.1	0.1	0.0
Vantage	0.0	0.0	0.0	0.3	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0
Monarch	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.1	0.0
Carlton	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0
More	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	1.2	1.1	1.3	1.3	2.2	0.2	2.1	1.8	3.1	1.5	1.7	1.5
No usual brand	11.3	10.3	7.7	5.6	7.0	6.1	4.3	4.2	3.9	7.1	7.2	5.9
N=	483	892	673	636	1197	876	642	1091	603			

* Census categories: Lg MSA = the 18 largest Standard Metropolitan Statistical Areas, Other MSA = all other Metropolitan Statistical Areas, Non-MSA = areas not designated as Metropolitan Statistical Areas.

** Average value across the three grades, each weighted equally.

Table 10
1998 Cigarette Brand Preference by Four-Year College Plans* for Past Thirty-Day Smokers

(entries are percentages)

form(s):	8th grade 1/3/4		10th grade 1/3/4		12th grade 1/3/6		all grades**	
	No	Yes	No	Yes	No	Yes	No	Yes
Marlboro	57.4	52.9	61.5	61.4	68.5	64.6	62.5	59.6
Newport	22.4	21.5	20.6	16.4	13.2	12.3	18.7	16.7
Camel	3.4	6.2	7.9	7.1	8.3	10.5	6.5	7.9
Parliament	1.0	0.7	0.0	1.3	0.3	2.6	0.4	1.5
Winston	1.0	1.5	0.5	0.6	1.0	1.1	0.8	1.1
Kool	1.1	0.8	1.6	1.0	0.4	0.4	1.0	0.7
GPC	1.2	1.1	0.6	0.7	1.0	0.1	0.9	0.6
Basic	1.0	0.4	0.8	0.7	0.7	0.2	0.8	0.4
Virginia Slims	0.3	0.8	0.3	0.4	0.1	0.5	0.2	0.6
Doral	0.3	1.1	0.3	0.3	0.4	0.2	0.3	0.5
Benson & Hedges	0.2	0.4	0.4	0.4	0.1	0.2	0.2	0.3
Salem	0.2	0.1	0.2	0.4	0.2	0.3	0.2	0.3
Merit	0.3	0.5	0.0	0.1	0.0	0.0	0.1	0.2
Misty	0.2	0.3	0.0	0.1	0.0	0.0	0.1	0.1
Capri	0.0	0.0	0.2	0.1	0.0	0.2	0.1	0.1
Pall Mall	0.0	0.1	0.0	0.1	0.3	0.0	0.1	0.1
Cambridge	0.0	0.1	0.0	0.1	0.3	0.0	0.1	0.1
Black & Whites	0.5	0.0	0.1	0.1	0.0	0.0	0.2	0.0
Kent	0.0	0.1	0.0	0.1	0.0	0.0	0.0	0.1
Vantage	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Monarch	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0
Carlton	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
More	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	1.0	1.3	1.3	1.2	2.3	2.3	1.5	1.6
No usual brand	8.6	10.1	3.9	7.3	3.1	4.4	5.2	7.3
N=	409	1538	653	2003	641	1474		

* "Yes" indicates that the respondent expects to complete four years of college.

** Average value across the three grades, each weighted equally.

Table 11

1998 Cigarette Brand Preference by Parental Education* for Past Thirty-Day Smokers

(entries are percentages)

form(s):	8th grade 1/3/4			10th grade 1/3/4			12th grade 1/3/6			all grades**		
	1-3 low	3.5-4	4.5-6 hi	1-3 low	3.5-4	4.5-6 hi	1-3 low	3.5-4	4.5-6 hi	1-3 low	3.5-4	4.5-6 hi
Marlboro	56.7	52.5	53.1	63.1	63.4	56.7	69.0	67.8	60.4	62.9	61.2	56.7
Newport	24.4	22.4	18.1	18.6	15.8	17.2	16.3	10.8	10.2	19.8	16.3	15.2
Camel	3.8	4.1	9.6	4.3	8.5	10.1	5.0	8.9	15.4	4.4	7.2	11.7
Parliament	0.6	0.7	1.1	0.3	0.4	2.5	1.3	1.4	3.1	0.7	0.8	2.2
Winston	0.7	1.1	2.2	0.6	0.4	0.7	0.7	1.1	1.4	0.7	0.9	1.4
Kool	0.6	0.0	1.5	1.2	0.8	1.4	0.6	0.4	0.0	0.8	0.4	1.0
GPC	1.5	1.2	0.6	1.6	0.0	0.2	0.1	0.9	0.0	1.1	0.7	0.3
Basic	1.5	0.0	0.1	0.8	0.3	0.9	0.4	0.5	0.2	0.9	0.3	0.4
Virginia Slims	0.1	0.3	1.7	0.4	0.4	0.3	0.2	0.6	0.3	0.2	0.4	0.8
Doral	1.1	0.8	0.7	0.7	0.0	0.1	0.3	0.4	0.1	0.7	0.4	0.3
Benson & Hedges	0.1	0.6	0.5	0.3	0.7	0.4	0.2	0.1	0.2	0.2	0.5	0.4
Salem	0.2	0.1	0.2	0.6	0.2	0.2	0.2	0.5	0.3	0.3	0.3	0.2
Merit	0.4	0.2	0.4	0.0	0.2	0.1	0.0	0.0	0.0	0.1	0.1	0.2
Misty	0.0	0.8	0.0	0.1	0.0	0.2	0.0	0.0	0.2	0.0	0.3	0.1
Capri	0.0	0.0	0.0	0.4	0.1	0.0	0.4	0.1	0.0	0.3	0.1	0.0
Pall Mall	0.0	0.0	0.2	0.0	0.0	0.2	0.2	0.0	0.1	0.1	0.0	0.2
Cambridge	0.0	0.2	0.0	0.0	0.2	0.0	0.0	0.3	0.0	0.0	0.2	0.0
Black & Whites	0.1	0.0	0.2	0.1	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.1
Kent	0.0	0.0	0.2	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.1
Vantage	0.0	0.0	0.0	0.0	0.3	0.0	0.0	0.0	0.0	0.0	0.1	0.0
Monarch	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.1
Carlton	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0
More	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	1.5	1.6	0.8	1.4	0.9	1.6	1.9	2.2	2.7	1.6	1.6	1.7
No usual brand	7.0	13.3	8.9	5.5	7.4	6.9	3.2	4.0	5.3	5.2	8.2	7.0
N=	**743**	**539**	**590**	**1047**	**687**	**864**	**766**	**660**	**761**			

* Parental education is an average score of mother's education and father's education reported on the following scale: (1) Completed grade school or less, (2) Some high school, (3) Completed high school, (4) Some college, (5) Completed college, (6) Graduate or professional school after college. Missing data was allowed on one of the two variables.

** Average value across the three grades, each weighted equally.

APPENDIX A: TEXT OF QUESTIONS

Appendix A

Monitoring the Future Cigarette Question Text

Question on lifetime smoking:

1. Have you ever smoked cigarettes?

① Never—GO TO QUESTION 13
② Once or twice
③ Occasionally but not regularly
④ Regularly in the past
⑤ Regularly now

Question on 30-day smoking:

2. How frequently have you smoked cigarettes during the past 30 days?

① Not at all—GO TO QUESTION 6
② Less than one cigarette per day
③ One to five cigarettes per day
④ About one-half pack per day
⑤ About one pack per day
⑥ About one and one-half packs per day
⑦ Two packs or more per day

Question on cigarette brand preference:

5. What brand of cigarettes do you usually smoke?
(Brands are in alphabetical order. Mark only one.)

○ Basic	○ Kent	○ Parliament
○ Benson & Hedges	○ Kool	○ Salem
○ Black & Whites	○ Marlboro	○ Vantage
○ Cambridge	○ Merit	○ Virginia Slims
○ Camel	○ Misty	○ Winston
○ Capri	○ Monarch	
○ Carlton	○ More	○ Other
○ Doral	○ Newport	○ No usual brand
○ GPC	○ Pall Mall	

Questions on how cigarettes were purchased:

3. During the last 30 days, about how many times (if any) have you bought cigarettes...
(Mark one circle for each line.)

	None	1 Time	2 Times	3-5 Times	6-9 Times	10 or More
b. ...on your own from vending machines?	○	○	○	○	○	○
c. ...through the mail?	○	○	○	○	○	○
d. ...in a store where you pick up the pack (or carton) and bring it to the check-out counter?	○	○	○	○	○	○
e. ...in a store where the clerk has to hand you the pack or carton?	○	○	○	○	○	○

APPENDIX B: CONFIDENCE INTERVALS AND SELECTED SIGNIFICANCE TESTS FOR THREE CIGARETTE BRANDS

Table B-1

Marlboro use at 8th Grade, 1998

	N	95% Confidence Interval* Lower limit	Observed estimate	Upper limit	Significance tests* p-value	signif.**	Test
Total	*2048*	48.0	**53.6**	59.0			
Gender:							
Male	*863*	46.4	**51.7**	57.1	0.4010		(t-test)
Female	*1092*	48.8	**55.4**	61.8			
College Plans:							
None or under 4 Yrs.	*409*	49.7	**57.4**	64.7	0.3072		(t-test)
Complete 4 Yrs.	*1538*	47.5	**52.9**	58.2			
Region:							
Northeast	*284*	25.9	**39.9**	55.8	0.2118		(ANOVA)
North Central	*577*	40.6	**50.9**	61.2			
South	*851*	49.6	**58.4**	66.7			
West	*336*	47.1	**58.0**	68.2			
Population Density:							
Large MSA	*483*	33.9	**43.1**	52.9	0.0011	ss	(ANOVA)
Other MSA	*892*	41.5	**50.7**	59.9			
Non-MSA	*673*	57.6	**65.2**	72.0			
Parental Education:							
1.0-2.0 (Low)	*205*	48.8	**58.4**	67.4	0.5687		(ANOVA)
2.5-3.0	*538*	47.8	**56.0**	63.9			
3.5-4.0	*539*	45.1	**52.5**	59.9			
4.5-5.0	*392*	49.0	**55.2**	61.3			
5.5-5.0 (High)	*199*	40.9	**49.0**	57.2			
Race (1-Year average):							
White	*1319*	56.5	**61.1**	65.5			(t-test)
Black	*166*	4.4	**8.9**	17.3	0.0001	sss	vs. White
Hispanic	*257*	45.9	**56.7**	66.9	0.4592		vs. White

* Confidence intervals and Significance tests incorporate clustered sampling design.
t-test tests the difference between the prevalences of two sub-categories.
ANOVA tests the hypothesis that the prevalences of all sub-categories are the same.

**level of significance: s=.05, ss=.01, sss=.001

Table B-2

Marlboro use at 10th Grade, 1998

	N	95% Confidence Interval* Lower limit	Observed estimate	Upper limit	Significance tests* p-value	signif.**	Test
Total	*2708*	56.8	**61.1**	65.2			
Gender:							
Male	*1209*	53.7	**58.0**	62.2	0.0818		(t-test)
Female	*1460*	58.6	**64.1**	69.3			
College Plans:							
None or under 4 Yrs.	*653*	55.9	**61.5**	66.7	0.9760		(t-test)
Complete 4 Yrs.	*2003*	56.7	**61.4**	65.8			
Region:							
Northeast	*600*	37.2	**47.2**	57.4	0.0025	ss	(ANOVA)
North Central	*688*	61.1	**66.9**	72.2			
South	*1028*	55.4	**62.7**	69.4			
West	*392*	62.5	**68.3**	73.5			
Population Density:							
Large MSA	*636*	44.4	**53.8**	62.9	0.0011	ss	(ANOVA)
Other MSA	*1197*	50.2	**57.4**	64.3			
Non-MSA	*876*	65.4	**71.5**	76.9			
Parental Education:							
1.0-2.0 (Low)	*244*	55.8	**62.3**	68.5	0.3522		(ANOVA)
2.5-3.0	*803*	57.8	**63.4**	68.7			
3.5-4.0	*687*	58.4	**63.4**	68.1			
4.5-5.0	*593*	50.5	**56.8**	62.9			
5.5-5.0 (High)	*271*	46.6	**56.4**	65.8			
Race (1-Year average):							
White	*2029*	62.3	**66.1**	69.7			(t-test)
Black	*178*	5.4	**9.7**	16.8	0.0001	sss	vs. White
Hispanic	*245*	56.8	**64.9**	72.3	0.7794		vs. White

* Confidence intervals and Significance tests incorporate clustered sampling design.
t-test tests the difference between the prevalences of two sub-categories.
ANOVA tests the hypothesis that the prevalences of all sub-categories are the same.

**level of significance: s=.05, ss=.01, sss=.001

Table B-3

Marlboro use at 12th Grade, 1998

	N	95% Confidence Interval* Lower limit	Observed estimate	Upper limit	Significance tests* p-value	signif.**	Test
Total	*2334*	61.4	**65.3**	68.9			
Gender:							
Male	*1118*	60.1	**64.6**	68.8	0.6100		(t-test)
Female	*1086*	61.6	**66.3**	70.6			
College Plans:							
None or under 4 Yrs.	*642*	63.0	**68.5**	73.4	0.2584		(t-test)
Complete 4 Yrs.	*1472*	60.6	**64.6**	68.5			
Region:							
Northeast	*432*	41.7	**54.2**	66.2	0.0012	ss	(ANOVA)
North Central	*677*	67.6	**72.7**	77.3			
South	*855*	63.3	**68.6**	73.4			
West	*370*	48.5	**56.9**	64.9			
Population Density:							
Large MSA	*641*	49.3	**58.5**	67.2	0.1816		(ANOVA)
Other MSA	*1089*	62.3	**67.3**	71.9			
Non-MSA	*603*	59.7	**68.8**	76.7			
Parental Education:							
1.0-2.0 (Low)	*170*	54.2	**63.2**	71.4	0.014	s	(ANOVA)
2.5-3.0	*596*	65.4	**70.7**	75.4			
3.5-4.0	*659*	63.8	**67.9**	71.8			
4.5-5.0	*487*	58.5	**63.8**	68.8			
5.5-5.0 (High)	*273*	45.6	**54.3**	62.8			
Race (1-Year average):							
White	*1816*	66.7	**70.3**	73.6			(t-test)
Black	*106*	2.0	**5.2**	12.9	0.0001	sss	vs. White
Hispanic	*156*	45.7	**57.7**	68.8	0.0340	s	vs. White

* Confidence intervals and Significance tests incorporate clustered sampling design.
t-test tests the difference between the prevalences of two sub-categories.
ANOVA tests the hypothesis that the prevalences of all sub-categories are the same.

**level of significance: s=.05, ss=.01, sss=.001

Table B-4

Newport use at 8th Grade, 1998

	N	95% Confidence Interval* Lower limit	Observed estimate	Upper limit	Significance tests* p-value	signif.**	Test
Total	*2048*	17.5	**22.5**	28.3			
Gender:							
Male	*863*	16.2	**21.0**	26.7	0.6170		(t-test)
Female	*1092*	17.6	**23.0**	29.4			
College Plans:							
None or under 4 Yrs.	*409*	16.2	**22.4**	30.1	0.8414		(t-test)
Complete 4 Yrs.	*1538*	16.7	**21.5**	27.2			
Region:							
Northeast	*284*	20.3	**32.2**	46.9	0.0616		(ANOVA)
North Central	*577*	14.5	**24.8**	39.0			
South	*851*	15.7	**22.5**	31.3			
West	*336*	4.5	**10.1**	21.2			
Population Density:							
Large MSA	*483*	19.1	**30.8**	45.6	0.0505	~	(ANOVA)
Other MSA	*892*	17.4	**24.8**	34.0			
Non-MSA	*673*	7.7	**13.5**	22.4			
Parental Education:							
1.0-2.0 (Low)	*205*	14.0	**21.4**	31.2	0.2953		(ANOVA)
2.5-3.0	*538*	18.6	**25.5**	33.9			
3.5-4.0	*539*	16.5	**22.4**	29.6			
4.5-5.0	*392*	14.5	**20.3**	27.6			
5.5-5.0 (High)	*199*	8.6	**13.8**	21.4			
Race (1-Year average):							
White	*1319*	10.9	**14.8**	19.7			(t-test)
Black	*166*	60.4	**71.1**	79.9	0.0001	sss	vs. White
Hispanic	*257*	12.6	**22.0**	35.5	0.2076		vs. White

* Confidence intervals and Significance tests incorporate clustered sampling design.
t-test tests the difference between the prevalences of two sub-categories.
ANOVA tests the hypothesis that the prevalences of all sub-categories are the same.

**level of significance: s=.05, ss=.01, sss=.001

Table B-5

Newport use at 10th Grade, 1998

	N	95% Confidence Interval* Lower limit	**Observed estimate**	Upper limit	Significance tests* p-value	signif.**	Test
Total	*2708*	13.7	**17.7**	22.5			
Gender:							
Male	*1209*	11.7	**15.6**	20.3	0.3124		(t-test)
Female	*1460*	14.3	**19.1**	25.0			
College Plans:							
None or under 4 Yrs.	*653*	15.0	**20.6**	27.8	0.2584		(t-test)
Complete 4 Yrs.	*2003*	12.7	**16.4**	20.8			
Region:							
Northeast	*600*	19.9	**30.8**	44.5	0.0001	sss	(ANOVA)
North Central	*688*	8.6	**13.1**	19.5			
South	*1028*	12.1	**18.0**	26.0			
West	*392*	2.4	**4.8**	9.3			
Population Density:							
Large MSA	*636*	18.2	**27.1**	38.4	0.0117	s	(ANOVA)
Other MSA	*1197*	12.4	**18.8**	27.4			
Non-MSA	*876*	5.2	**9.4**	16.6			
Parental Education:							
1.0-2.0 (Low)	*244*	10.8	**15.6**	21.9	0.4932		(ANOVA)
2.5-3.0	*803*	14.1	**19.5**	26.4			
3.5-4.0	*687*	11.6	**15.8**	21.3			
4.5-5.0	*593*	14.0	**19.2**	25.7			
5.5-5.0 (High)	*271*	8.7	**12.9**	18.7			
Race (1-Year average):							
White	*2029*	9.4	**12.7**	17.0			(t-test)
Black	*178*	60.4	**70.7**	79.2	0.0001	sss	vs. White
Hispanic	*245*	10.7	**15.9**	22.9	0.3682		vs. White

* Confidence intervals and Significance tests incorporate clustered sampling design.
t-test tests the difference between the prevalences of two sub-categories.
ANOVA tests the hypothesis that the prevalences of all sub-categories are the same.

**level of significance: s=.05, ss=.01, sss=.001

Table B-6

Newport use at 12th Grade, 1998

	N	95% Confidence Interval* Lower limit	Observed estimate	Upper limit	Significance tests* p-value	signif.**	Test
Total	*2334*	10.3	**13.2**	16.9			
Gender:							
Male	*1118*	9.0	**12.1**	16.1	0.5686		(t-test)
Female	*1086*	10.2	**13.6**	18.0			
College Plans:							
None or under 4.Yrs.	*642*	9.8	**13.2**	17.5	0.7338		(t-test)
Complete 4 Yrs.	*1472*	9.2	**12.3**	16.2			
Region:							
Northeast	*432*	11.3	**21.5**	37.1	0.0033	ss	(ANOVA)
North Central	*677*	6.2	**9.0**	13.0			
South	*855*	10.9	**15.5**	21.6			
West	*370*	3.2	**5.9**	10.8			
Population Density:							
Large MSA	*641*	9.8	**16.2**	25.7	0.5934		(ANOVA)
Other MSA	*1089*	8.3	**11.6**	15.9			
Non-MSA	*603*	7.3	**13.1**	22.3			
Parental Education:							
1.0-2.0 (Low)	*170*	13.6	**20.8**	30.6	0.0443	s	(ANOVA)
2.5-3.0	*596*	11.2	**15.0**	19.8			
3.5-4.0	*659*	7.9	**10.7**	14.2			
4.5-5.0	*487*	7.4	**11.0**	16.0			
5.5-5.0 (High)	*273*	4.6	**8.7**	15.9			
Race (1-Year average):							
White	*1816*	5.6	**7.6**	10.1			(t-test)
Black	*106*	68.5	**82.3**	90.9	0.0001	sss	vs. White
Hispanic	*156*	13.6	**23.0**	36.1	0.0001	sss	vs. White

* Confidence intervals and Significance tests incorporate clustered sampling design.
t-test tests the difference between the prevalences of two sub-categories.
ANOVA tests the hypothesis that the prevalences of all sub-categories are the same.

**level of significance: s=.05, ss=.01, sss=.001

Table B-7

Camel use at 8th Grade, 1998

	N	95% Confidence Interval* Lower limit	Observed estimate	Upper limit	Significance tests* p-value	signif.**	Test
Total	*2048*	3.8	**5.4**	7.5			
Gender:							
Male	*863*	5.0	**7.3**	10.6	0.0718		(t-test)
Female	*1092*	2.6	**4.2**	6.7			
College Plans:							
None or under 4 Yrs.	*409*	1.9	**3.4**	5.9	0.0702		(t-test)
Complete 4 Yrs.	*1538*	4.4	**6.2**	8.8			
Region:							
Northeast	*284*	1.5	**4.0**	9.9	0.0709		(ANOVA)
North Central	*577*	3.9	**6.8**	11.5			
South	*851*	1.8	**3.3**	5.8			
West	*336*	5.1	**9.5**	17.0			
Population Density:							
Large MSA	*483*	2.8	**6.6**	14.5	0.8364		(ANOVA)
Other MSA	*892*	3.3	**5.0**	7.4			
Non-MSA	*673*	2.9	**5.0**	8.7			
Parental Education:							
1.0-2.0 (Low)	*205*	1.7	**4.6**	12.2	0.0051	ss	(ANOVA)
2.5-3.0	*538*	1.5	**3.4**	7.5			
3.5-4.0	*539*	2.3	**4.1**	7.3			
4.5-5.0	*392*	4.7	**7.7**	12.4			
5.5-5.0 (High)	*199*	8.4	**13.3**	20.4			
Race (1-Year average):							
White	*1319*	4.4	**6.3**	8.9			(t-test)
Black	*166*	0.6	**1.7**	5.1	0.0244	ss	vs. White
Hispanic	*257*	2.5	**4.1**	6.7	0.1738		vs. White

* Confidence intervals and Significance tests incorporate clustered sampling design.
t-test tests the difference between the prevalences of two sub-categories.
ANOVA tests the hypothesis that the prevalences of all sub-categories are the same.

**level of significance: s=.05, ss=.01, sss=.001

Table B-8

Camel use at 10th Grade, 1998

	N	95% Confidence Interval* Lower limit	Observed estimate	Upper limit	Significance tests* p-value	signif.**	Test
Total	*2708*	5.7	**7.3**	9.3			
Gender:							
Male	*1209*	7.5	**9.9**	13.0	0.0028	ss	(t-test)
Female	*1460*	3.4	**4.9**	7.2			
College Plans:							
None or under 4 Yrs.	*653*	5.9	**7.9**	10.6	0.5754		(t-test)
Complete 4 Yrs.	*2003*	5.3	**7.0**	9.3			
Region:							
Northeast	*600*	5.0	**7.4**	10.8	0.0873		(ANOVA)
North Central	*688*	7.7	**10.7**	14.7			
South	*1028*	2.9	**5.4**	9.8			
West	*392*	4.1	**6.2**	9.4			
Population Density:							
Large MSA	*636*	2.7	**5.5**	10.6	0.6975		(ANOVA)
Other MSA	*1197*	5.5	**7.8**	10.8			
Non-MSA	*876*	5.2	**8.0**	12.1			
Parental Education:							
1.0-2.0 (Low)	*244*	0.8	**2.5**	7.1	0.0012	ss	(ANOVA)
2.5-3.0	*803*	3.4	**4.9**	6.9			
3.5-4.0	*687*	6.2	**8.5**	11.5			
4.5-5.0	*593*	5.9	**8.7**	12.8			
5.5-5.0 (High)	*271*	8.6	**13.1**	19.5			
Race (1-Year average):							
White	*2029*	6.5	**8.3**	10.7			(t-test)
Black	*178*	0.0	**0.0**	2.1	0.0008	sss	vs. White
Hispanic	*245*	0.1	**0.4**	1.8	0.0001	sss	vs. White

* Confidence intervals and Significance tests incorporate clustered sampling design.
t-test tests the difference between the prevalences of two sub-categories.
ANOVA tests the hypothesis that the prevalences of all sub-categories are the same.

**level of significance: s=.05, ss=.01, sss=.001

Table B-9

Camel use at 12th Grade, 1998

	N	95% Confidence Interval* Lower limit	Observed estimate	Upper limit	Significance tests* p-value	signif.**	Test
Total	*2334*	7.9	**9.6**	11.6			
Gender:							
Male	*1118*	8.6	**11.2**	14.6	0.1188		(t-test)
Female	*1086*	6.5	**8.4**	10.8			
College Plans:							
None or under 4 Yrs.	*642*	6.4	**8.3**	10.8	0.1836		(t-test)
Complete 4 Yrs.	*1472*	8.4	**10.6**	13.2			
Region:							
Northeast	*432*	5.7	**8.3**	12.0	0.0060	ss	(ANOVA)
North Central	*677*	5.9	**8.3**	11.7			
South	*855*	5.5	**7.6**	10.3			
West	*370*	11.7	**17.9**	26.4			
Population Density:							
Large MSA	*641*	6.5	**9.7**	14.3	0.2451		(ANOVA)
Other MSA	*1089*	8.8	**11.1**	13.8			
Non-MSA	*603*	3.7	**6.7**	11.9			
Parental Education:							
1.0-2.0 (Low)	*170*	1.5	**3.6**	8.3	0.0001	sss	(ANOVA)
2.5-3.0	*596*	3.7	**5.4**	7.8			
3.5-4.0	*659*	6.6	**8.9**	11.8			
4.5-5.0	*487*	9.2	**12.0**	15.4			
5.5-5.0 (High)	*273*	16.9	**21.6**	27.2			
Race (1-Year average):							
White	*1816*	9.0	**10.9**	13.2			(t-test)
Black*	*106*	0.0	**0.0**	3.5	0.0001	sss	vs. White
Hispanic	*156*	1.2	**3.4**	9.2	0.0214	s	vs. White

* Confidence intervals and Significance tests incorporate clustered sampling design.
t-test tests the difference between the prevalences of two sub-categories.
ANOVA tests the hypothesis that the prevalences of all sub-categories are the same.

**level of significance: s=.05, ss=.01, sss=.001

trointestinal absorption of antibiotics by measuring their concentration in serum (or by using the less standardized and more cumbersome test of serum bactericidal activity) is not burdensome or costly and can detect the occasional patient who requires adjustment in dosage and the rare patient who has slow, incomplete absorption of drug and is not a suitable candidate for oral therapy. There should be no rigid duration of antibiotic therapy; each case is evaluated individually. Prolongation of antibiotic treatment beyond 3 to 4 weeks is often needed if there has been delayed or incomplete surgical evacuation of pus or if there are other foci of infection in disseminated staphylococcal disease. In my opinion, the "cookbook" approach of standardized management is not appropriate in a disease with varied manifestations and variable course.

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The Food and Drug Administration's Rule on Tobacco: Blending Science and Law

In February 1997, the first provisions of the Food and Drug Administration's (FDA's) regulation of the sale and advertising of tobacco products went into effect. The rule, based on a more than 2-year investigation and published in August 1996,[1-3] is a careful blend of science, public health policy, and relevant law.[a] Designed to keep cigarettes and smokeless tobacco out of the hands of minors, the FDA's rule could prevent millions of premature deaths from tobacco-caused disease.

Although no single factor produced the FDA's tobacco rule, science was the key starting point. The FDA's examination of the scientific literature on nicotine's addictiveness and drug-like effects, as well as previously private tobacco industry documents showing that the companies understood nicotine's pharmacological impact, led the FDA to conclude that nicotine-containing tobacco products are subject to its jurisdiction under the federal Food, Drug and Cosmetic Act.[4]

Once the FDA found, based on the evidence before it, that it had jurisdiction, the agency faced a simple, yet difficult, public health question: What should it do? The agency concluded that an outright ban would cause serious problems. Studies suggest that 77% to 92% of the more than 50 million Americans who currently smoke cigarettes[5] are addicted to nicotine.[6-8] Abruptly depriving them of nicotine would cause significant health problems and would likely lead to a black market for tobacco products.

Epidemiologic studies suggested that the real focus should be on adolescents. New smokers primarily come from the ranks of the young. Every day, nearly 3000 young people start smoking; that's more than 1 million annually.[9] Eighty-two percent of adults who ever smoked had their first cigarette before age 18, and more than half of them had already become regular smokers by that age.[10] Only a few percent of smokers began after they reached adulthood.

The studies strongly suggest that if children can be guided through their teenage years without becoming addicted to nicotine, the likelihood of becoming life-long tobacco users drops dramatically. Consequently, the FDA focused its rule-making on adolescents with the goal of reducing by half the number of teenagers who begin using tobacco products.

When the FDA calculated the tobacco rule's long-term benefit, the results were impressive. If the number of new teenage tobacco users is cut in half, the agency predicts that 60 000 smoking-related deaths would be prevented annually, and more than 900 000 future-life years would be saved for each year's cohort of teenagers who would otherwise begin to smoke.

Although it is impossible to put an absolute value on human life, the financial impact from the rule could be substantial. In economic terms, this improved health and life-years saved is valued at from $28 to $43 billion per year.[b] Even if these regulations achieved only a minimal reduction in the number of

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[a] The tobacco industry, and others, have filed suit in Federal District Court in North Carolina challenging the regulation.

[b] "Willingness to pay" provides a means to value the amount that society places on the reduction in the risk of premature mortality. One method uses the concept of deaths averted—the amount society would pay to prevent a death. The other method "life years saved" looks at the amount society is willing to pay to avoid a year of lost life.

teenagers who begin to smoke, say only 1 out of 20, it would still produce a significant benefit of between $2.8 billion and $4.3 billion.

Achieving these results, however, will require more than the access restrictions that went into effect in February 1997. They only prohibit retailers from selling cigarettes or smokeless tobacco products to anyone younger than age 18. Retailers are required to ask for photo identification from anyone younger than age 27.

Every state, however, already prohibits tobacco sales to minors, yet these laws have done little to reduce teenage tobacco use. In August 1997 the FDA will further restrict access by banning vending machines in locations where adolescents can access them, eliminating free samples, and removing self-service displays from retail outlets.

Because the FDA also seeks to reduce demand for tobacco products by young people, the rule includes a comprehensive set of restrictions on tobacco advertising and promotion. The reason is simple: tobacco products are among the most heavily advertised products in this country[c] and studies show that young people are particularly susceptible to the messages. Children as young as 3 recognize the tobacco icon Joe Camel, and know that he sells cigarettes.[11,12] (Research conducted for Reynolds by Mizerski found that the recognition rate of Joe Camel by 3- to 6-year-olds exceeded their recognition rate of Ronald McDonald, an icon of fast food). What's more, the messages are everywhere: in print media, on billboards, at point of sale, by direct mail, on items such as hats, tee shirts, at concerts and sporting events, on race cars, at sponsored events on television, and in other media. The ubiquity creates a "friendly familiarity" that makes smoking seem respectable and "fosters an environment in which experimentation by youth is expected, if not implicitly encouraged.[13]

Advertising appears to be disproportionately effective with young people. Although 86% of young smokers prefer the three most heavily advertised brands (Marlboro, Camel, Newport), the most popular "brands" among adults are the "price value" or generic brands that are not supported by major advertising campaigns, but appeal through low price.[14,15]

Experts in adolescent behavior and tobacco industry documents describe how advertising can affect young people's tobacco use. Young people begin using tobacco for a complex set of reasons that include the "interplay of sociodemographic, environmental, behavioral and personal factors.[16] Adolescence is a time of "identity formation." Young people carefully try to control the image they present as they strive for the dual goals of social acceptance and individual autonomy.[17]

Tobacco advertising plays on these needs. The Marlboro Man, Joe Camel, and the Virginia Slim woman exude romance, success, sophistication, popularity, adventure, and risk-taking that advertising associates with particular brands of cigarettes. Young people use these product images as badges to define themselves.[18] The tobacco industry itself concurred in this description of the role of advertising in comments to the FDA:

> The personal display of products with commercial logo—through dress and other forms of expression—is a form of participation in American popular culture. It is a way to register a group identity to signal one's place in the social fabric.[19]

In a previously nonpublic company document, a researcher from one of the major tobacco companies described the role advertising plays for a young person:

> The causes of initial brand selection relate directly to the reasons a young person smokes. The more closely a brand meets the psychological "support" needs (advertising or otherwise communicated brand or physiological needs. . . , the more likely it is that a given brand will be selected. . . . To some extent young smokers "wear" their cigarettes and it becomes an important part of the "I" they wish to be, along with their clothing and the way they style their hair.[20]

Together, marketing theory and social psychology theory explain why tobacco advertising has such a powerful effect on young people. For example, the "elaboration-likelihood model of persuasion" examines how people viewing an advertisement process the information it contains and how it affects their behavior.[21] The model states that people process persuasive messages in one of two ways: directly or indirectly.[22] When people process information directly, they read the message, or information, and think carefully about it. This type of processing requires motivation, knowledge, and ability.[23]

On the other hand, when people process indirectly, they are not really trying to understand the content of the messages but are persuaded by cues. People will process indirectly if they are not paying careful attention or are unmotivated or unable to carefully consider the arguments in a message. They are more likely to be influenced by the imagery or the color that attracts their attention.[24]

Young people process tobacco messages primarily through an indirect mechanism.[25] According to the American Psychological Association, children and adolescents react differently to tobacco advertising than adults.[26] Children generally have less information-processing ability than adults, and they are less able or less willing to pay attention to the factual information in advertisements.

Empirical studies and surveys of tobacco advertising[27] show that children are exposed to substantial and unavoidable tobacco advertising, that exposure to tobacco advertising leads to favorable beliefs about tobacco use,[28–35] and that advertising plays a role in leading young people to overestimate the

[c] The FTC reported that for the year 1993 more than $6 billion was spent by the cigarette and smokeless tobacco industry on advertising and promotion.—*Report to Congress for 1993, Pursuant to the Federal Cigarette Labeling and Advertising Act.* Federal Trade Commission Table 3 and 3D, 1995; *Federal Trade Commission Report to Congress: Pursuant to the Comprehensive Smokeless Tobacco Health Education Act of 1986.* 1995;25–35. The FTC reported that for 1994, the cigarette industry spent $4.83 billion on advertising and promotion, almost a 20 percent decline from the previous year. This is the first such decline since 1986. Almost the entire decline is accounted for by a drastic cut in expenditures for coupons and retail value added (price incentives). *Report to Congress for 1994, Pursuant to the Federal Cigarette Labeling and Advertising Act, Federal Trade Commission* Table 3 and 3E, page 8, 1996.

prevalence of tobacco use.[36–41] Moreover, individual empirical studies[42–45] and a large, multi-country survey[46] have found that advertising is related to young people's tobacco use and that advertising can and does increase tobacco consumption.

Several countries have restricted tobacco advertising, and studies show that such restrictions, when fully implemented, do reduce tobacco use among children and adolescents.[47–51]

The FDA's regulations will restrict tobacco advertising seen by young people to black-and-white text only.[d] This will affect magazines with significant adolescent readership, in-store advertising, and billboards. Outdoor tobacco advertising within 1000 feet of schools and playgrounds will be prohibited.

In addition to traditional advertising media, evidence has shown that nontraditional forms of advertising and promotion are instrumental in affecting young people's attitudes towards and use of tobacco. Several surveys document the popularity of specialty items such as hats, sporting goods and tee shirts that carry tobacco brand logos with young people.[52,53] One of these studies found that about half of young smokers and one quarter of nonsmokers owned at least one of these items.[54] Another recent study reported that participation in tobacco company promotions (owning an item, collecting coupons for gifts, or owning a catalog) by 12- to 17-year-olds is more predictive of "susceptibility of tobacco use" than if a friend or relative smokes.[55] Therefore, the agency determined that hats, tee shirts, and other specialty items bearing brand names or logos must be prohibited.

The agency also determined that tobacco companies' sponsorship of events, such as NASCAR or rodeos, must be carried out only in the corporate name of the company (ie, RJ Reynolds Cup NASCAR Series instead of the Winston Cup). Four separate studies found that sponsored events are attended, and seen on television, by a substantial number of young people, and that the effect of the exposure is to increase brand awareness and association between the brand and the event.[56–59] The sponsorship of an event in a brand name associates adventure, risk-taking, and hero worship with the brand and contributes to a perception that tobacco use is acceptable and commonplace.

The agency has indicated that it may also seek a company-funded education campaign to teach young people about the risks of tobacco and how those risks apply to them.[e]

Studies show that young people know that tobacco use can cause disease, but do not believe they themselves will face any long-term risks or tend to discount these risks. In one study, only half of high school seniors who smoke, compared with three-quarters of those who do not smoke, said that smoking 1 pack or more per day is a serious health risk.[60] In addition, although young people say that nicotine is addicting, those who smoke believe that they themselves will quit; unfortunately, many do not.[61]

The antismoking messages on television, mandated by the Federal Communications Commission during the late 1960s, provide a good example of an education program that had the desired effect. At that time, broadcasters were required to air such messages to counter the cigarette advertising then permitted on television. For several years, the American public was exposed to both pro- and antismoking messages. During this time, per capita cigarette consumption declined 7%, from 4280 in 1967 to 3985 in 1970.[62] Most of the this decline (4.5% was attributable to the antismoking messages.[63] When the antismoking messages ended on television and radio, per capita cigarette consumption began to rise.[64]

More recently, researchers at the University of Vermont conducted a 5-year, multistate demonstration project using a mass-media, antismoking campaign specifically aimed at young people.[65,66] The study's intervention combined school-based smoking prevention programs with a mass media program that used more than 50 different television and radio spots over a 4-year period, and compared that to a school-only program.[67] By the end of the study, the group exposed to television ads in addition to the school-based curriculum had an approximately 35% lower smoking rate and smoked 41% fewer cigarettes.[68]

The FDA has based its regulation of tobacco on strong empirical evidence that effective efforts must focus on children and adolescents. The agency believes that its regulation will have a profound public health impact in the years to come, saving many individuals from premature death, and saving society considerable expense in treating tobacco-caused disease.

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[d] Unrestricted advertising can appear in publications that have adult readership and in locations which are inaccessible to young people at all times. An adult publication is one which has a readership of adults 18 years of age and older that is at least 15% and which has fewer than 2 million underage readers.

[e] Under section 518(a) (21 U.S.C. 360h(a)) of the act, if the agency finds that tobacco products present an unreasonable risk of substantial harm to the public health, that notification is necessary to eliminate this risk, and that no more practicable means is available under the act, then, after consultation with the tobacco company, the agency may issue a notification order that requires them to notify the appropriate persons in a form appropriate to eliminate the risk.

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ORIGINAL ARTICLES

Smoke signs: patterns of tobacco billboard advertising in a metropolitan region

Douglas Luke, Emily Esmundo, Yael Bloom

Abstract

***Objective*—To use geographic information systems data and analyses to describe locations and characteristics of tobacco billboards in a large metropolitan area, and to assess the extent to which tobacco companies are locating billboards in close proximity to minority neighbourhoods and schools.**

***Design*—Observational study of billboards in a large metropolitan region.**

***Setting*—City and county of St Louis, Missouri.**

***Participants*—All stationary billboards in the city and county of St Louis were eligible to be observed, with the exception of bus stop and street side retail advertising signs (for example, cigarette advertising at gas stations). A total of 1239 non-blank billboards were observed. All data were collected in early 1998.**

***Main outcome measures*—Tobacco and non-tobacco billboard geographic distribution; billboard type and product brand frequencies; and billboard neighbourhood characteristics.**

***Results*—Almost 20% of the billboards contained tobacco advertising. Four of the top five and nine of the top 22 brands displayed on billboards were tobacco products. Billboards were located in all areas of St Louis except for the communities with the highest average incomes. Tobacco billboards were more likely to be found in low income areas and areas with a higher percentage of African Americans. Images of African American figures on tobacco billboards were concentrated in the most heavily African American populated regions of the city. Approximately 74% of all billboards in the city of St Louis were within 2000 feet (700 metres) of public school property.**

***Conclusions*—Tobacco products were the single most heavily advertised type of product on billboards in St Louis. The geographic distribution of tobacco billboards, as well as the types of images found on these billboards, is consistent with the hypothesis that tobacco companies are targeting poor and minority communities with their advertising. Methods employing geographic information systems are a powerful technique for examining outdoor tobacco advertising.**

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Keywords: tobacco advertising; billboards; maps; geographic information systems

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Introduction

In early 1999 a dramatic change occurred in the urban landscapes throughout the United States. As a result of the agreement between the tobacco industry and various state attorneys general, all outdoor billboard advertising of tobacco products was removed. This represents a seismic shift in the manner that tobacco products are advertised, matched only by the restriction on television advertising implemented almost 30 years earlier. Although almost everybody in the public health and political arenas agreed that outdoor advertising needed to be restricted, there has been surprisingly little hard data on how billboards have been used to sell tobacco products to various markets in this or other countries. The purpose of this study is to provide an empirical description of billboard advertising in a large metropolitan area shortly before the billboard ban went into effect, and to assess the extent to which tobacco companies used billboards to target poor and minority populations.

TOBACCO AND ADVERTISING

Cigarettes are one of the most heavily advertised and promoted products in the United States.[1] According to the Federal Trade Commission, cigarette advertising and promotion totalled US$5.3 billion dollars in 1996.[2] Outdoor advertising spending totalled $292.3 million, an increase of $18.6 million dollars from 1995 and representing 5.7% of total advertising and promotional spending. Advertising on tobacco products has more than doubled in the past decade, and many have linked the increasing rates of teen smoking with this pattern of increased advertising.[3 4]

Tobacco companies continue to claim that the intent of cigarette advertising is to encourage brand loyalty and brand switching among adults.[5] However, a large body of empirical literature now exists that links tobacco advertising and promotion to adolescent cigarette smoking.[4 6–12] Taken together, these studies demonstrate that: (1) children and youth are directly targeted by tobacco advertising[13 14]; (2) adolescents and children are aware of and recognise specific images and characters used in

tobacco advertising campaigns[15]; and (3) children with the greatest awareness and most positive attitudes towards cigarette advertising are more susceptible to smoking.[6 9–14] Furthermore, youth buy the most heavily advertised brands, and youth brand preference change in synchrony with corresponding national advertising campaigns.[16–18]

BILLBOARD ADVERTISING

Billboards have provided the tobacco industry with a relatively low cost method for cigarette advertising and are used to reach either a broad audience or specific targeted population.[19] In 1997, national billboard revenues totalled $2.1 billion dollars. Tobacco billboard sales ranked third among the top 10 industry categories.[19 20] Because of the static location of billboards, and the fact that many people use the same travel routes to work, school, shopping, etc, billboard advertising has what the advertising industry calls a high "impression rate". Billboards are viewed over and over again by the same people, increasing their effectiveness.

Efforts to restrict tobacco billboard advertising have been mounted in local communities with some success.[21 22] Campaigns to restrict or ban tobacco billboards are a response to the perception that billboards are a form of environmental pollution,[23 24] an attempt to target vulnerable populations,[19] or simply that tobacco billboards are advertising a product that is a threat to the public health of the community.[21 22 25] These grassroots efforts served as a springboard for provisions to ban outdoor advertising in the national settlement between attorneys general and tobacco companies in November 1998.

The national settlement provision on outdoor advertising of tobacco products bans all outdoor advertising, including: billboards, signs and placards that are in arenas, stadiums, shopping malls, and video arcades, any additional advertisements placed outdoors or in a window facing the outdoors, and transit advertising. Exceptions include advertisements on the outside of stores that carry tobacco products and ads at adult only facilities (certain time restrictions apply). This restriction on outdoor advertising is important, but it obviously only applies to the United States. Billboard advertising is likely to remain an important part of tobacco product marketing in other parts of the world.

Although the positive public health implications of tobacco advertising restrictions seem evident, there is actually minimal data showing how tobacco companies have used billboard advertising. A number of studies have described billboard placement and content in urban areas, including Chicago, San Diego, Los Angeles, and San Francisco.[19 21 26–28] In Chicago investigators found that the average number of billboards in minority neighbourhoods was 150 compared to an average of 50 in white neighbourhoods.[21] Los Angeles data showed a 4.6 times greater concentration of billboards in the city compared to the suburbs.[26] An informal survey conducted by a community newspaper in 1994 found that in St Louis tobacco and alcohol billboards accounted for 56% of all billboards in black neighbourhoods and only 23% in white neighbourhoods.[27] These results show a pattern of targeted tobacco billboard advertising in poor, minority neighbourhoods.[18]

Few, if any, studies have examined how billboard advertising may be used by the tobacco industry to target children and youth. In addition to the use of specific images and themes designed to appeal to children and youth, the placement of billboards in specific locations is likely to affect youth in different ways. Before the national settlement, most discussion in this area focused on the proximity of tobacco billboards to schools and daycare centres.[29]

These previous studies have suggested that tobacco billboard advertising is omnipresent in urban settings, and that there seems to be significantly higher concentrations of tobacco billboards in poor and minority neighbourhoods. However, these studies have tended to look at only certain parts of larger cities, and have only examined the relationship to class and race in very simple ways. By collecting data from a much larger metropolitan area, using more data from the billboards such as the type of visual images found on the billboards, and by using state of the art geographical information systems (GIS) analyses, a more detailed picture of tobacco billboard advertising can be produced.

Specifically, the goals of our study were to collect data on all billboards in the city and county of St Louis in order to examine characteristics of tobacco billboard advertising. These data would then be used to address two research questions—what are the basic characteristics of tobacco billboard advertising in St Louis, and is there evidence that tobacco billboards are used to target specific vulnerable populations in St Louis?

Methods

BILLBOARD IDENTIFICATION

Billboards were defined as outdoor stationary structures upon which advertising or public service announcements were posted. This definition included elevated signs and signs that were attached to the sides of buildings, and excluded ads on the sides and tails of buses, highway department signs, banners, posters, advertisements painted on the sides of buildings, and bus shelter advertisements. This definition corresponded to the types of billboards that were most likely to be restricted under the terms of legislation being considered in 1998.

COVERAGE AREA

Billboard observation was limited to St Louis city and county. Unlike most other cities, the city of St Louis is not a part of the county. They are separate political and economic entities. The observation area covers a majority of the St Louis metropolitan region, and within it there is enough economic and sociodemographic diversity to allow examination of location patterns of tobacco billboards. The observation area had a combined estimated population in 1997 of 1 345 500, based on

current US Bureau of the Census data. In St Louis city 50.9% of the population is white and 47.5% is African American (2.8% other). Eighty four per cent of St Louis county's population is white and 14% is African American (2.8% other). In 1993 the median household income for St Louis county residents was $42 328, while it was $21 441 for the city. Twenty four per cent of the city's population is below the poverty line whereas 5% of the county's population falls under the poverty level.[30 31]

ROUTE IDENTIFICATION

Pilot work by the research team indicated that greater than 99% of all the billboards in the St Louis area were located on highways and major thoroughfares. Therefore, data collection occurred on four types of highways as defined by the National Department of Transportation. The four types of highways analysed were: (1) divided highways with controlled access; (2) divided highways with uncontrolled access; (3) primary state undivided highways; and (4) secondary state undivided highways and primary arterials. Secondary arterials and streets were excluded from the study. Essentially, this excluded residential areas while including all commercial and industrial zoned areas.

Routes were then planned to cover the entire observation area. Each route was covered twice, once in each direction. Overall, the study area covered all parts of St Louis city and county. All the routes together added up to over 1230 miles of road.

INSTRUMENT DEVELOPMENT

Based on pilot work, a billboard observation form (BOF) was developed to record billboard information. The BOF was designed to ensure ease of use on the road and in the office, reliability, and comprehensive information coverage. The billboard variables recorded on the form included the category of the billboard (that is, tobacco, alcohol, local, etc), brand of product or organisation name, the type of figure (sex, group, or animal), the style (text or picture), and whether the shape of the billboard was standard (rectangular) or not.

DATA COLLECTION

Routes for data collection were assigned to an observation team consisting of a driver and data recorder. As the team drove through each route the data recorder used an 8 mm video camera to record the billboards visually. The data recorder also recorded verbal information regarding billboard location and attributes. After completing a set of routes, the investigators viewed the tapes and recorded billboard observational data using the BOF. The location of each billboard was also recorded on a detailed map of the St Louis area.

ARCHIVAL DATA

In addition to the billboard data collected by the research team, the study used archival data obtained from the US Census and the Missouri Department of Transportation. Mapping data were obtained from TIGER/Line 1995 files. The TIGER (topologically integrated geographically encoding and referencing) system is the Census Bureau's national spatial data base. These files contain geographic information describing roads, political boundaries, and census boundaries (for example, block groups), among other things.[32] These data are originally from the 1990 census, but have been updated by the US Bureau of the Census as well as the Missouri Department of Transportation.

Sociodemographic data describing residents of St Louis city and county were obtained from the summary tape file 3A of the 1990 US Census. The census variables used in this study are percent African American residents, and median family income by census block group. A census block group is the smallest geographic entity for which the Census Bureau tabulates sample data.[33] Block groups are useful for multivariate geographical analyses, because they are small enough to contain relatively homogeneous populations, and there are enough of them in an urban area to facilitate relatively powerful statistical analyses. St Louis city and county are made up of 1307 different block groups. The median population per block group for St Louis is 801, and the median area is 0.13 square miles.

The addresses for all 103 public schools (K-12) in St Louis city were used to locate each school for the GIS analyses. To determine proximity of billboards to schools, a buffer region was calculated for each school. The buffer regions were created with a half mile radius because they are drawn and calculated based on the centre point of each school location. However, because school properties take up thousands of square feet of actual space, it is impossible to draw exact boundaries using only school address information. Therefore, we estimated that a half mile radius around the school centroids would approximate a 2000 foot (approximately 700 metre) boundary.

DATA ANALYSIS

MapInfo Professional, version 4.5, was used to create the billboard maps and perform geostatistical analyses.[34] The location of each observed billboard was input into the MapInfo database so that each billboard was associated with a particular geographic position on the TIGER St Louis road maps. The accuracy of this positioning is approximately 50 feet (15 metres). Once the TIGER files and billboard data are input, they were connected with the census data using SQL programming language. This allows both geographic and statistical analyses relating billboard locations to sociodemographic factors. SPSS version 8.0 was also used for some traditional statistical analyses.

Results

DESCRIPTIVE CHARACTERISTICS

In early 1998, the research team identified and collected data on 1309 billboards in St Louis city and county, 70 of which were blank and dropped from subsequent analyses. We

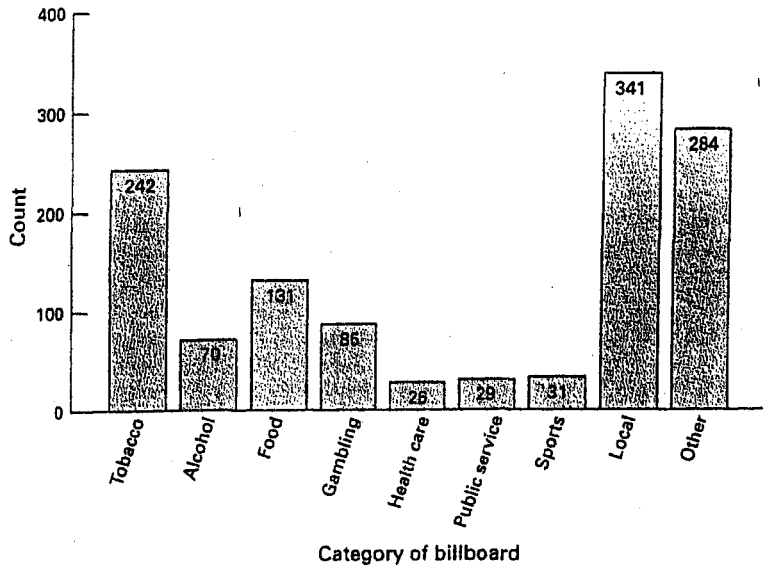


Figure 1 Billboard product category frequencies

estimate that this probably accounts for almost all billboards located in this area, since during the period of pilot testing and data collection, we did not find a single billboard on non-highway (that is, residential) roads. Of these 1239 non-blank billboards, 242 (19.5%) advertised tobacco products, by far the largest single category of products advertised (fig 1). The next closest single product categories were food (10.6%), gambling (6.9%), and alcohol (5.6%).

Not only are tobacco products the single largest product category, but individual tobacco brands dominate the outdoor advertising in St Louis. Table 1 lists the most frequently advertised individual brands in St Louis. These 22 brands account for 37.4% of all billboard advertisements in St Louis. Tobacco brands make up four of the top five, and nine of the top 22 advertised brands. All tobacco billboards appear in the top 22 brands.

Figure 2 is a map that shows where tobacco billboards are located in St Louis city and county. The map also shows median family income by 1990 census block groups. It is immediately clear that tobacco billboards are located in poorer sections of the city and county. However, a map of all billboards in St Louis shows a similar pattern of locations in poorer areas. (This map is available from the authors.) In particular, no billboards of any type are found in the "central corridor" that runs east to west through the middle of the county, and where the most affluent suburbs are located. More focused statistical and geostatistical analyses are required to determine if tobacco billboards show any discernible location patterns.

Table 1 Most frequently advertised brands

Brand	Product category	Frequency
Newport	Tobacco	62
Kool	Tobacco	45
Dodge	Automobile	37
Basic	Tobacco	33
GPC	Tobacco	29
American Family	Other	23
Benson & Hedges	Tobacco	20
Dean's Milk	Food	18
Milk	Food	18
Arch Madness	Sports	16
E-file	Other	15
Chrysler	Automobile	15
Chuck Norman	Local	15
Marlboro	Tobacco	15
Pick 3 Lotto	Gambling	14
Copenhagen	Tobacco	14
Station Casino	Gambling	13
Canadian Mist	Alcohol	13
Crown Royal	Alcohol	12
Winston	Tobacco	12
Camel	Tobacco	12
Steak n Shake	Food	12
	Total	463

EVIDENCE FOR TARGETED MARKETING

City/county

To examine evidence that tobacco billboards are used to target particular populations, more focused analyses were performed. First, the relative distribution of billboards in St Louis city versus county was examined. St Louis city is relatively poorer and has a larger minority population (mainly African American) compared to the county. This presents a convenient opportunity to examine the relation between tobacco billboard advertising and certain sociodemographic population characteristics.

Table 2 shows that there is a significantly larger proportion of tobacco billboards located in the city than in the county ($\chi^2 = 7.91$, $df = 1, p < 0.01$). The table also shows that the density of tobacco billboards in the city compared to the county is one and a half times higher than that for non-tobacco billboards (12.32/8.19). In other words, while people who live or work in the city see many more billboards than if they were in the county, they are even more likely to see tobacco billboards. (It is important to note that billboard viewing is based on travel patterns as well as billboard density. However, it is not unreasonable to assume that the more billboards there are, the harder it will be to avoid seeing them.)

Income and race

The city/county differences described above are only a crude assessment of targeted marketing. By combining the billboard data with available census data via a modern GIS system, we can examine in a much more sophisticated manner the relationship of tobacco advertising and sociodemographic characteristics such as income and race.

The 1990 census provides data on income and race broken down by census block groups. This allows us to see if tobacco billboards are located in neighbourhoods that have different income and race characteristics than those of non-tobacco billboards. Table 3 shows the results of regression and correlation analyses relating block group characteristics (that is, percentage of African American residents and median family income) to the proportion of tobacco (to non-tobacco) billboards found in the block group. Both ethnicity and income are significantly related to the proportion of tobacco billboards—specifically, block groups that are poorer and have higher concentrations of African American residents are likely to have a greater proportion of tobacco billboards

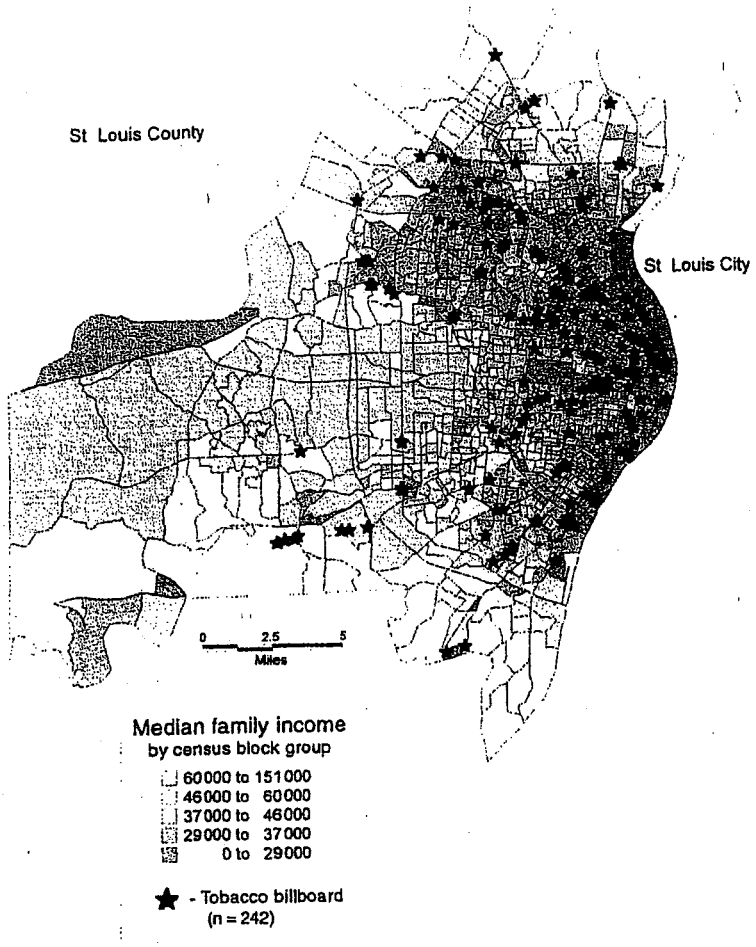


Figure 2 Location of tobacco billboards in St Louis city and county. Census block groups are shaded according to median family income.

relative to non-tobacco billboards. This relationship becomes even stronger when only block groups with more than three billboards are included in the analysis. (This second analysis was performed because a proportion variable is fairly crude and unstable when the denominator is a small number.)

In addition to looking at the location of tobacco billboards, the characteristics of billboard content were analysed for further evidence of targeted marketing. Figure 3 is a map that shows the distribution of tobacco billboards by type of image found on the billboard. Specifically, each tobacco billboard was categorised by type of image: an African American figure or figures, white figures, or neither (a billboard that contains text or pictures, but no images of people). The map also shows the percent African American population by census block group. The map reveals a striking pattern. Although tobacco billboards with white figures, or no human figures at all, can be found throughout the city and county, billboards with images of African American figures are concentrated predominately in a part of the city called the north side. The north side is the most heavily African American populated region of the city.

Statistical analyses confirm the visual impression suggested by the map in fig 3. Table 4 presents the results of a χ^2 analysis of the pattern of tobacco billboard images. Using MapInfo, tobacco billboards were categorised by location according to whether they were in St Louis county, or the north or south sides of the city (east to west running Interstate 64/40 was used as the boundary for the north/south side of the city). Billboard location is highly significantly related to the type of image found on the billboard ($\chi^2 = 32.65$; $df = 4$, $p < 0.001$). Examination of standardised residuals indicated that on the north side of the city, tobacco billboards with African American images are found much more than expected, and white images much less than expected.

Table 2 Comparison of billboard distribution for St Louis city and county

	City		County		
Billboards	*Count*	*Density*	*Count*	*Density*	*City:county density ratio*
Non-tobacco	497	8.03	500	0.98	8.19
Tobacco	145	2.34	97	0.19	12.32

$\chi^2 = 7.91$; $df = 1$, $p < 0.01$
Density is the number of billboards per square mile. St Louis city is 61.9 square miles, St Louis county is 507.7 square miles.

Table 3 Relationship between block group characteristics and proportion of tobacco billboards

	Proportion of tobacco billboards			
	Block groups with at least 1 billboard (n = 378)		*Block groups with > 3 billboards (n = 125)*	
Block group characteristic	*r*	*p*	*r*	*p*
Percent African American residents	0.15	0.004	0.22	0.015
Median family income	−0.13	0.012	−0.27	0.002

Proximity to schools

The proximity of tobacco billboards to schools, daycare centres, malls, and other places where children and youth congregate has been an important part of the past debate on billboard restrictions. GIS data and techniques allow actual proximity analyses to be done to determine how close tobacco billboards really are to schools.

Figure 4 presents a map of the city of St Louis with overlays of tobacco billboards and public school locations. Buffer zones with half a mile radii around each school were used. Close examination of the resulting map reveals that approximately 74% (108 out of 145) of the tobacco billboards in the city fall within 2000 feet (700 metres) of public school property.

Discussion

BILLBOARD SATURATION

It is essentially impossible to avoid billboards as soon as one ventures onto the roads and highways in St Louis. Ads for cigarettes, beer, cars, casino gambling, fast food, and the St Louis Rams clamour for the attention of anybody who steps outside, especially in the city. Billboards saturate the city and many parts of the county. The lack of billboards in the central corridor, where the newer and more affluent suburbs are located, is probably due to a variety of factors, including stricter zoning regulations, more organised political opposition, and other historical and political factors.

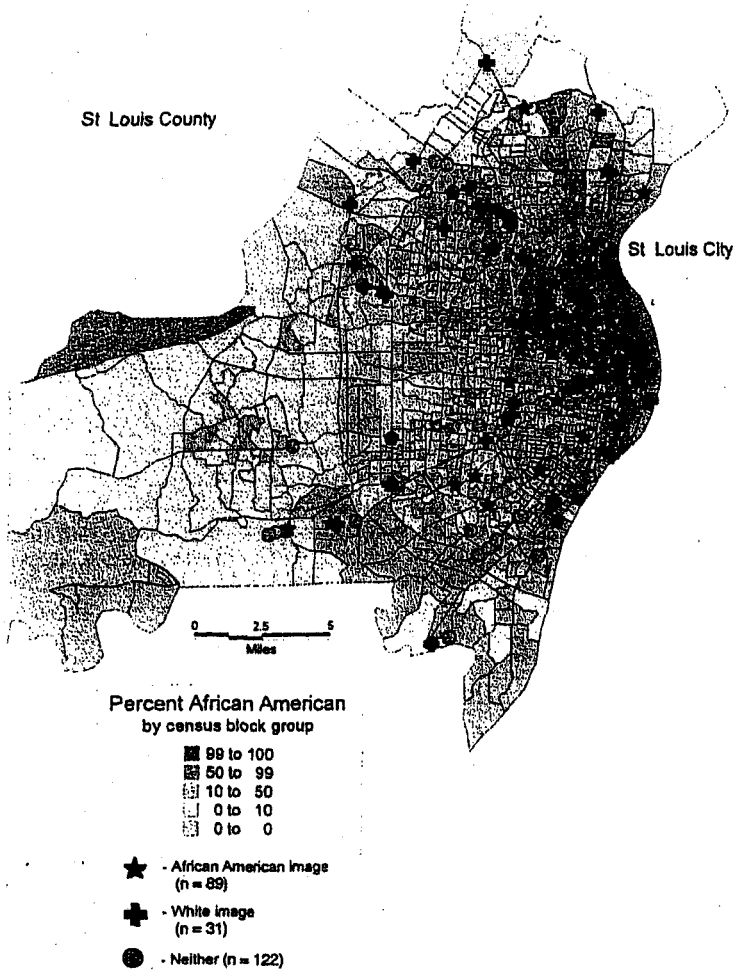


Figure 3 Targeted placement of tobacco billboards with African American images. Symbols indicate type of image found on the tobacco billboard. Census block groups are shaded according to percentage of African American residents.

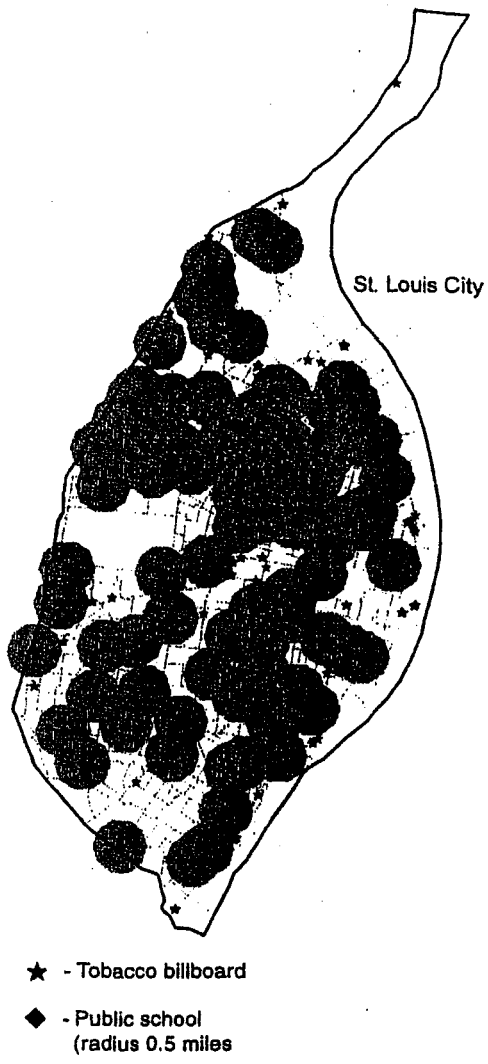


Figure 4 Locations of tobacco billboards and public schools in St Louis city. Buffer zones have half a mile radius.

Table 4 Relationship of geographic location and type of images found on tobacco billboards

	Type of billboard images		
Location	*African American*	*White*	*Neither*
City: north side	**53 (57%)**	**5 (5%)**	**35 (38%)**
City: south side	**15 (29%)**	**5 (10%)**	**32 (61%)**
County	**21 (22%)**	**21 (22%)**	**55 (56%)**

$\chi^2 = 32.65$; df = 4, $p < 0.001$
Bold figures contribute most to the overall significant χ^2 (that is, standardised residuals greater than or less than 2).
Percentages are row percentages.

If billboards dominate the urban landscape of St Louis, tobacco billboards are truly the king of the outdoor advertising world. As our data show, tobacco billboards make up the single largest category of advertised products—one out of every five billboards advertises a product and activity that is the single most preventable cause of premature death in this country. The tobacco industry has proven time and again that given the opportunity they will saturate any marketing channel with ads and promotional activities so that citizens and consumers can never get away from the images.

This billboard saturation has particular implications for children. Almost three out of four billboards in the city of St Louis were within sight of a public school. Furthermore, analyses presented as part of a 1998 lawsuit brought by the city of St Louis against the Missouri Retailers Association attempting to enforce a restriction on billboard advertising showed that when daycare centres and private schools were considered along with public schools, then every single tobacco billboard in the city of St Louis fell within 2000 feet of a school or daycare (Yates C, St Louis city attorney, personal communication, April 1998).

NOT IN MY BACKYARD: TARGETED MARKETING TO POOR AND AFRICAN AMERICAN NEIGHBOURHOODS

One of the legacies of the environmental activist movement started in the late 1970s is a recognition that poor and minority communities often bear the brunt of environmental pollution. "Not in my backyard," a saying popularised by Lois Gibbs of the Center for Health, Environment and Justice, has become a rallying cry in the fight against environmental injustice and racism.[35] Our results suggest that, similar to toxic waste dumps, tobacco billboards are more often found in neighbourhoods that are poorer and more

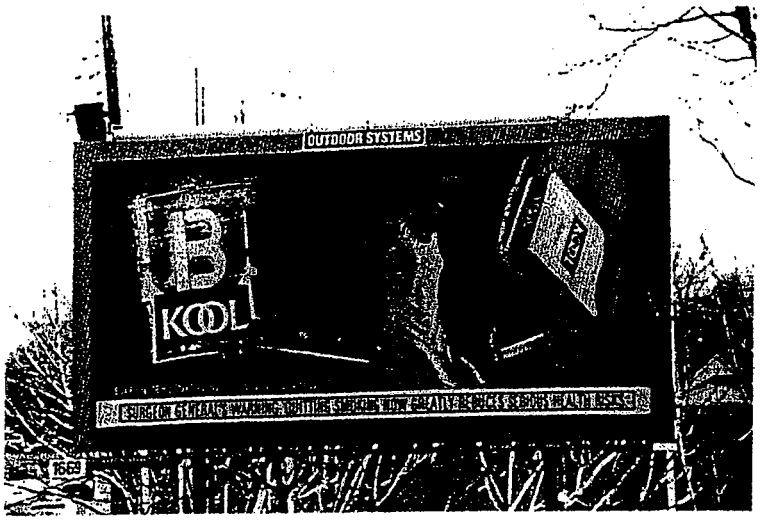


Figure 5 Kool billboard located on the north side of St Louis.

African American. This corroborates findings from several other studies in other urban locations.[21 22]

Moreover, the GIS maps and analyses clearly indicate that tobacco billboards are not only located in different types of neighbourhoods, but that the types of images used in these billboards vary according to neighbourhood (figs 3 and 5). One may say that this use of African American images in African American sections of the city is just good marketing. However, the tobacco industry has always vigorously denied targeting minorities or other groups, despite evidence to the contrary.[36] Much of this evidence comes from the tobacco companies themselves; documents obtained from Brown & Williamson and RJ Reynolds in the last few years show how the companies ran advertising campaigns in magazines, on billboards and buses, and in other media to attract African Americans.[37] Our data confirm this and show very specifically how the tobacco companies are aware of geographic and sociodemographic characteristics of neighbourhoods and use that information not only to place the tobacco billboards but to tailor the messages on those billboards to the residents of those neighbourhoods.

PUBLIC HEALTH IMPLICATIONS

The use of cutting edge GIS techniques is a powerful way to reveal a rich and interesting picture about outdoor tobacco advertising. The results of this study clearly show that before the restrictions on outdoor advertising were put into place in early 1999, tobacco billboards were omnipresent in St Louis. It is reasonable to assume that this picture was not that different for other large cities in the US. Now that tobacco billboards are no more, there are three important questions that future public health researchers, practitioners, and policy makers will need to address.

First, how does the removal of tobacco billboards affect tobacco advertising in general, and outdoor advertising more specifically? Tobacco companies are not likely to reduce advertising budgets, so it will be important to track how the industry "fills in" the hole left by the billboard removal. Will these advertising funds be shifted to existing traditional media such as magazine ads? Or will the industry develop new types of promotional activities that get around the restrictions in ways that the public health community has not anticipated? Also, the settlement left a few loopholes that will allow some outdoor tobacco images to remain. In particular retail establishments can use advertising that is viewable from the street, tobacco manufacturing plants can use outdoor advertising, and there is no restriction on outdoor tobacco advertising that is smaller than 14 square feet.

The second question is how is tobacco billboard advertising used in other parts of the world? Despite the revolutionary change in outdoor advertising due to the settlement, it is a simple fact that for the rest of the world tobacco billboards will be an important component of tobacco marketing for some time to come. It is important to look at how billboards are used in other countries, to examine the success or failure of formal or informal efforts to restrict billboards in other parts of the world, and to describe how the tobacco industry used outdoor advertising to target specific sociodemographic groups.

This study is simply a snapshot of one type of tobacco advertising at one point in time in one metropolitan region. It is important to have empirical research which covers more types of advertising in different parts of the United States and different countries. Furthermore, tobacco advertising can change so quickly that longitudinal research is clearly needed. For example, after RJ Reynolds decided to stop using Joe Camel in their advertising campaigns, billboards with the Joe Camel image were changed within weeks.

The GIS methods and analyses used in this study, although relatively new, can be easily used in other countries.[38] High quality geographically tied data are being collected in most parts of the world, and in many cases these data go beyond simple demographics and include variables of interest to public health professionals. Mapping data (for example, political boundaries, streets, addresses, etc) are increasingly available at low cost for all developed nations, and most developing countries.[39] Also, collecting data on outdoor advertising can be done relatively quickly, reliably, and cheaply.

This leads to the final important question. What is the effect of removing tobacco billboards on smoking behaviour in this country? Given what we know about the epidemiology and aetiology of smoking, it is extremely simplistic to assume that removing one type of advertising is going to have a dramatic effect on smoking rates. However, it may have an important effect on how smoking is viewed by youth and adults. In addition to recruiting new smokers and ensuring brand loyalty, tobacco advertising is used to "normalise" the perception of smoking as a common and desirable behaviour. The tobacco industry tries to surround every child and adult in this country with this positive image of smoking. Billboard

advertising plays a very important role in this attempt, because it is much harder to "turn off" billboards compared to other forms of advertising. Television channels can be turned off or muted, magazine ads can be turned past, etc. In St Louis before 1999 almost every adult and child was exposed to tobacco ads multiple times per day on their way to work, to school, to the mall or park. In St Louis, as across the United States, everybody is now free of this risk. We must now closely examine how this changes perceptions of smoking, anti-smoking policies, and even smoking behaviour.

Tobacco billboards are indeed smoke signs. They pollute the air, exposing viewers to toxic images of a toxic substance. The air has cleared in the United States with the removal of tobacco billboards, but it remains to be seen how tobacco advertising will change over time, and how the rest of the world may deal with outdoor advertising.

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Cross sectional study of young people's awareness of and involvement with tobacco marketing

Lynn MacFadyen, Gerard Hastings, Anne Marie MacKintosh

Abstract

Objectives To examine young people's awareness of and involvement with tobacco marketing and to determine the association, if any, between this and their smoking behaviour.

Design Cross sectional, quantitative survey, part interview and part self completion, administered in respondents' homes.

Setting North east England.

Participants Stratified random sample of 629 young people aged 15 and 16 years who had "opted in" to research through a postal consent procedure.

Results There was a high level of awareness of and involvement in tobacco marketing among the 15-16 year olds sampled in the study: around 95% were aware of advertising and all were aware of some method of point of sale marketing. Awareness of and involvement with tobacco marketing were both significantly associated with being a smoker: for example, 30% (55/185) of smokers had received free gifts through coupons in cigarette packs, compared with 11% (21/199) of non-smokers ($P < 0.001$). When other factors known to be linked with teenage smoking were held constant, awareness of coupon schemes, brand stretching, and tobacco marketing in general were all independently associated with current smoking status.

Conclusions Teenagers are aware of, and are participating in, many forms of tobacco marketing, and both awareness and participation are associated with current smoking status. This suggests that the current voluntary regulations designed to protect young people from smoking are not working, and that statutory regulations are required.

Introduction

The role of mass media advertising in encouraging smoking is now well established. Econometric studies, which model the effects of advertising expenditure on aggregate consumption, generally show that prevalence increases as the amount of advertising increases and reduces when advertising is banned.[1] Consumer studies show that young people who smoke are more likely to appreciate and to be aware of tobacco advertising,[2-12] sponsorship,[13-15] and merchandising.[16-19] Furthermore, cohort studies have shown that awareness and involvement with these forms of marketing predicts future smoking behaviour among young people.[20]

However, less is known about young people's experiences of other marketing devices, such as point of sale promotion, coupon schemes, brand stretching (the attachment of tobacco brands to non-tobacco products), or the internet. This study presents data from a cross sectional study of young people's experiences with the full range of such devices. While it cannot prove causal effects, it does show the scope and reach of tobacco marketing and provides support for tight and comprehensive regulation.

This is particularly relevant at present, as the detailed provisions of the UK government's primary legislation to ban tobacco advertising and promotion are currently being reviewed.[21]

Methods

The research examined young people's awareness of and involvement with a broad range of tobacco marketing activities. In line with previous studies on tobacco advertising, sponsorship, and merchandising, we expected that young people would be aware of and involved in other forms of tobacco marketing, and that this awareness and involvement would be positively associated with smoking status.

Setting and data collection

A random sample of 15 year olds, stratified by sex and postcode sector, was drawn from the patient registration database of a health authority in the north of England. Ethics committee approval was granted but required that names and addresses be passed to the researchers only after potential respondents had consented. Initially, therefore, a sample of 2400 was invited to participate in the research, which it was hoped would yield at least 280 smokers. Via their parents, all were sent an information sheet, questionnaire (to establish smoking status), consent form to be countersigned by a guardian, and a freepost return envelope. Two reminders were sent.

A total of 1062 young people consented, a response rate of 48% after redundant addresses were discounted. Other studies have shown that around one in five 15 year olds smoke,[22] and in our sample 214 (20%) were regular smokers; 825 (78%) were not regular smokers, and 23 (2%) did not state their smoking status. The consent process provided a more than

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Table 1 Profile of sample of young people consenting to survey of awareness of and involvement in tobacco marketing. Values are numbers (percentages)

Characteristic	Total (n=629)	Boys (n=253)	Girls (n=376)
Age at survey (years)			
14	1 (<1%)	0 (0)	1 (<1%)
15	407 (65)	173 (68)	234 (62)
16	220 (35)	80 (32)	140 (37)
17	1 (<1%)	0 (0)	1 (<1%)
Socioeconomic group			
A, B, C1	265 (42)	107 (42)	158 (42)
C2, D, E	364 (58)	146 (58)	218 (58)
Smoking status*			
Non-smoker	201 (32)	89 (35)	112 (30)
Tried smoking	234 (37)	88 (35)	146 (39)
Current smoker	185 (29)	70 (28)	115 (31)
Not stated	9 (1)	6 (2)	3 (1)

*Non-smokers="never tried smoking, not even a puff"; tried="only ever smoked once" or "used to smoke sometimes but never smoke now"; current="usually smoke more than 6 cigarettes per week"or "usually smoke between 1 and 6 cigarettes per week"or "sometimes smoke cigarettes now but not as many as 1 a week."

adequate sample of young people who were not regular smokers so, to minimise costs, we used random numbers to reduce this portion of the sample by 373.

Ultimately 686 names and addresses were allocated to professional interviewers, who were briefed and instructed to make at least four attempts to contact and interview respondents. Interviewers were given no information concerning the smoking status of sample members. Parental permission was again obtained before the interview. Each respondent received a £5 gift voucher.

In all, 629 interviews were successfully completed. The time lapse between the initial sample selection and administering the survey meant that a third of respondents had reached age 16. Two respondents (ages 14 and 17) were excluded from the later analysis. Young women were overrepresented in the sample (table 1).

Marketing techniques used to promote smoking in Britain

- Advertising: Billboards and press advertising
- Sponsorship: Sports—Formula 1, snooker, golf, rugby; arts—Fringe Comedy Festival
- Point of sale: Promotional material in shops—branded gantry, clocks, signage, staff clothing
- Coupon schemes: Coupons included in packs of cigarettes that can be collected and exchanged for free gifts
- Merchandising: Production of low cost items (pens, lighters, or T shirts); competitions; other free gifts, including free cigarettes
- Special price offers: Short term offers of lower price advertised in-store, on pack flashes, or in packs
- Promotional mail: Any communication to customers including offers of cheaper cigarettes, information about new brands, new coupon schemes or others
- Brand stretching: Production of non-tobacco products with tobacco branding—Marlboro Classics clothes, Camel boots
- Pack design: Carefully designed to communicate brand image and to add value
- Internet sites: Websites promoting tobacco companies, cigarette brands, or smoking
- Product placement: Paid-for placement of cigarette brands by celebrities or characters in films or television

Extensive exploratory research and qualitative piloting informed the development and refinement of a two part questionnaire. The first part was suitable for a face to face interview; the second sought information on smoking status and was completed by the respondent. Show cards and coded answering procedures were used to enable the young people to respond freely even if parents were present during the interview, as happened in 44% of cases. Analysis showed that parents' presence did not influence response.

Measures

The questionnaire examined awareness of and involvement with different types of tobacco marketing (box); smoking status; and other variables known to be related to adolescent smoking (including intentions for future smoking and education; smoking by peers, siblings, and parents; gender; and social class).

Statistical analysis

We used bivariate analysis, including the χ^2 test for trend and Kruskal-Wallis tests, to examine variations, by smoking status, in awareness of and involvement with tobacco marketing. Two logistic regression models were constructed to examine whether or not any association existed between awareness of tobacco marketing and smoking status, independently of other variables known to influence smoking. The first model examined marketing techniques separately; the second assessed their cumulative impact.

Results

Awareness of tobacco marketing communications

Young people are very aware of tobacco marketing. Table 2 shows "prompted" awareness of different marketing techniques—that is, respondents were asked whether they had come across specific, named types of marketing, such as advertisements in magazines or newspapers or special price offers for cigarettes.

Nearly all had seen cigarette advertising on billboards, and over half had come across it in the press. All had seen some form of advertising at point of sale, and around half were aware of coupon schemes and special price offers for cigarettes.

Other forms of promotion were less familiar. Around a fifth of the sample had come across brand stretching (clothing or other items with cigarette logos on), new pack designs or sizes, free gifts offered on packets, competitions, and famous people smoking in films and on television. There was also awareness, at a lower level, of free gifts from the shopkeeper, promotional mail from cigarette companies, internet sites, and the distribution of free cigarettes.

Young smokers were more aware of virtually all forms of tobacco marketing than were non-smokers or those who had tried smoking (table 2). This trend was particularly noticeable for free gifts, special price offers, promotional mail, and pack design.

Involvement with tobacco marketing

Involvement with tobacco marketing was broadly similar for both male and female respondents (table 3). Many had actively participated in tobacco marketing—for example, by using coupon schemes or receiving

Table 2 Number (percentage) of 15 and 16 year olds aware of tobacco marketing

	Smoking status			
	Non-smoker (n=189)	Tried smoking (n=234)	Current smoker (n=185)	P value (χ^2 test for trend)
Advertising	188 (94)	220 (94)	176 (95)	0.783
Any advertising				
Advertisements for cigarettes in newspapers or magazines	104 (52)	136 (58)	116 (63)	0.055
Advertisements for cigarettes on large posters or billboards on the street	180 (90)	207 (88)	172 (93)	0.287
Point of sale marketing				
Any point of sale marketing	199 (100)	234 (100)	185 (100)	—
Cigarette signs or posters on clocks inside shops	76 (38)	91 (39)	93 (50)	0.018
Free gifts when people save coupons or tokens from inside cigarette packs	105 (53)	130 (56)	138 (75)	<0.001
Free gifts when people save parts of the cigarette packs	38 (19)	49 (21)	74 (40)	<0.001
Free gifts showing cigarette brand logos given out at events such as concerts, festivals, or sports events	26 (13)	30 (13)	32 (17)	0.410
Free gifts from the shopkeeper when people buy cigarettes	15 (8)	17 (7)	24 (13)	0.114
Special price offers for cigarettes	93 (47)	121 (52)	112 (61)	0.005
Clothing or items with cigarette brand names or logos on them	41 (21)	41 (18)	56 (30)	0.035
Promotional mail from cigarette companies being delivered to people's homes	15 (7)	36 (15)	35 (19)	0.001
Competitions or prize draws linked to cigarettes	28 (14)	36 (15)	36 (19)	0.300
New pack design or size	34 (17)	26 (11)	54 (29)	0.017
Famous people in films or on television with a particular brand of cigarettes	31 (16)	48 (21)	44 (24)	0.132
Internet sites for cigarettes or smoking	8 (4)	14 (6)	7 (4)	0.358
Free trial cigarettes being given out or offers to send away for free cigarettes	8 (4)	18 (8)	21 (11)	0.013
Average number of marketing techniques aware of	6.4	6.7	8.1	<0.001*

*One way analysis of variance: F=15.257, df=2, P<0.001.

direct mail. Over half of current smokers had participated in tobacco marketing of one form or another, compared with around a quarter of non-smokers and those who had tried smoking. Almost a third of smokers had received free gifts through coupon schemes, over a quarter had received special price offers for cigarettes and around a tenth had received free gifts at events or had been exposed to promotional mail.

Association between awareness of tobacco marketing and smoking status

Table 4 shows the association between awareness of each tobacco marketing technique and current smoking status when other variables that are known to be linked with teenage smoking were controlled for. Awareness of coupon schemes and brand stretching were both associated with the greater probability of being a current smoker, as was having friends, siblings, or a mother who smoked. In this model, having friends who smoke was most strongly associated with being a current smoker.

The number of tobacco marketing techniques of which young people were aware was positively related to current smoking status (table 5). Having friends, siblings, or a mother who smoked was associated with a greater probability of being a current smoker.

Discussion

Young people aged 15-16 are aware of, and participating in, many forms of tobacco marketing, and this phenomenon is consistently associated with being a smoker. When other factors that are known to be linked with teenage smoking are held constant, awareness of coupon schemes and brand stretching, and tobacco marketing in general, are all independently associated with current smoking.

In some instances this may be explained by the greater exposure that young smokers are likely to have

Table 3 Number (percentage) of 15 and 16 year olds involved with tobacco marketing

	Smoking status			
	Non-smoker (n=199)	Tried smoking (n=234)	Current smoker (n=185)	P value (χ^2 test for trend)
Received free gifts as a result of self or someone else collecting coupons or tokens from inside cigarette packs	21 (11)	38 (16)	55 (30)	<0.001
Received free gifts as a result of self or someone else saving parts of cigarette packs (eg pack fronts)	11 (6)	14 (6)	31 (17)	<0.001
Received special price offers for cigarettes	7 (4)	12 (5)	51 (28)	<0.001
Received promotional mail from cigarette companies	6 (3)	11 (5)	16 (9)	0.015
Received free gifts showing cigarette brand logos given out at events such as concerts, festivals, or sports events	6 (3)	10 (4)	16 (9)	0.014
Owned clothing or other items with a cigarette brand name or logo	3 (2)	9 (4)	15 (8)	0.002
Looked at an Internet site for cigarettes or smoking	3 (2)	5 (2)	5 (3)	0.415
Received free gifts from the shopkeeper when buying cigarettes	1 (<1)	5 (2)	5 (3)	0.101
Entered a competition that was linked to cigarettes	2 (1)	4 (2)	10 (5)	0.007
Received free trial cigarettes	0 (0)	2 (1)	10 (5)	<0.001
Done any of these	45 (23)	65 (28)	97 (52)	<0.001

Table 4 Logistic regression analysis of variables associated with odds of being a current smoker in relation to types of tobacco marketing

Variable (reference category)	No	Odds ratio (95% CI)	P value
Awareness of coupon schemes:			
Yes (no)	395	1.90 (1.18 to 3.05)	0.008
Awareness of clothing or other items with cigarette logos on them:			
Yes (no)	139	1.78 (1.11 to 2.88)	0.018
Number of friends who smoke:			
All of them (none of them)	43	36.50 (9.33 to 142.81)	<0.0001
Most of them (none of them)	205	18.41 (5.49 to 61.78)	<0.0001
About half of them (none of them)	146	7.52 (2.18 to 25.97)	0.001
A few of them (none of them)	126	2.08 (0.55 to 7.86)	0.282
Not sure (none of them)	19	8.19 (1.54 to 43.42)	0.013
Any siblings who smoke:			
Yes (no)	185	2.78 (1.80 to 4.30)	<0.0001
Not sure (no)	47	2.71 (1.14 to 6.46)	0.025
Mother smokes:			
Yes (no)	231	1.91 (1.26 to 2.92)	0.003
No mother (no)	9	3.48 (0.81 to 15.01)	0.095
Not sure (no)	20	0.19 (0.03 to 1.00)	0.050
Constant		0.013	<0.0001

Variables were included in the analyses in a forward stepwise procedure. A probability of 0.05 was used for a variable to enter the equation and a probability of 0.10 to be removed.
The dependent current smoker (1) was compared against non-smokers and tried smokers (0).
The independents included all marketing variables (advertising, point of sale, coupon schemes, sponsorship, promotions, special price offers, promotional mail, brand stretching, famous people in TV and films, new pack design or size, and internet sites) and all controls (including gender, age, friends' smoking, sibling's smoking, mother's smoking, father's smoking, socioeconomic group, marital status of parents, future education intentions, and parental presence during interview).

to certain forms of tobacco marketing (package design or price promotions, for example), but not in others (brand stretching and shop advertising). In any case, it is likely that young people, and especially young smokers, are getting some kind of benefit or reassurance from these different forms of tobacco marketing. Previous researchers have drawn a link between this type of reward and the reinforcement of smoking.[20]

This confirms the need for statutory controls on tobacco marketing; the current voluntary regulations designed to protect young people are clearly not working. It also suggests that the Tobacco Advertising and Promotion Bill should be comprehensive: it should outlaw not just the specific practices of couponing and brand stretching, but all forms of tobacco marketing.

Finally, flexibility is also likely to be important; there is a need to combat the marketing innovations that will undoubtedly emerge as the bill takes effect. The establishment of a Tobacco Regulatory Authority, as proposed by last year's Select Committee report,[21] is the obvious way to achieve this.

Table 5 Logistic regression analysis of variables associated with odds of being a current smoker in relation to amount of tobacco marketing

Variable (reference category)	No	Odds ratio (95% CI)	P value
Total number of tobacco marketing techniques of which aware		1.13 (1.06 to 1.20)	<0.0001
Number of friends who smoke:			
All of them (none of them)	43	29.38 (7.56 to 114.12)	<0.0001
Most of them (none of them)	205	16.05 (4.82 to 53.50)	<0.0001
About half of them (none of them)	146	6.72 (1.95 to 23.07)	0.002
A few of them (none of them)	126	1.92 (0.51 to 7.21)	0.336
Not sure (none of them)	19	7.21 (1.37 to 37.92)	0.020
Any siblings who smoke:			
Yes (no)	185	3.01 (1.94 to 4.66)	<0.0001
Not sure (no)	47	2.93 (1.26 to 6.82)	0.013
Mother smokes:			
Yes (no)	231	1.97 (1.29 to 2.98)	0.002
No mother (no)	9	3.26 (0.77 to 13.82)	0.109
Not sure (no)	20	0.21 (0.04 to 1.13)	0.069
Constant		0.01	0.010

Variables were included in the analyses in a forward stepwise procedure. A probability of 0.05 was used for a variable to enter the equation and a probability of 0.10 to be removed.
The dependent current smoker (1) was compared against non-smokers and tried smokers (0).
The analysis included the following controls: gender, age, friends' smoking, sibling's smoking, mother's smoking, father's smoking, socioeconomic group, marital status of parents, future education intentions, and parental presence during interview.

Tobacco advertising, sponsorship, and merchandising encourage teenage smoking

The effect of other forms of tobacco marketing, such as brand stretching or coupon schemes, is unknown

15-16 year olds are aware of and participate in these other forms of tobacco marketing, and this phenomenon is consistently associated with being a smoker

When other factors known to be linked with teenage smoking are held constant, awareness of coupon schemes, brand stretching, and tobacco marketing in general are all independently associated with current smoking

This suggests that young people, and especially young smokers, are getting some kind of benefit or reward from tobacco marketing

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Adverse events in British hospitals: preliminary retrospective record review

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Abstract

Objectives To examine the feasibility of detecting adverse events through record review in British hospitals and to make preliminary estimates of the incidence and costs of adverse events.

Design Retrospective review of 1014 medical and nursing records.

Setting Two acute hospitals in Greater London area.

Main outcome measure Number of adverse events.

Results 110 (10.8%) patients experienced an adverse event, with an overall rate of adverse events of 11.7% when multiple adverse events were included. About half of these events were judged preventable with ordinary standards of care. A third of adverse events led to moderate or greater disability or death.

Conclusions These results suggest that adverse events are a serious source of harm to patients and a large drain on NHS resources. Some are major events; others are frequent, minor events that go unnoticed in routine clinical care but together have massive economic consequences.

Introduction

Retrospective studies of hospital case records in the United States and Australia have shown a substantial rate of adverse events, defined as unintended injuries caused by medical management rather than the disease process. The Harvard medical practice study found that 3.7% of hospital admissions led to adverse events.[1 2] In 70% of these patients the adverse event led to slight or short lived disabilities, but in 7% the disabilities were permanent and in 14% they contributed to death. Similar rates were found in a study from Colorado and Utah.[3 4] The quality in Australian healthcare study identified adverse events in 16.6% of admissions, half of which were considered preventable.[5] This study included a wider range of adverse events of minor or moderate severity. Other methodological differences also exaggerate the difference between the United States and Australian figures.[4 6] The Australian study estimated that adverse events accounted for 8% of hospital bed days and cost the Australian healthcare system $4.7bn a year. Adverse events also result in huge personal cost to the affected individuals, both patients and staff.[7]

The epidemiology of adverse events has not been studied in Britain. We report preliminary findings from a pilot study that examined the feasibility of applying United States and Australian methods and the potential value of a parallel study in the United Kingdom.

Methods

Design and procedure

The study was carried out at two acute hospitals in the London area. We reviewed 500 randomly drawn records from site 1 between July and September 1999 and 514 records from site 2 between December 1999 and February 2000. In both sites the index admissions studied occurred in two months in 1998, about a year before the review periods. We reviewed 273 (26.9%) records from general medicine (including geriatrics), 290 (28.6%) from general surgery, 277 (27.3%) from orthopaedic surgery, and 174 (17.2%) from obstetrics. Admissions to the four specialties studied in 1998-9 were 19 397 in site 1 and 18 335 in site 2. The proportions of admissions studied were 2.6% and 2.8% respectively.

Review process

The review team consisted of an experienced nurse who worked as project manager with four part time research nurses. A consultant physician acted as lead medical assessor, working with five part time surgical and obstetric colleagues, each of whom had been qualified for a minimum of 10 years. Each reviewer screened sets of notes under supervision until they were judged to be fully conversant with the review process.

The nurse reviewers used 18 predefined screening criteria to assess the case records. Records that

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The criteria for adverse events and tables of results is available on the BMJ's website

Point-Of-Purchase Techniques and Their Influence on Tobacco Consumption: A Review of Literature in Private Sector Journals

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&
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Prepared for the

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and Program Evaluation
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Executive Summary

At the request of the Canadian Cancer Society's Public Issues Department, the Centre for Behavioural Research and Program Evaluation invited Dr. Ronald McCarville to review the private sector literature pertaining to point-of-purchase strategies. This work was to support development of Canadian regulations regarding tobacco promotion.

A literature search was conducted, concentrating on private sector periodicals.

The report reviews (a) the role of point-of-purchase advertising within a typical marketing strategy, (b) the link between point-of-purchase advertising and the process of consumer decision making, and (c) point-of-purchase marketing techniques.

A comprehensive approach to tobacco control must address the issue of point-of-purchase advertising.

POINT-OF-PURCHASE TECHNIQUES AND THEIR INFLUENCE ON TOBACCO CONSUMPTION: A REVIEW

Background

At the request of the Canadian Cancer Society's Public Issues Department, the Centre for Behavioural Research and Program Evaluation invited Dr. Ronald McCarville to review the private sector literature pertaining to point-of-purchase strategies. This work was to support development of Canadian regulations regarding tobacco promotion.

This report offers a short review of point of purchase (P-O-P) advertising as it relates to tobacco sales. We confined our search to private sector based journals that are devoted to consumer behaviour. We reasoned that the readers will already be familiar with the public sector and so-called gray literatures on smoking cessation and its related topics.

While conducting this review, we were struck by the small number of useful empirical studies we found. The topic of P-O-P in general and the issue of tobacco-related P-O-P techniques in particular appear only rarely in the journals we reviewed. This is not to suggest that such articles do not exist but rather that they do not appear in the journals we were able to review. This concern notwithstanding we believe that this short review will offer some insight into P-O-P techniques and their effect on consumption patterns.

1.0 INTRODUCTION

The in-store (also called point-of-purchase or point of sale) environment has a significant impact on consumer choice (Assael, 1984; Lucas & Prensky, 1997). The point-of-purchase or P-O-P can be defined as "any merchandising device, sign, advertisement used inside or outside a retail store to provide information about products or services available there, with the purpose of influencing and motivating favourable buying decisions among shoppers or passerby" (Gorrie, 1993, p. 28).

This report offers insights gathered from a review of the private sector devoted to consumer behaviour and point-of-purchase advertising. The report is organized into three component parts. The first offers a description of P-O-P and its role within a typical marketing strategy. This section includes what little information we could find on P-O-P effectiveness. The second section offers a brief review of the conceptual role of P-O-P advertising within consumer decision-making processes. The third section provides a description of the specific techniques used in P-O-P advertising.

2.0 METHOD

This report is based on a review of several academic and popular sources devoted to the issue of point-of-purchase communication as it relates to purchase behaviour. This review was undertaken through a series of steps. First, a series of key phrases or terms was developed. These phrases were: point-of-purchase, marketing strategy, advertising, tobacco (marketing, packaging, pricing, sponsorship, health risk, and youth). These terms where then used to search through various relevant indices. These indices were The Canadian Research Index (1982-1998), CBCA Full Text Reference (7/97-11/98, 1/97-6/97, 1996, 1993-1994), Wilson Business Abstracts (1/97-12/98, 1994-1996), Psych Info (1989-1998), Social Science Index (1983-1998), and Cambridge Scientific Abstracts (1993-1997). The TUG (Tri Universities Group) library system, which includes the CISTI Source, was also searched for both related subject areas and journals.

These various indices typically provided us with abstracts of related articles. In cases where the abstracted material seemed promising, the full publication was acquired. Relevant materials were found in the following journals/publications: American Demographics, Journal of Marketing, Journal of Retailing, Canadian Packaging, Discount Merchandiser, Journal of Consumer Research, Canadian Journal of Public Health, Journal of the Royal Society of Health, Marketing Magazine, Packaging and Merchandising, Health Promotion, Public Health, Tobacco Control, British Medical Journal, American Journal of Preventive Medicine, Health Education, and Marketing Science. Finally, several business and marketing textbooks were consulted for relevant definitions and background information on consumer decision-making processes. The report was completed using these materials.

3.0 FINDINGS

3.1 The Role Point-Of-Purchase (P-O-P) Advertising Within a Typical Marketing Strategy

Marketing strategy typically revolves around the four elements of the marketing mix: product, promotion, price, and distribution (McDougall, Kotler & Armstrong, 1992). P-O-P advertising is considered to be largely a promotional exercise. As part of a larger promotional strategy, P-O-P aids in generating awareness, communicating information and understanding, stimulating trial, and repeat purchases. P-O-P is unique in that it is able to reach potential consumers who, because they are in a retail setting, are beyond the reach of traditional promotions (Berger, 1992). In this way it is typically viewed as the producer's "last chance" to reach consumers.

P-O-P does not act alone however. It is typically used in conjunction with larger promotional efforts. For example, external advertising is used to build general awareness of and support for a brand, a product or even a corporate logo. However, these efforts are typically unable to reach

into the store where most purchase decisions are made. It is at this point that P-O-P reminds the consumer of this larger effort. It reminds the consumer that the product highlighted elsewhere is available. As Shackleford (1998) suggests, external advertising cannot reach its full potential without a presence at the point-of-purchase.

P-O-P advertising is now thought to represent one of the most economical, influential (Gorrie, 1993) and subtle (Lucas & Prensky, 1997) of promotional tools and is growing in popularity among advertisers. Spending on P-O-P has enjoyed an 18% annual growth in spending over the last decade (Point-of-purchase Advertising Institute, 1997). The extent of this growth can best be appreciated when compared to growth associated with other advertising mediums. For example, between 1986 and 1990 P-O-P increased by 57.1%, whereas growth was somewhat lower for magazines (33.2%), radio (31.2%), television (21.3%), and newspapers (18%). In Canada, spending on P-O-P totaled $1.5 billion in 1992 (U.S. currency) (Point-Of-Purchase Advertising Institute). The American P-O-P industry now spends between $15 and $20 billion (Tonken, 1997) on its efforts.

It seems that the tobacco industry has been increasingly using P-O-P strategies. This trend has been exacerbated by increasing restrictions placed on the tobacco industry's more traditional promotional and advertising efforts. In the U.S., the tobacco industry spends approximately 1 billion dollars on advertising and it is estimated that almost 75% of that is spent on P-O-P strategies (O'Leary, 1997).

3.2 Consumer Decision Making and P-O-P

P-O-P advertising is effective because it provides familiar and compelling cues during the shopping experience. P-O-P efforts draw attention to the product. This very act may be enough to generate purchase behaviour. Apparently, many purchases are unplanned and result from interest generated by P-O-P stimuli. For example, Tonken (1997) found that four out of five purchase decisions are made while the shopper is in the store. Assael (1984) reports that 27% of consumers bought more unplanned items because of in-store displays, 35% of consumers bought more unplanned items as a result of free samples and demonstrations, and finally, 56% of consumers bought more unplanned items as a result of price promotions. Though these figures relate to non-tobacco products, they offer some insight into the role and potential of P-O-P advertising.

P-O-P tobacco advertising may encourage either trial (of smoking itself or of new brands) or repurchase (a remind function). The goal is to create habitual purchase patterns. Habit, as defined by Assael (1984), is "a limitation or absence of (1) information seeking and (2) evaluation of alternative choices" (p. 56). Habitual purchase decisions are preferred by advertisers because they take place in the virtual absence of thought. The consumer neither

questions or reflects upon the purchase. Habitual choices may involve consideration of only the favoured brand with no information seeking; consideration of only the favoured brand, but with some brand-related information seeking; or consideration of other brands, but no information seeking (Assael, 1984).

Habitual purchases tend to take place very frequently. This, in turn creates a cycle of purchase, positive reinforcement, and repurchase. Brand loyalty results because with each repurchase, the consumer spends less time on information search and (other) product consideration (Assael, 1984). This seems especially the case for tobacco users who report extreme brand loyalty with only about 7% of users switching brands each year (Mindell, 1995).

Together these insights suggest that P-O-P advertising is designed to prompt action. It serves to convey potential customers along a continuum from the early decision-making stages (problem recognition and product evaluation) to the latter stages (purchase) of the process. It serves to remind loyal shoppers that their favourite product is available for sale. Several techniques are used for this function.

3.3 P-O-P Techniques

The P-O-P environment consists of several component parts used either in isolation or in combination. These component parts are: packaging (information, size, colour, imagery and symbolism), shelf position, shelf space, store displays, store atmosphere, vending machines, the merchants themselves, and promotional products. Each is used to provide positive reinforcement for current customers and to alter the normal buying habits among potential customers through the provision of timely and compelling cues. These cues call attention to the brand (often through displays) then highlight its appeal by noting new features, benefits of purchase, price specials and premiums (McDougall, Kotler, & Armstrong, 1991). Specific techniques for doing so are offered below.

3.4 Shelf Display

Shelf display includes shelf position and shelf space. Shelf position refers to the level at which the product or display is located on the shelf. The main argument regarding shelf position is that the product or display should be located at approximately eye level for the target group (i.e. children vs. adults) (Janiszewski, 1995). If it is significantly above or below this level other material that is more accessible will demand shoppers' attention and the intended product or display may not be noticed.

Shelf space is the amount of room allocated to each product or display. Janiszewski (1995) notes that well spaced presentations are superior to clustered presentations even though clustered

presentations are able to capture attention they cannot maintain a consumer's attention. Keeping this in mind Janiszewski states that salient objects, those that are larger or have a higher contrast, should be placed on the outside of the display to help draw attention to the display.

3.5 Packaging

Packaging typically attracts attention through the use of vibrant visual images (logos, characters, symbols) and bright colours. This approach is particularly effective with young consumers. Research suggests, for example, that visual cues, such as pictures or bright colours, facilitate preschoolers' recollection of brand names (Macklin, 1996). The effectiveness of packaging is not confined to preschoolers however. Consumers of all ages seem to make purchase decisions based upon package characteristics. Advertisers understand this tendency so they use packaging to differentiate their products from those of other producers. As Lazarus, Pollock, Marney and Racette (1997) suggest, at the point-of-purchase, the package *is* the product to the consumer. Given that between 70 and 80 percent of decisions are made in the store (Lazarus et al., 1997), appealing packaging may have considerable influence over purchase patterns. Packaging can render products more convenient, more informative, and more appealing. The design must therefore be easy to read, visible, informative, and functional.

Four components of package design are discussed here. They are information, size, colour, and imagery.

3.5.1 *Information*

One of the tenets of P-O-P advertising is that information listed on the package should be straightforward and consistent with other marketing strategies regarding the product. Packaging information should in the form of a clear, single message consistent with that of the larger promotional effort (Wansink, 1997). Too much or dissonant information may confuse the consumer and dilute brand image.

3.5.2 *Size*

Wansink (1997) also notes that altering the package size can alter the frequency of purchase. A larger package may encourage greater volume consumption because larger packages are perceived as being less expensive than smaller packages.

3.5.3 *Colour*

Colour is of considerable importance to P-O-P advertising. It identifies a brand from among competitors and creates awareness of that brand (Wansink, 1997). Different colours, shades and designs can be used to target consumers. Kessler (1997) contends, for example, that teenagers

are more attracted to bold, bright colours and designs. He goes on to suggest that male consumers appreciate more neutral colours, whereas females are attracted to a wider variety of colours. The importance of colour has been noted by the FDA in the USA. Paralusz (1998) suggests that forcing tobacco advertisers to use only "tombstone, or black and white, text only format" will render their ads less attractive and compelling for young people.

Package colour is so compelling that it may even overwhelm textual information (Meyers-Levy & Peracchio, 1995). In other words, colourful packaging may discourage consumers from reading text provided on that same package. It seems that colour advertisements may leave shoppers with few cognitive resources to process the ad content. This is good news for advertisers who want shoppers to ignore text (health warnings for example). Liberal use of colourful, compelling packaging may reduce the effectiveness of such warnings.

Because colour may minimize the persuasive potential of text (and this effect seems especially problematic if ad content is complex), black and white advertising may sometimes be preferable to colour. Though colour advertising typically outperforms black and white advertising, Meyers-Levy and Peracchio (1995) found that when text content is complex, the less costly black and white alternative was more persuasive than was colour.

3.5.4 *Imagery and Symbolism*

Reliance on imagery and symbolism has long been a trademark of the advertising world. Imagery refers to thoughts and images provoked by visual, auditory, or tactile information (Unnava, Agarwal & Hautvedt, 1996). In advertising this information can be provided through television, print, signage or at the point-of-purchase. The Marlboro Man is one example of imagery used by tobacco advertisers. The advertisers for Marlboro brand cigarettes drew upon the already powerful image of the rugged western individualist when attempting to draw attention to and support for their product. Belk and Costa (1998) suggest this type of imagery is effective for males because it "evokes a mythic and heroicized past" by creating a consumption fantasy.

Other images have more universal appeal however. Images used by tobacco advertisers often appeal to either physical or achievement-based vanity. Physical vanity refers to concern for one's appearance whereas achievement-based vanity arises from concern for accomplishment (Netemeyer, Burton & Lichtenstein, 1995). P-O-P advertisements that highlight slim female or rugged male models surrounded by the trappings of "the good life" tap into the "western cultur[al] fixation on physical appearance and achievement of personal goals" (Netemeyer et al. 1995). Tobacco advertisers seem to be enjoying great success using this approach. Even consumers who have no intention of smoking report more favourable thoughts about smokers after being exposed to these ads (Pechmann & Ratneshwar, 1994).

A limited amount of research effort has also been devoted to the way in which imagery is presented to the consumer. Unnava et al. (1996) examined visual and auditory imagery and its effect on information recall. They found that imagery and perception require significant amounts of cognitive resources to process. Consistent with the Meyers-Levy and Peracchio (1995) study cited above, like colour, imagery competes with other parts of the advertising message for cognitive resources. As a result, text designed to warn smokers of the consequences of their choices may be overwhelmed by the imagery created through other advertising efforts.

3.6 Store Displays and Signs

Advertising displays both inside and outside stores play an important and influential role in encouraging purchase behaviour. Consumers seem to desire clear, legible signs that help direct attention to purchase opportunities or values (Budish, 1994). They may even interpret the location of a display as an indication of value. For example, many shoppers believe that end-of-aisle sales indicate that the item highlighted there is on sale.

Although tobacco products may not be displayed in this manner, related signage may be placed elsewhere in the retail setting to gain the attention of the shopper. Janofsky (1994) states, for example, that one of the single most effective displays yet devised has been the sidewalk sign. One such sign, that advertised Marlboro cigarettes, has been so successful that it now appears in front of 100 000 retail outlets in the US.

3.7 In-Store Atmosphere

Milliman (1984) reports a link between music and consumer purchase behaviour. Music is thought to improve store image, improve staff mood, reduce employee turnover, and stimulate customer purchasing. Milliman found that the tempo of music played in the background affected even sales volume. Higher volumes were associated with slower tempos. Other studies also connect music to sales. One study found in Milliman states that 63% of consumers stated they either 'purchased more' or 'probably purchased' more in stores with background music playing while they were shopping. Another study (Linsen, 1975) found that consumers believed they would spend more time in a store with than without background music.

3.8 Vending Machines

Although tobacco products may not be purchased through vending machines in Canada (except in bars in some provinces), their effectiveness is noteworthy. In the USA minors attempting to purchase cigarettes through vending machines were successful 88% of the time and only 67% of the time when purchasing over the counter (Wildey, Woodruff, Pampalone & Conway, 1995). Other easy access sales methods include self-serve displays, mail order sales, single cigarette sales, and free samples. It is assumed that easy access to tobacco products increases the use of tobacco by minors because they circumvent most of the constraints faced by minors who wish to purchase tobacco products (primarily adult intervention and cost).

3.9 Merchants

Merchants are an important aspect of the point-of-purchase encounter, particularly in the sale of tobacco products. Those merchants carrying tobacco products are required by law to prohibit their purchase by minors. However, enforcement of this law has proven problematic (DiFranza & Godshall, 1996). In both Canadian and American contexts, merchant education regarding tobacco prevention have proven ineffective in reducing underage purchase of tobacco. However education combined with strict enforcement has reduced the trend (DiFrenza & Godshall, 1996; Dovell, Mowat, Dorland & Lam, 1996; Voorhees, Yanek, Stillman & Becker, 1998).

Even those merchants who do not sell tobacco products may be co-opted to enhance point-of-purchase sales however. For example, tobacco companies frequently offer non-tobacco selling merchants rewards (entry to contests, etc) if they post tobacco related posters in and around their premises. They may target golf courses or any variety of settings that represent positive lifestyle choices. In this way, the tobacco product gains greater credibility because of this association. The merchant benefits because (s)he is given the chance to win a valued prize at no personal cost and the tobacco company gains virtually free advertising space in a desirable setting.

3.10 Promotional Products

Promotional items such as t-shirts, hats, backpacks and lighters are often made available as P-O-P initiatives. Paralusz (1998) notes that these promotional items help tobacco companies gain visibility for their products. They may be placed on products that are associated with healthful lifestyles (golf shirts or hats and backpacks), on items that facilitate the use of their own products (lighters), or on items that are of inherent interest to the age group they wish to target (frisbees, mouse pads). In each case, the promotional item builds awareness of, and support for, the product. In some cases they may serve to obscure the linkage between tobacco and disease whereas in others they may help build brand recognition. There is a final benefit for tobacco companies to use these promotional devices. These items are not subject to the same restrictions placed on packaging, so they are not required to carry warning labels.

4.0 CONCLUSION

Point-of-purchase techniques have proven to be very influential in consumer purchase decisions. They represent a powerful prompt within the retail setting. They tweak the consumer's interest, they remind the faithful, and cajole the uncertain. They are used in conjunction with larger promotional strategies but may operate independently. They are increasing in popularity and billions of dollars are being spent to capitalize on their power. We hope this short report offers some insight as to the source of this power and the techniques used to exploit it.

A comprehensive approach to tobacco control must address the issue of point-of-purchase advertising.

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TORONTO STAFF REPORT

March 15, 2005

To: Board of Health

From: Dr. David McKeown, Medical Officer of Health

Subject: Point-of-Sale Promotion of Tobacco Products

Purpose:

This report outlines the influence of point-of-sale promotion of tobacco products on tobacco sales, and proposes the inclusion of a ban of point-of-sale promotion of tobacco products in the proposed Bill 164, Smoke-Free Ontario Act.

Financial Implications and Impact Statement:

There are no financial implications resulting from the adoption of the recommendations in this report.

Recommendations:

It is recommended that:

(1) the Board of Health request the Ministry of Health and Long-Term Care to include a provision to ban all point-of-sale promotion of tobacco products in the newly introduced Bill 164, Smoke-Free Ontario Act; and

(2) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

Background:

The marketing of tobacco products through advertising and sponsorship, are prohibited in Canada, causing tobacco companies to increase their emphasis on retail displays as a marketing strategy. Studies conducted during the 1990s concluded that retail displays increase average tobacco sales in the order of 12% to 28%. Research on primary school students reporting at least weekly visits to small grocery and convenience stores in California showed that such visits were

associated with a 50% increase in the odds of ever smoking, after controlling for other social influences to smoke.(1).

Tobacco companies are known to pay for prominent displays in retail outlets, usually in the form of large behind-the-counter displays also known as "Power Walls". In 2001, Saskatchewan became the first Canadian jurisdiction to ban the visible display of tobacco products in retail outlets accessible to minors. Manitoba and Nunavut have since enacted similar bans. The Saskatchewan retail display ban was in effect from October 2002 until March 2004 when the Saskatchewan Court of Appeals ruled in favour of tobacco manufacturer Rothmans, Benson & Hedges. However, in January 2005, the Supreme Court of Canada upheld the Saskatchewan law banning point-of-sale display of tobacco products. The Saskatchewan legislation and the Supreme Court ruling set a precedence for other provinces.

The proposed Bill 164, Smoke-Free Ontario Act, is presently before the Ontario legislature. It is anticipated that hearings will be held in April 2005. The proposed legislation would ban smoking in workplaces and most public places and institutions. It places some restrictions on retail displays of tobacco products but would not ban power walls.

Comments:

Tobacco Promotion and Advertising in Canada:

Canadian laws prohibit tobacco manufacturers from promoting their products through advertisements and sponsorship. As a result, the manufacturers have turned to other methods of promoting their products. A significant part of their marketing strategy is now point-of-sale promotion. This offers them the opportunity to promote their product to anyone who enters a store that sells tobacco, by way of large retail displays.

Most Canadian cigarettes are made from the same variety of tobacco and have virtually identical taste. However, smokers are known to have high brand loyalty; therefore the tobacco industry is interested in promoting its products to new smokers who are primarily teens and pre-teens. Further, despite the addictiveness of tobacco, more than 60% of tobacco purchases are impulse buys. This would include occasional smokers, adolescent smokers and daily smokers trying to quit (2). Prominent retail displays of tobacco products trigger impulse buying.

Other than point-of-sale, there are a few other marketing strategies, such as direct mail to adult smokers and bar promotions. However, these are expensive and less effective than point-of-sale displays in reaching the target audience.

Point-of-Sale Promotion/Advertising:

Under the Federal Tobacco Act, retailers are permitted to display tobacco products, accessories and price signs. There is no limit on the number of packs or price signs that may be displayed. Manufacturers pay retailers millions of dollars to have such displays and send sales representatives to maintain the displays as designed. They also make extensive use of counter-top displays that place the products very close to potential customers.

According to a news release on January 17, 2005, by Physicians for a Smoke-Free Canada, the average payment to retailers by each tobacco company has increased by more than 50% in the past three years. In the first half of 2004, the average tobacco company payment for the right to advertise cigarettes in retail stores was $876.66, compared with $563.42 paid in the first half of 2001. In 2003, tobacco manufacturers paid $88 million to promote their products. This represents an increase of $11 million from 2002. Also, the percentage of Ontario retailers carrying tobacco advertisements increased from 17% in 1996 to 41% in 2003 (3).

Point-of-Sale Displays are known to:

(1) Contribute to spontaneous purchases.
(2) Weaken the resolve of ex-smokers to remain smoke-free.
(3) Send a message that tobacco is as socially acceptable as candy or newspapers.

Youth in some regions of the province have been conducting informal surveys of tobacco retailers. A recent study in London, Ontario counted 60,000 cigarette packages in point-of-sale displays in 30 local retail stores. They are colourful billboards placed at eye level right behind the cash register.

Current Status of Limits to Point-of-Sale Displays:

Although the federal government has the legal authority to ban retail display of tobacco products, they have not exercised this authority. However, the federal government has signed the International "Framework Convention on Tobacco Control" (FCTC) championed by the World Health Organization. This framework recommends a total ban on point-of-sale displays.

A report to the Minister of Health from the Expert Panel on the Renewal of the Ontario Tobacco Strategy in 1999, recommended that tobacco products be placed out of sight behind counters at point-of-sale (4). In its 2003 election campaign platform, the Ontario Liberal Party promised to "ban counter-top and behind-the-counter retail displays of tobacco."

The Ontario provincial government has introduced the Smoke-Free Ontario Act. The Bill received second reading in February 2005 and is scheduled for committee hearings in April 2005. Currently, this legislation includes a ban on counter-top displays, but not a ban on behind-the-counter "Power Wall" displays.

Conclusions:

A key component of any comprehensive tobacco control strategy includes "denormalization" of the industry and its products. Retail display bans remove tobacco products from one of the industry's most coveted advertising placements, point-of-sale displays that are in plain view of children and adults. There is overwhelming evidence that tobacco advertising and promotion, including point-of-sale displays increases overall tobacco consumption and that a ban on such advertising and promotion would decrease consumption. This is an opportune time for the

Ontario provincial government to take a lead role in reducing tobacco consumption by banning point-of-sale displays including Power Walls.

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Les soins de santé qu'il nous faut

LA STRATÉGIE DES LIBÉRAUX DE L'ONTARIO EN VUE D'AMÉLIORER LES SOINS DE SANTÉ

Libéral
ONTARIO

Stratégie anti-tabagisme

Nous allons nous attaquer au tueur numéro un en Ontario grâce à une stratégie antitabagisme agressive.



Rien ne tue plus d'Ontariens et d'Ontariennes que le tabagisme. Chaque année, 12 000 d'entre-nous décèdent de l'usage du tabac et il en coûte près de 4 milliards de dollars à notre réseau de soins de santé et à notre économie en coûts directs et en pertes de productivité.

Notre stratégie globale de lutte contre le tabagisme aidera les fumeurs à cesser de fumer, empêchera nos enfants de commencer à fumer et aidera les communautés à faire la transition lorsque leur économie se fonde sur l'industrie du tabac. Voici comment nous allons le faire :

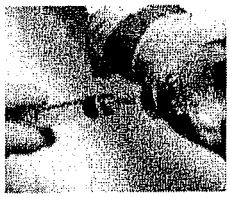
- Une réelle prévention. Rien ne décourage plus les fumeurs que d'augmenter le prix des cigarettes. Les cigarettes en Ontario sont toujours moins chères que dans presque toutes les autres provinces. Nous allons faire en sorte que les cigarettes soient plus chères pour empêcher les enfants de commencer à fumer.
- Des mesures de contrôle plus sévères. Nous allons interdire les étalages de produits du tabac sur le comptoir ou derrière.
- Des lieux publics et de travail sans fumée. Nous allons interdire à 100 % l'usage du tabac dans tous les lieux publics et de travail en Ontario, en moins de trois ans. La santé est une responsabilité provinciale. Nous libérerons les gouvernements municipaux de cette responsabilité.
- Aider les fumeurs à cesser de fumer. Nous allons utiliser les revenus de la taxe sur le tabac pour rendre disponibles à tous les fumeurs qui veulent cesser de fumer des médicaments qui aident à le faire.
- Un langage que les jeunes peuvent comprendre. Nous allons créer des campagnes de lutte contre l'usage du tabac d'égal à égal qui ciblent les jeunes et qui ont été créées par des jeunes. De tels programmes ont été couronnés de succès ailleurs.
- Une transition pour les communautés. Nous allons créer un fonds de transition communautaire, également avec les revenus accrus de la taxe sur le tabac, pour aider les agriculteurs à cesser la culture du tabac. Nous allons aider les communautés à se doter d'une base économique durable.

L'AMO et l'OMA demandent des lieux de travail et publics sans fumée

En août 2000, l'Association des municipalités de l'Ontario a demandé au gouvernement Harris-Eves d'adopter des règles uniformes d'interdiction du tabagisme sur les lieux de travail et publics. Depuis, de plus en plus de municipalités ont adopté ce type de règlement.

Après trois années d'inaction gouvernementale, soit en 2003, l'*Ontario Medical Association* a également demandé au gouvernement Harris-Eves d'adopter une loi interdisant de fumer sur les lieux de travail et publics.

Immunisation et dépistage



Nous allons nous assurer que vous ayez accès à des programmes de vaccination et de dépistage qui fonctionnent.

Nous allons commencer en offrant des vaccins pour la varicelle et la méningite aux enfants de même que des tests de dépistage du cancer colorectal aux adultes de plus de 50 ans.

L'immunisation prévient la maladie. Chaque année, 890 d'entre-nous sont hospitalisés et 234 000 journées de travail sont perdues en raison de la varicelle. En 2001, 65 personnes ont été malades et huit personnes sont décédées de méningite. Nous pouvons prévenir ces maladies grâce à un modeste investissement dans la vaccination des enfants.

Un dépistage adéquat peut avoir les mêmes effets positifs. Chaque année, on dénombre de nouveaux cas de cancer colorectal, qui est la deuxième cause de décès par cancer. Avec un dépistage adéquat, nous pouvons sauver des centaines de vies et des millions de dollars en soins de santé.

Survivre à une crise cardiaque

Nous allons améliorer l'accès aux défibrillateurs cardiaques portatifs qui sauvent des vies.

Le taux de survie des victimes d'un arrêt cardiaque complet qui ont accès en temps opportun à un défibrillateur cardiaque portatif est de 50 % à comparer à 5 % pour ceux et celles qui n'y ont pas accès. Nous allons émettre des directives concernant l'utilisation de ces appareils qui sauvent des vies et en installer dans tous les édifices provinciaux.

BACKGROUNDER **Point-of-Sale Promotion of Tobacco Products** May 2004	***OTS MEDIA NETWORK*** http://www.media-network.org

INTRODUCTION

In Canada the federal government prohibits most forms of tobacco product promotion under the 1995 *Tobacco Act*.[1] The only forms of promotion permitted under the *Act* are "informational" and "brand preference" advertising in the following media:[2]

- Direct mail to an adult smoker;
- Publications with a minimum 85% adult readership;
- Premises off-limits to minors;
- Retail signage indicating the availability and price of tobacco products.

As a result of the bans on traditional product advertising and sponsorship promotion, point-of-sale advertising and display have increased in importance as a vehicle for promoting tobacco products and tobacco use.

RESTRICTIONS ON THE SALE AND PROMOTION OF TOBACCO AT RETAIL

Canada

In Canada the federal government has enacted limited restrictions on the display of tobacco at point-of-sale. Self-service displays of tobacco products are prohibited. Sale by vending machine is limited to adults-only establishments and the machine must be under the visual supervision of an employee. The *Tobacco Act* grants the federal government the authority to enact regulations to control retail signage related to the sale of tobacco products and retail display of tobacco products. In 1999, then Health Minister Alan Rock released a consultation paper presenting *Options for Tobacco Promotion Regulations*, but to date there has been no additional progress on this issue.

In recent years, several provincial governments have included retail controls in their comprehensive tobacco control legislation. New Brunswick, Nova Scotia, and Nunavut have prohibited both self-service displays and counter-top displays. Quebec has also banned self-service displays. In 2001, Saskatchewan became the first Canadian jurisdiction to ban the visible display of tobacco products in retail outlets accessible to minors. Manitoba and Nunavut have since passed similar bans.

The Saskatchewan retail display ban was in effect from October 2002 until March 2004 when the Saskatchewan Court of Appeals ruled in favour of tobacco manufacturer Rothmans, Benson & Hedges and struck down the ban. While waiting for the Supreme Court's final ruling on the legality of the ban, Manitoba and Nunavut have delayed

implementation of their own display bans. At least two other provinces are seriously considering enacting bans on retail tobacco displays. A committee of the PEI Legislature recently completed hearings into issues related to the promotion and sale of tobacco products in retail outlets. The committee recommended that tobacco product displays and signage be banned in all retail outlets as of 1 January 2006 and in all establishments licensed under the provincial *Liquor Control Act*.[3]

The Ontario Liberal Party included a promise to "ban countertop and behind-the-counter retail displays of tobacco" in the anti-smoking strategy that formed part of its 2003 election campaign platform.[4] Since the November 2003 election, representatives of the McGuinty government, including Health Minister George Smitherman, have reconfirmed the government's commitment to pass stringent tobacco control measures, including restrictions on tobacco promotion at retail:

> "Take a look at the commitments we made to people last fall. We were very clear about what we intended to do. And in case anyone missed it, we said it again in the Throne Speech. Dalton McGuinty is, above all, a man of his word; his fundamental decency is his underpinning. We will keep these commitments. People's lives are at stake....
>
> Another part of our prevention strategy is to make it harder for the tobacco companies to find clever ways to subvert the advertising ban. If any you have been to the Air Canada Centre in the past few months, you couldn't miss the tobacco display. Another battlefield is the courtroom. And, together with the Attorney General Michael Bryant, you're going to see us moving confidently on this front as well."[5]

The table below summarizes the restrictions on point-of-sale promotion of tobacco products currently passed by the federal and provincial/territorial governments.

Retail Display Restrictions		
Legislative Restriction	**Federal Government**	**Provincial/Territorial Government**
Bans vending machine sales	Restricts to adults-only establishments	ON, NS, NU, SK—restricts to adults-only establishments
Bans self-service display	Yes	PQ, NB, NS, NU
Bans countertop display	Has authority; not exercised	NB, NS, NU
Bans all visible retail display of tobacco products	Has authority; not exercised	SK, MB, NU
Restricts/bans point-of-sale advertising	Yes	SK, MB, NU
Controls retail signage	Has authority; not exercised	SK, NU

Other Countries

In recent years, jurisdictions around the world have begun to legislate controls on the display of tobacco products in sales outlets. **Iceland** was the world leader, banning all retail displays of tobacco as of August 2001. Under Iceland's *Act on the Prevention of the Use of Tobacco*, all forms of tobacco advertising are banned, and the display of tobacco products is considered a form of advertisement. The tobacco industry challenged the provisions in court, but the case was thrown out on a technicality.[6]

In **Ireland** the *Public Health (Tobacco) (Amendment) Act, 2004* bans self-service displays of tobacco products and tobacco advertising in retail outlets and limits point-of-sale displays to one package of each tobacco product available for sale. Several tobacco companies have challenged the legality of these provisions, which have not been implemented pending the outcome of the court case.

Several states in **Australia** have also restricted tobacco product displays in retail establishments. Since January 2002, Victoria has regulated tobacco product displays. Only one display is permitted in each retail outlet, and the size of the display cannot exceed four square metres. Only one package from each product line sold may be shown, and cartons may not be displayed. No tobacco brand advertising is permitted inside or outside of retail premises.

Similar measures were implemented in the Northern Territory in July 2003. Tobacco product displays are restricted to four square metres, and only one point-of-sale is permitted, other than in licensed premises. A tobacco display may not be within two metres of a display of products marketed to children. Retailers may display one sample of every type of tobacco product they sell in each size and package type, including cartons. The advertising of tobacco products in public places is banned. Retail establishments may display one sign, no larger than one square metre, indicating the price of tobacco products available. If the premise has a price board, then shelf tickets are not permitted. Price boards and shelf tickets must be black and white only.

Going further than its neighbours, the government of New South Wales announced in February 2004 its intention to ban the visible display of tobacco products in retail outlets and to conduct a public consultation with stakeholders before proceeding with the ban.[7] In April, the Premier reiterated this commitment, including in the government's *Cancer Plan 2004 – 2006* the goal of reducing smoking rates by one percent per year through "anti-tobacco campaigns and point of sales restrictions."[8]

Recommendations of the International Union for Health Promotion and Education

The International Union for Health Promotion and Education (IUHPE) has developed model legislation covering all aspects of tobacco control based on research into best practices and the experiences of countries around the world.[9] As a partner of the World Health Organization, the IUHPE has ensured that its model legislation complies with the Framework Convention on Tobacco Control and, as provided for in article 2 of the FCTC, includes measures that are beyond those required by the Convention and its protocols. The model legislation includes a ban on self-service sales of tobacco products—covering self-service displays, vending machines, and sales through the mail or the Internet—and a complete ban on the visible display of tobacco packages. Where this is not politically feasible, it is recommended that at very least the use of tobacco displays as advertisements be prohibited. The IUHPE cautions, however, that "absent an outright ban on public displays, the tobacco industry likely will find a way around restrictions."

IMPORTANCE OF RETAIL DISPLAY

Value of "Place" in Marketing Mix

Regardless of the product, marketing plans are built around the four Ps of marketing—product, price, place, and promotion. The point-of-sale brings together three of the four key elements, allowing the marketer to showcase the *product* through various forms of *promotion* in the *place* where the consumer makes the purchase. Indeed, the point-of-sale is where the shopper can be turned into the buyer, given the right stimulus.[10] Aware of the fact that about 70% of all purchases are unplanned, retailers use signage, in-store promotions, shelf tickets, and displays to attract attention to their product and to encourage impulse buys.[11] A study of effective category management in retail stores found that among the four practices common to the highest-performing retailers are their use of feature advertising to increase in-store traffic and their use of displays to increase purchases.[12] A common axiom in retail—"stack it high and watch it fly"—speaks to the effectiveness of displays in stimulating sales.[13]

Research shows that for tobacco, point-of-sale signage and tobacco displays serve exactly the same purposes. Despite the addictiveness of tobacco, more than 60% of tobacco purchases are impulse buys.[14] This is not so surprising given that 20% of smokers are occasional smokers, including almost 40% of adolescent smokers, and a large majority of daily smokers—70%—are trying to quit.[15] Furthermore, the average number of cigarettes smoked daily (by daily smokers) is highly volatile.[16] There are numerous references in internal tobacco company documents about the importance of impulse buys to total tobacco sales:

> "Many impulse sales are lost when stock is not available or cannot easily be seen or reached."[17]

> "There is an ever-increasing trend toward impulse purchases. The large majority of consumers do not really check ads ... or plan their purchase decisions. We should have Marlboro (and other PM brands) positioned to take maximum advantage of the impulse shopper."[18]

These eye-catching tobacco displays provide cues to stimulate smokers to purchase tobacco, influencing the tobacco consumption of occasional and experimental smokers, daily smokers, smokers trying to quit, and quitters trying to remain abstinent. Studies conducted during the 1990s concluded that retail displays increase average tobacco sales in the order of 12% to 28%.[19]

The location of prominent tobacco displays in every corner store, gas station, and grocery store, among other locations, in itself plays a role in promoting tobacco consumption. This *place*ment of tobacco in proximity to other everyday consumer goods such as newspapers, trading cards, and candy helps tobacco to be seen as just another benign consumer product. The U.S. Institute of Medicine concurs that "[t]he positioning of tobacco with other commodities conveys subtle associational meanings."[20] This positioning contributes to the normalizing of tobacco products, which in turn downplay the impact of warning messages of the health risks of tobacco use.

The widespread availability of tobacco in a myriad of retail outlets, as well as the size and visual prominence of tobacco product displays and associated advertisements, also serves to inflate the perceived popularity of the product. The size of the tobacco display in many stores is greatly out of proportion to what is necessary to supply the market, hence the name "power walls" to refer to these displays. Most youth greatly overestimate the percentage of their peers and the population who smoke, and the degree of this overestimation among youth has been shown to be a predictor of starting smoking: [21,22,23]

> "How adolescents perceive their social environment may be a stronger influence on behaviour than the actual environment. For example, adolescents consistently overestimate the number of young people and adults who smoke. Those with the highest overestimates are more likely to become smokers than are those with more accurate perceptions."

As the President of the National Parents' Resource Institute for Drug Education [PRIDE] explained, "This misperception alone—that everybody's doing it—can be a powerful motivator behind much of the drug use we see."[24]

Display as Form of Promotion

A decade ago, the U.S. Surgeon General's Report concluded that tobacco product displays are a form of promotion aimed at youth:

> "Young people are currently exposed to cigarette messages through print media (including outdoor billboards) and through promotional activities, such as sponsorship of sporting events and public entertainment, point-of-sale displays, and distribution of specialty items."[25]

There is a wealth of evidence demonstrating the importance of the point-of-sale as a marketing vehicle for tobacco companies, from their historical actions and from their own internal documents. Beginning in the 1970s when advertising restrictions were first imposed, the tobacco companies have adapted their marketing strategies to emphasize different forms of promotion:

> "Barred since 1971 from using broadcast media, the tobacco industry increasingly relies on promotional activities, including sponsorship of sports events and public entertainment, outdoor billboards, point-of-purchase displays, and the distribution of specialty items that appeal to the young."[26]

Tobacco companies have devoted considerable effort to anticipating legislative controls on their marketing activities and researching effective responses. In 1979, for example, marketing advisers with British-American Tobacco conducted a major examination of current and future promotion restrictions and new marketing opportunities:

> "[T]he predictions ... envisage that over the next 10 years, among the 50 markets, TV will be unavailable in 39 and radio in 36 markets. Cinema, which like TV and radio, can dramatically convey the unique brand and product qualities in a memorable way, will be banned in 31 markets. Outdoor and press advertising, it is forecast, will probably be available to tobacco advertising in about half of the markets, but *point of sale advertising will be permitted in most markets for many years yet.*"[27] (emphasis added)

The analysis recommends that BAT be proactive in developing effective ways to promote their products using the forms of communication that are likely to remain legal the longest:

> "It is likely that some media will be available in many countries for several years yet. This is particularly true of Press, Outdoor and Point of Sale. Conceptual studies should be undertaken of the ways in which the product and image components can be most effectively conveyed via these static media."

Numerous documents stress the growing importance of creative point-of-purchase promotional activities as other forms of advertising and promotion become prohibited:

> "As primary media channels become restricted, greater emphasis must be placed on effective point of sale and parallel communications."[28]

Tobacco industry documents also provide evidence that what the companies expect to gain from effective point-of-sale promotion is higher brand awareness and higher sales:

> "Merchandising is the key to growing and developing sales volume within every distribution outlet.... The more facings you can devote to a brand the more effectively it will be portrayed to the consumer. It will be more

visible on the shelf and have more chance of grabbing the attention of the consumer and of being purchased."[29]

In its lawsuit against the major U.S. tobacco manufacturers, the U.S. Department of Justice claims that point-of-sale marketing activities are of prime importance to the tobacco companies in helping to create "brand equity," that is, awareness of a brand name and understanding of its associated image. One example is a market study by Brown & Williamson showing "that the store environment, especially displays inside stores is the biggest source of advertising awareness for all cigarette trademarks."[30]

Actions, of course, speak louder than words, and the behaviour of the tobacco companies following the imposition of further restrictions on their marketing activities testifies to the value of point-of-sale promotions, including displays. In the United States, in the three years following the banning of billboard advertising under the Master Settlement Agreement, total tobacco company promotional spending *increased* by 67%, from $6.7 billion in 1998 to $11.2 billion in 2001. The largest increases were for promotional allowances paid to retailers in exchange for prominent display space and "retail value-added" which includes price promotions and giveaways. By 2001, 82% of tobacco company marketing budgets were spent on these point-of-sale promotions.[31]

In Canada, a similar trend has been observed. In 1996, the tobacco companies spent $60 million on retail promotions, including payments to retailers and in-store signage—the same amount of money as they devoted to sponsorships and sponsorship promotions.[32] In 2002 on the eve of the government's total ban on sponsorship promotion, the companies had increased expenditures on promotional allowances alone to $77 million, representing more than one-quarter of their total marketing expenditures.[33]

Relationship Between Tobacco Companies and Retailers

The payment by tobacco companies of promotional allowances to retailers is a well-known practice, dating back to the 1970s.[34] Also called slotting, display, or placement fees, these payments take various forms—cash, reductions in the amount retailers owe on their invoices, free equipment, prizes, etc. In return the retailers agree to promote the tobacco company's products according to the specifications in the contract. These requirements include ensuring that the company's products remain fully stocked and giving the tobacco company prime retail display space—at a certain height, in certain locations (on the counter, behind the counter, in a self-service container, close to the register), and/or with a specified number of facings, units, or trademarks visible.[35]

The agreements can also specify that the retailer promote the company's products in the following ways:

- devoting a specific percentage of his total display space to that company's brands;
- placing specified forms of tobacco advertising in specified locations in and around the store, such as on shopping baskets/carts, gas pumps, exit signs, clocks, counter tops, shelf banners, front windows, walls, and curb signs; or
- discounting the price of certain brands in that company's product line.

While the practice of paying promotional fees to retailers is common knowledge, little is known about the specifics of the contractual arrangements, except that they are negotiated on an individual basis between a tobacco company and a retailer.[36] Furthermore, while the total amount paid by tobacco companies to retailers is documented, the amount these fees are worth to individual retailers varies greatly and is known in only a few cases. One study of 108 small stores in Santa Clara County, California, found that an average store earned $2,500 per year.[37] Other reports claim that convenience stores can receive as much as $20,000 per store per year by participating fully in incentive programs such as Philip Morris's Retail Leaders program.[38]

In Canada, information on individual retail promotional allowance payments is likewise anecdotal or derived from aggregate data. The association representing some 9,000 Quebec convenience stores claims that its members earn between $4,000 and $9,000 per year from tobacco company allowances.[39] Based on a rough calculation of total promotional expenditures divided by the estimated number of Canadian tobacco retailers, Physicians for a Smoke-Free Canada has estimated that these payments are worth an average of $1,500 per retailer per year.[40]

CHALLENGES OF IMPLEMENTING DISPLAY CONTROLS IN ONTARIO

Opposition by Retailers

In addition to the prominent display space, the payment of promotional allowances to retailers also buys the tobacco companies loyalty from the retailers and their active support in opposing regulatory measures that could harm tobacco sales. The retailers in effect act as a "front group" for the tobacco companies.[41] In 1999, for example, the heads of the three major Canadian tobacco manufacturers wrote to retailers asking their support in opposing the federal governments plan to impose further restrictions on tobacco promotion at point-of-sale.[42] In actual fact, Health Canada had only issued a Consultation Paper that explored various options for regulating the retail promotion of tobacco.[43] More recently, the Saskatchewan Committee for Responsible Tobacco Retailing, an offshoot of the Canadian Coalition for Responsible Tobacco Retailing which includes the Canadian Tobacco Manufacturers' Council among its members, played a lead role in opposing Saskatchewan's display ban. The Coalition faxed letters to retailers across the province warning them of the dire financial consequences of a tobacco

display ban and urging them to phone their elected representatives to oppose the measure.[44]

Organized and vocal opposition by retailers across the province could jeopardize the Ontario government's intention to impose a ban on the visible display of tobacco at point-of-sale. The retailers will undoubtedly argue that a display ban will impose substantial financial costs from the requirement to redesign their stores to keep tobacco products out of sight and from the loss of tobacco company promotional allowances.

Legal Challenges

One or more tobacco companies can be expected to launch a legal challenge of any attempt by the Ontario Government to limit the advertisement and display of tobacco products at point-of-sale. In every jurisdiction that has attempted to ban retail displays, tobacco firms have taken the government to court using similar legal arguments, most notably that the display ban is an infringement of their right to freedom of expression.

In Canada, in the case of Saskatchewan's ban, Rothmans, Benson & Hedges has argued against the ban on the basis that the provincial measure contravenes the federal *Tobacco Act*, which permits displays of tobacco at point-of-sale. Should RBH lose this argument at the Supreme Court, the company will proceed with the more complex legal challenge on the grounds that the display ban constitutes an unjustified infringement of the freedom of expression guaranteed under section 2(b) of the *Canadian Charter of Rights and Freedoms*.

In virtually every case where tobacco company behaviour has been restricted by legislation, the tobacco companies have challenged the government's legal right to impose the restrictions. It is important that governments be aware that forcing them to defend their actions in court is a standard practice of the tobacco industry worldwide. The threat of a lengthy and costly lawsuit should not deter government from implementing measures to control the marketing of tobacco products in order to reduce tobacco use. Furthermore, the Ontario Court of Appeal has ruled that "the display of goods and wares for sale" is not a form of expression protected by the *Charter*.[45]

CONCLUSIONS

Effective Counterarguments

In advocating for the provincial government to ban tobacco displays in all locations where tobacco products are sold, it will be important to ensure that the public, the media, retailers, and politicians understand the rationale for such a policy. Below are some succinct, fact-based arguments to counter the most common claims of opponents of display bans.

1. **Banning tobacco displays will cause severe financial hardship for retailers.**

Retailers claim that banning tobacco displays will impose significant financial costs and losses—the cost of retrofitting their stores to conceal tobacco products; the loss of revenue from tobacco company slotting fees; loss of revenue from decreased tobacco sales, and loss of revenue due to increased theft.

Concealing tobacco products need not be costly, depending on the specific requirements of the legislation. In Saskatchewan the display ban was nicknamed 'the shower curtain law' because many retailers opted to hide their tobacco behind inexpensive shower curtains.

While tobacco companies have vowed to end the payment of promotional allowances if tobacco displays are banned, other product manufacturers such as confectioners and lotteries, currently pay retailers for other premium display locations.[46] These companies could be expected to increase their payments for the coveted behind the cash location currently monopolized by tobacco companies or other companies could be expected to take advantage of this new marketing opportunity.

Given the high proportion of tobacco purchases that are unplanned and the anticipated contribution of a display ban to denormalizing tobacco use, tobacco sales may decrease. Retailers have been adjusting to decreased smoking rates for some time in Canada. Moreover, there are other solutions, such as a small increase of a few pennies per pack in the price of cigarettes that would make up for any drop in revenue due to the loss of promotional allowances and decreased sales.

The issue of revenue losses due to increased theft is dealt with in the next question.

2. **Putting tobacco behind closed doors will result in increased theft.**

Retailers argue that depending on their store set-up, clerks may have to turn their backs on customers in order to access tobacco, setting the stage for an increase in shoplifting. There is no evidence that display bans cause an increase in shoplifting, either from Iceland's or Saskatchewan's experience with a display ban. In fact, anecdotal evidence from Saskatchewan indicates that about half of retailers have chosen to keep their tobacco displays out of sight, in part because it serves as a deterrent to after-hours theft of tobacco.[47]

3. **Tobacco is legal and therefore tobacco companies should have the right to display their products.**

Tobacco products are legal largely because of an accident of history. If tobacco were introduced today, it would never be legalized; however, with over five million Canadians addicted to the nicotine in tobacco products, the government would create far more problems by trying to ban tobacco products outright.

The legal status of tobacco products does not mean that governments cannot impose stringent restrictions on how the product is manufactured, distributed, marketed, and sold. Prescription drugs are a case in point. They provide immeasurable benefits to the public,

and yet they are sold from behind the counter only in licensed pharmacies and only through the intermediary of a doctor and a pharmacist. In contrast tobacco products cause the death of 47,000 Canadians every year when used exactly as intended by the manufacturer and yet they are prominently displayed in virtually every grocery store, convenience store, and gas station across the country.

4. **A tobacco display (or a tobacco ad) never caused anyone to start smoking.**

Clearly a single tobacco display or an individual tobacco ad does not cause anyone to take up smoking. Research shows that there are many factors that contribute to an individual's decision to start smoking, and tobacco product marketing plays an important role in that process. Power walls of tobacco in virtually every convenience store, supermarket, and gas station contribute to the widely-held belief among young people that 'everyone' smokes. Research shows that the more a young person overestimates smoking rates, the more likely they are to become a smoker. Tobacco company documents make clear that tobacco displays remind consumers of previously-seen promotions and thus reinforce brand awareness and identity. Prominent point-of-sale displays have been shown to increase tobacco sales. These omnipresent visual cues to purchase tobacco are of particular concern for occasional and experimental smokers who are at risk of becoming daily smokers, for smokers trying to quit, and for quitters who are trying to remain smoke-free.

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ARTICLE

The Tobacco Industry and Underage Youth Smoking

Tobacco Industry Documents From the Minnesota Litigation

Cheryl L. Perry, PhD

Objective: To learn how underage youth have been regarded by the major tobacco companies, as revealed in industry documents during the Minnesota litigation.

Data Sources: Documents from Brown & Williamson Tobacco Corp, Lorillard Tobacco Co, Philip Morris Inc, and R. J. Reynolds Tobacco Co.

Study Selection: Documents available from the *State of Minnesota and Blue Cross and Blue Shield of Minnesota v Philip Morris Inc et al* during the discovery process of the trial. Hundreds of industry documents related to youth, teenagers, and young adults were examined. A sample of documents are referenced as illustrations of key points.

Conclusions: Underage youths are viewed by the tobacco industry as critical to its future. Underage youth smoking patterns were examined for decades. Reductions in youth smoking rates were seen by tobacco companies as a negative trend for the companies. Specific marketing campaigns were directed at underage youth and were successful with this age group. Tobacco industry practices should continue to be carefully scrutinized.

Arch Pediatr Adolesc Med. 1999;153:935-941

Editor's Note: Wouldn't it be wonderful if the entire tobacco industry went up in smoke?

Catherine D. DAngelis, MD

THE GROUNDBREAKING 1998 tobacco trial in Minnesota provided access to millions of pages of internal tobacco industry documents. As an expert witness for the State of Minnesota, I examined hundreds of industry documents related to youth smoking. These documents, along with the published literature, formed the basis of my testimony on youths and smoking.[1] The major opinion of this testimony was that the actions of tobacco companies were a substantial factor in causing underage youths (<18 years old) to smoke. This article presents examples from tobacco industry documents that contributed to this opinion. Copies of those documents can be obtained from the Minnesota depository or from various Web sites that have been created since the settlement agreement in May 1998.[2]

Youths are critical to the tobacco companies. Most people begin to smoke as underage teens, with only about 18% beginning to smoke at 18 years and older and only 5% beginning at 21 years and older.[3] Thus, early through middle adolescence is the developmental stage during which smoking onset occurs. This is important for several reasons. First, younger adolescents cannot fully comprehend the consequences of smoking cigarettes; cognitively, they have not yet attained true abstract reasoning capabilities.[4,5] Therefore, messages concerning the long-term consequences of smoking are mostly remote and irrelevant to adolescents. Second, adolescence is probably the only developmental stage during which smoking could be viewed as "functional." Smoking can be seen by adolescents as serving key developmental tasks, such as establishing autonomy, independence, intimacy, and identity, particularly when role models portray these attributes as being associated with smoking.[3,6,7] Third, adolescents become addicted to cigarettes and find it difficult to quit, even when they are motivated to do so.[3] For example, nearly half of high school seniors who smoke reported that they would like to quit; nearly 40% had tried to quit and had been unsuccessful.[3] Of those seniors who were smoking at least

From the Division of Epidemiology, University of Minnesota, Minneapolis.

1 cigarette a day, nearly 80% were still smoking 5 to 6 years later.[3] In other words, adolescent smokers become adult smokers. Finally, most people smoke only 1 to 3 cigarette brands in their lifetimes, such as Marlboro or Camel cigarettes, making cigarettes the most "brand loyal" consumer product in the United States.[8] Attracting young people to smoke a particular brand is critical to the future of cigarette companies because young people tend to smoke the same brand as they grow older. Adolescents, then, are a vulnerable population that can be exploited, given their inability to fully comprehend the long-term consequences of their actions, particularly if a product or behavior can be shown to meet the developmental tasks of adolescence. This is clearly problematic with cigarettes because they are addictive and the primary cause of premature death in the United States.[3] In fact, 1 of 3 teen smokers will die prematurely as a result of smoking.[9]

Tobacco industry documents reveal that the industry has a long history of studying the smoking patterns of underage youth. Companies responded to decreases among teens who smoked their brands as a negative trend, explicitly recognizing the importance of underage youth to the future of their business. Documents also reveal that underage youths were a target group for the marketing campaigns of cigarette companies, some of which were successful in attracting youths.

THE IMPORTANCE OF UNDERAGE YOUTHS TO THE TOBACCO INDUSTRY

Tobacco companies have recognized the importance of underage teens for decades. A Philip Morris (PM) document, written by Myron Johnston of the PM Research Department in 1981, summarizes the importance of teens to their business:

> It is important to know as much as possible about teenage smoking patterns and attitudes. Today's teenager is tomorrow's potential regular customer, and the overwhelming majority of smokers first begin to smoke while still in their teens. In addition, the 10 years following the teenage years is the period during which average daily consumption per smoker increases to the average adult level. The smoking patterns of teenagers are particularly important to Philip Morris . . .
>
> Furthermore it is during the teenage years that the initial brand choice is made: At least a part of the success of Marlboro Red during its most rapid growth period was because it became the brand of choice among teenagers who then stuck with it as they grew older—this combined with the rapid growth in the *absolute number* of teenagers [emphasis in original].[10(p808)]

Thus, in this document, the importance of understanding and studying underage youths was quite evident because teenagers were seen as primarily responsible for the success of Marlboro cigarettes—the brand that became the No. 1 cigarette on the market and whose sales have made PM the dominant cigarette company for the past 2 decades.

The critical importance of young smokers was also stressed in the documents of R. J. Reynolds Tobacco Co (RJR). In a 1984 RJR Marketing Department report, Diane Burrows discussed the relative importance of new smokers:

> *Younger adult smokers have been the critical factor in the growth and decline of every major brand and company over the last 50 years. They will continue to be just as important to brands/companies in the future* for two simple reasons:
> - The renewal of the market stems almost entirely from 18-year-old smokers. No more than 5% of smokers start after age 24.
> - The brand loyalty of 18-year-old smokers far outweighs any tendency to switch [brands] with age.
>
> Thus the annual influx of 18-year-old smokers provides an effortless momentum to successful "first brands"* (*ie those which appeal to 18-year-old smokers rather than to switchers ages 19-24). Marlboro grows by about .8 share points per year due to 18-year-old smokers alone [emphasis in original].[11(p4445)]

This document clearly states that the success of a cigarette company, the "renewal of the market," depends on which cigarette brand is selected as a young person's first brand because young people are "loyal" to their first brand. Although the document refers to 18-year-old smokers, most smokers begin smoking daily and select their first brand of cigarettes before age 18 years.[3,8] As a 1974 RJR memo from D. W. Tredennick, RJR's director of consumer research, from the Marketing Research Department points out: ". . . most smokers begin smoking regularly and select a usual brand at or before the age of 18."[12(p1308)]

In addition, RJR's data on 18-year-olds were obtained by examining trends in the 16- to 17-year-old and 18- to 20-year-old age groups and therefore represent a range of ages, including underage teens.[13] Being the initial brand of choice among young people, then, is a crucial objective for cigarette companies, according to these documents, because more revenue can be gained in the long-term by attracting young smokers in the first place than by trying to persuade them later to switch to a new brand.

From the cigarette industry's perspective, then, underage youth are crucial to the future of its business because it is during this time that youth begin to smoke, smoke their first brand of cigarettes, and "stick with it" as they grow older. A 1982 RJR Marketing Department report from Diane Burrows summarizes what a decline in young smokers means to the cigarette companies: ". . . the loss of younger adult males and teenagers is more important in the long term, drying up the supply of new smokers to replace the old . . . . This is not a fixed loss to the industry: its importance increases with time."[14(p1371)]

STUDIES OF UNDERAGE YOUTH BY THE TOBACCO INDUSTRY

Tobacco companies have engaged in a broad spectrum of research studies of underage teens. This research is in addition to the large body of literature on adolescents, the cause of smoking, and smoking behavior that has been available from academic and government scientists.

Research on Youth Smoking Prevalence and Brand Preferences

Studies of smoking prevalence and brand preference of underage youths were done by all major tobacco compa-

nies. As early as 1958, RJR, through the William Esty Co, New York, NY, conducted nationwide surveys of high school students that examined smoking prevalence by age, sex, and grade level and which brands students smoked.[15,16] In addition, household surveys were conducted for RJR by National Family Opinion Inc, Toledo, Ohio, until at least the early 1980s, with annual reports of prevalence and brand preferences of 14- to 17-year-olds.[17-23]

Philip Morris also surveyed underage teens as early as 1968, with graphs showing that the largest percentage of Marlboro smokers by age group were underaged teens (15-17 years).[24] Thus, as early as 1969, PM recognized that Marlboro cigarettes were more appealing to underage youth than to adults. In 1975, Myron Johnston of the PM Research Department wrote in a memo the reasons for the "Decline in the Rate of Growth of Marlboro Red":

> In my opinion, the decline in Marlboro's growth rate is due to four factors:
>
> 1. Slower growth in the number of 15-19 year olds
> 2. The recession
> 3. Price increases in 1974
> 4. Changing brand preferences among younger smokers.
>
> . . . Most of these studies have been restricted to people age 18 and over, *but my own data, which includes younger teenagers*, shows even higher Marlboro market penetration among 15-17 year olds [emphasis added].[25(p497)]

Thus, PM was able to ascertain, by their "own data," that the slowing down of the phenomenal growth of Marlboro cigarettes in the middle 1970s was caused, in part, by there being fewer teens, which caused even greater competition among cigarette companies to attract more younger smokers to maintain their revenue into the future. The same 1975 memo[25] summarizes the importance of 15- to 19-year-olds to PM's revenues from Marlboro cigarettes: "The correlation between Marlboro *sales* and the *number* of 15-19 year olds is .996 [emphases in original]."[25(p5498)]

Because Marlboro had captured such a large percentage of the underage teen market by the middle 1970s, sales of Marlboro were nearly completely dependent on the number of teens in the population.

Lorillard (LD) monitored the smoking behavior of 13- to 17-year-olds using government data,[26] and Brown & Williamson (B&W) collected data on 16- to 25-year-olds in their Brand Switching Studies[27-32] from the late 1960s to 1980s. Thus, all the major cigarette companies had access to current data on teenage smoking patterns and brand preferences and were aware of which competing brands were increasing in popularity among the young.

Research on Smoking Trends Among Youth

Cigarette companies claim that they do not want underage youth to begin to smoke.[33-35] Yet, a decrease in underage youth smoking was viewed as a negative trend for the industry, contrary to their public statements. For example, in an RJR Marketing Development Department memo in 1980 written by G. H. Long, the future chief executive officer of RJR and then executive vice president of marketing, to E. A. Horrigan, the chairman of the company, it was noted that, whereas the percentage of 14- to 17-year-old smokers who smoked PM's brands had increased, RJR's percentage had decreased among this age group. The conclusion to the memo stated: "Hopefully, our various planned activities that will be implemented this fall will aide in some way in reducing or correcting these trends."[36(p3894)]

In other words, "correcting" the decrease in underage smokers became an objective of RJR's marketing activities at the highest levels of the company.

A second RJR document analyzed the effects of the Fairness Doctrine on underage teens (12 to 17 years old).[14] The Fairness Doctrine was a national policy in effect from 1967 to 1971.[3] During this time, cigarette advertisements were allowed on television, but antismoking ads were also required, at the rate of about 1 antismoking advertisement for each 12 cigarette advertisements.[37] Analyses of this period show that youth smoking began to significantly decline after the introduction of regular antismoking advertisements. The RJR document, written by Diane Burrows in 1982, stated:

> The Fairness Doctrine was also found to have an important negative effect during its first year (accounting for a 3 percent point drop in 12-17 incidence) . . . Thus, the absence of TV advertising after 1970 was implicitly a negative effect, but the absence of the Fairness Doctrine was a larger implicit positive."[14(p1377)]

In other words, the introduction of antismoking commercials due to the Fairness Doctrine had a "negative effect," in that the percentage of youths aged 12 to 17 years who smoked significantly declined. R. J. Reynolds recognized that not being allowed to advertise on television had a negative impact but that antismoking advertisements had an even greater perceived negative impact.

Not only antismoking advertisements but also the price of cigarettes can influence teens. Youths seem to be at least as price sensitive to the cost of cigarettes as adults.[3] Thus, an increase in price causes a decrease in consumption among youths. A PM document in 1987 commented on the effects of price increases for cigarettes caused by increased excise taxes:

> . . . the 1982-83 round of price increases caused two million adults to quit smoking and prevented 600,000 teenagers from starting to smoke. . . . this means that 700,000 of those adult quitters *had been* PM smokers and 420,000 of the non-starters *would have been* PM smokers. . . . we were hit disproportionately hard. We don't need that to happen again [emphases in original]."[38(p6170)]

Philip Morris was clearly aware of the effects of price increases on underage smokers—420 000 teenagers would have been PM smokers, but had, by their calculations, decided not to start. The response from PM was they did not "need that to happen again." That is, they did not need additional state or national taxes on cigarettes that might prevent young people from starting to smoke.

Research Relevant to Marketing

Tobacco companies also engaged in research with or about underage teens that would be directly relevant to marketing to this age group. One of the most explicit docu-

ments was a report by the Roper Organization Inc, New York, NY, who conducted a study in 1974 on behalf of PM entitled "A Study of Smoking Habits Among Young Smokers." This study involved direct interviews with 1050 smokers younger than 24 years. The survey for the study is included in the document and indicates that the Roper Organization would survey young people aged "14 or younger."[39(p1185)] There were 620 interviews conducted with young people 18 years or younger. The purpose of the interviews was "to gain insights as to what is happening with regard to brand preferences and images of cigarette brands in that segment of the population."[39(p1152)] Interviewers went to 35 locations around the country, to popular "hangouts" of young people. They concluded that "Marlboro is the starting brand for young whites, and Kool is the starting brand for young blacks"[39(p1155)] and that "certainly Philip Morris should continue efforts for Marlboro in the youth market . . . ."[39(p1157)] Thus, the Roper Organization identified for PM that Kool cigarettes were competing with Marlboro, but primarily with young black adolescents. Marlboro was still the brand of choice for young whites, and therefore, "continued efforts," such as advertising and promotional activities, were recommended to attract these youths.

In 1973, an RJR document written by Claude Teague, a researcher in RJR's Research Planning Department, analyzed what might be appropriate for a new brand to be "particularly attractive to the young smoker."[40(p7358)] The document, entitled "Some Thoughts About New Brands of Cigarettes for the Youth Market," states:

> At the outset it should be said that we are presently, and I believe unfairly, constrained from directly promoting cigarettes to the youth market; that is, to those in the approximately twenty-one year old and under group.
>
> . . . Realistically, if our company is to survive and prosper, over the long term, *we must get our share of the youth market.*
>
> . . . Perhaps these questions may be approached by consideration of factors influencing pre-smokers to try smoking, learn to smoke and become confirmed smokers [emphasis added].[40(p7358)]

He goes on to address these factors:

> For the pre-smoker and 'learner' the physical effects of smoking are largely unknown, unneeded, or actually quite unpleasant or awkward. The expected or derived psychological effects are responsible for influencing the pre-smoker to try smoking and provide sufficient motivation during the 'learning' period to keep the 'learner' going . . . .[40(p7359)]

He also recommends:

> A careful study of the current youth jargon, together with a review of currently used high school American history books and like sources for valued things might be a good start at finding a good brand name and image theme.[40(p7367)]

This document reiterates the need for RJR to get their "share of the youth market" to "survive and prosper." It then analyzes why a "pre-smoker" would be motivated to begin and continue to smoke—psychological benefits, rather than anything inherent to cigarettes. Finally, the document includes a recommendation to review youth jargon and high school books for sources for a new brand name and image—that is, to intentionally seek symbols that would be relevant and appealing to underage youths.

The Canadian affiliate of RJR, RJR Macdonald Inc, also studied adolescents, such as in the Youth Target 1987 study,[41] which involved interviews with 15- to 24-year-olds on psychosocial factors related to smoking and smokers. This was not presented during the Minnesota trial, but the findings from studies of Canadian youths would clearly be relevant to youths in the United States.

MARKETING TO UNDERAGE TEENS

Underage teens were also included in marketing reports. One of the most important was the 1975 Marketing Plans Presentation to the RJR Board of Directors at Hilton Head, SC, in 1974 by C. A. Tucker, the company's vice president of marketing. The presentation outlines marketing accomplishments and plans for 1975. The first marketing "opportunity area" for 1975 was to "increase our young adult franchise."[42(p1311)] The document defines young adult to include underage teens and provides a rationale for their importance as the No. 1 targeted group for 1975:

> First, let's look at the growing importance of the young adult in the cigarette market. In 1960, *this young adult market, the 14-24 age group,* represented 21% of the population.
>
> As seen by this chart, they will represent 27% of the population in 1975. They represent tomorrow's cigarette business. As this 14-24 age group matures, they will account for a key share of the total cigarette volume—for at least the next 25 years [emphasis added].[42(p1311)]

Young adults, then, were defined as 14- to 24-year-olds to the RJR Board of Directors, consistent with the breakdown used in their studies of smoking prevalence discussed previously.[17-23] Again, young adults were seen as critical to RJR because they "represent tomorrow's cigarette business." The marketing plans for 1975 are also outlined in some detail in this document. Among them, multicomponent advertising and promotional campaigns to reach young adults, 14- to 24-year-olds, are described:

> We have *increased our media efforts toward young adults* for our brands. These include:
> - Increased advertising insertions in traditional young adult magazines like *Sports Illustrated, Playboy* and *Ms.*
> - . . . Expanded outdoor with selective locations for maximum young adult exposure. . . .
>
> Each of our major special events is directed *against* young adults.[42(pp1316-1317)]
>
> . . . Our special merchandising division is in its second year with its successful wholesale operation of premiums at beaches and special events through a separate sales force and a mobile store. We anticipate selling over a million items in 1975—a million 'walking billboards' for our brands.
>
> We will continue our special sampling programs . . . Where there are large congregations of young adults.[42(p1320)]

Thus, these marketing plans included many specific activities that would attract young adults, with young adults explicitly defined in the document as 14- to 24-year-olds—clearly including underage youths. These plans are consistent with a recent report that magazines with

higher youth readership are more likely to advertise youth brands of cigarettes.[43] R. J. Reynolds—including the RJR Board of Directors—was made aware that young people would be "walking billboards" for their cigarettes.

A second RJR memo, written in 1975 by J. F. Hind to C. A. Tucker, confirms that the objectives outlined by Tucker in the Hilton Head presentation were being implemented, and that these efforts included underage youths:

> Our attached recommendation to expand nationally the successfully tested 'Meet the Turk' ad campaign and new Marlboro-type blend is another step to meet our marketing objective: To increase our young adult franchise. To ensure increased and longer-term growth for CAMEL FILTER, the brand must increase its share penetration among the 14-24 age group which have a new set of more liberal values and which represent tomorrow's cigarette business.[44(p3357)]

Thus, RJR's marketing efforts explicitly involved underage youths, and these included new advertising campaigns for Camel Filter cigarettes.

The Joe Camel campaign had its origins at about this same time in the late 1960s and early 1970s. A cartoon camel character was first used in France to promote Camel cigarettes and was referred to as the "French Camel." A 1974 RJR memo stated: "I think the French advertisement for Camel Filters is a smash. . . . *It's about as young as you can get,* and aims right at the young adult smoker Camel needs to attract [emphasis added]."[45(p3940)]

Thus, RJR acknowledged that the cartoon camel "aims right at the young adult smoker" at a time when the young adult market was defined to be 14 to 24 years old. The French Camel was reconsidered in the middle 1980s[46] and evolved into the infamous Joe Camel campaign beginning in 1988.

Brown & Williamson also specifically targeted youths. Kool cigarettes were particularly popular among youths in the early 1970s. In 1973, noting the success of Kool with the younger age groups, R. L. Johnson wrote[28]:

> KOOL's stake in the 16-25 year old population segment is such that the value of this audience should be accurately weighted and reflected in current media programs. As a result, *all magazines will be reviewed to see how efficiently they reach this group* and other groups as well (emphasis added)."[28(p2240)]

Thus, B&W recognized its success with underage youths and their importance to its company, and were clear in its intentions to "reach this group."

Finally, PM notes in a summary document on Marlboro in 1979, which addresses its success with younger smokers:

> Marlboro dominates in the 17 and younger category, *capturing* over 50% of this market. In the 18-24 age group, Marlboro dominates with 30.7% share. Marlboro Red is smoked by the younger group; Lights by the older group.
>
> . . . We now have a single minded advertising campaign which is a source of strength for the brand, and successfully conveys flavor and quality at the same time [emphasis added].[47(p8174)]

Philip Morris recognized the strength of their Marlboro advertising campaign in that it had "captured" more than half of underage smokers. The Marlboro Man continued to be successful in attracting young people, and PM continued to market to that group, years after recognizing in 1969 that underage youths was the group most responsive to the campaign.

SUCCESSFUL ADVERTISING CAMPAIGNS

Specific advertising and promotional campaigns have been successful in reaching underage youths and have increased individual companies' shares of the youth market. Some campaigns, such as the introduction of "female brands" in the late 1960s, resulted in an overall increase in underage youth smoking,[37,48] in part because youths seem to be more sensitive or "amenable" to advertising than are adults.[49-52]

Tobacco companies also noted their success with underage youths. A 1978 LD memo on sales of Newport cigarettes in the northeast states:

> The success of NEWPORT has been fantastic during the past few years. Our profile taken locally shows this brand being purchased by black people (all ages), young adults (usually college age), *but the base of our business is the high school student* [emphasis added]."[53(p7131)]

Newport is currently 1 of the top 3 brands of cigarettes smoked by underage youths.[49]

Philip Morris also reported on the indisputable success of the Marlboro campaign with underage youths. As part of a PM Product Testing Short Course in the Research and Development Division, the success of Marlboro is explained: "Marlboro floundered for eight years and then hit a responsive chord among post-war baby boom teenages with the theme from the Magnificent Seven and an image uncalculatedly right for the wave of teenages coming of age."[54(p7504)]

The image, of course, was the Marlboro Man cowboy. Thus, the Marlboro Man, the image of independence and autonomy, found a "responsive chord" among teenagers in the late 1960s and 1970s. Because of the large number of baby boom teenagers, Marlboro captured the market and become the most popular cigarette brand among youths. Subsequently, because the baby boomers aged, Marlboro became the most popular brand among adults.[49]

Similarly, B&W reported on its success with Kool cigarettes in 1973: "KOOL has shown little or no growth in share of users in the 26+ age group. Growth is from 16-25 year olds."[28(p2238)]

In other words, Kool only appealed to younger people, including underage teens. In a 1979 document discussing the "History and Key Trends of the U.S. Cigarette Market," B&W attributes the success of Kool to the following: "An increase in KOOLs' *advertising and promotion to blacks and youth* in the late 60's speeded up these developments [emphasis added]."[55(p5009)]

Thus, B&W acknowledges in this document that blacks and youths were target groups for its advertising and promotional activities and that these resulted in more rapid growth for Kool.

Finally, RJR reported on the success of Salem in 1975: "SALEM King shows *encouraging* growth by posting a four point gain in the 14-17 market. There were no changes in the older markets [emphasis added]."[19(p2726)]

Again, increases among 14- to 17-year-olds who smoked Salem cigarettes were seen as positive and "encouraging," and Salem was increasing in popularity only among underage youths, not among those 18 years and older. More recently, in a review of the 1990 "Joe in Action" Camel advertising campaign, an RJR document notes: "Specifically, the 1990 work . . . firmly established CAMEL as a SUBOC [second usual brand of cigarettes] among competitive adult smokers, and helped realize tangible increases as a FUBOC [first usual brand of cigarettes] . . . ."[5(p34)]

Thus, the Joe Camel campaign resulted in more young people smoking Camel cigarettes as their first usual brand. But, as discussed previously, and as an RJR document points out,[12] most smokers begin smoking regularly and select a usual brand at 18 years or younger.

Each of the major cigarette companies—PM, RJR, B&W, and LD—had a successful youth brand during the past 25 years: Marlboro, Camel, Kool, and Newport, respectively. Marlboro, however, continues to dominate the youth market, with "an image uncalculatedly right" for autonomy-seeking adolescents worldwide.

CONCLUSIONS

This article provided a summary and examples of the hundreds of documents on youth and smoking that are available from the depository in Minneapolis, Minn, as a result of the May 1998 settlement of the Minnesota lawsuit. The tobacco industry was, and is, well aware of the critical role of underage youths to the future of their industry. Most who reach age 21 years as nonsmokers will remain so.[3] The tobacco companies were explicit in their interest in the underage youth market up to about 1980, when social pressures to not market to teens increased. Still, in the 1980s, we saw dramatically increased spending on cigarette advertising and promotional activities,[3] a greater percentage of the marketing budget being spent on promotional activities that are particularly potent with underage youths,[3,17] continuation of the Marlboro Man campaign so that 69% of underage smokers smoked Marlboro cigarettes in 1989,[19] and the introduction of Joe Camel in 1988 to rival the Marlboro Man for an increased share of the youth market for RJR. In the 1990s, the percentage of underage smokers increased significantly for the first time in nearly 25 years. The tobacco industry has promised to do whatever is necessary to reduce youth smoking. Given the evidence collected in this lawsuit, tobacco industry promises and actions concerning youth smoking should be closely scrutinized and monitored because the industry's survival depends on underage youths to be "replacement smokers" for those smokers who quit or die. Their actions, including their advertising and promotional activities in this country and overseas, may likely continue to contradict their promises.

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CHILDREN AND SMOKING

Does sponsored sport lead to smoking among children?

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A SURVEY of 861 children aged 11 to 15 plus was carried out in five schools in one educational authority using an anonymous questionnaire. It was found that children who had viewed the Master's Snooker Tournament sponsored by Benson and Hedges were more likely to recall the brand than non-viewers. This replication of previous findings was extended to include the effects of sponsored sport on smoking, after allowing for personality and social factors known to influence the frequency of smoking. Associations between recall, other advertising variables and smoking were positive in all but one instance after allowing for the effects of controls.

TELEVISION advertising influences children and its scope extends beyond toys and sweets to branded foods, home computers, savings accounts and medicines[1]. There is also substantial evidence that children are influenced by advertising ostensibly aimed at adults[1]; they monitor their parents' purchases of branded foods and toiletries, prefer branded products, and show high rates of recall and use of brand medicines like Anadin and Rennies[2]. The number of agencies which specialise in advertising to children has expanded from one to five in the 1980s, and research has illuminated which sorts of appeal are successful in relation to age and developmental factors[1]. There is a widespread belief that children are discriminating consumers who distinguish advertising from programming at a relatively early age, recognise its commercial purpose and enjoy its content. What is surprising is the stage at which understanding of the purposes of advertising ostensibly occurs. In a recent paper Aitken[3] writes: "All of the primary school groups, except for the 6-year-olds in the inner-city working class area, were also able to describe the selling function of advertising ('It tells people the price of things.' 'Something you can see and it tells you to buy it.')"

Discrimination increases with age; there is movement from surface features like sound and colour to a more developed cognitive evaluation including the familiar finding of a degree of cynicism towards the commercial purposes of advertising. However, as Aitken himself acknowledges, such awareness does not preclude the effectiveness of advertising among teenagers.

The counter evidence that television advertising works through non-selective learning has a empirical basis: Krugman[4] found that if he presented a sequence of TV commercials to women, the learning pattern was similar to learning nonsense syllables. He argued that television advertising was effective because of the parallel with nonsense syllables, it is trivial and non-involving and defences against dissonant messages were not activated. Following Krugman, Robertson[5] proposed that TV campaigns should aim for maximum exposure, not subtlety of content. Rossiter's[6] finding of an association between heavy TV viewing and requests to parents for brand medicines, or Gerbner's[7] of associations between heavy television viewing and increased perceptions of violence, are in line with Krugman's thesis that learning through television is mainly the product of repetition. The present study of the effects of sponsored sport on children's recall, brand knowledge, and use of cigarettes is an extension of this research tradition.

Unique among mass media, television dissolves the frontier between those messages to which we attend and those we ignore. There is a high average exposure to TV of around 3.6 hours a day in the United Kingdom. This figure includes enforced viewing where another member of the family wants to see a programme. In addition, there is a widespread belief among heavy viewers that the television world represents a picture of reality. Furthermore, much TV viewing is non-attentive: children play in front of the set, do homework, read books and have long conversations, the television set providing a domestic focus. Much of the learning which occurs is therefore unintentional, and such viewing may enhance the power of advertising.

TV reverses traditional advertising assumptions – the patient development of the consumer from attention through involvement to purchase. Instead viewers are non-involved, learn through repetition, change their priorities through latency and try the product.

These preliminaries have been addressed because a theoretical question is being asked: does sponsored sport act as cigarette advertising to children? Is the degree of repetition a critical factor in children's brand

recall, liking and smoking behaviour?

A study by Ledwith[8] showed increased brand awareness of Benson and Hedges and Embassy by children who viewed snooker sponsored by those companies. This study has now been extended by including control variables. The hypothesis under test was whether there would be positive associations between the advertising variables and smoking after allowing for the effect of controls.

Table 1
Independent variables→Control variables→Dependent variable

Recall of B&H	Age	Prevalence
Correct matching	Gender	and frequency
of brands with	Class	of smoking
sponsored sport.	Housing	
Brand knowledge.	Exam performance	
Liking for sponsored	Parents smoking	
sport.		

Dependent variable

This was measured on a seven point scale of smoking frequency as used in the 1983 OPCS study[9].

- I have never smoked.
- I have only ever tried smoking once.
- I used to smoke sometimes but I never smoke a cigarette now.
- I sometimes smoke a cigarette now but I don't smoke as many as one a week.
- I usually smoke between one and six cigarettes a week.
- I usually smoke more than one cigarette a week but less than 40.
- I usually smoke 40 or more cigarettes a week.

In this study smokers were defined as those belonging to groups four to seven, that is regular and occasional smokers. These comprised 19 per cent of the sample – equivalent to the OPCS percentage in their study of children.

Control variables

Research has demonstrated that a number of social and personality factors may influence children's smoking. These include social class, age, gender, whether parents smoke, and academic performance. Tenure was also added as a factor because previous research[10] has shown wide differences in behaviour and attitudes between council tenants and homeowners of similar occupation. The children of tenants, manual workers and smokers are termed 'High Risk' in this study as are girls, 14 to 15-year-olds, and those of low academic achievement. A fuller account of the control variables is presented with the results.

Independent variables

Children were asked if they watched the Master's Snooker Tournament, the number of times they had seen it, and if they recalled the sponsoring brand. The purpose was to replicate Ledwith's work, which has shown a positive relationship between exposure to sponsored sport and brand recall.

A second recall question involved asking for heavily sponsored sports to be matched with brands. This was intended to reflect an element of cumulative exposure. In his study of television viewing and perceptions of violence Gerbner[7] used response to a simple frequency question of how many hours people viewed daily. Rossiter's study[6] of brand medicine advertising used a more complex weighted formula of frequency to measure overall television exposure and its effects on children's brand knowledge and requests to parents. In relation to TV sponsored sport it is impossible to construct a similar cumulative measure because programmes are sporadic in their appearance and selective in their audience, appealing to boys more than girls. However, accurate matching of cigarette brands and sponsored sports gives *indirect* evidence of cumulative exposure. That television is not the only source for such matching is acknowledged.

Brand knowledge was measured by asking children to name all the cigarette brands known to them. In common with Ledwith[8] and Jacobson,[11] Benson and Hedges and John Player Special were the most frequently named brands. Given the considerable sports sponsorship involving their companies the number of brands named was also considered to be representative of cumulative exposure. Finally, liking for the four most heavily sponsored sports was used as to indicate affect arising from sports viewing.

Procedure

A survey of smoking and exposure to sponsored sport was carried out among 861 children aged 11 to 15 plus from five local authority schools.

Fifty six per cent of the sample were girls. Fifty seven per cent had parents who were owner-occupiers, and 32 per cent council tenants; the national ratio being 53/34%[12]. Classification of parents' occupations conformed to the national averages[13] except for skilled manual workers, where there was an under-representation of nine per cent, and an over-representation of unskilled workers by seven per cent. These figures are shown in **Table 2.**

Table 2
Sample by parents occupation

Social Class	UK	Survey
AB	17%	20%
C1	22%	20%
C2	31%	22%
DE	31%	38%

Fourteen per cent of the sample were regular and five per cent occasional smokers, conforming to the Office of Population, Census and Surveys'[9] total for children smoking.

The self-completion questionnaires were anonymous and administered to intact classes in five schools by senior researchers and student-teacher helpers. Class teachers were absent except for about 60 pupils. The criteria of selection of classes involved choosing a cross section of ability and gender after consultation with class teachers. Socio-economic stratification was a by-product of selecting schools in different catchment areas. Six per cent of the replies on occupation were uncodable.

The classes of children tested depended on school organisation, and when optimum numbers were available with minimum disruption. Headteacher co-operation was also a factor, and this was refused in only one instance. The work was carried out between Feb-

ruary 5 and 8 1985, following the conclusion of the Master's Snooker Tournament sponsored by Benson and Hedges. Researchers were instructed not to permit talking or collusion.

Results

The main focus of this study was to replicate and extend Ledwith's[8] work which showed powerful associations between exposure to sponsored sport and recall of branded cigarettes. **Table 3** further demonstrates the strength of this association (chi-squared=43.5 on 2 degrees of freedom, $p<0.001\%$).

Table 3
Frequency of viewing the Masters' and recall of Benson and Hedges

No of episodes seen	0	1-3	4-8
Percentage recall	31%	44%	57%

Further analysis yielded an important result. If the sample was divided into smokers and non-smokers, the positive association between *viewing* sponsored sport and recall of Benson and Hedges only held for non-smokers. The clear implication is that recall of Benson and Hedges among smokers does not depend on viewing, but is a selective attribute of their smoking.

Table 4
Viewing the Masters' and recall of Benson and Hedges – for smokers and non-smokers

	Non-Smokers			Smokers		
No of episodes seen	0	1-3	4-8	0	1-3	4-8
Percentage recall	27%	41%	50%	46%	52%	49%

The impact of sponsored sport is much greater among non-smokers. Such impact produces brand awareness and this may stimulate trial as indicated in advertising studies with other products.

It is therefore clear that repeated exposure is having the most visible effect on children who are non-smokers. We would therefore argue that cigarette sport sponsorship has the characteristics of an advertising campaign, and that non-smoking children are a putative target group for whom awareness produces trial and experimentation in the usual way.

In studies of advertising effects it is usual to look for associations between degree of exposure to the message and changes in attitude and behaviour towards the brand or product. For example, Rossiter's study[6] of the relationship between advertising and brand medicine among children charted a complex of learned adaptations by the children leading to increments in brand knowledge and requests to parents: the overall effects being considerable if generalised across a national market. Similar links between exposure to sponsored sport and smoking after allowing for the influence of known personality and social factors were examined.

Table 5 shows differences in smoking frequency with respect to the controls. As can be seen, they are all in the expected direction, with proportionally more smokers in the high risk groups. This is especially true for 14 to 15-year-olds, low academic performers, and both parents smoking.

Table 5
The control variables. The number in each group and the percentage who are smokers.

High Risk	n	%	%	n	Low Risk
Tenants	309	20	18	552	Owners
Manual	552	20	17	257	Non-manual
Girls	468	20	17	395	Boys
14-16 yrs	642	24	10	319	11-13 yrs
Low academic	572	21	14	289	High academic
Parents smoke	239	23	14	295	Not smoking

These results are in line with national studies which have found an increase of smoking with age – maturation, puberty and 'anticipation of adulthood'[9]. Smoking also interacts with school performance, and prevalence is greater among low performers. Age, gender and social class are known to influence adult smoking. For example, 55 per cent of unskilled manual workers smoke, compared with 22 per cent of professionals.[14] Given the putative link between parent-child smoking, all variables were used as controls. In addition, there are social differences between owner-occupiers and council tenants within the same social class. Council housing in the survey area also contains relatively high proportions of female one-parent families who are a high-risk group in relation to smoking. The rising trend of smoking among girls is also reflected in our results, which show that girls smoke marginally more than boys.

In the present study, positive associations were found between the recall of Benson and Hedges and smoking frequency among children. The overall chi-squared value was significant at the one per cent level. This association was consistently maintained when all the factors that may have influenced frequency, independent of advertising effects, were controlled for. There are particularly strong associations between recall and smoking among the children of manual workers, home-owners, girls, 14 to 15-year-olds, and low academic performers. It is surprising that although girls watch and like sponsored sport less than boys, their viewing has a stronger association with smoking. In general, therefore, recall has the strongest association with high risk groups. **Table 6** illustrates these results. Consider, for example, the children of home-owners: among those correctly identifying Benson and Hedges as the sponsoring company, 25 per cent were smokers; among those not naming Benson and Hedges only 14 per cent were smokers – a difference of 11 per cent as shown in the table. Against the general level of 19 per cent smokers overall, these increases are large though not always statistically significant.

Table 6
Increase in the percentage of smokers on going from Incorrect to Correct Recallers of Benson & Hedges

High Risk	%	Low Risk	%
Tenants	5	Owners	11(**)
Manual	11(***)	Non-manual	5
Girls	18(***)	Boys	4
14-15 yrs	10(**)	11-13 yrs	5
Low academic	10(***)	High academic	8(*)
Parents smoke	8	Not smoking	5

*(Sig levels for test of no association with smoking: *<10%, **<5%, ***<1%)*

Table 6 does not support the idea that sponsored sport directly causes smoking, although it does reinforce dispositions already present through the pleasures of brand awareness and liking. Benson and

Hedges as the most heavily advertised brand is the children's favourite, and is believed by them to have universal appeal. In addition, sponsored sport legitimates a climate of acceptance.

Our second recall measure, brand matching, contained a cumulative element and showed a positive association with smoking in all groups except tenants and 11 to 13-year-olds. However, the level of association was only statistically significant in the following groups, two of which overlap with those in Table 6 – owners, girls, and non-manual.

Association between brand knowledge and smoking was high and consistently positive (significant at the one per cent level and beyond in all high and low risk groups). This expected result clearly includes a selective element of smokers being able to name more brands, although the most heavily advertised brands had greater salience than those lesser known. In addition, it is argued by Jacobson[11] that brand knowledge is a form of induction into smoking because it is believed to be a sign of maturity and sophistication.

Finally, liking for sponsored sport showed no association with smoking.

Discussion

Ledwith's findings of an association between exposure to sponsored sport and cigarette brand recall have been replicated. These results have been extended to include links between sponsored sport and smoking frequency after allowing for the effects of controls. One conclusion, therefore, is the possibility of a link between watching sponsored sport and smoking among children. Clearly these results raise questions of casuality. Is the direction from advertising to smoking, or is recall, brand matching and brand knowledge stronger among those who already smoke? While there is no definitive answer to this, there is now evidence for a causal link between viewing sponsored sport and brand recall in three separate studies. In addition, qualitative work indicates that brand knowledge is part of learning to smoke through its connotations of sex, sophistication and control. Finally, most of the known factors which could have influenced the results have been controlled for.

These correlational results need to be fleshed out with a more qualitative understanding of motivation and process. With the help of a grant from the Cancer Research Campaign, the questions are being addressed in a longitudinal, two-site study.

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30 YEARS AGO

An anthropological view of health education

EVERY health worker must, by his very nature, attempt to manipulate social relations. In order to make an impact on a given community, he needs to find his way into and about it in such a manner as to influence individuals and groups whose positions are crucial to the changes he proposes. In the second place, the health worker is himself a member of a social system which embraces his public and his colleagues; as a result, the effectiveness of his professional endeavour may depend very directly on how far he appraises himself and his activities in relation to his fellow citizens.

There are several tests of the health worker's insight into his own position. One of them is his ability to examine how far he is meeting the expectations of his clients. A second test is the health worker's readiness to question the generalisations made in medical circles about the public at large. A third test, and one in which is probably the most difficult for the health worker to apply to himself, consists of examining his own political and cultural ideals in relation to those of his clients.

Health education is an attempt to raise levels and standards of health; but the health of men in society is partly an aspect of their adjustment to one another and to the economic and social institutions by which they live.

Extracted from an article by Maurice Freedman, lecturer in Anthropology at the London School of Economic, published in the Health Education Journal, *Vol 14, 1956.*

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Considering the Evidence, No Wonder the Court Endorses Canada's Restrictions on Cigarette Advertising

COPY

Richard W. Pollay

The 2002 trial that assessed the constitutionality of Canada's Tobacco Act involved new evidence of industry tactics in the 1990s, including the use of lifestyle advertising of sponsorships and the marketing of a new product that was falsely claimed to be "less irritating." The author provides highlights from the legislative background, the document production, the trial testimony, and the judge's decision.

For almost two decades, Canada's Ministry of Health has attempted to regulate cigarette advertising and promotion. The first legislation enacted toward this end, the Tobacco Product Control Act (TCPA) of 1988, was ultimately declared unconstitutional by the Canadian Supreme Court in 1995. On the basis of the decision, Parliament drafted and enacted replacement legislation: the Tobacco Act of 1997. The industry challenged this act too, and the lengthy 2002 trial that assessed its constitutionality involved much new documentary evidence and ended with an endorsement of the law.

What follows are highlights from the legislative history, the documentary evidence, the trial testimony, and the trial court's judgment. The highlights show the industry's marketing practices, the judicial perspectives on the tobacco industry and the related public interest, and how these have evolved in the past decade. Of particular interest is new evidence about (1) industry persistence in appealing to young people; (2) the use of event sponsorship to meet this and other promotional goals; (3) package design to provide consumers "status redemption"; (4) the development and marketing of seemingly risk-reduced products; and (5) consumer ignorance, misinformation, and reliance on meaningless industry nomenclature, such as "light/mild."

The Legislative History

The TPCA of 1988

Until 1988, when the TPCA was passed, no law in Canada had regulated cigarette advertising. Even the absence of cigarette advertisements from radio and television was not legislated. The TPCA disallowed conventional advertising, but a loophole allowed for lifestyle advertising of sponsorships in brand names, and the industry created new corporate entities for this purpose. Also prompt was the legal challenge to the TPCA by the Canadian tobacco industry (i.e., a three-firm oligopoly dominated by Imperial Tobacco [ITL] and including RJR-MacDonald [RJR] and the Phillip Morris affiliate Rothman's Benson & Hedges [RBH]). After a long process, in 1995 the Supreme Court of Canada declared the TPCA unconstitutional in a decision that was split five to four (*RJR-MacDonald Inc. v. Canada [Attorney General]* 1995).[1]

Although the Court found that Parliament had the right both to prohibit tobacco-product manufacturers from encouraging the Canadian public to consume tobacco products and to inform consumers about tobacco's harmful effects, it disallowed the TPCA as overreaching in that it banned all communications. More specifically, the conclusions in law from the case, as read by another judge (*JTI-MacDonald Corp. et al. v. Attorney General of Canada* 2002),[2] included the following: (1) Parliament can prohibit the advertising of tobacco products pursuant to its criminal

Note to readers: The editors of *Journal of Public Policy & Marketing* sent this article to the case's named plaintiffs' attorneys, inviting them or a designated author to prepare a possible companion piece. The attorneys informed the journal that they were contacting prospective authors. In the end, however, they chose not to submit a paper, noting that because the case is currently under appeal before the Québec Court of Appeal, they deemed a response inappropriate. Nevertheless, in the spirit of providing a balanced presentation, a quote from their final response is as follows: "[I]t may be of some help to your readers, in their search for some balance, to know that the Canadian tobacco manufacturers' case, in essence, was that the Canada's Tobacco Act essentially repeats a virtually total prohibition of commercial speech, which had been ruled unconstitutional by the Supreme Court of Canada in a previous case. Your readers are as equipped as Professor Pollay to opine whether a ban of all advertising [that] 'evokes an image or an emotion, positive or negative, about a style of living' is or is not tantamount to a total ban. They are as equipped as he to opine whether a ban of any advertising [that] *might* on reasonable grounds *be construed* as appealing to persons under 18 leaves the advertiser any safe grounds on which to advertise."

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[1]Lamer C.J., Sopinka, McLachlin, Iacobucci, and Major JJ and La Forest, L'Heureux-Dubé, Gonthier and Cory JJ (dissenting).

[2]Province of Québec, Superior Court, Judge André Denis, December 13, 2002.

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law power;[3] (2) there is a rational connection between the prohibition of advertising and the objective of the TPCA;[4] (3) a law prohibiting lifestyle advertising would pass the minimal impairment test;[5] (4) a law prohibiting advertising that targets children and teenagers would also pass the minimal impairment test;[6] and (5) tobacco consumption is a sui generis problem that can be properly addressed only with an array of innovative and legislative responses (i.e., a comprehensive strategy).[7]

In rejecting the TPCA, however, the Supreme Court was not concluding that advertising was of no consequence. In a view consistent with my own (Pollay 2000; Pollay and Lavack 1993), the Court left little doubt about the role and effects of advertising, as evidenced in the industry's internal documents:

> Perhaps the most compelling evidence concerning the connection between advertising and consumption can be found in the internal marketing documents prepared by the tobacco manufacturers themselves. Although the appellants [the tobacco firms] steadfastly argue that their marketing efforts are directly solely at maintaining and expanding brand loyalty among adult smokers, these documents show otherwise. In particular, the following general conclusions can be drawn from these documents: that tobacco companies are concerned about a shrinking tobacco market and recognize that an "advocacy thrust" is necessary to maintain the size of the overall market; the companies understand that, in order to maintain the overall numbers of smokers, they must reassure current smokers and make their product attractive to the young and to nonsmokers; they also recognize that advertising is critical to maintaining the size of the market because it serves to reinforce the social acceptability of smoking by identifying it with glamour, affluence, youthfulness, and vitality. (*RJR-MacDonald Inc. v. Canada* 1997, p. 295)

The Tobacco Act of 1997

In 1997, in response to the 1995 Court opinion and its counsel, the Canadian Parliament passed the Tobacco Act. With respect to promotional communications, the purpose of the act was "to protect young persons and others from inducements to use tobacco products and the consequent dependence on them" (¶ 4b). The provisions prohibit advertisements that are "false, misleading, or deceptive or that are likely to create an erroneous impression about the characteristics, health effects, or health hazards" (¶ 20). Also prohibited are testimonials and endorsements, including "the depiction of a person, character, or animal, whether real of fictional" (¶ 21.2), and "lifestyle advertising or advertising that could be construed on reasonable grounds to be appealing to young persons" (¶ 22.3).

Following the suggestion of the Supreme Court, which had been using a distinction advanced in the industry's argument against the predecessor TPCA, the Tobacco Act allows "information advertising or brand-preference advertising" (¶ 22.2) that "provides factual information to the consumer about ... a product and its characteristics; or ... the availability of price of a product or brand of product" (¶ 22.4). These are allowable in adult venues (e.g., bars) or controlled media (e.g., direct mail) or in media that in their reach target 85% adults (¶ 22.2). Thus, it is important to note that the Tobacco Act is *not* an advertising ban; it permits information dissemination to adult consumers. However, it inhibits communication to minors and forbids the types of uninformative image advertising that glamorize smoking, which the industry has been using for decades in Canada, the United States, and elsewhere (Pollay 1990, 1991).

The three Canadian tobacco companies sued were ITL, RJR (now JTI-MacDonald; it has since been sold to Japan Tobacco International), and RBH; these are historically affiliated with Brown & Williamson, R.J. Reynolds, and Philip Morris, respectively. The tobacco companies wanted the Tobacco Act and regulations adopted therein to be declared unconstitutional under the Canadian Charter of Rights and Freedoms, which is comparable to the U.S. Bill of Rights.[8] The trial by judge of the consolidated case took place over six months from January 2002 to June 2002; closing arguments were in September, and the decision was rendered in December. The hearing involved 22 lawyers and generated nearly 10,000 pages of stenographic notes and 988 exhibits. My own role included two written reports (Pollay 2001, 2002) and eight days of trial testimony in which I entered volumes of corporate documents as evidence. I also observed the trial testimony of the tobacco plaintiffs' two witnesses who represented advertising.

The Documents: 1990s Tactics

Targeting New Smokers

Despite the embarrassment of youth-targeting documents that were entered into evidence in the previous TPCA trial, targeting of "new smokers" or "the young" was still evident in documents from all the firms: "ITL has always focused its efforts on new smokers, believing that early perceptions tend to stay with them throughout their lives,"[9] "The younger segment represents the most critical source of business to maintain volume and grow share in a declining market" (RJR-1339, 1989, 80118-3931), "New smokers are critical to continued growth in the market" (RJR-0299, 1989, 80144-1496), "A strong regular length business is key to attracting younger users and ensuring a healthy future franchise,"[10] and "[T]he key 15–19 age group is a must for RBH."[11]

Many documents discuss minors and/or refer to "starters," the "starter smoker segment," or "entry-level users." Histor-

[3] *RJR-MacDonald Inc. v. Canada (Attorney General)* (1995), ¶ 29, La Forest J. (and L'Heureux-Dubé, Gonthier and Cory JJ.); at ¶ 123, McLachlin J; at ¶ 181, Iacobucci J (and Lamer C.J.).

[4] Ibid. at ¶ 158, McLachlin J. (and Sopinka and Major JJ.); at ¶ 185, Iacobucci J. (and Lamer C.J.); at ¶ 119, La Forest J. (and L'Heureux-Dubé, Gonthier, and Cory JJ.).

[5] Ibid. at ¶ 164, McLachlin J. (and Sopinka and Major JJ.); at ¶ 191, Iacobucci J. (and Lamer C.J.); at ¶ 119, La Forest J. (and L'Heureux-Dubé, Gonthier, and Cory JJ.).

[6] Ibid.

[7] Ibid. at ¶ 48, La Forest J. (and L'Heureux-Dubé, Gonthier and Cory JJ.); at ¶ 123, McLachlin J.; at ¶ 181, Iacobucci J. (and Lamer C.J.).

[8] Canadian Charter of Rights and Freedoms, Part I of the Constitution Act, 1982, being Schedule B to the Canada Act, 1982 (U.K.), 1982, c. 11.

[9] File #HT 0344, Box #GU 0200, HC Request #290, 1989, p. 201825039.

[10] RBH-001137, *Craven Trademark Business Review*, 1993, p. 2.

[11] RBH-001134, "Critical Success Factors," 1997, p. 7.

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ically the most successful at capturing youth, and consequently the dominant firm, ITL continued its youth-oriented research on Generation Y (i.e., 13–19 year olds [ITL-329, 1993]) and the attitudes and lifestyle of teenagers (i.e., 13–17 year olds [ITL-271, 1994]). The RJR affiliate knew that "When young consumers first experiment with smoking they are prone to select a brand which they perceive as having an image which is 'mainstream, youthful.'... Most claimed that they started when they were around 14 to 16 years of age. A few (more often males) started as young as 10" (RJR-0088, 1994, 80093-9376). The motivations of young people were discussed in detail and included experimentation, self-esteem (e.g., appearing "cool, mature, sophisticated, in control"), trying to fit in, coping, and rebellion (e.g., "doing something that parents/authority figures would not approve; image with peer group as a renegade, daring, anti-establishment") (RJR-0088, 1994, 80093-9359, 80093-9360).

It is not surprising that brand positioning statements reflect the values and interests of young people. For example, "Belvedere is the young, fun, and sociable brand that offers smooth, full-flavoured smoking satisfaction to contemporary young men and women.... I am active, energetic, and enjoy socializing with others but I am not a leader.... Part of the young crowd, I'm not rebellious but resist being told what I am and what I want."[12] As in the United States, RJR was trailing the market leader's ability to corral new, young smokers with their images of independence; the leaders were Marlboro in the United States and Player's in Canada. Thus, for the 1990s, RJR planned to "aggressively address the new smoker."[13]

Image Is Everything

Cigarettes are virtually indistinguishable from one another, except for image illusions. As ITL's marketing vice president testified at the TPCA, "So the discrimination in product terms, pure blind product terms, without any packaging or name around it is very limited.... [I]t's very difficult for people to discriminate, blind tested. Put it in a package and put a name on it, and then it has a lot of product characteristics."[14] This has been known for decades: "In a market with minimal product differentiation, advertising becomes a disproportionately important part of the marketing mix" and "without easily perceptible product differentiation (except for extremes) consumer choice is influenced almost entirely by imagery factors."[15]

Cigarettes Are a Badge Product

Cigarettes are known as a badge product because they provide consumers, especially young consumers, with a token for communicating their identity. "In the cigarette category brand image is everything. The brand of cigarettes a person smokes is their identity. Cigarettes tell others who they are as a person. There is a strong emotional connection to the brand, the image it projects about the smoker, not only to themselves but to others" (RBH-00391, 1996, p. 2).

Sponsorships and Lifestyle Marketing

Sponsorship is just another form of lifestyle advertising to create brand imagery. Companies accomplish associative marketing through sponsorships because they provide "image advertising potential," which, for example, enabled RJR to "alter a brand's image" (RJR-0708, 1996). The Phillip Morris affiliate believed that "borrowed imagery" acquires the perceived personality of the sponsored sport (RBH-00232, 1990, p. 5). In agreement, ITL stated: "Depending on the event sponsored, the company appears young, self assured, master of itself, classical, adventurous, etc." (ITL-491, 1990). Until just recently, ITL promoted its youth brand by advertising its sponsorship of various extreme sports (Dewhirst 2004).

Few Smokers Are "Convertable"

The badge-product effect of advertising in meeting the identity needs of young people seems to be more important than any effect it may have on brand switching. "Advertising seems to have no direct effect on brand choice except during the launch of a new brand in encouraging trial. Indirectly, advertising is very important in communicating brand imagery" (ITL-317, 1988, p. 7). "[L]oyalty to cigarette brands remains very strong.... Only 3% of all smokers are considered 'convertable'" (RJR-1418, 1995, p. 2410).

Brand Switchers Include Starters

Despite the small proportion of brand switchers, for years cigarette firms have argued that brand switching is both the only aim and the only effect of industry advertising. Any merit that this claim has may lie in the odd definition of brand switching, which completely eliminates the distinction between switchers and starters: "When we talk about a switcher we are talking about someone who has been smoking his usual brand for less than 12 months. This definition includes starters (did not smoke before) and smokers that had no regular or particular previous brand."[16]

Illusions of Comparative Healthfulness

Of the few smokers who do switch in any year, many are seeking "healthier" products, but they do so naively and rely primarily on deceptive nomenclature such as "light" or "mild." "Sensitivity to personal health risk generates a range of responses including attempts to quit, consumption rationing, and moves (real or perceived) to a lower T & N [tar and nicotine] count. Among those who move 'down' some are aware of a specific T & N count but many are not, relying more on nomenclature" (RBH-0022334, 1991, p. 5). "It is also important to note that consumer knowledge of pack data on deliveries is generally accepted as very low."[17] "The idea of 'Light' was a much more comfortable way for the consumer[s] to rationalize their brand choice versus physical attributes (lower tar, special filters) they did not want to fully understand" (RBH-003824, 1996, p. 3). Because there are no standards, conventions, or consistency in use of the terminology to describe cigarettes, consumers

[12]RBH-001130, "Belvedere Trademark Marketing Plan," 1995/96, p. 1.

[13]JTI-1678, "RJR-MacDonald Inc. Competitive Business Development Strategies for the 1990s," February 1, 1989, Draft 1.10, p. E-1.

[14]Brown, Donald (1989), *ITL & RJR-MacDonald v. Attorney General of Canada*, September 28, p. 661.

[15]ITL 1971 Marketing Plans (from TPCA trial).

[16]ITL 1991 Switching Analysis, p. 465043166–3170. Parenthetical in original.

[17]File #AA 0199, Box #GU 0560, HC Request #180, 1988, p401039848.

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are confused. "There are no regulated 'tar' bands or structures, nor maximum levels, in Canada. Manufacturers use descriptors such as mild, light, extra light, ultra light ... as they decide, usually for brand positioning reasons."[18]

In addition to these descriptors, cigarette brand imagery connotes comparative healthfulness through devices such as the use of white or pale colors, advertising images of sports-related activity and/or pure and pristine environments, the absence of visible smoke, and even the package design. For example, a particular research project studied packages for "light and healthy designs." Consumer feedback included the following: "How bad could it be in a nice pack like that? Somehow it doesn't seem so harmful."[19] The study also found that "package design can make inferential statements that, in relative terms, the brand is a more clean and healthy alternative. The amount of white space makes a major contribution in this regard" (JTI-1677, p. 24).

Packaging "Status Redemption"

Because smoking is increasingly disallowed in public spaces, and new graphic warnings in Canada make the health risks of smoking more visible and salient, smokers are "unusually interested in more socially appealing, status-redeeming packaging."[20] They desired this in order to combat their feeling "guilty, conspicuous, humiliated, second-class,... like a leper, like an outcast.... Direct antidotes ... make the smoker feel carefree, discreet, confident, first-class, feeling healthy, [and] feeling sociable."[21]

The Trial: Industry Witnesses and Evidence

Although advertising is central to both the industry's marketing efforts and the legislation in question, the industry presented few experts on the topic. The industry presented no academics and relied on two witnesses: a U.K. publisher of advertising trade data and the output of the World Advertising Research Center, Michael Waterson, and a senior tobacco marketing executive with 25 years of experience, Ed Ricard.

Michael Waterson

Waterson testified the following to support his written opinions: "(1) Advertising of branded goods does not have any impact on overall levels of consumption of the product; (2) There is no commonly accepted definition of the term 'lifestyle advertising' either among professionals or among academics in the field; (3) The empirical evidence does not demonstrate any correlation between changes in consumption patterns of tobacco products and the presence or absence of advertising bans or restrictions" (Evidence P-36, p. 2).

The first opinion demands some evidence because it is implausible on its face. Waterson presented no corporate documents, analysis of tobacco industry data, or analysis of other data. Instead, he offered quotations in which no aggregate effects of advertising were noted, without consideration of the methodological weaknesses or the generalizability of these to tobacco, given different industries, jurisdictions, and time periods. Many case histories he published on the World Advertising Research Center Web site contradict this opinion, including case histories from Canada and efforts focused on primary demand, such as egg or milk marketing (for more information, see http://www.warc.com). The judge ultimately found that Waterson's opinion is "inconsistent with other evidence in the record and defies common sense" (*JTI-MacDonald Corp. et al. v. Attorney General of Canada* 2002, ¶ 115).

The second opinion, regarding no common definition of lifestyle advertising, was accepted but is a small point: The legal operationalization of the concept would ultimately be explicated on a case-by-case basis, as is common in legal practice.

The third opinion, regarding the effects or lack thereof of restrictions on cigarette advertising, is the most central to the case and the most amenable to empirical evidence, albeit it is far from an easy question because transnational comparisons are needed. Waterson presented no corporate documents of his clients, nor did he cite the most recent scholarly literature from the National Bureau of Economic Research (NBER) on international econometric analyses of this issue (Saffer and Chaloupka 2000). The NBER's analysis concluded that limited or partial regulation of cigarette advertising (e.g., the absence of radio and television advertisements in the United States) is of little consequence because the industry readily compensates for this by media budget adjustments, but more comprehensive sets of restrictions have a demonstrable effect on consumption.

Waterson presented a list of many countries with one data point per country: the change in per-capita consumption between 1975 and 2000 (Exhibit P-36). Waterson marked with asterisks the countries that had restrictions on advertising in 2000, without considering the nature or extent of the restrictions or the timing of when they began. Even though Waterson appeared as an expert in statistics, he performed no statistical analysis on the small data set, such as locating the median or means for the two identified types of countries: countries with and without advertising restrictions in 2000. On visual inspection only, Waterson determined that there was no relationship between the asterisks and the extent of change in the per-capita consumption estimates.

Ed Ricard

Ed Ricard, the executive witness, presented corporate documents to display the sophisticated, in-depth studies that profile smokers and their needs.[22] He also stated that each share point of the Canadian market represents Can$20 million net

[18]File #HB 0040, Box #XMA 0341 Q, HC Request #220, 1993, p202200796.

[19]JTI-1677, "Explorations of Various Design Parameters re: Export 'A' Pack Re-design," *Qualitative Science*, June 1991, p. 13.

[20]RBH: TA-4130, W.F. Johnston ltr. to Karen Dean re: Packaging Suggestion, nd, circa 1993.

[21]RBH: TA-4182, Project Oona IV: Qualitative Research, July 1995, Johnston & Associates, p. 6.

[22]Testimony of Ed Ricard, in *JTI-MacDonald Corp., Rothmans, Benson & Hedges Inc. and Imperial Tobacco Ltd. v. Attorney General of Canada and Canadian Cancer Society* (intervener), Québec Superior Court, Nos. 500-05-031299-975, 500-05-031306-974, 500-05-031332-978, Vol. 7 (January 23, 2002), pp. 1278–1485; Vol. 8 (January 24, 2002), pp. 1495–1713.

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profits per year, which spurred ITL to gain more than its existing 70% market share.

Cigarette Advertisements as Consumer "Information": The Testimony

To advance the argument that the regulation of cigarette advertising was dysfunctional, denying consumers information and frustrating the marketing of truly new and improved products, the industry offered the case history of Player's Premiere, a 1997 new product sold with the claim of "reduced irritation." This specific case history had not been a focus of attention in my own reports, nor elsewhere in the attorney general's defense, and was attended to only because the industry tabled the topic through Ricard's trial testimony. The relevant industry documents were reviewed in the midst of trial to assess the validity of Ricard's assertions: (1) that product development preceded the development of the promises made in advertising; (2) that Player's Premiere was indeed a new and improved "less irritating" product; (3) that communications about Premiere were informative and accurate, not "an illusion"; and (4) that the marketplace failure of Premiere was due to the regulatory restraints on its promotion.

Crafting High-Technology Brand Imagery

As is shown in Figure 1, the advertising execution to convey "less irritating" credibly for Player's Premiere was candidly discussed at trial. The blueprint background was chosen "to bring in the notion of technology and engineering." In addition, an arrow pointing to the cutaway rendering of the filter and the package was "presented in a way that it looks like an icon on a computer screen," as was the text presenting "the inside story." The image elements alluded to "new technology, and it speaks to being able to do things that we've never been able to do before." The advertising copy mentions less or reduced irritation repeatedly, indicating that the claim is based on research, and refers to a "unique filter" with "dispersion qualities of granular semolina" and "beads of charcoal. An effective natural filtering agent." In the product-development documents, this was described as using the "specialty gap filter" as a "communications tool" to provide "tangible credibility" for the promise of less irritation.

"Honestly and Straightforwardly"?

Ricard ended his testimony by reacting to my written opinion that cigarette advertising was uninformative and "instead has relied on pictures of health and images of intelligence and has misled consumers into believing filtered products in general, and low tar products in specific, to be safer than other forms." As did the editorial cartoonist in Figure 2, I compared this cultivation of consumers to a farmer's cultivation of mushrooms: "Keep them in the dark and feed them lots of bullshit." Ricard was indignant and stated the following:

> [The success of ITL has come about by] "fully and completely understanding what it is that consumers are looking for, how it is exactly that they perceive the various brands on the market, and by telling them specifically what it is that they will be getting from our products. And it's the fact that we deliver on the claim that has had us grow our market share.... I take very serious exception to that [bull shit statement].... [It is] our ability to be able (*sic*) to develop products and communicate them honestly and straightforwardly, exactly what it is that they can expect, that has allowed us to grow our market share."[23]

Cigarette Advertisements as Consumer "Information": The Evidence

The Proof Is in the Puffing

In stark contrast to the expectation created by the advertising claim, the Premiere product sold did not deliver on being less irritating. Indeed, Premiere was not less irritating, despite five years of product development, and ITL knew this. When Premiere launched in 1997, test markets found that fewer than 20% of triers judged the product to be less irritating, and a greater proportion found it to be more irritating. Results were even more striking for people whose perceptions remained unbiased by advertising exposure to the filter "concept." Of these people, the number of consumers who reported more irritation outnumbered consumers who reported less irritation by nearly three to one. The consumer perceptions were consistent with the lab assessments that the smoke of Premiere contained even greater quantities of irritating substances than benchmark standards.[24] The judge found that ITL "commissioned no medical or scientific studies to back its claims" (*JTI-MacDonald Corp. et al. v. Attorney General of Canada* 2002, ¶ 124).

The documentary evidence demonstrates that Ricard's testimony misrepresented every key aspect of the Premiere case history. First, the communications that promised less irritation were well developed and fine-tuned long before it was found that a product delivered on its promise. Second, the product sold did not deliver on its promise of being less irritating. Third, the advertising and related promotional activities for Player's Premiere were extensive, relying on a high-technology image and the "tangible credibility" of a "unique" filter, yet they were intentionally vague and uninformative about the causes of irritation or degree of improvement delivered (consider "half the calories"). Fourth, Player's Premiere failed in the marketplace despite extensive advertising and retail support because it was an inferior product that did not live up to its promise (for details on the product and its development, see Pollay and Dewhirst 2003).

The Court's Judgment

Without comment, the following are verbatim excerpts pertaining to this industry, its marketing practices, the previously cited evidence, and the related law.[25]

On Health and the Public Interest

> "The industry has known for 50 years that cigarettes cause lung cancer and are hazardous to health but have never thought it

[23]Testimony of Ed Ricard, 8 (January 24, 2002), p. 1699.

[24]Rapport d'expertise d'André Castonguay, March 27, 2002, p. 4, Trial Exhibit D-241.

[25]*JTI-MacDonald Corp. et al. v. Attorney General of Canada*, op. cit. The English translation of the judgment can be found at http://www.judgements.qc.ca/tabac-en.doc.

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Figure 1. The Imagery of "Less Irritation"



necessary to warn consumers about this. The industry has always known that light cigarettes are as damaging to health as regular cigarettes but has nevertheless mounted a subtle marketing plan that leads smokers to infer that they should smoke light cigarettes if they are concerned about their health. The industry has always known that filtered cigarettes are as dangerous as unfiltered ones and that smokers unconsciously change the way they smoke to satisfy their need for nicotine, this despite all their marketing efforts claiming the opposite....

"The launch of the Player's Premiere brand of cigarettes, supposedly less irritating to the throat, is nothing more than a massive marketing ploy that purports to give consumers what they want but offers, in fact, a product that is no different from ordi-

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Figure 2. "Keep Them in the Dark and Feed Them Bullshit"



Source: *Calgary Herald.* Used with permission.

nary cigarettes. The evidence shows that no cigarette causes less throat irritation than another. Although the tobacco companies deny it, their marketing efforts target new smokers, especially adolescents, through advertising deliberately designed to have this effect. Advertising is also aimed at other target groups: women, blue-collar workers, etc....

"The evidence shows that the typical heavy smoker is male, undereducated, economically disadvantaged, and has low self-esteem. The evidence also shows that the typical new smoker is an adolescent. It is interesting to note that from 1985 to 2000, the percentage of people who smoke fell for all age groups, except 15- to 19-year-olds. In short, the evidence leads to one inescapable conclusion: The smoker always comes out the loser....

"Faced with this evidence, the tobacco companies decided not to present any evidence to the contrary." (¶¶ 233–35, 237–39, 242–44, 245)

On Advertising and Sponsorship

"The evidence presented at this trial proves on a balance of probabilities that conventional advertising and sponsorship serve the same purpose for tobacco companies.... The tobacco industry takes advantage of every legislative and regulatory loophole and, admittedly, has every right to do so. Thus, when the TPCA was enacted, the tobacco companies found ways to circumvent prohibitions against 'lifestyle' advertising. Gone were the pictures of a man sitting on a mountaintop while smoking a cigarette.... [W]e soon found sponsored activities with famous individuals ... climbing mountains, biking through the wilderness, or speeding around the race track....

"In light of the evidence, the Court is convinced that sponsorship is merely an extension of conventional advertising that has been adapted to suit new needs and often resorts to more subtle and sophisticated marketing principles. All sponsorships necessarily relate to a lifestyle associated with the sponsored activity, a lifestyle that is then associated with a brand of cigarettes. To prohibit advertising while allowing sponsorship would render the first measure useless....

"Much of the evidence introduced by the tobacco companies concerned their claim that the definition of 'lifestyle' advertising contemplated in the Act is unintelligible and so overbroad as to effectively prohibit all advertising. First, we should bear in mind that it was the tobacco companies themselves who suggested to the Court of Appeal and the Supreme Court that 'lifestyle' advertising and advertising 'directed at children' should be prohibited.... Second, the evidence shows that the tobacco companies know very well what 'lifestyle' advertising is, as a large proportion of their advertising associates cigarettes with a lifestyle. The industry's voluntary code refers to 'lifestyle' advertising." (¶¶ 290–93, 307–308, 364–66)

Conclusions of Fact

"Fact: Nicotine is powerfully addictive. This is not mere conjecture. It is a fact....

"Fact: [T]here is incontrovertible evidence that advertising and sponsorship encourage people, especially adolescents, to consume tobacco products. Advertising is designed to reassure smokers and relies on associating cigarettes with a positive lifestyle....

"Fact: [T]he supposedly less-irritating cigarette is merely the creation of a tobacco company's marketing department; filters allow every single carcinogenic gas contained in cigarette smoke to pass through; and there is no such thing as a 'light' or 'healthier' cigarette....

"Fact: [T]obacco companies have been aware of these facts for a long time, in some cases for over 50 years, and have always denied them or refused to disclose them to consumers." (¶¶ 524, 527, 528, 530)

Balancing Competing Considerations

"The subject is clearly a sensitive one and difficult to deal with. The debate pits two fundamental values against each other: freedom of expression versus the protection of public health.... The issues at stake are difficult ones that require us to plot a course between two perils: demagoguery on one side and naiveté on the other." (¶¶ 7, 515)

"[T]he tobacco companies' freedom to praise the merits of cigarettes cannot be accorded the same constitutional protection as the right to freely express political, cultural or scientific ideas.... Unless one wishes to live in a dream world, it is important to look closely at how the tobacco companies have used their freedom of expression up to now and at the effects their messages have had on the health and lives of consumers." (¶¶ 248–49)

"The tobacco companies are in a particularly difficult position. They sell a harmful product and know it. They have the right to sell it because outright prohibition would be unrealistic. They offer no evidence to rebut the claimed ill effects of cigarettes because there is none. Their evidence respecting the effects of advertising was unconvincing. They are trying to save an industry in inevitable decline. They have every right to do so. Their rights, however, cannot be given the same legitimacy as the government's duty to protect public health. Parliament is seek-

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ing to prohibit tobacco advertising, with a few specific exceptions. This is part of a worldwide trend, one that is far from unreasonable. The evidence at trial compels the Court to exercise the degree of deference [to Parliament] that common sense would dictate. Therefore, this Court dismisses plaintiffs' [tobacco industry's] actions." (¶¶ 533–39)

Discussion and Conclusion

Tobacco is a relentless industry: All firms candidly discussed the targeting of young people in their documents, even when similar older documents were surfacing in court to their embarrassment. There was little obvious effort to clean up their act: not even policies to revert to euphemisms with more ambiguity and thus deniability. The firms also continued to offer reassurances to consumers through product marketing (e.g., light, mild, less irritating), despite no evidence that this reassurance is warranted (Pollay and Dewhirst 2001). As economists repeatedly inform, the compulsion to seek profit dominates moral considerations, if there are any. When the public interest is jeopardized, the checks and balances to this relentless self-interest must come from competition and/or regulation. Regulation is all the more called for in small oligopolies such as tobacco that have an anticompetitive history of repeated interfirm collusion and cooperation.

The best evidence was almost ignored: A basic issue in this case is whether the proposed restrictions on advertising would indeed advance the public health by affecting smoking rates. Although this had already been judicially accepted as "rationally connected," thereby justifying the legislative intent, there is recently published empirical work that is relevant and sophisticated in character (Saffer and Chaloupka 2002). Saffer and Chaloupka's (2002) international econometric analysis demonstrates a nonlinear effect of tobacco marketing restrictions (i.e., that partial and modest regulations are of little import, given industry accommodations) but that more substantial and comprehensive sets of restrictions are impactful. It is not surprising that the industry fought vigorously to persuade the court not to rely on this evidence, first published by NBER. The industry characterized it as shoddy, completely unreliable, and misleading and as advocacy disguised as science. In this attack, the industry used criteria for exactitude its own expert did not meet. However, the industry did not offer a better analysis of this or other data to offer a competing interpretation of the international experience. The NBER study was ultimately entered as only one of many items of extrinsic evidence and thus was not cross-examined or mentioned in the court's judgment.

Only modest expert evidence pertaining to advertising was marshaled to support the industry's arguments in the trial. This was not because of the lack of lawyers, time, or funds to pursue the industry's best strategy. Nor was there a lack of intellectual allies: In the past, the industry has employed many university-based consultants and contract researchers from marketing and advertising, including Roger Blackwell, Jean Boddewyn, Jack Calfee, Ronald Faber, Lucy Henke, Sid Levy, Claude Martin, Timothy Meyer, Richard Mizerski, Tom O'Guinn, Leonard Reid, Debra Ringold, Richard Semenik, and Scott Ward (Pollay 1997). Perhaps it is more difficult now to recruit such people to endure cross-examination. Corporate documents that detail the firms' marketing practices and insights are inconsistent with the tobacco lawyers' arguments, so their advertising and marketing experts historically have not used many, if any, industry documents as a foundation for testimony. As more documents become readily available, even to nonexperts, at Web sites, this omission is suspicious and easily construed as a willful blindness that destroys an expert's credibility.

The industry seems willing to defraud its consumers, the court, and apparently even its own lawyers. The corporate documents for Player's Premiere expose misleading advertising to entice and deceive consumers, which is deserving of the marketplace failure it ultimately experienced. Because this case history was not the subject of attention until the industry tabled it, it is puzzling why its competent lawyers would volunteer it to the court, unless they were not at the time aware that the background documents would expose a fraud. In any event, the offer of the Premiere case history to the court as evidence of the loss of consumer benefit backfired badly.

Instead of informative explication, the advertisements relied on the repeatedly researched associative imagery of computer graphics, blueprint tonality, and the cavity filter, depicted in cutaway renderings that exposed its contents. I described this impressive looking but ineffective filter as a "gimmick" in trial testimony, and the judge volunteered the French translation of "ruse." It might also be termed a "ploy," "gambit," "device," "stratagem," "artifice," "contrivance," or "trick." Whatever the terminology, as Shakespeare might have said, a ruse by any other name would smell as foul.

Cigarette promotion yields little or no public benefit. The potential role of promotion and advertising as a source of information, producing a net public benefit by enabling better-informed decision making and a more efficient marketplace, is not now realized in the specific case of tobacco marketing. Consumers are confused about filter efficacy. After years of advertising for filtered-cigarette products, typical consumers have misplaced faith that products sold with terms such as "light," "mild," and "low tar" are meaningfully safer than products without such descriptors. They rely on this nomenclature and are largely ignorant of further information. To date, cigarette promotion and advertising have used lifestyle portrayals to create brand images and personalities that recruit starters and reassure and retain prequitters rather than provide either product or health information to enhance consumer knowledge and decision making.

Canada's Tobacco Act was upheld by the trial court as constitutional, given the volumes of amplifying evidence and the legal contexts such as previous decisions and the Charter of Rights and Freedoms. It is not known whether the higher courts will concur with the trial court, but the drafting of this legislation, the arguments defending it, and the trial court's judgments all rely heavily on the Canadian Supreme Court's judgment striking down the previous law. If upheld, the only marketing communications that will be allowable for this industry will be ones that contain information: This can create better-informed consumers. It also is not known whether the industry is willing to so advertise and risk the results, but outside of the industry, better-informed consumers should be widely welcomed.

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Brief Report

Outdoor Tobacco Advertising in Six Boston Neighborhoods

Evaluating Youth Exposure

Linda G. Pucci, MPH, Herbert M. Joseph, Jr., PhD, MPH, Michael Siegel, MD, MPH

Background: The Food and Drug Administration (FDA), in its 1996 regulations to restrict certain forms of cigarette advertising likely to appeal to adolescents, prohibited outdoor tobacco advertising within 1,000 feet of schools and playgrounds. No published studies have determined the density of outdoor tobacco advertising within the FDA's prescribed 1,000-foot buffer zone around schools.

Objective: To determine the prevalence, type, and proximity to public schools of all stationary, outdoor tobacco advertising in six Boston neighborhoods.

Design: A cross-sectional field survey conducted in six Boston neighborhoods with varying ethnic, cultural, and socioeconomic characteristics. The main outcome measure was advertising density within buffer zones around public schools.

Results: Youth in the six neighborhoods are heavily exposed to stationary, outdoor cigarette advertising. This exposure is intense in areas close to public schools, and more intense in neighborhoods with more children, with significant Black and Hispanic/Latino populations, and with low socioeconomic status. Advertising strategies employed by the tobacco industry are in line with accepted professional marketing practice that targets adolescents for other products.

Conclusions: Given the pervasive nature of the outdoor tobacco advertising we observed in the present study, it appears that the only way to protect youth from exposure is by eliminating it from the community.

Medical Subject Headings (MeSH): advertising, maps, tobacco, youth. (Am J Prev Med 1998;15:155–159) © 1998 American Journal of Preventive Medicine

Introduction

An estimated one million U.S. adolescents start smoking each year, and about one fourth will eventually die from their cigarette use.[1] Although there were declines in youth smoking prevalence between the mid-1970s and mid-1980s, four surveys show relatively constant figures since 1984.[2] The 1994 Surgeon General's report implicated advertising of cigarettes as one cause of smoking initiation among adolescents.[3] Nelson et al. partly attribute the lack of progress in reducing adolescent smoking since 1984 to increased tobacco advertising.[2] The tobacco industry's total expenditures for outdoor cigarette advertising during the period 1990–1994 was $1.5 billion, or approximately 45% of its total advertising budget during this period.[4]

Concern about the impact of tobacco advertising on children's smoking behavior[5–20] is the basis for the Food and Drug Administration's (FDA) regulations restricting the sale and distribution of cigarettes and smokeless tobacco to protect children and adolescents.[21] One of the FDA provisions prohibits outdoor tobacco advertising within 1,000 feet of schools and playgrounds and restricts all other outdoor advertising to a black and white, text-only format.[21] Although previous studies have documented an increased prevalence of cigarette and alcohol billboard advertising in communities of color and those of lower socioeconomic status,[22–25] to our knowledge, no published studies have determined the density of outdoor tobacco advertising within the FDA's prescribed 1,000-foot buffer zone around schools.

In this study, we determine the prevalence and nature of stationary outdoor tobacco advertising and its

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Table 1. Number of residents, median household income, age, and race/ethnicity by neighborhood*

Number of residents	Median income per household	% of population aged 5–14	% of population aged 15–19	Race/ethnicity (% of total population)	
Beacon Hill 12,792	$38,816	2.3 (n = 296)	2.3 (n = 291)	White	89.0
West Roxbury 27,239	$38,754	7.9 (n = 2,141)	4.2 (n = 1,137)	White	94.3
Mattapan 19,585	$32,601	15.5 (n = 3,046)	8.2 (n = 1,603)	AA/Blk	89.2
North End 12,152	$32,131	2.0 (n = 240)	2.3 (n = 274)	White	94.1
East Boston 32,941	$22,925	10.3 (n = 3,393)	5.8 (n = 1,912)	Hisp/Lat	17.6
Roxbury 57,240	$19,351	15.0 (n = 3,595)	7.7 (n = 4,387)	White	76.1
				AA/Blk	62.3
				Hisp/Lat	20.5
Boston 574,283	$29,180	9.8 (n = 56,302)	7.4 (n = 42,714)	AA/Blk	24.3
				Hisp/Lat	10.8
				White	59.4

* Source: Boston Department of Health and Hospitals.

proximity to public schools in six Boston neighborhoods. We also relate the location and placement of these advertisements to the demographic and socioeconomic characteristics of the neighborhoods.

Method

Six Boston neighborhoods—two with the highest, two with middle, and two with the lowest median household incomes—were selected for study. The neighborhoods, as defined in the Boston Neighborhood Health Status Report,[26] are (from highest to lowest median income) Beacon Hill, West Roxbury, Mattapan, North End, East Boston, and Roxbury (Table 1).

During July and August 1996, four observer teams consisting of one adult and two to three youth, recruited from Boston summer youth-employment programs, participated in a 2-day training about local and global tobacco issues. The teams were trained to observe and document stationary tobacco advertising using photographs of tobacco placards and signs previously posted in the neighborhoods. Anything with a recognizable tobacco logo and/or message was counted as an advertising unit. This included billboards, placards, posters, stickers, banners, neon signs, and free-standing signs. Teams located most advertising sites (defined as any location with one or more stationary outdoor tobacco logo and/or message) from a list of retailers identified during compliance checks (sale of tobacco to minors). Additional advertising sites were found during the survey. The material in this study consists of all stationary outdoor tobacco advertising units at sites in the six Boston neighborhoods described above. It does not include point-of-purchase advertising, advertising inside stores that is seen from the street, or advertising on taxis and buses. Protocols were completed for all advertising units.

Observations made by the teams were validated by randomly selecting 8 sites. An independent observer who had attended the team training conducted follow-up observations within a week of the original observations. Comparisons of original and follow-up protocols showed them to be consistent.

Advertising Density

Using actual street addresses, advertising sites were plotted on the neighborhood maps using the program MapInfo. Each public school was circumscribed with a 1,000-foot buffer zone. When advertising sites fell within a buffer zone, the school was said to be exposed to tobacco advertising. The area of buffer zones was 3,140,000 square feet (πr^2, where r = 1,000 feet). Advertising density, expressed as units/1,000,000 square feet, was therefore calculated by dividing the number of advertising units by a factor of 3.14.

Results

There were 580 advertising units at the 94 sites (Table 2). The greatest number of sites for any neighborhood was 22 in Roxbury, with Mattapan (21) second and East Boston (16) third. These three neighborhoods also shared the top three positions for number of units: Mattapan (169), Roxbury (124), and East Boston (113).

Schools

Of the 26 elementary schools in the six neighborhoods, 16 were exposed to tobacco advertising with a density ranging from 2.9 to 24.5 units per million square feet (Table 2). All eight middle schools were exposed. The advertising density ranged from 1.3 to 19.1. Three of the four high schools were exposed to tobacco advertising, with an advertising density ranging from 8.0 to 21.3. In several instances, sites fell within the buffer zones of several schools. For example, in East Boston, three of the elementary schools, the middle school, and the high school were simultaneously exposed to the same six advertising sites. Seventy-three percent (73%)

Table 2. Results: number of advertising units and sites, number of advertising sites within the 1,000,000-square-foot buffer zone and tobacco advertising density by school level and neighborhood

Neighborhood race/ ethnicity	Number		Sites inside buffer zone	Overall advertising density by school level and neighborhood expressed in units/1,000,000 square feet			
	Units	Sites		Elementary	Middle	High	All schools
Beacon Hill White	41	7	2[a]	No schools	No schools	No schools	No schools
West Roxbury White	56	15	11	Kilmer 2.9 Lyndon 3.0 Bethoven 0.0 Ohrenberger 0.0	RG Shaw 5.7	W. Roxbury 0.0	1.9
Mattapan Black	169	21	9	PA Shaw 15.6 Chittick 0.0 Mattahunt 0.0 Taylor 0.0	Lewenberg 17.2 Thompson 1.3		5.7
North End White	77	13	13	Elliot 24.5	No schools	No schools	24.5
East Boston White/Hisplanic/Latino	113	16	16	Otis 23.6 O'Donnell 21.3 Adams 13.7 McKay 11.8 Kennedy 10.9 Alligheri 3.2 Manbassah 0.0 Guild 0.0	Barnes 19.1	E. Boston 21.3	12.5
Roxbury Black/Hispanic/Latino	124	22	18	Winthrop 10.8 Emerson 7.6 Y'ng Achievers 5.1 Tobin 4.8 Mason 3.8 Hale 3.5 Ellis 0.0 Higgenson 0.0 Mendell 0.0	Dearborn 13.4 Wheatley 10.6 Timilty 8.6 Lewis 5.1	O'Bryant 10.2 Madison Pk 8.0	6.1
Totals	580	94	69	Ad. density 6.3	Ad. density 10.1	Ad. density 9.9	

[a] Sites fell within the buffer zones of schools in other neighborhoods.

of the advertising sites were within the buffer zones of the public schools.

The overall advertising density for schools in all neighborhoods combined was higher for middle (10.1) and high schools (9.9) than for elementary schools (6.3) (Table 2).

Placement and Eye Level

Ninety-two percent (n = 534) of the advertising units were on the front of stores including windows, doors, and entrances. There were 21 units (3.6%) on the sides or the backs of buildings, and 22 units (3.8%) on sidewalks, fences, and light poles. Three advertising units (.6%), two of which were billboards, were on the roofs of the establishments.

Thirty-two percent (32%) of the advertising units were less that 3.5 feet from the ground or at children's eye level. Three hundred sixty-six (63%) were at adult eye level, between 3.5 and 7.0 feet from the ground. Only 28 (5%) of the outdoor tobacco advertising units in our sample were higher than seven feet from the ground, well beyond the view of children. These included neon signs (Marlboro), awnings, and the two billboards mentioned above.

Ethnicity/Race, Language, and Socioeconomic Status

In our sample, the ethnicity and/or race of the models in the advertisements consistently matched that of the neighborhood. The one exception was the Marlboro cowboy who was white wherever he appeared. All of the advertising units were in English. East Boston and Roxbury, the two neighborhoods with the lowest median incomes, showed the highest number of advertising sites inside the buffer zones, 16 and 18, respectively (Table 2).

Brand

Nearly ninety percent (n = 516) of the advertising units in the six neighborhoods represented seven brands: Marlboro, Kool, Newport, Winston, Camel, GPC, and

Table 3. Distribution of the top seven brands by ethnicity*

Brand	Total (%)	White (%)	Latino/ Hispanic (%)	Black (%)
Marlboro	156 (27)	67 (23)	80 (28)	89 (30)
Kool	92 (16)	29 (10)	48 (17)	63 (22)
Newport	85 (15)	25 (9)	51 (18)	60 (21)
Winston	61 (10)	45 (16)	30 (11)	16 (5)
Camel	55 (9)	44 (15)	25 (9)	10 (3)
GPC	42 (7)	25 (9)	17 (6)	17 (6)
Salem	26 (4)	9 (3)	9 (3)	17 (6)
All others	63 (11)	42 (15)	22 (8)	21 (7)
Totals	580	286	282	293

* Each racial/ethnic category includes all the neighborhoods for which the proportion of the specific group is equal to or larger than the proportion of the same group in Boston as a whole (Table 1). White: Beacon Hill, West Roxbury, North End, and East Boston. Hispanic/Latino: East Boston and Mattapan. Black: Mattapan and Roxbury.

Salem (Table 3). The top five youth brands (Marlboro, Camel, Newport, Kool, and Winston)[27] accounted for 77% of all advertising units ($n = 449$). The most heavily advertised brand in our sample was Marlboro ($n = 156$). The second most heavily advertised brand was Kool ($n = 92$), and Newport ($n = 85$) ranked third.

While Newport, Kool, and Salem—all menthol brands—made up 49% of the outdoor tobacco advertising in black neighborhoods, these same brands made up only 38% of the advertising in Latino neighborhoods and 22% in white neighborhoods. Winston was advertised three times more often in white neighborhoods than in black neighborhoods, and Camel was advertised five times more often in white neighborhoods than black neighborhoods.

Discussion

Tobacco industry comments opposing the FDA regulations pointed out that the tobacco and outdoor advertising industries have adopted a voluntary code to prohibit alcohol and tobacco advertising within 500 feet of places of worship and primary and secondary schools and that 16,000 billboards nationwide are "off limits."[4] We found only two tobacco billboards in our entire sample, compared to 578 other types of advertising units. A voluntary agreement with the Ackerley Outdoor Advertising Company[28] has resulted in nearly total elimination of large billboards advertising tobacco products in the study neighborhoods. However, as our findings show, this has not removed tobacco advertising from the streets and has certainly not eliminated youth exposure to cigarette advertising, in the vicinity of public schools. Virtually all youth exposure to outdoor tobacco advertising is a result of non-billboard advertising.

In this study, the majority of outdoor tobacco advertising was in the neighborhoods with the lowest median household incomes and/or with the greatest proportions of Black and Hispanic residents. These findings are in line with Hackbarth et al.[25] who reported that minority wards in Chicago, had, on average, almost three times as many tobacco billboards as did white wards. In their study of point-of-sale tobacco advertising in San Diego ethnic neighborhoods, Wildey and associates[29] also found that tobacco advertising was more prevalent in Asian and Black areas than in white and Hispanic areas.

Earlier studies support our findings that some cigarette brands are specifically promoted in Black communities.[2,23,30,31] Furthermore, strategies targeting youth were well documented. We noted that racial/ethnic characteristics of the models coincided with that of neighborhoods, and that bright engaging colors, and short, snappy tag lines particularly appealing to children were often employed. Advertisements were located in stores that are frequented by youth and positioned at a level to catch their eye. These practices exemplify standard strategies employed by professional marketers who target adolescents for other products.[32,33]

Conclusion

We have documented that youth are heavily exposed to stationary, outdoor cigarette advertising, that this exposure is intense in areas close to public schools, that it is more intense in neighborhoods with more children, that the ethnicity of models in the tobacco advertising matches the demographic characteristics of the neighborhoods, and that tobacco advertising strategies are in line with accepted professional marketing practices that target adolescents for other products. Given the pervasive nature of outdoor tobacco advertising we observed in this study, it appears that the only way to protect youth from this exposure is to eliminate it.

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Community Mobilization to Reduce Point-of-Purchase Advertising of Tobacco Products

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This project was designed to address the problem of point-of-purchase tobacco advertising through media advocacy and community mobilization. Precampaign assessment revealed a considerable amount and density of tobacco advertising and promotions in more than 100 stores sampled in San Jose, California. After sharing the results with community activists and other residents, a community mobilization campaign was instigated to capitalize on an existing sign control ordinance that limits store window coverage and sidewalk signs. Through presentations and media advocacy efforts, community residents were mobilized to file complaints with the city's code enforcement office when neighborhood stores were shown to be noncompliant with ordinance provisions. Relative to the baseline, significant reductions in campaign-related tobacco advertising variables were seen in the San Jose stores after the sign law campaign. No changes were seen in four smaller reference communities. Differences were noted between stores close to and farther away from schools. These results demonstrate that mobilization of community residents to activate enforcement of laws originally designed for other purposes can have a significant impact on one aspect of tobacco point-of-purchase advertising.

The active campaign to control the promotion, use, and harmful direct and secondhand effects of tobacco products exemplifies public health advocacy at its finest.[1,2] Throughout the world, activists from public and private agencies, young people, and grassroots leaders are engaged in a concerted effort to counter the enormous resources of the multinational

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tobacco industry. Educational approaches, legislative and regulatory action, boycotts, and lawsuits are some of the tactics employed to counter the tobacco industry juggernaut. Much of this effort has been directed toward protecting nonsmokers (and smokers) from the harmful effects of environmental tobacco smoke and eliminating illegal sales of tobacco products to minors. More recently, the tobacco control movement has turned its attention toward the advertising and promotion practices of the tobacco industry.[3,4]

In 1993, the tobacco industry spent $6.03 billion to advertise and promote its product nationally—more than $16.5 million per day.[5] As recently as 1987, annual industry expense for all advertising and promotion was less than $2.6 billion. These marketing and promotional efforts portray positive images of tobacco use by associating it with material and social success, independence, sexual attractiveness, and good health. Further, the images saturate the environment and indiscriminately expose everyone to the message, including those at highest risk of tobacco use, particularly children.

The tobacco industry claims that its advertising and promotional efforts are aimed at maintaining brand loyalty or stimulating brand changes among established smokers. Further, the industry claims that it does not market its products to children, citing as evidence its adherence to its voluntary Cigarette Advertising and Promotions Code, which establishes guidelines for cigarette makers that prohibit strategies that target youth. Research studies, however, show that the tobacco industry is reaching youth with its advertising.

- Eighty-seven percent of 1,125 adolescents surveyed in a 1992 nationwide poll could recall recently seeing one or more tobacco company advertisements, and half of the respondents could match a cigarette brand name with at least one of four cigarette slogans.[6]
- The 1992 California Tobacco Survey of nearly 7,000 adolescents showed that over 85% of 12- and 13-year-olds could name a cigarette brand they had seen advertised.[7]
- In a third study, teens were more likely to report prior exposure to the Old Joe Camel cartoon character than were adults and were better able to identify the type of product being advertised as well as the name of the product.[8]

In the past 20 years, the tobacco industry has shifted its spending from paid advertising in magazines and newspapers and on billboards toward spending on promotions. According to the Federal Trade Commission, promotional expenses amount to more than two-thirds of annual industry outlay and include coupons and retail value-added offers and promotional allowances.[5] Value-added offers are gifts given away with cigarette purchases (e.g., lighters, T-shirts, mugs, cooler packs), which prominently feature tobacco brand logos. These promotional items serve as consumer incentives that make the purchase of cigarettes seem more valuable, and may have the greatest impact on those who can afford tobacco least, including youth.[3] Promotional allowances include cooperative advertising, trade promotions, and other incentives and services provided to tobacco retailers and wholesalers. Promotional expenses also include paying the retailer for good shelf space ("slotting allowances"), giving retailers display racks and paying them to keep them on the counter, and providing functional items with tobacco logos such as clocks, open/closed signs, hand baskets, ashtrays, counter mats, and change cups. These promotional allowances are designed to gain merchant support and secure prime in-store positioning for tobacco products.

In-store advertising and promotions have become a significant part of the merchandising strategy of the tobacco industry. Point-of-purchase advertising and promotion (POP) has become an established means of targeting consumers for many different products. Marketers spend $13.7 billion annual on POP, according to the Point of Purchase Advertising Institute (POPAI), an industry trade group established to promote point-of-purchase advertising and promotion.[9] POPAI asserts that point-of-purchase advertising and promotion is designed to target consumers at the place where they will actually buy the product, draw shoppers' attention, and remind them of previous selling messages when they are in the mood to buy. Plus, POP can target consumers in ways that other advertising and promotion techniques cannot. POP displays and signs can vary from store to store, appealing to Hispanic consumers in their neighborhoods or to African Americans in their neighborhoods. POPAI reports that average purchases per shopper were 15% to 20% greater when stores were "interesting," "exciting," or "well merchandised." Indeed, tobacco impulse purchases increase by as much as 28% when displays are present.[9]

It is not surprising that the tobacco industry spends more than any other industry on POP.[3] The flood of tobacco POP presents a number of concerns for community activists and those interested in tobacco control.[10] First, although the tobacco industry claims to protect children from tobacco advertising by not placing ads in children's magazines, they saturate stores with messages to buy tobacco that are virtually impossible to avoid. These messages clearly reach more children than any magazine ever could. Second, three out of four teenagers shop at a convenience store at least once a week,[9] which means they are regularly exposed to in-store tobacco advertising and promotional messages that may stimulate initiation of smoking habits by children. Third, exposure to POP could encourage impulse purchases by smokers trying to break their addiction and ex-smokers trying to stay ex-smokers. Being bombarded by smoking messages in stores—where it is easy to pick up a pack of cigarettes—can easily undermine the resolve of someone trying to quit and tempt a former smoker to resume smoking. Fourth, exposure to tobacco advertising at the point of purchase could also be a stimulus for smokers to increase their daily consumption. The ads may serve as an immediate cue to light up.

It is clear that tobacco industry advertising and promotional expenditures reveal an industry focus on the retail level, targeting both the merchant and the consumer. Yet, unlike other tobacco advertising and promotion issues, there has been little examination of tobacco POP and no published, controlled intervention projects.

One 1987 survey of 61 retail outlets in Buffalo, New York assessed the prevalence and type of point-of-sale tobacco advertising.[11] Two-thirds of stores displayed tobacco posters and 87% had promotional items advertising tobacco products. On average, chain convenience stores selling gasoline had the most displays (7.8 per store), followed by supermarkets (6.6 per store), private pharmacies (6.1 per store), chain pharmacies (6.0 per store), chain convenience stores not selling gasoline (4.7 per store), and privately owned grocery stores (4.3 per store). Nearly all tobacco product displays were located at checkout counters.

A 1988 survey of 44 stores located in 12 San Diego, California census tracts selected to achieve a cross section of ethnic neighborhoods and varying median incomes revealed that 69% of all stores displayed tobacco ads on their exteriors.[12] The stores averaged 12 interior tobacco ads, and 20% of the tobacco advertisements were promotional in nature. The survey also showed higher levels of tobacco POP in stores within nonwhite neighborhoods than in stores serving white neighborhoods.

A third survey, conducted in the late 1980s, revealed that 33% of store employees in 36 southern California stores close to schools reported that tobacco salespeople told them where to display products, and 17% of store employees in 12 Illinois stores close to schools reported the same.[13]

A fourth, ongoing effort—Project STAAR (Stop Tobacco Advertising and Addiction in Rural areas) in northern California—combines merchant education with other community intervention and publicity efforts to affect tobacco POP in an uncontrolled, single-group outcome study.[14] Baseline store assessments in a total of 82 tobacco retail outlets in two counties revealed an average of 13.9 tobacco advertisements and promotional items per store, with smaller convenience stores having more items than larger stores. Nonrandom intercept interviews with 100 community residents of the two counties revealed high levels of favorable public attitudes and opinions toward various possible restrictions on tobacco POP. Community intervention efforts are continuing, and store assessments and opinion surveys will be conducted at the end of the intervention period.

Because of the growing concern about the tobacco industry's focus on the point of sale, and the relatively lean body of research on advocacy approaches to address this problem, the current project was conducted to (a) assess the extent of exterior and in-store tobacco POP in San Jose, California; (b) use media advocacy[15] approaches to share the results with community residents and stimulate action around the findings; and (c) measure the effectiveness of any community mobilization efforts.

METHOD

Design

A quasi-experimental design was used to test the effect of a community mobilization effort to reduce tobacco POP found in retail stores in San Jose as compared to stores in Gonzales, Greenfield, King City, and Soledad (all in Monterey County, California), where no community mobilization effort on tobacco POP occurred. The main outcome measures were changes in certain tobacco POP variables collected in the sampled San Jose and Monterey County stores at two points in time: precampaign (July-September 1993) and postcampaign (May-July 1994). At both of these time points, tobacco industry marketing efforts were in high gear (e.g., Camel Cash, Marlboro Adventure Team and Country Store, Winston Weekends, and Virginia SlimsWear promotions). During the course of the project, active efforts to curtail illegal sales of tobacco products to minors were also being pursued by the San Jose Stop Teenage Addiction to Tobacco (STAT) Project and the Reducing Access Project—Monterey County (RAP-MC). Other community-wide tobacco education and control efforts were also present in both settings, as part of the California Tobacco Control Program funded under Proposition 99, the 1988 Tobacco Tax Initiative.

Community Samples

According to the 1990 census, the city of San Jose is the 11th largest in the United States, with a population of 782,248. The city is ethnically diverse, with 62.8% whites, 19.5% Asian/Pacific Islanders, 4.7% blacks, and 13.0% Native Americans and others; of

this population, 26.6% are of Hispanic origin. The median household income is $46,206. The four Monterey County reference towns had a combined population of 26,904, with a range of 26.7%-47.9% whites, 1.4%-4.6% Asian/Pacific Islanders, 0.2%-1.3% blacks, and 49.9%-68.4% Native Americans and others; of this population, 66.7%-82.1% are of Hispanic origin. The median household income in these towns ranges from $30,611 to $38,905.

Store Samples

The 1990 San Jose census data were used to select 29 census tracts, 14 that had low median household incomes (averaging $19,539) and 15 that had high median household incomes (averaging $28,273). Using the San Jose STAT database of retail outlets in the city, 109 stores were originally identified for the survey. In five of these stores, data were gathered on only exterior POP variables (four employee refusals, one closed when the research assistant attempted a survey). Thirty-eight other stores were eliminated for a variety of reasons (e.g., no tobacco sales, out of business, out of census tracts), and 32 additional stores were added to the database when the surveyors were in the areas. Thus, 103 stores that sold tobacco in the selected census tracts were surveyed in San Jose, about 9% of the estimated 1,160 retail outlets that sell tobacco products throughout the city. The final sample included 30 supermarkets, 35 convenience stores, 23 liquor stores, 8 pharmacies, and 7 gas stations (without convenience stores). In the Monterey County reference communities, all 54 stores that sold tobacco were selected, including 24 supermarkets, 17 convenience stores, 6 liquor stores, 3 pharmacies, and 2 restaurants and 2 bakeries. Complete pre- and postcampaign data are available on 100 stores in San Jose and 51 stores in Monterey County.

Store Surveys

An on-site assessment protocol was developed and pilot-tested in stores outside of the target and reference communities. Three research assistants, including one of the authors (E.M.T.), were trained to complete the survey form, which directed that information be collected on interior and exterior tobacco POP variables. The three assistants were each assigned to various stores in San Jose at the precampaign assessment period. One assistant (E.M.T.) conducted the surveys in Monterey County at both time points, and the same person conducted all of the postcampaign surveys in San Jose. Data were collected on a wide variety of exterior variables, including the percentage of all store windows covered with advertising (not just tobacco), and the number, brand, type and size of tobacco ads on windows, doors, building walls, sidewalks, and elsewhere around the store exterior. Interior variables included the number, brand, location, and type of tobacco ads, displays, and promotional items. In addition, the location of tobacco products, whether the products were available through self-service, and the presence of signs that provide information on the risks of tobacco use or on sales to minors regulations were all recorded. The assistants also noted the number of cash registers in each store and paced off the store interior to estimate total selling area. Survey forms were coded and data were entered into a computer database for analysis using SPSS 4.0.

Community Mobilization

There were three major components to the community mobilization strategy: (1) convene a community forum of community tobacco control activists to discuss the findings and identify feasible strategies to address the problem of point-of-purchase advertising in San Jose; (2) stimulate citizen action by recruiting community groups to implement a plan of action to reduce tobacco advertising in retail outlets; and (3) support citizen action and raise community awareness through the media.

Community Forum

Representatives from the county Tobacco Control Program, voluntary health agencies, community agencies serving various ethnic business interests, and youth-serving agencies including schools were invited to attend a forum to identify strategies to address the problem of tobacco advertising in retail outlets. In preparation for the forum, project staff explored the legal and philosophical issues regarding the regulation of advertising in store environments, investigated the pros and cons of a range of strategies to address the problem, and developed criteria for the selection of strategies. The criteria used for the selection of potential strategies to address the problem of tobacco POP were (a) the strategy must directly address the problem; (b) it must provide opportunities for specific action; (c) it had the potential to mobilize the community; (d) it had a high potential to succeed; (e) it had precedents in California or elsewhere; and (f) the necessary resources were available to accomplish the strategy.

Voluntary, regulatory, and legislative alternatives were presented at the forum, and a regulatory strategy was ultimately selected by the group. Because the city of San Jose regulates the amount of store window space that can be covered to no more than 25% of the total area, the forum participants agreed that this law could be used to affect tobacco advertising displayed on the outside of stores. The advantages of this strategy were clear: (a) a law was already in place, along with a system to handle complaints and conduct enforcement; (b) citizens would be more willing to participate because it would have a positive effect on how their neighborhoods looked, it was relatively easy to do, and it was anonymous; and (c) it addressed the concern of youth exposure to tobacco ads as they went to and from school and walked through the neighborhoods. The challenges were that this ordinance had a low priority for enforcement by the city and that it would only partially address the scope of tobacco POP in the retail environment.

The current San Jose sign ordinance was adopted in November 1992 to address community concerns about visual clutter and visual blight in the environment. The law regulates all signs in the city, but two provisions were most relevant to the project: (a) window signs, including both permanent and temporary signs, may not exceed in total sign area 25% of the window frame area; and (b) portable signs, that is, a sign not firmly attached to the ground or to a building (e.g., A-frame or sidewalk signs), are prohibited. The city's Department of Neighborhood Services, Code Enforcement Division, enforces the sign law on receipt of a complaint from a city resident. When Code Enforcement receives a complaint, two steps are taken: first, a letter is sent informing the store owner that a complaint had been filed (the complainant is not identified); second, Code Enforcement sends a letter to the complainant, asking him or her to check to see if the store fixes the problem. If there is still a violation 2 weeks after the complainant receives

his or her letter, a second complaint may be sent to Code Enforcement to inform them that the problem still exists. After receiving the second complaint, Code Enforcement will send a second, stronger letter to the store owner. Most store owners comply in response to the second letter. If Code Enforcement does not receive any additional complaints after the first letter has been received, then the case is closed in 30 days. Therefore, if the store is still breaking the law, it is important that residents make a second complaint, which allows Code Enforcement to send the second, stronger letter. Ultimately, the case could be referred to the city attorneys for action.

Citizen Action

The sign law campaign was developed to encourage San Jose citizens to file complaints with Code Enforcement about the stores that are in violation of the sign law with tobacco advertising and promotional messages. A packet was designed in an easy-to-understand format to enable participation by youth and adults in the sign law campaign. Materials in the packet provided information about problems associated with tobacco advertising, the amount of advertising in the community, and what individuals could do to combat the problem. The packet was provided at community trainings and widely distributed to individuals and community organizations. The packet included the following: (a) POP Tobacco Advertising and Promotion Project overview; (b) a summary of the San Jose sign ordinance; (c) a document, "Five Steps to Clean-Up Storefront Window Signs in San Jose"; (d) violation form letters for first and second reports; and (e) a store tracking sheet.

A five-step plan was provided to all those participating in the campaign:

1. Find stores in your neighborhood that violate one or more provisions of the sign law.
2. Fill out a simple, first complaint form for each store and mail it to the Code Enforcement Office.
3. A letter from Code Enforcement should be received by the complainant stating that the store has been informed of its violations. The letter requests that the complainant notify the office again if the problem has not been corrected in 2 weeks.
4. After 2 weeks, recheck the stores and estimate window coverage.
5. If a store is still breaking the law, fill out a second complaint form and mail it to Code Enforcement. Repeat steps 3 through 5 if a store continues to violate the sign law. Code Enforcement will then refer the case to the city attorneys.

A core presentation was developed to introduce the issues around tobacco POP to community groups. The presentation documented the extent of the problem within San Jose based on the precampaign survey data, and described the sign law campaign. Color slides of POP-saturated storefronts were shown to illustrate the problem graphically. Tailored versions of the core presentation were created for different types of groups, for example, high school classes, PTAs, and neighborhood associations. In all, 23 presentations were made to 527 people who were invited to participate in the sign law campaign.

In addition to the packet of materials, a newsletter article was developed in response to requests from individuals who did not have an organized group with which to host a training presentation. Those having the responsibility for or access to a newsletter were

encouraged to publish an article about the sign law campaign, using the sample article provided by project staff.

Media Advocacy

A news conference was held to share the results of the precampaign survey in San Jose, inform residents about the sign law campaign, and stimulate additional support and involvement in the campaign. At the news conference, a summary of the precampaign store survey data was presented, and several community residents expressed their concerns about the problem, emphasizing the importance of protecting children from exposure to the tobacco ads. The chairman of the county Tobacco Control Coalition made an impassioned call for action by the community and read the following policy statement:

> The Tobacco Control Coalition of Santa Clara County is deeply concerned about the results of this Stanford study on store signage, particularly because many of the illegal signs promote tobacco. Laws designed to protect our community are being ignored, leading to problems with beautification, safety and, most importantly, public health. The tobacco industry is a leading beneficiary of these illegal signs. For these reasons, the Tobacco Control Coalition supports 100% enforcement of the city sign ordinance. Our goal is to increase awareness of the law and to encourage immediate action. We urge residents to identify and report illegal sign coverage to the San Jose enforcement office. We urge business owners—especially those within 1,000 feet of schools—to familiarize themselves with the sign ordinance so that they are in compliance. And we ask for quick response from San Jose City government to complaints from residents who want to make our neighborhoods more beautiful, safe, and healthy.

Adults from local community organizations and students from a local high school who had already been involved in the campaign were present at the news conference and answered questions from the media representatives. Prior to the news conference, media releases and project kits were sent to 34 media outlets. Seven media organizations sent representatives to the news conference, and 19 media outlets reported on the project, including television, radio, and newspapers. The television and newspaper coverage included images of storefronts covered with tobacco advertising.

RESULTS

Sign Law Violation Complaints

Figure 1 displays the number of resident complaints for alleged sign ordinance violations recorded by the city of San Jose during the period September 1993 through July 1994. For the 3 months following the precampaign assessment and prior to the onset of the community mobilization phase (September through November 1993), an average of eight cases per month were handled by city staff. During the initial community mobilization period, when most of the community presentations were made (December 1993 through February 1994), sign law violation cases averaged 15.3 per month. And

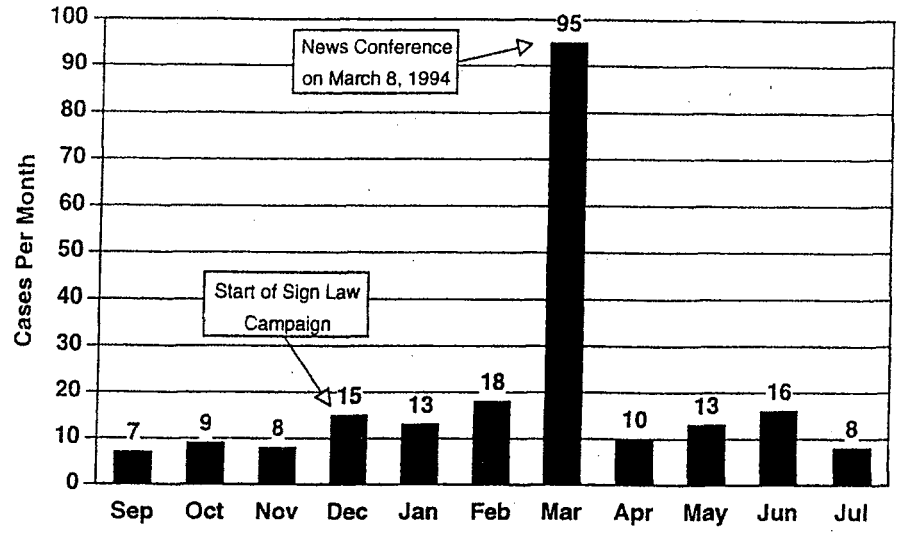


Figure 1. Complaints filed by San Jose residents for merchant violations of the city sign ordinance: September 1993-July 1994.

during the 5 months following the sign law campaign news conference (March through July 1994), sign law violation cases averaged 28.4 per month. It is clear from these data that the publicity efforts of the sign law campaign had the greatest impact on resident complaints filed for violations of the sign ordinance.

Point-of-Purchase Advertising and Promotion

Table 1 details the changes in tobacco POP found in the San Jose and Monterey County stores surveyed before and after the sign law campaign. Differences in absolute levels of tobacco POP between San Jose and Monterey County stores likely reflect the differences in the competitiveness of the retail markets and tobacco industry efforts to target population centers. Analysis of changes within community samples reveals that the Monterey County stores surveyed did not show significant changes on any interior or exterior tobacco POP variable measured. In San Jose, however, significant reductions were observed in exterior POP, especially for those variables related to the campaign. Specifically, the percentage of window area covered by signs decreased by 27% ($t = 5.31$, $p < .001$), the number of tobacco signs in windows decreased by more than 39% ($t = 3.82$, $p < .001$), and the number of tobacco sidewalk signs decreased by 75% ($t = 2.41$, $p < .02$). Reductions in tobacco building signs were also found ($t = 2.60$, $p < .02$), and total exterior tobacco signs declined by more than 18% ($t = 2.26$, $p < .03$).

In contrast to the changes seen on the outside of the San Jose stores surveyed, total interior tobacco advertising and promotions did not decline during the course of the sign law campaign (Table 1). Significant increases were found for tobacco materials on and around store counters (+22%; $t = -2.70$, $p < .01$) and significant decreases in noncounter

Table 1. Changes in Tobacco Point-of-Purchase Advertising and Promotion Variables in San Jose and Monterey County Stores

Variable		San Jose Stores ($n = 100$)				Monterey County Stores ($n = 51$)			
		Pretest	Posttest	Percentage Change	p Difference[a]	Pretest	Posttest	Percentage Change	p Difference
Exterior									
Window coverage (%)	*M*	45.6	33.3	−27.0	< .001	34.5	30.6	−11.3	n.s.[b]
	SD	29.6	25.9			28.3	25.5		
No. of window signs	*M*	2.8	1.7	−39.3	< .001	1.1	1.4	27.3	n.s.
	SD	3.9	3.0			1.7	2.4		
No. of sidewalk signs	*M*	0.4	0.1	−75.0	.018	0.1	0.1	−20.0	n.s.
	SD	1.1	0.4			0.4	0.3		
No. of building signs	*M*	1.3	0.5	−61.5	.011	0.1	0.1	−20.0	n.s.
	SD	3.8	1.6			0.4	0.3		
No. of total exterior	*M*	7.6	6.2	−18.4	.026	3.4	3.4	0.0	n.s.
	SD	9.7	8.4			4.0	4.5		
Interior									
No. of counter materials	*M*	13.2	16.1	22.0	.008	9.0	8.8	−2.2	n.s.
	SD	13.9	17.2			9.8	8.5		
No. of noncounter materials	*M*	9.0	6.1	−32.2	.001	1.0	1.6	62.5	n.s.
	SD	10.4	8.8			1.6	3.0		
POP density[c]	*M*	2.4	2.7	12.5	n.s.	1.4	1.7	19.3	n.s.
	SD	3.1	6.3			2.2	3.1		
No. of total interior	*M*	22.2	22.1	−0.5	n.s.	11.9	11.8	−0.5	n.s.
	SD	21.4	22.8			12.1	10.4		
No. of All Ads and Promotions	*M*	29.8	28.1	−5.7	n.s.	15.3	15.2	−0.3	n.s.
	SD	28.3	29.2			15.0	13.5		
Noncompliance with San Jose ordinance provisions									
Window coverage (% of stores)		64.6	47.5	−26.5	< .0001				
Sidewalk signs (% of stores)		20.0	11.0	−45.0	< .0001				

a. p difference = probability of the difference between pre- and posttest means.
b. n.s. = $p > .05$.
c. POP density = number of point-of-purchase advertising and promotion items per 100 square feet of store selling space.

tobacco materials (–32%; $t = 3.59$, $p < .001$). Total interior tobacco POP and the density of interior tobacco POP, defined as the number of items per 100 square feet of store selling space, did not change over the course of the campaign. These results suggest that merchants were influenced by the sign law campaign to reduce exterior POP, but the campaign had no impact on the POP environment inside of the stores. Instead, merchants apparently rearranged the in-store environments to capitalize on the high customer traffic around the counter areas.

On nearly every interior and exterior POP variable, significant differences were found among store types at both the pre- and postcampaign assessments. Consistently, liquor stores on average displayed the greatest number and density of interior and exterior POP, and drug stores displayed the least. Convenience stores, gas stations, and supermarkets were found to have intermediate levels of all variables. As noted above, all variables relevant to the sign law campaign were significantly reduced over the course of the project. These reductions were consistent across store type with one exception: a significant Store Type × Time interaction was found on the sidewalk sign variable, where gas stations reduced the number of sidewalk tobacco signs more significantly than did all other store types.

Across all types of stores, a significant reduction was found in the percentage of stores noncompliant with the window coverage and sidewalk sign provisions of the San Jose sign ordinance. As shown in Table 1, the percentage of stores noncompliant with the window coverage provision was reduced from 65% to 48% of stores ($\chi^2 = 19.98$, $p < .0001$), and the percentage of stores noncompliant with the sidewalk sign provision was reduced from 20% to 11% of stores ($\chi^2 = 29.52$, $p < .0001$).

At the precampaign assessment, every one of the 23 liquor stores surveyed were in violation of the window coverage provision of the ordinance, as were 71% of the 34 convenience stores, 50% of the 30 supermarkets, 29% of the 7 gas stations, and 13% of the drug stores ($\chi^2 = 29.05$, $p < .0001$). At the postcampaign assessment, the differences among store types narrowed, and the percentages of noncompliant liquor stores, convenience stores, gas stations, supermarkets, and drug stores were found to be 87%, 40%, 38%, 17%, and 29%, respectively ($\chi^2 = 19.48$, $p < .001$). It is unclear why more drug stores were noncompliant with the window coverage provision of the ordinance at the postcampaign assessment than at the precampaign assessment.

The precampaign assessment showed that 31% of convenience stores, 28% of gas stations, 26% of liquor stores, 3% of supermarkets, and none of the drug stores were noncompliant with the sidewalk sign provision of the sign ordinance ($\chi^2 = 11.14$, $p < .03$). At the postcampaign assessment, only 23% of convenience stores and 13% of liquor stores remained in violation of this provision of the ordinance ($\chi^2 = 10.32$, $p < .04$).

Figure 2 shows the results of the School Proximity × Time analysis for the percentage window coverage variable. At the precampaign assessment, the 30 stores in the sample that are located within 1,000 feet of schools had a significantly greater percentage of their windows covered by signs than did the stores farther away from schools (57% vs. 41%, respectively; $t = 2.80$, $p < .01$). This difference was narrowed at the postcampaign assessment, yielding a nonsignificant difference between the stores close to and farther away from schools (38% vs. 31% coverage, respectively; $t = 1.18$). The School Proximity × Time interaction approached statistical significance, $F(1, 97) = 3.26$, $p = .07$.

Table 2 displays additional findings related to compliance with the window coverage and sidewalk sign provisions of the San Jose sign ordinance. At the precampaign assessment, 80% of the 30 stores close to schools were noncompliant with the window

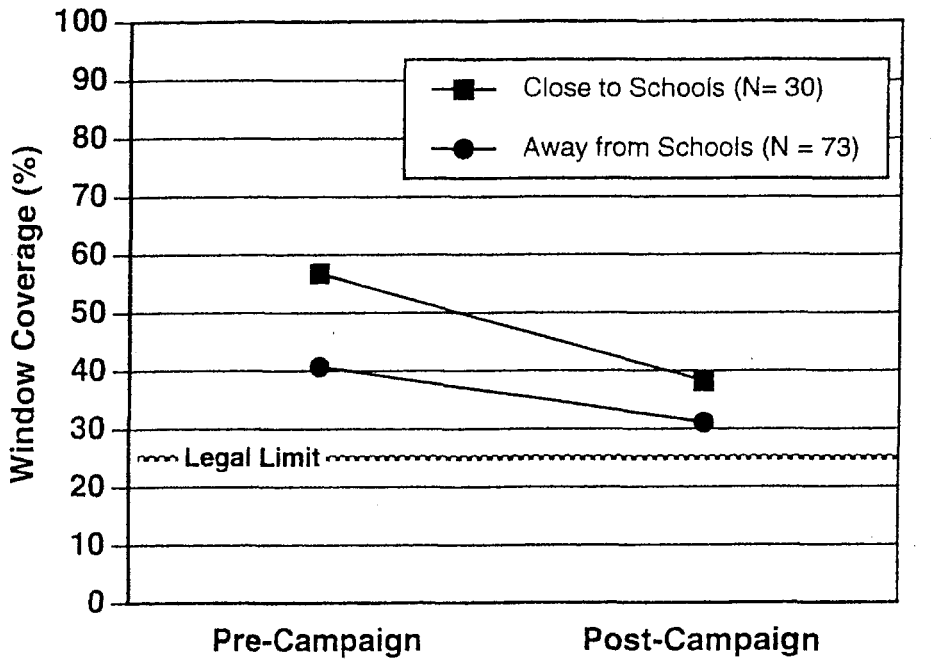


Figure 2. Change in percentage window coverage by store proximity to schools.

Table 2. Noncompliance With Sign Ordinance Provisions by Store Proximity to Schools

Variable	Proximity to Schools[a]	Pretest	Posttest	Percentage Change
Window coverage	Near ($n = 30$)	80.0	56.7	–29.1
(% of stores)	Far ($n = 73$)	56.9	44.3	–22.1
	p difference[b]	< .03	n.s.[c]	
Sidewalk signs	Near ($n = 30$)	26.7	13.3	–50.2
(% of stores)	Far ($n = 73$)	16.4	10.0	–39.0
	p difference	n.s.	n.s.	

a. Near = within 1,000 feet of a school; far = more than 1,000 feet from a school.
b. p difference = probability of difference between near and far store means.
c. n.s. = $p > .05$.

coverage provision of the sign law, whereas only 57% of the stores farther away from schools were similarly noncompliant ($\chi^2 = 4.87, p < .03$). The postcampaign assessment revealed a nonsignificant difference between stores close to and farther away from schools, with 57% of stores close to schools remaining noncompliant with the window coverage provision and 44% of stores away from school remaining noncompliant ($\chi^2 = 1.29$). No significant pre- or postcampaign differences were found for stores close to or far away from schools on compliance with the sidewalk sign provision of the sign law ordinance.

No pre- or postcampaign differences were seen on any POP variable among stores in different San Jose census tracts, nor were there significant Tract × Time interactions on any variable.

DISCUSSION

There is a growing body of literature that documents the effect that tobacco advertising and promotion has on vulnerable sectors of our society—youth, recent immigrants, ethnic groups, and smokers trying to quit.[3,4] Federal Trade Commission data and surveys in a number of communities demonstrate that tobacco advertising and promotion at the point of sale is now a central component of tobacco industry marketing efforts. Yet tobacco control activists have been slow to take on this issue at the local level, partly because of the complexity of the problem and possible solutions.[16]

This project demonstrates that community residents can have a significant impact on one aspect of tobacco POP—signs on the outside of stores—when the regulatory environment is favorable. After documenting the extent of the problem in San Jose, project staff and community activists were confronted with an array of strategies to pursue, from voluntary to legislative. If others wish to address the tobacco POP issue locally, they would have similar hard choices to make.

One voluntary strategy considered in this project, for example, was to educate merchants about the issue and ask them to remove all tobacco POP from their stores. This strategy could be used as a building block for establishing relationships with merchants. If the merchants were not receptive to the requests, more aggressive strategies could be pursued. The greatest disadvantage to this approach is that few merchants would likely voluntarily turn back the sometimes substantial material support offered by tobacco wholesalers. (During the pilot phase of the project, one liquor store owner was asked to indicate what in his store had been provided free by wholesalers. His reply was, "Everything," indicating that all alcohol, tobacco, soda, candy, and sundry item signs, racks, displays, coolers, and kiosks inside of his store had been given to him by the wholesalers. Additional incentive programs provided this merchant with cash back for reaching tobacco sales goals.) This voluntary strategy is being pursued in several ongoing projects, including Project STAAR[14] and our follow-up collaborative project with STAT in San Jose.

Another voluntary strategy that was considered in this project was to ask merchants to post tobacco counterads. This strategy would not interfere with the industry advertising, and it could be framed as increasing consumer education rather than restricting consumer choice. Unless a 1:1 ratio of ads to counterads was achieved, however, the counterads would be overwhelmed by the enormous amount of tobacco advertising in the store.

Legislative strategies to limit tobacco advertising to "tombstone" signs (black text on white background; cf. reference 4) or to ban outright exterior and/or interior tobacco POP were also discussed. Although there was philosophical support for these strategies because they are comprehensive ways to deal with the problem, it was clear that the city council would resist taking such aggressive action against local businesses. Staff and community activists recognized that the council would be unwilling to face the risk of lawsuits by the tobacco industry, arguing protection because of preemption clauses in relevant federal legislation. Further, it was argued that the community at large would not be supportive of this strategy because of general acceptance of advertising as a merchant's right. Although Project STAAR has reported the recent favorable opinions of some rural

community residents toward tobacco POP restrictions,[14] it was determined that objections to passage of tombstone sign regulations raised by San Jose merchants, residents, and policymakers could not be surmounted within the resources and timeframe of the current project.*

The regulatory strategy ultimately selected was practical and expedient. Using an existing city ordinance—not originally intended for the regulation of tobacco POP—seemed both simple and efficient. The challenge was to mobilize city residents to take on the issue and communicate to the enforcement agency the reasons why a low-priority code violation ought to be pursued more aggressively. The project succeeded because of community presentations, media advocacy efforts, and public support by key opinion leaders in the community. Reports received from project participants included positive testimonials about their citizen involvement and appreciation for the changes they saw in their neighborhoods.

The approach chosen also could be replicated easily in other jurisdictions. A telephone check with city staff in each of the other incorporated jurisdictions in Santa Clara County has revealed that like the county seat (San Jose), every other city that allows retail commerce has some sort of ordinance regulating the amount and placement of store signage. We suspect that similar ordinances exist in most cities throughout the United States, and alliances by tobacco control activists with neighborhood associations and beautification groups could be forged to instigate passage of such ordinances where they do not already exist.

The challenge remains, however, to motivate code enforcement officials to treat violations of these ordinances with the zeal they exhibit for restaurant health code violations. In our experience, code enforcement officials were sympathetic to the need for aggressive enforcement, and executed their duties in a responsible manner, but still followed existing policy that characterized sign ordinance violations as a low priority. Future efforts to raise the salience of these violations among policymakers and enforcement officials may yield more substantial, sustained effects.

Youth involvement in the project was also critical; those involved recognized that the immediate objective was to have merchants obey the law and by doing so, perhaps influence tobacco use among young people in their communities. Many of the participating students also liked the fact that sign violation reporting was anonymous. And youth especially enjoyed the media advocacy efforts, including participation in the news conferences and media interviews. Similar positive experiences were seen among the youth involved in a recent survey of tobacco POP at stores in six diverse neighborhoods in San Francisco.[18]

This project demonstrates several important lessons in advocacy for tobacco control. First, it shows that careful "packaging" and dissemination of the issues around a problem can lead to significant local community mobilization. Second, it demonstrates that policies originally adopted for other purposes (e.g., beautification, crime prevention) can be used to achieve tobacco control objectives. Third, it shows that enforcement of existing policies and regulations is as important as the adoption of new policies and regulations.

*It should be noted that during the course of the San Jose sign law campaign, the City Council of Brooklyn Center, Minnesota voted to table an ordinance originally approved that would have banned point-of-sale tobacco advertising. Notwithstanding support from activist groups and legal experts, council members were persuaded by a Tobacco Institute law firm that the proposed ordinance violated federal law protecting advertisers from the proposed restrictions and may have been unconstitutional. More recently, the town of Preston, Minnesota, which has enacted an ordinance restricting point-of-sale advertising to two legal-sized tombstone signs per store, has faced similar public and legal pressure. For a detailed discussion of tobacco advertising legal issues, see the proposed FDA regulations on tobacco products.[17]

This lesson is directly relevant to the Synar Amendment to Public Law No. 102-321 (1992), which places emphasis on enforcement of existing laws.

The findings of significantly higher levels of tobacco POP in stores close to schools creates an interesting advocacy opportunity not limited to the signs visible from the street. In addition to the exterior tobacco POP findings reported, the postcampaign survey revealed significantly higher levels of tobacco POP on the counters of stores close to schools than on the counters of stores away from schools. It is possible that additional public pressure and policymaker support can be generated for the adoption of regulations that control tobacco POP in and around stores in close proximity to schools. Contacts with organizations involved with the Drug-Free School Zones in San Jose suggest that the issue is ripe for collaborative efforts. In collaboration with San Jose STAT, our follow-up project involves youth in conducting store assessments, developing intervention strategies, and implementing advocacy efforts to control tobacco POP in and around stores close to San Jose schools. And the California Department of Health Services Tobacco Control Section has also initiated a statewide tobacco POP assessment and intervention campaign (Operation Storefront), with extensive youth involvement, media advocacy efforts, and a focus on the areas around schools.[19] These and other similar activities in California and elsewhere will contribute to the growing body of knowledge and experience regarding the control of tobacco advertising and promotion at the point of sale.

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Exposure to cigarette promotions and smoking uptake in adolescents: evidence of a dose-response relation

James D Sargent, Madeline Dalton, Michael Beach

Abstract

Objective—To assess whether a dose-response relation exists between the number of cigarette promotional items (CPIs) owned by an adolescent, and smoking behaviour.

Design and setting—Voluntary, self administered survey of 1265 sixth through to 12th grade students (ages 10–19 years), representing 79–95% of all students attending five rural New Hampshire and Vermont public (state funded) schools in October 1996. The association between the number of CPIs owned by students and smoking behaviour was examined using multivariate regression methods.

Outcome measures—Adjusted odds of being a smoker (≥ 100 cigarettes lifetime) and, among never and experimental smokers, adjusted cumulative odds of having higher levels on a smoking uptake index given the number of CPIs owned.

Results—One third of students owned a CPI (n = 406). Among owners, 211 owned one, 82 owned two, 57 owned three, 24 owned four, 23 owned five, and 7 students owned six CPIs. The number of CPIs owned by students was not associated with grade in school but was significantly higher in males, those with poorer school performance, those who perceived high prevalence of peer smoking, and those with higher exposure to peer and family smoking. The more items a student owned, the greater the chances of being a smoker. For example, smoking prevalence was 11.2% for those not owning a CPI, 41.5% for those owning two, 58.5% for those owning four, and 71.4% for those owning six CPIs. The dose-response relation remained after controlling for confounding; compared with those who did not own a CPI, the likelihood of being a smoker was significantly higher for those who owned one CPI, with an adjusted odds ratio (OR) of 2.7 (95% confidence interval (CI) 1.7 to 4.1); OR was 3.4 (95% CI 1.9 to 5.9) for those owning two CPIs, and 8.4 (95% CI 5.0 to 14.2) for those owning three or more CPIs. After excluding smokers, there was a crude dose-response association between CPI ownership and higher rates of experimentation with cigarettes among sixth to ninth graders (ages 11–15 years) only (n = 543). After controlling for confounding influences, the dose-response relation remained, with the likelihood of being higher on the smoking uptake index rising with the number of CPIs owned: one CPI, adjusted cumulative OR 1.7 (95% CI 1.1 to 2.60); two CPIs, OR 2.5 (95% CI 1.2 to 5.1); and three or more CPIs, OR 4.8 (95% CI 1.9 to 12.2).

Conclusions—This study offers evidence of a dose-response relation between the number of CPIs owned by adolescents and higher likelihood of experimental and established smoking. The dose-response relation persists after controlling for confounding influences. These data provide further support of a causal relation between tobacco promotional campaigns and smoking behaviour among adolescents.

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Keywords: adolescents; epidemiology; tobacco marketing

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Current marketing practices by the tobacco industry may be contributing to the increased rates of smoking among children. Although the industry has denied intent to advertise and promote cigarettes to children,[1] company documents indicate that this may not be the case.[2] Evidence of a causal relation between exposure to cigarette marketing (the epidemiological equivalent to exposure) and smoking initiation (the epidemiological equivalent to disease) exists if a significant association can be established between marketing and initiation; if the results are not explained by chance, bias, or confounding; if the findings are consistent with adolescent behavior theory; and if the findings can be replicated.[3] Causality is strengthened if it can be established that the exposure precedes the behaviour and there is a dose response, with higher levels of exposure resulting in higher likelihood of the outcome.

The evidence from a number of cross sectional[4–7] and longitudinal studies[8 9] of independent samples of children indicate that tobacco promotions are causally implicated in adolescents' decisions to begin smoking and in their continued experimentation with cigarettes. One research group has shown a dose-response to a five point index termed "receptivity to tobacco promotions", which measures the degree to which the respondent identifies and responds to tobacco marketing messages.[9] This dose-response relation supports a communication based mechanism for

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the effect of tobacco promotions on smoking, in that a higher level of responsiveness by adolescents is associated with a higher level of smoking uptake.

The aim of this study is to evaluate dose-response within the highest category of the previously developed receptivity to advertising index, ownership of cigarette promotional items. We reported a cross sectional study in which ownership of cigarette promotional items (CPIs) was associated with higher levels of experimental and established smoking *among* rural Vermont and New Hampshire adolescents.[6] In this analysis, we evaluate whether or not there is a dose-response between the number of CPIs owned by an adolescent and his/her likelihood of experimental and established smoking.

Methods

The methodology of this study and analysis is reported in detail elsewhere.[6] Briefly, five rural schools in Vermont and New Hampshire participated in this survey. We chose low income rural communities because they represent populations at highest risk for tobacco use.[10] Of five schools surveyed in October 1996, three were in New Hampshire (school A, grades 9–12, 469 students; school B, grades 6–7, 169 students; school C, grades 8–12, 378 students) and two were in Vermont (school D, grades 7–12, 288 students; school E, grades 7–12, 543 students).

Students in participating schools were asked to complete voluntarily an anonymous, self administered questionnaire in a classroom or assembly setting. Passive parental consent was obtained for the administration of this survey in school by mailing consent forms to students' homes 1–2 weeks before the survey date. The study and consent procedures were approved by the Dartmouth College committee for the protection of human subjects.

STUDENT SAMPLE

Completed questionnaires were obtained from 1543 students, representing 79–95% of the students in each school. Following procedures of Stevens and colleagues,[11] 107 (6.9%) questionnaires were discarded because the students indicated that they did not answer all the questions honestly or because there were five or more logically inconsistent answers or extreme values on the questionnaire. An additional 171 (11%) questionnaires were omitted from this analysis because of incomplete data for one or more of the variables examined in this report. Therefore, results are reported for 1265 students aged 10–19 years, 95% of whom were white.

All variables reported here have a minimum κ statistic of 0.70 for test-retest reliability, which indicates very good reliability for these items; it was not necessary to exclude any variable because of an unacceptably low κ.[12] Regarding external validity, the 95% confidence intervals (CI) for reported tobacco use by age in this study was found to overlap those for adolescents in the 1996 Monitoring of the Future study.[6 13]

SUSCEPTIBILITY TO SMOKING AND SMOKING EXPERIENCE

Pierce and colleagues have shown that a variable which describes attitudes toward smoking (termed "susceptibility to smoking") can be combined with measures of experience to predict more accurately later smoking behaviour.[14 15] Susceptibility to smoking is determined from responses when asked: "How likely are the following? (1) I will smoke a cigarette in the next six months; (2) I would smoke a cigarette if a friend offered me one." Any individual who cannot definitely rule out smoking in the future by answering "definitely not" for both of these statements is susceptible. Prospective studies show that susceptible individuals are more likely to increase their consumption of cigarettes in the future, regardless of current experience category.[16]

Lifetime smoking experience was determined by students' answers to two questions: "Have you ever tried smoking cigarettes, even a few puffs?" and "How many cigarettes have you smoked in your whole life?" "Never smokers" were defined as those who answered "no" and "none", respectively. "Experimental smokers" were those who had smoked fewer than 100 cigarettes and "smokers" were those who had smoked 100 or more.

For students in the initiation phase of smoking (0–99 cigarettes lifetime), we modelled phases of smoking uptake by creating a four category ordinal measure that categorised individuals based on their lifetime smoking experience and susceptibility to smoking. The categories for this smoking uptake index are: never smoker and not susceptible; never smoker and susceptible; experimental smoker and not susceptible; and experimental smoker and susceptible.

EXPOSURE VARIABLES

We evaluated CPI ownership through three questions. First we asked, "Do you own something that has a cigarette brand on it, such as a T shirt, a backpack, or a hat?" (responses: yes, no, don't know). Next we asked, "If you own something with a cigarette brand on it, what is it?" (responses: T shirt or sweatshirt, backpack, windbreaker or jacket, lighter, hat, other, don't own something with the name of a cigarette brand on it). Finally we assessed brand through a write-in question, "What are the brand names on the items that you own?". To assess preference we asked the open ended question, "If you were to buy a pack of cigarettes, what brand do you think you would buy?".

Social environment is a key element in adolescents' decisions to smoke. In evaluating the dose-response relation between CPI ownership and smoking behaviour, we controlled for the effects of other individual and environmental characteristics known to be associated with smoking: friends and family smoking as constructed by Evans and colleagues (none, family only, friends only, family and friends)[1]; perceived prevalence of smoking, grade in school, sex, and school performance. Family smoking was defined by a "yes" response to any of the following three questions: "Do any

Table 1 Number of cigarette promotional items owned by student characteristics

Characteristic	*Sample size*	*%*	*Mean number of CPIs (SD)*	*p Value*
Total	1265	100	0.63 (1.2)	
Number of CPIs				
0	859	68.0	0	
1	211	16.7	1	
2	82	6.5	2	
3	57	4.5	3	
4	24	1.9	4	
5	23	1.8	5	
6	7	0.6	6	
Grade				
6	67	5.3	0.67 (1.3)	0.35
7	164	13.0	0.48 (1.0)	
8	148	11.7	0.67 (1.0)	
9	245	19.4	0.60 (1.1)	
10	230	18.2	0.75 (1.3)	
11	219	17.3	0.69 (1.4)	
12	192	15.2	0.55 (1.1)	
School performance				
Excellent	372	29.4	0.38 (0.9)	<0.0001
Good	517	40.9	0.59 (1.2)	
Average or below	376	29.7	0.94 (1.4)	
Sex				
Female	662	52.3	0.55 (1.0)	0.007
Male	603	47.7	0.73 (1.3)	
Most kids smoke?				
Disagree	380	30.0	0.4 (0.9)	<0.0001
Agree	625	49.4	0.6 (1.1)	
Strongly agree	260	20.6	1.1 (1.5)	
Environmental smoking				
None	145	11.5	0.16 (0.4)	<0.0001
Family only	104	8.2	0.37 (0.9)	
Friends only	343	27.1	0.29 (0.8)	
Family and friends	673	53.2	0.94 (1.4)	

of your brothers or sisters smoke cigarettes, cigars, or pipes?", "Does your mother or stepmother smoke cigarettes, cigars, or pipes?", and "Does your father or stepfather smoke cigarettes, cigars, or pipes?" Friend smoking was defined by a "yes" response to the following question: "Do any of your friends smoke cigarettes?" School was also included as a variable in all models.

STATISTICAL ANALYSIS

We tabulated mean CPI ownership by grade in school, school performance, sex, perceived perception of peer student smoking, and exposure to peer and family smoking, and tested the association between the number of CPI items owned and these confounding variables using Poisson regression analysis.

We modeled "smoking" based on lifetime smoking experience, comparing smokers with all others using over dispersed logistic regression.[17] "Over dispersion" is a technique which relaxes the variance restriction imposed by standard logistic regression and allows for models in which student behaviour may cluster. Compared with standard logistic regression, use of this technique often results in conservative significance tests for all estimates, widening the 95% CI.

Table 2 CPI brand and cigarette brand preference among never smokers

	Brand preference (what brand would you buy?)			
CPI Brand	Don't know	Marlboro	Camel	Other
None	431 (89.4)	24 (5.0)	22 (4.6)	5 (1.0)
Marlboro only	41 (77.4)	10 (18.9)	1 (1.9)	1 (1.9)
Camel only	16 (84.2)	0 (0.0)	3 (15.8)	0 (0.0)
Marlboro and Camel	8 (53.3)	5 (33.3)	1 (6.7)	1 (6.7)
Other	4 (100.0)	0 (0.0)	0 (0.0)	0 (0.0)

Since a dose-response association between CPI ownership and being a smoker could be an expression of an adolescent who acquired these items after becoming a smoker, we also modelled the association between CPI ownership and a higher level of smoking uptake among never smokers and experimental smokers using proportional odds models, with the smoking uptake index as the dependent variable.[11] Our previous study showed significantly higher likelihood of experimentation only among adolescents who owned CPIs in grades 6–9.[6] Similarly, there was no dose-response for the older children, so we confined our analysis of a dose-response for experimentation to never smokers and experimental smokers in grades 6–9 (n = 543).

Proportional odds models evaluate the likelihood of being further along the smoking uptake process given CPI ownership after adjusting for confounders. Proportional odds models give cumulative odds ratios modelling the probability of being in any higher category on the smoking uptake index, not just the adjacent one. With an ordered dependent variable, these models have the advantage of retaining information that would be lost by combining the data into two arbitrary groups. We modelled CPI ownership by grade in school using interaction terms, in order to determine if the association between ownership and smoking uptake was strongest during the period of smoking initiation (grades 6–9). In all models, changes in deviance and residual plots were used to assess model fit, and standard errors were scaled using the square root of deviance based dispersion.

Results

NUMBER OF CPIS OWNED BY STUDENTS

Of 1265 students, approximately one third owned CPIs, with percent ownership being equally distributed by grade in school at approximately 30% of students (table 1). In contrast, the percentage of students who were smokers climbed as grade increased, from 3% of sixth graders to a high of 32% of 12th graders. These data suggest that CPIs were being acquired by students well before they became smokers, probably through friends and family members.[6]

BRAND OF CPI AND BRAND OF CIGARETTE SMOKED

Brand of CPI owned was significantly associated with brand preference among never smokers, experimental smokers, and smokers (χ^2, $p < 0.0001$, $p = 0.023$, and $p = 0.002$, respectively). Results are shown for never smokers in table 2. Among never smokers who did not own CPIs, only 5% chose Marlboro or Camel when asked to envision the cigarette brand they would buy. In contrast, 19% of those who owned a Marlboro CPI chose the Marlboro brand and 16% of those who owned a Camel CPI chose the Camel brand.

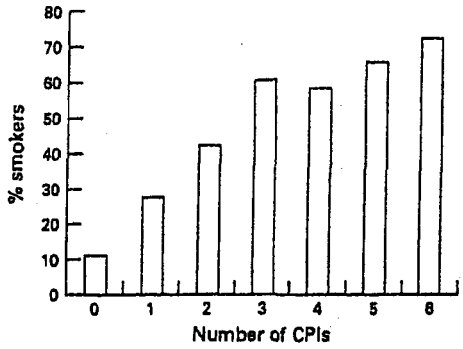


Figure 1 Crude dose-response: percentage of students (n = 1265) who are smokers (have smoked ≥ 100 cigarettes lifetime) versus number of cigarette promotional items (CPIs) owned.

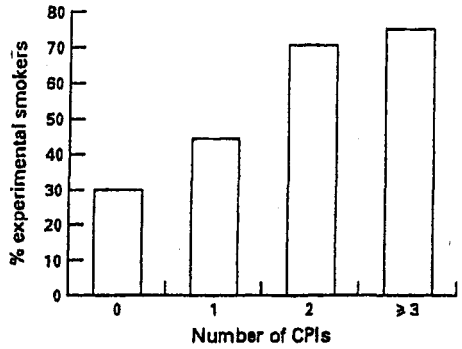


Figure 2 Crude dose-response: percentage of students in grades 6–9 (n = 543) who are experimental smokers (have smoked 1–99 cigarettes lifetime) versus number of cigarette promotional items (CPIs) owned. This figure excludes those who have smoked ≥ 100 cigarettes lifetime.

DOSE-RESPONSE BETWEEN CPI OWNERSHIP AND SMOKING

The number of CPIs owned by students ranged from 0–6, with a mean of 0.63. Mean CPI ownership was also equally distributed by grade in school. Males, students with poor school performance, those who perceived higher levels of student smoking, and those with higher exposure to peer and family smoking all owned significantly higher numbers of CPIs (table 1). The crude dose-response between CPI ownership and the proportion of students who were smokers (≥ 100 cigarettes lifetime) is shown in fig 1. There is a direct linear relation between the number of CPIs owned and the percentage of students who are smokers, with 10% of those who did not own a CPI being smokers compared with 70% for those who own six CPIs ($p < 0.0001$). Moreover, among daily smokers, there was a direct relation between number of CPIs owned and daily cigarette consumption. For example, among daily smokers who owned none, three, and five or more CPIs, the percentage who smoked one pack of cigarettes per day or more was 10%, 26%, and 40%, respectively (test for trend, $p < 0.0001$).

The dose-response remained after controlling for grade in school, sex, school performance, perceived prevalence of smoking, peer smoking, and family smoking. Compared with those who did not own a CPI, the likelihood of being a smoker increased from an odds ratio (OR) of 2.7 (95% CI 1.7 to 4.1) for those who owned one CPI, to 3.4 (95% CI 1.9 to 5.9) for those owning two CPIs, and 8.4 (95% CI 5.0 to 14.2) for those owning three or more CPIs (table 3). Exposure to both family and peer smoking was also associated with higher likelihood of being a smoker.

Table 3 Adjusted odds ratio (OR) of being a smoker (lifetime smoking ≥ 100 cigarettes) according to student characteristics (n = 1265)*

Student characteristic	Adjusted OR	95% CI	p Value
Number of CPI's owned			
0	Reference		
1	2.7	1.7 to 4.1	< 0.0001
2	3.4	1.9 to 5.9	< 0.0001
≥ 3	8.4	5.0 to 14.2	< 0.0001
Friend and family smoking			
None	reference		
Family only	2.5	0.2 to 26.1	0.22
Friends only	4.7	0.6 to 36.4	0.03
Family and friends	17.7	2.3 to 129.9	0.006

*This model also includes controls for grade in school, sex, school performance, and perceived prevalence of smoking.

ASSOCIATION OF CPI OWNERSHIP WITH SMOKING UPTAKE AMONG NEVER AND EXPERIMENTAL SMOKERS

Over three fourths of the sample (n = 1008) were in the initiation phase of smoking uptake (0–99 cigarettes lifetime), of whom 543 were in grades 6–9. There was no association between CPI ownership and higher levels of experimentation for students in grades 10–12 (results previously reported). Among sixth to ninth graders, there was a crude dose-response between the number of CPIs owned and the percentage of experimental smokers (fig 2), with experimentation rates rising from 30.5% of those who did not own a CPI to 76.2% of those who owned three or more.

The dose-response between CPI ownership and higher levels of experimentation persisted even after adjusting for the effects of grade in school, sex, school performance, perceived prevalence of smoking, peer smoking, and family smoking (table 4). Compared with those who did not own a CPI, those owning one had an adjusted cumulative odds ratio for higher levels of experimentation of 1.7 (95% CI 1.1 to 2.6). The cumulative odds ratios for those owning two and three or more CPIs were 2.5 (95% CI 1.2 to 5.1) and 4.8 (95% CI 1.9 to

Table 4 Adjusted cumulative odds ratio (OR) of a student being further along the smoking uptake process according to student characteristics among never smokers and experimental smokers in grades 6–9 (n = 543)*

Student characteristic	Adjusted cumulative OR	95% CI	p Value
Number of CPI's owned			
0	Reference		
1	1.7	1.1 to 2.6	0.03
2	2.5	1.2 to 5.1	0.01
≥ 3	4.8	1.9 to 12.2	0.001
Friend and family smoking			
None	Reference		
Family only	1.4	0.7 to 2.8	0.35
Friends only	3.3	1.9 to 5.8	< 0.0001
Family and friends	5.5	3.1 to 9.8	< 0.0001

*This model also includes controls for grade in school, sex, school performance, and perceived prevalence of smoking.

12.2), respectively. In this analysis, peer smoking was also associated with higher levels of experimentation.

Discussion

This study offers compelling evidence for a dose-response relation between a simple ordinal measure of exposure to cigarette promotional campaigns and higher likelihood of experimental and established smoking among adolescents. The odds ratios for CPI ownership in both the smoker and the experimenter regressions suggest a CPI effect that is similar to peer smoking. The demonstration of a dose-response relation provides further support of a causal relation between cigarette promotional activities and the uptake of smoking in adolescents.

Our results extend the work of Evans and colleagues[5] and Pierce and associates[9] who demonstrated a graded response between a receptivity to cigarette marketing index and susceptibility to becoming a smoker among never smokers[5] and greater levels of experimentation over time.[9] In those studies, ownership or willingness to wear a cigarette promotional item was the highest level in the index. Adolescents were categorised into intermediate levels if they could identify tobacco advertising messages or had a favourite brand. Our study evaluates and confirms a dose-response within the highest category of their receptivity to cigarette marketing index.

Because of the cross sectional nature of this study, we are unable to infer directly that ownership of cigarette promotional items precedes smoking. However, several aspects of our research suggest that exposure to cigarette promotional items comes before the adoption of the smoking in this sample. First, the prevalence of smoking rises with grade in school, but the prevalence of ownership of cigarette promotional items is stable across grades at around 30%. If these items were acquired during the later phases of initiation, for example, by adolescents who were smoking heavily enough to purchase the items by saving value added coupons, one would expect the prevalence of ownership to rise with grade and lag behind the adoption of smoker status. Second, the ownership of these items is associated with higher levels of experimentation among the youngest adolescents in this sample. Ownership is also significantly associated with attitudes which predict smoking (susceptibility) and cigarette brand preference among the never smokers in this sample.

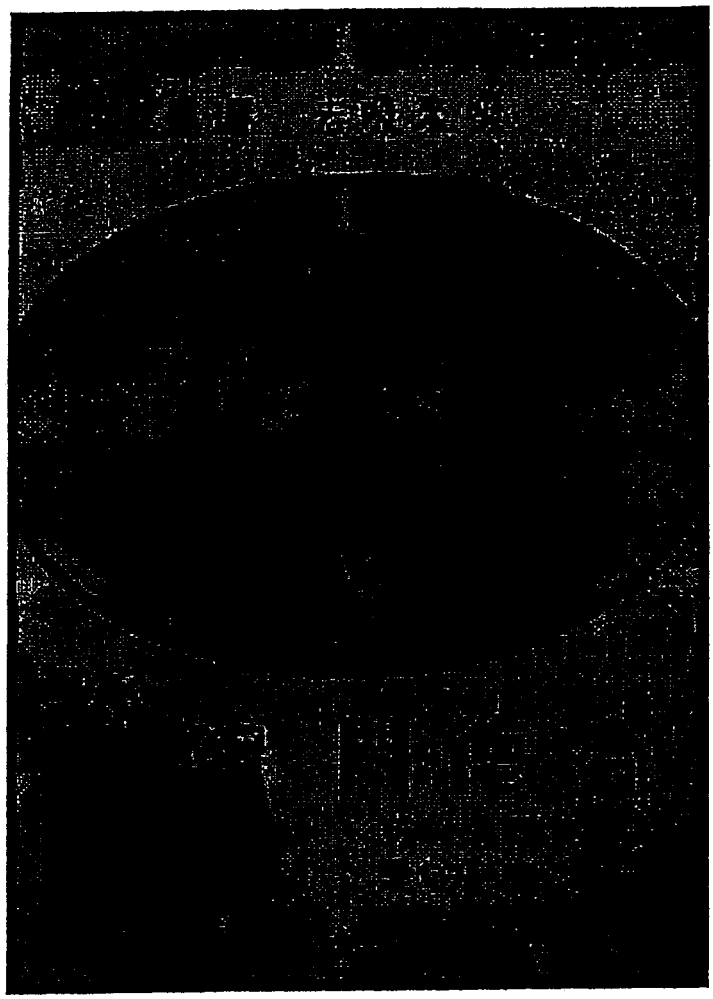
At face value, the measurement of the number of cigarette promotional items an adolescent owns seems to be a pure measure of exposure to tobacco marketing. To the extent that acquisition and use of cigarette promotional items affects the adolescent's self identity as a smoker this may be true. The use of clothing and personal items as a means of consolidating identity is consistent with studies of consumer behaviour in adolescents.[18–20] But people also use symbolic markers such as clothing, hairstyles, and tattoos to communicate their social identities.[21] Clothes define group affiliation and express core aspects of identity, such as personal values, beliefs, and preferences. In this way, ownership of cigarette promotional items could be the means through which adolescents express values attained from other aspects of their social environment. However, the association between cigarette promotional item ownership and smoking uptake appears to be independent of measures of smoking in the social environment. Because this association is not confounded by friends or family smoking or perceived prevalence of smoking, we suggest it has a socialising effect above and beyond these factors. It is also likely that both directions are operational; acquisition and use of cigarette promotional items affects and reinforces self identity as a smoker, which in turn causes the adolescent to pursue further the collection of more promotional items.

In summary, the more cigarette promotional items an adolescent owns, the higher the likelihood of being a smoker. The same is true for experimentation with tobacco and susceptibility to tobacco use among never and experimental smokers. These findings support a dose-response relation between cigarette promotional item ownership and smoking uptake among adolescents, and add to evidence supporting a causal association between tobacco promotional activities and smoking in the adolescent population.

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Vintage Chinese cigarette advert

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Effect of Cigarette Promotions on Smoking Uptake among Adolescents[1]

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Background. The purpose of this study was to evaluate the association between receptivity to cigarette promotions and smoking uptake in a cohort of adolescents.

Methods and Measures. This was a prospective cohort study of 480 4th- to 11th-grade students conducted in three rural Vermont K–12 schools. Cigarette use was determined by self-report at baseline, 12 months (survey 2), and 21 months (survey 3). Proportional odds models were used to evaluate smoking uptake as a function of baseline measures of cigarette use, receptivity to cigarette promotions, and confounding factors, including grade, parental education, peer smoking, and family smoking. Adolescents were receptive to cigarette promotions if they owned or were willing to use a personal item bearing a cigarette brand logo [cigarette promotional item (CPI)]. Smoking status was measured using a 6-point ordinal index that combined experience and attitudes: 0 = never smoker/not susceptible to smoking, 1 = never smoker/susceptible to smoking, 2 = puffer (1 cigarette or less in lifetime), 3 = noncurrent experimenter (2–99 cigarettes in lifetime/none in past 30 days), 4 = current experimenter, and 5 = smoker (≥100 cigarettes in lifetime).

Results. The 480 students were equally distributed across grade at baseline. Environmental exposure to smoking was high, and 30% were receptive to cigarette promotions at baseline. Higher levels on the smoking index at baseline were associated with higher grade in school, peer smoking, and receptivity to cigarette promotions. One hundred eighty-five students (38.5%) had moved to a higher category on the smoking index by survey 3, of whom 30 had become smokers. Receptivity to cigarette promotions at baseline was significantly associated with higher smoking uptake, with 48.7% of receptive students moving up one or more categories on the smoking index [adjusted proportional odds 1.9 (95% CI 1.3, 2.9)]. Acquisition of receptivity to cigarette promotions was also associated with increased smoking uptake, with those becoming receptive in surveys 2 or 3 having significantly higher odds of progression [3.6 (1.8, 7.0) and 2.9 (1.5, 5.5), respectively] compared with those who did not change. Conversely, those who were receptive at one point but became non-receptive in surveys 2 or 3 had lower odds of progression [0.4 (0.2, 0.9) and 0.5 (0.3, 1.1), respectively].

Conclusions This study supports a close linkage between tobacco promotional activities and uptake of smoking among adolescents beyond baseline descriptions of receptivity to cigarette promotions. Over time, the likelihood of smoking uptake is increased when an adolescent acquires a CPI or becomes willing to use one and is decreased when an adolescent who owns a CPI loses it or becomes unwilling to use it. This provides strong evidence that elimination of cigarette promotional campaigns could reduce adolescent smoking. © 2000 American Health Foundation and Academic Press

Key Words: tobacco use; tobacco marketing; adolescent smoking.

INTRODUCTION

Current marketing practices by the tobacco industry may be contributing to the increased rates of smoking among children. While the tobacco industry has denied intent to advertise and promote cigarettes to children [*1*], company documents indicate otherwise [*2*]. Marketing and economics researchers have raised serious questions about the tobacco industry's position that the cigarette market in developed countries is a mature or

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tatic market and that marketing is exclusively aimed t brand switching among smokers [3,4].

Independent of whether aggregate demand for these products is static or declining, it is clear that a dynamic market exists. Every day some tobacco users die or quit smoking, but they are replaced by new smokers, most of whom are adolescents. The fact that adolescents smoke the most highly advertised brands indicates that they are responsive to these marketing campaigns [5,6]. Moreover, to the extent marketing may also spur aggregate demand among adolescents, it could be associated with uptake of smoking in this group.

Evidence of a causal relationship between exposure to cigarette marketing (the epidemiological equivalent to exposure) and smoking uptake (the epidemiological equivalent to disease) exists if a significant association can be established between marketing and smoking; the results are not explained by chance, bias, or confounding; the findings are consistent with adolescent behavior theory; and the findings can be replicated [7]. Causality is strengthened if it can be established that the exposure precedes the onset of the behavior, that there is a dose response, and that elimination of the exposure decreases smoking.

One barrier to establishing a relationship between garette marketing and adolescent smoking has been e difficulty in measuring exposure to cigarette marketing in population-based studies of adolescents. The introduction of one category of cigarette promotional activity, cigarette promotional item (CPI) distribution, has made quantifying exposure to such marketing possible in population-based studies. CPI distribution has grown since 1990 and includes expenditures for promotional gear and clothing campaigns in which catalogues for these items are distributed by vendors. Through catalogues items bearing cigarette logos, such as clothing, can be purchased with cash or "added value" coupons included with cigarettes. In 1995, the most recent year for which data are available, the tobacco industry spent $544.3 million dollars on these items, accounting for 10.7% of advertising and promotional expenditures [8].

From a number of theoretical perspectives, exposure to CPIs could be a causal factor in adolescent smoking initiation. Ownership of a CPI is an unambiguous measure of an adolescent's receptivity to tobacco marketing in a persuasive communications framework [9,10], implying exposure to an advertising message, attendance to and understanding of the message, and development of a cognitive or affective response to the message. The ame can be said of the adolescent who is attitudinally ceptive to a CPI, i.e., willing to use a CPI. People communicate social identities through the use of symbolic markers such as clothing, hairstyles, and tattoos [11]. Clothes define group affiliation and express core aspects of identity, such as personal values and beliefs. The use of clothing as a means of expressing and consolidating identity is consistent with studies of consumer behavior in adolescents [12–14]. It is also consistent with the theory that environmental factors shape adolescent individuation [15,16].

We and others have established that CPI ownership is prevalent among children and adolescents [10,17–22]. Several cross-sectional studies have shown that CPI ownership correlates with higher levels of smoking uptake [17,20,21,23]. In one cohort study, ownership or willingness to use CPIs, termed receptivity to promotions, at baseline was associated with smoking uptake measured 4 years later [10]. This longitudinal finding has not been replicated in an independent sample. Moreover, no study of cigarette promotional items has included more than two survey points. Thus, we do not have information about how receptivity to cigarette promotions changes over time or how changes affect smoking behavior. If it could be shown that loss of cigarette promotional items decreases risk of future smoking in adolescents, the argument that these types of promotional activities are causally associated with smoking uptake would be strengthened. Also, this finding would imply directly that elimination of promotional campaigns could reduce adolescent smoking.

In this prospective cohort study, we examine responses from Vermont school children who were surveyed about their smoking behavior on three consecutive occasions to evaluate in more detail the association between receptivity to cigarette promotions and smoking uptake. Our goal is to confirm, in an independent sample, that receptivity to tobacco promotions is associated with uptake of smoking over time and to determine whether change in receptivity to cigarette promotions is associated with a change in the likelihood of smoking uptake. Specifically, we were interested in whether loss of receptivity to cigarette promotions protects adolescents from taking up smoking.

METHODS

Survey Administration

As part of a tobacco prevention program, we conducted a cohort study of students in grades 4 through 11 at three rural K–12 Vermont schools. Two schools were assigned to intervention status and one to control status. The intervention consisted of a social influences program in which children were encouraged to work in groups to develop and communicate anti-tobacco messages to younger children. The 2-year intervention was supported by web-based links with Dartmouth medical students and pediatric residents. The intervention had no demonstrable effect on receptivity to tobacco promotions in either of the intervention schools. Intervention status was included as a covariate in the multivariate

nalysis. The baseline survey was conducted in September, 1996, the second survey in September, 1997, and the final survey in May, 1998. The survey was administered by study personnel who were not associated with the schools. The questionnaire was read aloud to students in grades 4 and 5 and self-administered for students in grades 6 through 11. Students were asked to put their name, grade, and birth date on a sheet of paper that was separated and collected prior to completing the questionnaire. Passive parental consent was obtained by mailing a letter of consent to the students' homes 2 weeks prior to the survey. The study was approved by the Dartmouth College Committee for the Protection of Human Subjects.

Outcome and Exposure Measures

The outcome measure for this study is a smoking index that combines measures of lifetime smoking experience with susceptibility to smoking in the future. This index is based on prospective studies that demonstrate that smoking experience [*24*] and susceptibility to smoking [*25,26*] are predictors of becoming a smoker in the future. The index includes six categories: never smoker, not susceptible; never smoker, susceptible; puffer; experimenter, not current; experimenter, current; and regular smoker. Never smokers are those who have never even puffed on a cigarette. Susceptibility among this group is determined by the responses to two questions: "Do you think you will smoke a cigarette in the next 6 months?" and "Would you smoke a cigarette if your best friend offered you one?" Anyone who cannot definitely rule out smoking in the future by answering "definitely not" for both of these statements is considered susceptible. Puffers include those who have tried smoking, but have never smoked more than 1 whole cigarette. Experimenters are those who have smoked between 2 and 100 cigarettes in their lifetime. The experimenters are further classified into current or not current based on whether they have smoked in the past 30 days. Regular smokers are defined as those who have smoked more than 100 cigarettes in their lifetime. Lifetime use of more than 100 cigarettes is used to classify ever smokers in studies of adults and is used in the United States to define an individual who has been dependent on cigarettes in the past [*27*].

The primary exposure examined in this study is receptivity to cigarette promotions. Individuals are classified as being receptive to promotional marketing if they either own a cigarette promotional item or would be willing to use one, consistent with Pierce et al. [*10*]. In evaluating the impact of this exposure, we controlled for the effects of other factors known to be associated with smoking behavior, including baseline level of smoking uptake, environmental exposure to smoking (minimal, family only, friends only, friends and family), grade in school, gender, school performance (excellent, good, average or below), and parental education (both, one or neither parent graduated from high school). An indicator variable for school participation in the intervention was also included in all models.

Exposure to environmental smoking was measured by the following questions. Peer smoking required an affirmative response to the following question: "Do any of your friends smoke cigarettes?" Family smoking required an affirmative response to any of the following questions: "Do any of your brothers or sisters smoke cigarettes?" "Does your father smoke cigarettes, cigars, or pipes?" "Does your mother smoke cigarettes, cigars, or pipes?"

Validity and Reliability

To increase the validity of self-report of tobacco use, we employed a bogus pipeline procedure, which has been shown to increase validity of self-reports [*28*].

To evaluate test–retest reliability of the questions, we recruited 114 students from another school and 27 students through a pediatric clinic. Each student completed the questionnaire twice, with a 3- to 5-week interval between the two surveys. Data from the 114 students were used to evaluate all variables except for parental education; because this was not measured in the larger sample, we used the data from 27 students to evaluate this variable. The κ statistic [*29*] was used to measure agreement between test and retest answers for categorical and ordinal data. All variables reported here have a minimum κ statistic of 0.70, which indicates very good reliability for these items; it was not necessary to exclude any variable because of an unacceptably low κ [*30*]. The main outcome variable, the smoking index, had a κ of 0.96.

Student Cohort

At baseline, completed questionnaires were obtained from 727 students, representing 90% of the students enrolled in grades 4 through 11 at the three schools. Seventy-four percent ($N = 537$) of these students completed both follow-up surveys. Students who were lost to follow-up were more likely to be male, to be in 11th grade at baseline, to have average or below average grades, and to have a higher exposure to friends and family who smoked. These students also were more likely to be smokers and to be receptive to cigarette promotions at baseline. Following the procedures of Stevens et al. [*31*], we discarded 14 questionnaires with five or more logically inconsistent or extremely out-of-range answers and 12 questionnaires because of missing data. An additional 31 students were omitted from this analysis because they were smokers (use of $\geq$100 cigarettes lifetime) at baseline.

The final cohort consists of 480 students, all of whom

were never or experimental smokers at baseline. The age of the students ranged from 8 to 17, with 98% between 9 and 16 years of age. Reflecting the racial composition of northern New England, 96% of the students were white. All students lived in a rural area.

Statistical Analysis

We first evaluated the bivariate association between receptivity to tobacco promotions at baseline and covariates. Unadjusted odds ratios are determined by regressing each of the variables against receptivity to tobacco promotions at baseline (dependent variable) using logistic regression. To evaluate the association between receptivity to cigarette promotions at baseline and change in smoking status over time, we used multivariate proportional odds models with smoking index at survey 3 as the dependent variable and including smoking index at baseline as a control variable. Other controls included environmental tobacco exposure (peer and family smoking), grade in school, gender, intervention status, school performance, and parental education. This model gives cumulative odds ratios modeling the probability of being in any higher category on the smoking index given a baseline category. With an ordered dependent variable, these models have the advantage of retaining information that would be lost by combining the data into two arbitrary groups, as one does when using logistic regression. In all models, changes in deviance and residual plots were used to assess model fit, and standard errors were scaled using the square root of deviance-based dispersion.

We investigated the possibility that our results were simply due to the particular subset of students who were included in follow-up. Students lost to follow-up could affect our results, for example, if those who did not participate in the follow-up survey were less likely

TABLE 1

Relationship of Receptivity to Cigarette Promotions[a] at Baseline and Other Variables

Characteristic (baseline covariate)	*N*	Percentage receptive to cigarette promotions at baseline	Odds ratio for association with receptivity to cigarette promotions at baseline	95% CI
Grade				
4	61	11.5	0.3	0.1, 0.9
5	70	22.9	0.7	0.3, 1.7
6	73	38.4	1.4	0.6, 3.3
7	67	28.4	0.9	0.4, 2.2
8	61	37.7	1.4	0.6, 3.3
9	54	40.7	1.6	0.6, 3.8
10	58	29.3	1.0	0.4, 2.3
11	36	30.6	Reference	
School performance				
Excellent	159	24.5	Reference	
Good	249	32.1	1.5	0.9, 2.3
Average or below	72	33.3	1.5	0.8, 2.8
Gender				
Female	247	24.3	Reference	
Male	233	35.6	1.7	1.2, 2.5
Parental education				
Both HS grads	362	28.5	Reference	
One HS grad	88	33.0	1.2	0.7, 2.0
Neither HS grads	30	36.7	1.5	0.7, 3.2
Environmental smoking				
None	150	15.3	Reference	
Family only	128	30.5	2.4	1.4, 4.3
Friends only	64	25.0	1.8	0.9, 3.8
Family and friends	138	47.1	4.9	2.8, 8.6
Smoking index				
Never smoker/nonsusceptible	314	21.0	Reference	
Never smoker/susceptible	58	37.9	2.3	1.3, 4.2
Puffer	39	43.6	2.9	1.5, 5.8
2–100/not current smoker	48	62.5	6.3	3.3, 11.9
2–100/current smoker	21	38.1	2.3	0.9, 5.8

[a] Unadjusted odds ratios are determined by regressing each of the listed variables against receptivity to tobacco promotions at baseline (dependent variable) using logistic regression.

o progress along the smoking index or if the effect of receptivity to cigarette promotions on smoking uptake was weaker in this group. We imputed missing values for smoking status at survey 3 for these 122 students to explore the effect of loss to follow-up on our results.

RESULTS

Description of the Sample

The 480 students were equally distributed across grades and gender (Table 1). Most had good to excellent grades and at least one parent who had graduated from high school. Environmental exposure to smoking at baseline was high, with 138 (28.8%) who had both family and friends who smoke. Only 150 (31.3%) did not have friends or family members who smoked. Thirty percent of students were receptive to tobacco promotions at baseline. Students who were established smokers (≥100 cigarettes lifetime) at baseline were excluded from the analysis because they would be unable to change their smoking status over time.

Smoking Status at Baseline and in the Third Survey

Also shown in Table 1 is smoking status at baseline. The majority of students were never smokers at baseline [314 (65.4%)]. Higher levels on the smoking index at baseline were associated with higher grade in school, peer smoking, and receptivity to cigarette promotions.

One hundred eighty-five students (38.5%) had moved to a higher category on the smoking index by the third survey, leaving 221 non-susceptible never smokers. Of 30 students who became lifetime smokers of ≥100 cigarettes, 11 were current experimenters, 11 were non-current experimenters, 3 were puffers, and 5 were non-susceptible never smokers at baseline.

Association of Covariates with Receptivity to Cigarette Promotions

Receptivity to cigarette promotions was present in all grades and was significantly lower only in 4th-grade students, in whom only 11.5% were receptive (Table 1). Consistent with past studies [*17*] receptivity to cigarette promotions was significantly associated with family smoking, reflecting the acquisition of these items through family members in some cases. Receptivity to cigarette promotions was also significantly more likely among males. Higher ranking on the smoking index at baseline was also associated with a significantly higher likelihood of receptivity to tobacco promotions. For example, whereas 21% of non-susceptible never smokers were receptive to tobacco promotions, 43.6% of puffers were receptive.

Association between Receptivity to Cigarette Promotions at Baseline and Smoking Uptake

As shown in Table 2, receptivity to cigarette promotions at baseline was significantly associated with progression on the smoking index (i.e., with controls for smoking status at baseline) after adjusting for baseline covariates, including grade in school, gender, environmental smoking, intervention status, school performance, and parental education [proportional odds ratio 1.9 (95% confidence intervals 1.3, 2.9)]. Students with higher levels of smoking uptake at baseline and adolescents in grades 6, 7, and 9 were also more likely to progress on the smoking index compared with those in grade 4 (results not shown). There was not a significant association between environmental smoking at baseline and progression on the smoking index.

TABLE 2

Ordinal Logistic Regression Model Predicting Progression on the Smoking Index by Survey 3 Given Receptivity to Cigarette Promotions and Other Factors at Baseline

		Proportional odds ratios: odds of progression by 1998			
		Unadjusted	Adjusted[a]		
Baseline characteristic	*N*	Odds ratio	Odds ratio	95% CI	*P* value
Receptive to cigarette promotions					
No	337	Reference	Reference		
Yes	143	3.4	1.9	1.3, 2.9	0.002
Environmental exposure					
Minimal	150	Reference	Reference		
Family only	128	1.1	0.9	0.5, 1.5	0.7
Peers only	64	3.9	1.5	0.8, 2.7	0.3
Family and peers	138	4.5	1.2	0.7, 2.1	0.5

[a] In addition to environmental smoking, the model includes controls for the following baseline variables: smoking status, grade in school, gender, intervention status, school performance, and parental education.

Effects of Change in Receptivity to Cigarette Promotions

Approximately 100 students changed their receptivity to cigarette promotions status from survey to survey, being equally split between those who became receptive and those who became non-receptive. After controlling for the effect of receptivity to cigarette promotions at baseline, those who became receptive in surveys 2 or 3 had a significantly increased odds of progression [3.6 (1.8, 7.0) and 2.9 (1.5, 5.5), respectively] compared with those who did not change (Table 3). Conversely, those who were receptive at baseline but became non-receptive by survey 2 had a significantly lower odds of progression [0.4 (0.2, 0.9)]; those who became non-receptive from surveys 2 to 3 also had a decreased odds of progression [0.5 (0.3, 1.1)] that was marginally significant ($P = 0.09$).

Sensitivity Analysis

There were 122 students in grades 4–11 who had complete data at baseline but no follow-up. We first imputed their expected smoking index level at survey 3 by using the covariates and coefficients from the model described in Table 2 and added two additional terms, a constant to reflect a different imputed level of smoking uptake and a term to reflect a different receptivity to cigarette promotions. We refit the models to determine which combination of smoking uptake and receptivity to cigarette promotions would change the statistical significance of the reported results.

If the 122 students who were lost to follow-up had a level of smoking uptake similar to peers with identical baseline risk factors, then receptivity to cigarette promotions would have to have had a protective effect (proportional odds ratio of 0.87 compared with the estimated 1.9) in order to change the statistical significance of our result in Table 2. Similarly if the effect of cigarette promotions was no different for those students lost to follow-up, then their smoking uptake would have to have been significantly less (proportional odds of 0.05) compared with those who completed follow-up. Neither of these possibilities is likely given both higher smoking level and higher receptivity to cigarette promotions at baseline in students lost to follow up. No combination of increased likelihood of smoking uptake and increased receptivity to cigarette promotions changed the statistical significance of the reported results.

DISCUSSION

This study examines whether cigarette promotional campaigns influences adolescent smoking uptake. In this study we focused on cigarette promotional items such as clothing and smoking paraphernalia as a measure of an adolescent's receptivity to tobacco promotions. We found that the likelihood of smoking uptake is increased when an adolescent not exposed to CPIs at baseline acquires a CPI or becomes willing to use one. Conversely, the likelihood of smoking uptake is decreased when an adolescent who owns a CPI loses it or becomes unwilling to use it; this is a finding that has not been reported, to our knowledge. This association remains strong and statistically significant after controlling for a number of factors at baseline, including attitudes toward smoking, smoking experience, peer smoking, and family smoking. It is not likely that the

TABLE 3

Ordinal Logistic Regression Model Predicting Progression on the Smoking Index by Survey 3 Given Changes in Receptivity to Cigarette Promotions

Changes in receptivity to cigarette promotions	*N*	Proportional odds ratios: Odds of progression by 1998			
		Unadjusted Odds ratio	Adjusted[a]		
			Odds ratio	95% CI	*P* value
At baseline					
No	337	Reference	Reference		
Yes	143	5.2	3.3	2.0, 5.4	<0.0001
Surveys 1–2					
No change	377	Reference	Reference		
Yes to no	43	0.4	0.4	0.2, 0.9	0.03
No to yes	60	2.3	3.6	1.8, 7.0	<0.0001
Surveys 2–3					
No change	390	Reference	Reference		
Yes to no	37	0.9	0.5	0.3, 1.1	0.09
No to yes	53	2.9	2.9	1.5, 5.5	0.001

[a] Model includes controls for the following baseline variables: smoking status, environmental tobacco exposure (peer and family smoking), grade in school, gender, intervention status, school performance, and parental education.

association is altered by loss to follow-up. Thus, these data provide strong evidence supporting a causal link between progression of smoking among adolescents and changes in their response to cigarette promotional items. These findings are important because they show that cigarette marketing activities can be associated with smoking uptake among adolescents; they do not, as tobacco companies contend, merely result in a preference for highly advertised brands.

Our study also confirms, in an independent sample, the findings of Pierce et al. [*10*] that receptivity to cigarette promotions is associated with higher smoking uptake over time among never smokers and that this association is independent of other environmental factors such as family and friends smoking. We extend these findings to show that receptivity to tobacco promotions also influences tobacco uptake among susceptible adolescent never smokers and among experimental smokers. Our findings support the concept that exposure to tobacco marketing influences adolescents' attitudes and beliefs, which in turn prompts initiation, and also helps to shape the self-identity of the experimental smoker into that of a smoker. In other words, choosing to own or wear a cigarette promotional item may lead to consolidation of an identity that includes smoking status as a central component. The symbolic and value-expressive functions of CPIs may reinforce social and group identification, maintaining the status of the adolescent as a smoker. Because the desire to establish personal identity is strong, those who smoke may seek out further opportunities to solidify their sense of self, including acquisition of more cigarette promotional items.

Our study supports another finding of Pierce et al. [*10*]. In both studies, receptivity to tobacco marketing at baseline was a stronger predictor of tobacco uptake then exposure to peer smoking. The lack of an association between smoking uptake and peer smoking contrasts with other longitudinal studies of adolescents [*24,32*]. This finding does not seem to be a result of confounding with the receptivity to promotions factor, as its removal from the model does not substantially affect estimates for peer smoking. However, removal of controls for smoking status at baseline causes coefficients for peer smoking and peer/family smoking to become substantial and significant. Thus it is possible that the peer effect has only a more proximal and short-lived influence (such as an explicit offer to smoke) on adolescent smoking behavior [*33*, page 123]. This explanation is consistent with the longitudinal findings of Pederson and Lefcoe [*34*] who showed that changes in peer smoking status were closely associated with changes in the adolescent's smoking status.

The generalizability of our findings in isolation is limited by the nature of our sample, which did not include minorities or urban children. However, our study results are consistent with those of a random sample of California youth[*10*], suggesting that adolescents are responsive to tobacco promotions regardless of their sociodemographics or geographic location. Moreover, the evidence from a number of cross-sectional [17,20,21,23] and longitudinal studies [*10,35*] of independent samples of children is consistent in showing that tobacco marketing, however measured, is implicated in adolescents' decisions to smoke and in their continued experimentation with cigarettes. This convergence of findings from multiple studies provides strong support for causality and justification for further tobacco marketing restrictions. The weight of the evidence at this time supports Food and Drug Administration regulations aimed at restricting the sale, distribution, promotion, and advertising of cigarettes and smokeless tobacco to minors [*36*].

In summary, our study documents a strong and statistically significant association between receptivity to cigarette promotions and increased smoking uptake over time in a cohort of adolescents. Additionally, gaining or losing receptivity during the 21-month period was associated with an increased or decreased likelihood of smoking uptake, respectively. This suggests that smoking among adolescents could be reduced by the elimination of cigarette promotional campaigns.

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NSW HEALTH

media release

MINISTER ASSISTING THE MINISTER FOR HEALTH
(CANCER)
Frank Sartor

19 February 2004

Print media release

Cancer Plan Considers Point of Sale Restrictions on Tobacco

The NSW Government today foreshadowed further tightening of regulations governing the display of tobacco products as part of the soon to be released NSW State Cancer Plan.

The Cancer Plan is currently in its final phases of development and will contain a proposal to further limit the point of sale display of tobacco products, the Minister Assisting the Minister for Health (Cancer) Frank Sartor said today.

The initiative will require changes to public health regulations to ensure that tobacco products are concealed from view.

"You only have to go into a supermarket to see that tobacco products are prominently displayed for all to see, I am strongly attracted to any initiative that pushes them out of sight," Mr Sartor said.

The Minister said the AC Neilsen 2003 Survey of the Top 100 brands by sales volume, found that four of Australia's top five brands were tobacco products.

The day that fruit, vegetables and nutritious foods overtake tobacco products will be a good day indeed," Mr Sartor said.

"Sadly, 18 people in New South Wales die from smoking related illnesses each day.

"This statistic can only be reduced by further lessening the prevalence of smoking in our community.

"We have already lowered the profile of tobacco through restricting tobacco advertising.

"This is the next step," Mr Sartor said.

6,500 people die of tobacco related illness each year in New South Wales, 2300 of these deaths are from lung cancer.

"Over recent years much has been done to remove tobacco from the public eye," Mr Sartor said.

"We have removed it from our television screens, thrown it out of our sporting arenas and we in the ALP have rejected further donations to the party from the tobacco industry.

"Addressing the point of sale issue is not the only option we have, and the State Cancer Plan will contain a number of other initiatives aimed at driving down the prevalence of smoking.

The Minister said the Government would carefully consider the proposal including the costs and benefits of its implementation.

There would also be full consultation with affected groups including retailers, health bodies and Government departments.

NSW Health Media Contact
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SASKATCHEWAN
COALITION
FOR TOBACCO
REDUCTION

Saskatchewan Coalition for Tobacco Reduction

Presentation to the Law Amendments Committee, Province of Manitoba

August 8, 2002

The ***Saskatchewan Coalition for Tobacco Reduction (SCTR)*** is a provincial coalition of over 20 organizations including the *Saskatchewan Lung Association*, the *Heart and Stroke Foundation of Saskatchewan*, and *Students Working Against Tobacco (SWAT)*. We represent thousands of Saskatchewan citizens. The Coalition advocates for tobacco reduction strategies that are effective and will reduce the overwhelming numbers of children and young people who become addicted to tobacco products and the over 1,600 Saskatchewan residents who die each year from tobacco–related diseases.[1]

UNANIMOUS SUPPORT FOR SASKATCHEWAN LEGISLATION

Saskatchewan no longer advertises and promotes tobacco products to children.

Saskatchewan's *Tobacco Control Act* includes a section which bans tobacco advertising to children via power walls. This step was first recommended by an *All Party Committee* of Members of the Legislative Assembly. The Special Committee for Tobacco Control had been set up to identify ways to protect children and youth from tobacco. Following extensive hearings around the province and meetings with stakeholders, committee members of all parties recommended banning tobacco product displays in a Committee report dated February 8, 2001.

The Report's recommendation was incorporated into the *Tobacco Control Act* which was passed unanimously by all Members of the Legislative Assembly in 2001 and then proclaimed March 11, 2002.

GROWING POWER WALLS POSE PROBLEMS

Giant "power walls" of cigarette packages, in vast quantities far more than is necessary to supply consumers, are a part of the tobacco industry's marketing plan. The oversized retail display cases promote tobacco to children and youth. It is no mistake that they are in clear view of kids who represent the tobacco industry's future customers. As the *Canadian Cancer Society* states "*It is impossible for these displays to be consistent with the industry's claim that their promotions only target adult smokers...Point of sale promotions send a message that tobacco is socially acceptable as candy or newspapers. Children should not grow up in an environment where they see such promotions every time they go into a corner store.*"

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[1] Makomaski, Illing, E and Kaiserman, M. Mortality Attributable to Tobacco Use in Canada and its Regions, 1991. *Canadian Journal of Public Health.* 1995:86(4):257-268.

HEALTH CANADA REPORTS STRONG COMPLIANCE TO 'POWER WALL BAN' IN SASKATCHEWAN

Tobacco Enforcement Officers with *Health Canada* are involved in ongoing inspections of tobacco retail establishments. At the time of this report they have inspected almost all retail establishments in major centres in Saskatchewan.

The Enforcement Officers report that virtually all retailers are complying with the display provision. They have also observed that compliance appears to have been achieved at minimal cost to retailers. Low cost venetian blinds and curtains are being used although cabinets and drawers are also used in some establishments. Since many retailers were well aware of the legislation even before it was proclaimed, some even made changes before proclamation.

Tobacco Enforcement Officers also report that no stores have closed and no staff have been laid off.

SASKATCHEWAN PHARMACEUTICAL ASSOCIATION AGREES COMPLIANCE IS HIGH

Ray Joubert, spokesperson with the *Saskatchewan Pharmaceutical Association*, reports that although there may have been a few transitional issues, implementation of the ban on tobacco product advertising to children has gone "smoothly". He says "*Compliance is high. There have been no significant problems or failures, economically or otherwise.*" He has not heard of any negative outcomes such as businesses closing or staff being let go. He is cautious about reported results of a C.F.I.B. (Canadian Federation of Independent Businesses) "survey" which he believes was likely a polling of retailers rather than a controlled study. The *Saskatchewan Pharmaceutical Association* represents over 350 retail outlets.

THIRTY-THREE HEALTH DISTRICTS SUPPORT 'POWER WALL' BAN

Saskatchewan's 33 Health Districts have signed on in their support for all parts of Saskatchewan's *Tobacco Control Act* including the ban of tobacco product displays. They have also indicated that they support the decision to defend the Act against the challenge by the tobacco industry.

SASKATCHEWAN RESIDENTS POSITIVE ABOUT NOT ADVERTISING TO CHILDREN

Saskatchewan people have been very positive about not allowing the tobacco industry to advertise tobacco products on a daily basis to children and youth. Part of this is the increasing historical recognition of what the tobacco industry is doing.
Because hundreds of thousands of Canadian smokers quit annually and over 45,000 die from tobacco industry products, the industry must make up these losses by acquiring new smokers. Children are the only new source of tobacco industry customers, since very few people begin smoking after the age of 18. Although the addictive nature of tobacco is known, it is less appreciated that "*early addiction is the chief mechanism for renewing the pool of smokers*".[2]

The average age of a new smoker in Saskatchewan is 13 years. Children become addicted quickly to tobacco and approximately half of these die prematurely because of it.

Here are some comments about this part of the legislation from people around the province:

Stuart North, Prince Albert, Saskatchewan

Tobacco retailers in Prince Albert have accepted the ban on tobacco display walls quite willingly. There have not been any irate letters to the editor from retailers predicting that they will soon be bankrupt as a result of a decline in tobacco sales. The restrictions have been accepted and business is carried on as normal. It is pleasant to be able to walk into a self-service gas station to pay for your gas and not be confronted by stacks of cigarette packages.

Marian McKenzie, Saskatoon, Saskatchewan

The clerks I saw were not complaining at all about this - and I dealt with drug stores, grocery stores and pharmacies. They didn't seem to have a problem.

Joan Riemer, Regina, Saskatchewan

Getting rid of "power walls" of tobacco advertising to children and youth has been very effective. Children no longer have to make their way past displays of tobacco every time they go to a store to buy gum or candy.

Dave Guthrie, Moose Jaw, Saskatchewan

I think it's a positive thing. I haven't heard anybody saying anything negative. It's more positive – that someone is taking a positive step.

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[2] U.S. Department of Health and Human Services. *Preventing Tobacco Use Among Young People: A Report of the Surgeon General, 1994.*

Dr. Maurice Hennink, Regina, Saskatchewan

I went for a walk today and popped in at a bookshop to buy a paper. Saw the "hidden wall" in action and I think it works VERY well!!

Donna Wolfe, Weyburn, Saskatchewan

I heard a smoker who was trying to quit say that it was so much easier to go into a service station. You don't see cigarettes and want to buy them.

Ashley Charles, La Ronge, Saskatchewan

Everyone I talked to thinks it's a great idea.

Sandra Favel-Rewerts, North Battleford, Saskatchewan

I used to see the cigarettes before. But lately I haven't noticed them. I haven't heard anything negative.

TOBACCO INDUSTRY OPPOSITION

Over the last two years, the tobacco industry fought many parts of Saskatchewan's proposed legislation. The industry hired a paid lobbyist to lobby Members of the Legislative Assembly in order to weaken the proposed legislation.

In addition, a *Saskatchewan Committee for Responsible Tobacco Retailing* appeared and, while proclaiming themselves to be poor retailers, mounted a $10,000 fax campaign to retailers urging them to oppose the legislation by calling their Member of the Legislative Assembly. The Committee provided Saskatchewan retailers with a great deal of misinformation, some of it similar to what we have heard is being said in Manitoba.

Suspicions of links between the retail committee and the tobacco industry were confirmed when a spokesperson for the above *Committee* admitted to the government it was a sub-committee of the *Canadian Coalition for Responsible Tobacco Retailing*, a tobacco industry coalition described on the industry's website.

In addition, the ad agency hired by the *Committee* is the same agency later hired by the tobacco industry to replace the above lobbyist and to represent Big Tobacco's interests in Saskatchewan.

Following in italics is some of the misinformation supplied to Saskatchewan retailers by the tobacco industry committee along with our comments:

- *"Banning tobacco product displays won't affect youth smoking."* - There is a mountain of evidence that tobacco advertising and promotion increase tobacco use. Tobacco product displays are extremely effective advertising tools because they

effectively reach everyone including children and youth, the industry's new customers. If such advertising did not work, the tobacco industry wouldn't spend millions of dollars on it.

- *"Youth possession laws should be introduced instead"* - Not one of the world's most respected tobacco control organizations – including the World Health Organization, the U.S. Surgeon General and the U.S. Center for Disease Control and Prevention – support this measure. The measure draws attention away from the industry's predatory practices and puts the focus on the victim.
- *"The legislation will cause undue economic hardship"* – As previously mentioned, Saskatchewan businesses have not suffered. In fact, a full page advertisement in the Regina Leader Post, July 23, 2002, proclaimed that "*Regina's job market is booming*" and under the title "National Job Statistics" it states – "*Good News for Saskatchewan*".

The only business that will suffer is the tobacco industry.

CONCLUSION

The banning of tobacco product displays has been well accepted by people in Saskatchewan and retailer acceptance and compliance are good.

Presented at the Ontario Tobacco Control Conference

Remarks by
George Smitherman
Minister Of Health and Long-Term Care

May 5, 2004

Check against delivery

Ladies and Gentlemen.

It's a pleasure for me to be here. Thank you for inviting me.

It's also a pleasure for me to be addressing you at this very important time. It's an important time in the history of our battle - a battle which, sadly, is still being waged.

The battle is still being fought, even though the evidence is clear.

Even though the facts are beyond dispute. Even though physicians and scientists in this country and throughout the world have set the record straight. Even though courts, and lawmakers have spoken in crystal-clear terms. Even though ordinary people in every part of the world are turning their backs on tobacco, denouncing it, struggling to recover from the harm it has done to them.

Despite all of this, the battle continues. And it is about to be joined.

I occasionally like to quote Winston Churchill - which is perhaps a little bit awkward on this occasion as he one of history's most famous cigar smokers. I always assume he didn't inhale! Churchill once said : "Now is not the end. It is not even the beginning of the end. But it is, perhaps, the end of the beginning."

Churchill was speaking at the Lord Mayor's Day Luncheon in London on November 10th, 1942.

In the preceding months, World War II had taken a very different complexion. Momentum slowly began to shift; enemies no longer seemed as strong; a new sense of confidence was slowly starting to emerge among the populace.

Churchill sensed these changes. And he did everything in his power to fuel them. He seemed to recognize that a critical point had been reached, and that the events at hand could well determine how the war would unfold. He turned out to be correct.

That's the way I feel about our battle. In the past few years, things have turned. The momentum has shifted. We've always occupied the moral high ground. Now we also occupy the strategic high ground.

In that same speech in November of 1942, Churchill also said that in every war, Britain always wins at least one battle - the last one.
Ladies and gentlemen, our battle is a battle I want to win. It's a battle we have to win.

I'd like to use my remarks today to tell you about how I see this battle shaping up. About the issues at stake. About the array of strategic weaponry at our disposal. And about how I, and the government in which I serve, intend not only to participate but to lead.

I've got a reputation as a bit of a scrapper - at least that's what I hear from time to time. And I suppose there may be some truth to that. In the gay hockey league in which I play, I was the recipient of the Tonya Harding Award -- and I'm actually kind of proud of that!

When pushed, I don't mind pushing back, whether it's on or off the ice.

In the battle against tobacco, it's time to push back. And I'm here today to tell you that I'm going to put all the energy, creativity, and leadership I have into this battle. Not just because I want to win, but because *we have* to win. People's lives are at stake.
During the last election campaign, my leader, Dalton McGuinty presented Ontarians with a very clear platform. And the people of this province have now entrusted us with the responsibility of living up to those commitments.

Let me tell you what he said during last fall's election campaign..

On page 19 of our party's Health Care Platform, Dalton McGuinty promised that a Liberal government would address "the number one killer in Ontario with an aggressive plan to reduce smoking."

That's a direct quote. And he promised direct action to back it up.

Direct action consisting of the following :

1. real prevention,
2. tougher controls including a ban on countertop and behind-the-counter retail displays,
3. better access to smoking cessation medications to help smokers quit,
4. a peer-to-peer anti-smoking campaign by and for youth,
5. and a commitment to make all public and work places 100% smoke free within three years.

To anyone who pretends to be surprised by what we're doing, I'd encourage them to look at the Platform document I'm reading from.

Take a look at the commitments we made to people last fall. We were very clear about what we intended to do. And in case anyone missed it, we said it again in the Throne Speech.

Dalton McGuinty is, above all, a man of his word; his fundamental decency is his underpinning. We will keep these commitments. People's lives are at stake.

We've set the bar high.

Commitment number five - making all public and work places smoke free - is something many would shy away from. We're not. In the battle against tobacco, Ontario will lead the way!

We intend to transform this province, and we intend to be leaders - trailblazers - that the rest of the country can look to. When it comes to the battle against smoking, Ontario will set the pace.

I remember presenting these commitments to voters in my riding of Toronto Centre-Rosedale, and seeing the enthusiastic reaction they received. At the time, it never occurred to me that I'd be the one helping to make them happen.

I can't imagine a more exciting, or a more important, challenge.

Before I go into a bit more detail about what we're doing, let me take a moment to answer the bigger question: why are we doing it?

The answer is clear. I'm not going to read you a list of tobacco statistics. This is one audience that certainly doesn't need that.

Instead, let me tell you about how our anti-smoking initiative fits into a broader health and wellness campaign which is central to what I'm trying to achieve as Health Minister.

My fundamental message to Ontarians is that we have to take more personal responsibility for our own health. One of the challenges I face - we all face - is that a lot of us take 'health' for granted.
We take hospitals for granted. And we take our own health for granted. This has to change.

When I talk about personal responsibility, I mean that we all have to take responsibility - as professionals, as parents, as teachers, as employers, as legislators. We need to change policy so that the healthy choices become the easy choices.

Good health isn't something you can pick off the shelf at a hospital. And you can't just "fill up your tank" when you visit your doctor.

The bottom line is that people have to change their attitudes toward health.

And, yes, the health care system needs to change.

A lesson I've learned very clearly over the past six months is that, in this province we don't really have a 'health care system'. We have a 'sick care' system. We have to provide true 'health care'.

As I said a moment ago, we need to take more personal responsibility for our own health. We have to find a way to get people thinking about their own health and wellness before they're diagnosed with high blood pressure. Before they have a cancer scare. Before they realize that walking up a flight of stairs takes the wind out of them.

People have to take steps to improve their diet. We have to take vigorous steps to combat childhood obesity. We have to give people the information, the support, and the incentives they need to make the right choices.

We can't do it for them - but we can certainly make it easier for them.

And we have to protect people from second-hand smoke. And prevent others from starting to smoke. And help those who do smoke to quit.

I know how tough quitting can be, not from first-hand experience thankfully, but from watching others. I also know it can be done. A close colleague and good friend of mine, our province's Finance Minister Greg Sorbara, used to smoke a lot. He would take great offence at the term "chain smoker," so let me just say that he was a very heavy smoker.

If Greg Sorbara was ever late for a Cabinet meeting we all knew where to find him : huddled in the doorway outside the east doors of Queen's Park, furiously puffing away on a cigarette.

But he quit. In fact, he wrote a lengthy piece for the Globe and Mail recently explaining why he quit and urging other to do the same. I'm proud of Greg, and I applaud his act of personal leadership.

Greg Sorbara's reasons for quitting were similar to most people's. But, as Finance Minister, he also has some unique insight into the costs of smoking. Let me share some numbers with you.

The chronic health problems directly resulting from smoking are a huge drain on our health care system and on our economy.

At least 5% of Ontario's health care costs are directly related to harm caused by smoking. That's 5% of around $30 billion! And that's not including expenditures borne by private drug plans, disability insurers, and the money people pay out of their own pockets.

Tobacco kills more people in one day than died during the entire SARS epidemic.
And the broader costs to the economy are equally frightening. Tobacco costs our economy more that $2.6 billion annually in productivity losses.

But the real cost of tobacco cannot be measured in dollars and cents -- but in lives lost and families shattered.

Our battle against tobacco will be fought on three fronts.

First, we're going to prevent young people from taking up smoking.

We're going to do this by making cigarettes more expensive and harder to purchase. In fact, we've already increased taxes on cigarettes by $2.50 a carton.

We're going to do it by bringing in tough controls on tobacco advertising, especially where kids can see it. The reality is that tobacco companies do target their ads at kids - just pick up a copy of any teen magazine on the news stand and look at the cigarette ads.

Here's a magazine I picked up in an airport in the U.S. last weekend. Judging by the cover, it's not aimed at middle aged guys like me! And here's who advertises in this magazine.

I realize that here in Canada we've taken steps to ban this kind of advertising. But it continues to spill across our border.

We're also going to 'educate' kids. I know that sounds ambitious, so let me tell you a little bit more about what we're planning.

Kids are a tough audience. As someone who does a lot of public speaking, I know that! But there are ways to speak to kids that are convincing and compelling -- advertisers have been doing it for years. Advertisers including the tobacco industry!

A crucial and central part of our campaign will be peer-to-peer communication. We'll let young people tell their own story -- and we will fund them and encourage them. We will unleash their creative talent and their enormous capacity!

Kids are on the right side of this issue! We need to see them as key allies, not just an audience. It's time to stop talking at them, and let them do the talking.

Some of you may be familiar with 'Smokescreen,' a Health Canada campaign launched by the Access to Media Education Society to raise awareness about the high smoking rate among preteen and teenage girls in Canada. I'd like to tell you a little more about it - this is a story we can all learn from.

According to the 2000-2001 Canadian Community Health Survey by Statistics Canada, 15- to 17-year-old girls are more likely to start smoking than boys of the same age.

This program, Smokescreen, paid for 24 teenage girls in B.C. and the Yukon to attend a 10-day filmmaking course, then allowed them to create anti-smoking ads aimed at underage girls. Ads by young girls, for young girls.

And ten of the ads these girls produced are now airing on TV.

Astonishingly, the CBC has refused to play one of the ads, an ad entitled *Agent Tobacco*. It's an ad that takes aim at the marketing practices of the tobacco industry, specifically their predatory interest in young people. Shockingly, the CBC decided to pull the ad because apparently they weren't convinced that the tobacco industry targets underage youth!

Let me be very clear : we are going to shine a bright light on the marketing practices of the tobacco industry. We're going to expose what they do, and we're going to educate kids about what they do.

And if dedicated, bright, creative kids can help us to deliver this message, I will make sure that their message gets out - with or without the CBC's help!

Another part of our prevention strategy is to make it harder for the tobacco companies to find clever ways to subvert the advertising ban. If any you have been to the Air Canada Centre in the past few months, you couldn't miss the tobacco display.

Another battlefield is the courtroom. And, together with the Attorney General Michael Bryant, you're going to see us moving confidently on this front as well.

Prevention is goal Number One. Number Two is Protection; specifically protecting those who don't smoke from the dangers of tobacco.

Our smoking ban in public and work places is a big part of this protection effort.

During the Legislature's fall session, I will be introducing legislation to bring this smoking ban into effect.

I can tell you this : ours will be one of the toughest and most comprehensive smoking bans in the world. And my world includes California, Ireland, New York City, Massachusetts, and Florida.

In case you're wondering, yes, we fully expect a spirited counter-offensive including legal challenges.
The goal of the tobacco industry is to prevent legislation, and when that fails their goal is to delay it, and to water it down.

We're prepared for that.

That's why we're drafting this bill very carefully and methodically. And if our opponents want yet another long, expensive legal battle they'll get one.

The reality is that smoke-free spaces are healthier spaces.

Last weekend, the Sunday New York Times ran a story about the air quality in bars and restaurants a year after the city's smoking ban came into effect. In a sampling of Manhattan taverns the average concentration of tiny particles, soot, was 25 micorgrams per cubic meter of air.
In cities like Philadelphia and Baltimore, where smoking is still allowed, the average particulate concentration was almost 300 - more than ten times higher! And late at night, the levels in smoking bars would rise bars, often topping 400, 600, and in one case 1,000.

As all of you know, the battle against second-hand smoke has, thus far, been fought primarily by municipalities. And they've done terrific work. In fact, over 80% of Ontario is now covered by some form of smoking bans.

Many of you here in this audience have been on the front lines of these battles. If I had medal to give out, you'd be receiving a lot of them! It's time to build on these successes. It's time for Ontario to join your battle. As I said at the outset, it's time for Ontario to lead!

We will create uniformity across all municipalities. The days of tobacco companies, and their front groups, playing municipalities off against one another will come to an end.

We also intend to launch a dramatic education campaign about the dangers of second-hand smoke and the vital importance of our smoking ban. This message has been delivered with great effectiveness and success by many of our partners - by many of you.

It's time to deliver it with greater consistency and co-ordination.

First : Prevention. Second : Protection.

Third, we're going to help people quit.

Within only a few hours of quitting, your risk of having a stroke drops by about 40%. After one day, your risk of a heart attack begins to decrease.

So we're going to launch a comprehensive program to help smokers quit. For those who need medical help, we're going to make it easier to obtain. We'll offer self-help programs for those who want to go it alone. And we'll use the media to help encourage those whose determination may occasionally fail.

These are our three goals :

- prevention,
- protection and
- cessation.

And we will pursue them with every means at our disposal, including innovative and effective new programs, litigation, and changes to our economic and tax policies, and legislation.

Let me tell you a little bit about our timelines.

We will be introducing legislation this coming fall. And over the course of the next three years, the various components will come into force. We committed to making all public and work place smoke-free within three years. I'd like to beat that target!

Another important part of every battle is knowing your opponent.

Let me take a moment to talk about "Big Tobacco" as I like to call them. Some of you may have noticed that they're not represented here in this room. They wanted to be here. But when I saw that they were scheduled to be part of this Conference, I contacted the organizers and asked that they be un-invited.

Although they're not in the room, I know they're listening.

Here's what we can expect from 'Big Tobacco' in the months ahead. They will resist these changes. They'll fight back. They'll throw obstacles in our path. And they'll mobilize restaurant and bar owners.

They'll recruit high-priced lobbyists and lawyers, and launch legal challenges and Charter challenges.

The reason the tobacco industry is fighting so ferociously is because the stakes are high. They sell a product which is cheap to produce, addictive, and generates fantastic brand loyalty. And the profits are staggering. No wonder they're fighting.

That's what this battle is really about for them: profits. Profits on the backs of people who are crippled and killed by what they sell them.

Ladies and gentlemen, I've been through these fights before. And I'm ready for them.

And I'm extremely proud to, once again, draw attention to the person who will be at my side during the upcoming battle: Ontario's new Medical Officer of Health, Dr. Sheela Basrur. Sheela couldn't be here today. But I can guarantee that we'll be seeing a lot of her in the coming months.

She's been through these battles before. She's a leader. The public trusts her. And "Big Tobacco" fears her. She someone I want on my side - and I'm very proud that she's agreed to work with us on this cause.

Let me take a moment to recognize a few other groups and individuals in the audience who are central to this effort.

Gar Mahood and the Non-Smokers' Rights Association. Michael Perley and the Ontario Campaign for Action on Tobacco. The 'Big 3' : The Canadian Cancer Society, Heart and Stroke Foundation, and Lung Association. The Ontario Medical Association, with whom I always see eye-to-eye on the issues that matter most! And finally, the many public health officials from across this province.

This is one heck of a team we have!

As with many changes, a big part of the challenge is changing the way people think.

Right now, we live in society where popular culture still glamourizes smoking. It's still seen as rebellious, sexy, exotic. That's tough to change - but we have to.

Our challenge is to change the way people think about tobacco use. We have to 'denormalize' it. We also have to change the way people view tobacco. It's a hazardous product; we have to get that message out there.

These kinds of changes aren't easy to bring about. But it can be done.

A generation ago, when we set out to raise awareness of environmental concerns and to promote recycling, we started with kids. And kids, in turn, helped to bring their parents on side. Today, most people instinctively toss a newspaper into their Blue Box, not the garbage can.

And an increased sensitivity to environmental concerns has influenced everything from fast-food packaging to the kind of paint we choose for our walls.

I'm an idealist, but I truly believe that people can change. And I believe that our society can change. And this is a change I want to help bring about.

In many ways, the coming anti-tobacco effort will be one of this government's central challenges. It's certainly one of the issues which will define my term as Health Minister.

I look forward to being judged on how I perform on this file.

My friends, the tobacco industry says they sell a legal product. But it's a product which kills people when used exactly as the manufacturer intends it to be used.

It's a product that kills half of its long term users.

I'm not exactly sure how we've ended up where we are today, but this I know : if there were any other product out there which leaves this kind of trail of death and destruction, we would have banished it a long, long time ago.

It's time we did the right thing. And I'm proud to do my part.

Let the battle begin!

FOR MORE INFORMATION

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MEETING STATUS: PUBLIC

LEGISLATIVE ASSEMBLY

PRINCE EDWARD ISLAND

SESSION: 1/62
Motion No: 19 & 24
Year: 2004

VERBATIM TRANSCRIPT OF
HOUSE COMMITTEE PROCEEDINGS

COMMITTEE: STANDING COMMITTEE ON SOCIAL DEVELOPMENT

Thursday, March 11, 2004

SUBJECT(S) BEFORE THE COMMITTEE:

Bill No. 28 - *An Act to Amend the Holland College Act* and
Motion No. 24 re Retail Sale of Tobacco Products

NOTE:

This Transcription has **NOT** been edited nor subsequently compared with the original tape. It is intended to provide an indication of Committee discussion only and is **NOT** certified by the Legislative Assembly to be a true copy of the discussion.

COMMITTEE MEMBERS PRESENT:

Wayne Collins, Chair
Dr. David McKenna
Hon. Elmer MacFadyen
Wes MacAleer replacing Hon. Kevin MacAdam
Jim Bagnall replacing Beth MacKenzie
Hon. Robert Ghiz
Richard Brown replacing Carolyn Bertram

ABSENT: Wilbur MacDonald

STAFF: Marian Johnston, Committee Clerk

STANDING COMMITTEE ON SOCIAL DEVELOPMENT
Thursday, March 11, 2004
2:00 p.m.

Part I - Imperial Tobacco: Pierre Fortier
Part II - Canadian Cancer Society: Rob Cunningham
Part III - Operation ID School Zone: Ann Viau, Hélène Ouellet
Boys and Girls Clubs PEI: Lorraine Robinson
Summerside Western Capitals & Roberts Petro-Canada, Kensington: George Roberts
Charlottetown Police Department: Constable Gary Clow
Part IV - Medical Society of Prince Edward Island: Drs. Heather Morrison, Kathryn Bigsby
Part V - National Convenience Store Distributors Association: Tom DeBlois
Part VI - Heart and Stroke Foundation of Prince Edward Island: Barb Stevenson

Tape No. 2

Part I - Imperial Tobacco: Pierre Fortier

Wayne Collins (PC)Chair: If I might have your attention please. Want to welcome committee members, members of the general public, members of the media, special guest and presenters to this meeting of the Standing Committee on Social Development looking at and considering retail sales of tobacco products on Prince Edward Island. We have I think at least six groups of presentations today. And we want to welcome everyone here both from across Prince Edward Island and from points afar. I do want to first of all say that, as I say the baseball field, now batting and substituting for a short stop, et cetera. We have MLA Wes MacAleer is with us today, MLA Richard Brown and MLA Jim Bagnall. Thank you all for your participation here today.

Now the first item is of course the approval of the agenda. Is there a motion for such?

Hon. Elmer MacFadyen (PC): So moved.

Wayne Collins (PC) Chair: So moved by Minister MacFadyen that we accept the agenda. All those in favour say 'yea'.

Some Committee Members: Yea.

Wayne Collins (PC)Chair: Contrary nay. Agenda accepted.

Richard Brown(L): We have no motions today, Mr. Chairman.

Wayne Collins (PC)Chair: We're delighted to hear you say that, Mr. Brown. (Laughter) Your attention please Committee Members. Our first presentation today, I want to welcome to the table Mr. Pierre Fortier. Mr. Fortier is the vice-president of corporate affairs of Imperial Tobacco. Mr. Fortier, is Pénéla Guy going to to also be with you at the table, your assistant?

Pierre Fortier: She's right behind me.

Wayne Collins (PC) Chair: She's there. Very well. Welcome to Prince Edward Island both of you. It's a pleasure to see you here today. We look forward to your presentation. So without further adieu, Mr. Fortier, the floor is yours, sir.

Pierre Fortier: Thank you, Mr. Chairman. Rather than give you a formal presentation, I've scribbled some points that I would like to share with you. I don't propose to be too long and we'd certainly invite some questions that you may have and hopefully I'll be able to answer them.

The first thing I sort of want to make clear is that Imperial Tobacco recognizes the health risks as regards tobacco. As a matter of fact that is probably the upper most on most Canadians minds when we do our research, the health issue is always number one. The second thing of course that is important to Canadians is sales to under age persons. We are categorical in our statement that we do not market, we do not seek out, we do nothing in terms of trying to encourage young people to smoke. As a matter of fact, it's the contrary. We spend a considerable amount of time and money and effort to discourage the under age smoking.

The third thing I wanted to say on this first point or the third observation is that at the end of the day, and thank you for taking the time to listen to our intervention, at the end of the day, the industry will co-operate with the government whatever its decisions. There is no . . . I don't think it's in anyone's interest to be contradictory in where a government wants to go. That is the purview of the elected and it is wise in my view when it hears all sides before making the decision.

Can I turn for a moment just to the state of the market. When I joined Imperial Tobacco five and a half years ago in 1998, the industry in Canada sold about 55 billion sticks. Five years later, the end of 2003, we were down to 38 billion sticks. Now that has been the decrease, that decrease has been caused for a number of reasons. First of all, people have stopped smoking. Secondly, the usage per day has gone down significantly from about 20 cigarettes to a little over 16 cigarettes per day. The habits have changed because of the many regulations in the cities and towns of smoking in public places and in governments and offices and public buildings. So the whole culture of smoking has been influenced accordingly.

The high taxation of the product, however, has triggered a number of things. One, unlike the early 90's where there was an awful lot of contraband going sort of across the St. Lawrence River as a result of the high taxation. We see a new beast, a couple of new beasts now, as we call them sharks in the tank. One of course, in addition to contraband which has not ceased, the two others that have really surfaced and taken hold are sales of the product over the internet. You merely have to go to Google on the website and there are hundreds and hundreds of places that you can go to to buy your products.

Of course the third thing is the counterfeit. Imperial Tobacco has been the one that was hardest hit with the counterfeit of our major trade marks. The products are being manufactured in China and they come into Canada and are sold through an underground network or an underworld network that started in British Columbia and is well now in ensconced in Ontario. The perfection with which these products are manufactured would beat the naked eye ten times out of ten. The only difference of course is the quality of the product itself. I think that there is a consequence to that, is that you find that the government's are now having to deal with two different kinds of sales, the regulated sales that we as manufactures have to abide by, both provincially and federally with all the quality control checks that are adherent there to and then of course the unregulated products that come in for which there is no taxation. There is absolutely no way of controlling the quality of the product. Of course the network that occurs with counterfeit products and products that are of contraband or smuggled nature, have got their own world.

Now I don't pretend to know what the situation is in Prince Edward Island but we know that elsewhere, especially around the school yard, there are built in networks for the distribution of every kind of drug you can imagine. Given that tobacco has become so expensive to buy and for those who decide to buy it, basically they're going through those networks. As I used to say about the contraband, when they're bringing aliens and guns and drugs across the border, putting a package of cigarettes in their breast pocket is no big deal. The lines are set up, the networks are organized and it's just another way of distributing the product in an unregulated way.

The third point I wanted to discuss with you is this. The question of banning the product at retail or what we call the dark market at retail as they pursuit with Bill 56 in Saskatchewan, which is to hide the product from the consumer by putting up a curtain or by asking the consumer to put it under the counter so that individuals could not see it. The length of time that Bill 56 was in place in Saskatchewan created more inconvenience than anything else. It created inconvenience for the retailer and it's not sort of to be underestimated or treated lightly. There is a whole question of inventory control when you're at retail and there is a whole question of moving the customers in and out. When the customer comes in and cannot see his product or her product it becomes a delay matter and of course it's a frustration for the customer because there are over 400 different products out there in the market place.

Now with a new phenomenon called the low cost alterative or the cheaper cigarettes, there was absolutely no way of knowing what you were buying. You had to go almost by word of mouth. But the irony at the end of the day is that there was no decline in sales beyond the normal decline that we have seen in the past six years. There was no drop in the volume of sales in Saskatchewan.

The other thing too and I don't want to be argumentative with this because I know everyone has a different point of view but I personally am a firm believer that when people decide to go to a convenience store they've already made up their mind what they want to buy. True, when they walk in they may remember to buy the quart of milk and the loaf of bread that they're short of but this whole issue of impulse buying at a convenience store is a little counter intuitive. Even more so to make a lifestyle change, that someone would walk into a convenience store and see cigarettes on the wall and decide to change ones way of living by deciding to smoke really does stretch the imagination, I would submit. Just by way of illustration, in Quebec for instance, as you know wine and beer is sold in the grocery store. Well the young people in Quebec do not drink any more or less than young people across the country. I mean it's just a different culture, it's available but it doesn't mean that ones lifestyle changes just because some commodity is in the store and is visible.

I think what we are coming more and more to believing is that the issue of under a smoking (indistinct) lies elsewhere. It is the whole question of what is it that makes some young people averse to risk and other people prone. You see it all around you. There are young people who get themselves involved in what you would call hazardous situations, whether it's unsafe sex or whether it's drugs or whether it's binge drinking and yet others don't. Finding the root cause of that is not that easy because if the silver bullet had been discovered then the educational system would probably have taken over a while ago to try to influence those changes for the better. I submit that the smoking issue falls in the same category. It is part of that conglomerate of things that young people will do or will not do and are not directly or indirectly related to the fact that they happen to be on the shelf in a retail store.

The, sort of what I call the cheap argument, and I put it that way because it's one that I'm sure you've heard before, for one to believe that young people would not buy cigarettes or fewer would buy cigarettes because they weren't at a retail store, sort of contradicts the notion that we all know because we all grew up finding that case of beer when we were 15 or 16 years old. I mean it's been in the beer store as far as I can remember. I mean in the old days you had to fill out a list, you couldn't see the bottles they were behind at the back. The fact of the matter is we never had any problem finding beer. Now maybe I'm an exception, but I don't think so. I think we all went through that and I think if some kids want to find something to enjoy themselves with, and I'm not trying to be light with the issue of tobacco, I'm trying to suggest to you that it's relationship to the fact that it's at retail as opposed to being sold at a beer store or a liquor store or an adult only store, will not have the significant impact that one would suggest early on.

The last point that I wanted to make was that if at the end of the day you decide that that's what you want to do, that in addition to removing it from pharmacies that you want to remove it from retail, I would submit that it is a dramatic shift. It is a dramatic shift for a number of reasons. It does implicate a number of groups in what we call the supply chain, the wholesalers of course but to in a minimal way, but the retailers, the retailers will be hit hard. There are probably between 50 and 60,000 retailers in this country and I'm not talking about Max or the chains or the gas bars, I'm talking about the corner store. Basically they rely on that for their livelihood. This is the difference between making a profit and not making a profit.

You know, since I've been with Imperial Tobacco we've had I don't' know, I bet you we've had 20 or 25 discussions with the marketing group talking about what's the way of the future. Maybe the way of the future is the beer store idea or the adult only store. But you know, we get stopped in our tracks every time because we start trying to figure out, how could we ever sit down with governments and rationalize something over a transition period so that the people who rely on this product which has now become a gold nugget, I mean it's the most expensive commodity in that person's store. I mean it's only tobacco rolled in paper but it costs a mint and it's created because of the high taxation. I don't know what the situation is on the Island but it's created arm robberies, it's created assaults, stores are having trouble getting re-insured because of the break-ins and those who want to get reinsured have to buy expensive monitoring equipment. All of that is implicated.

All I'm saying is when you think of changing how you sell the product we're fine with that. But you've got to take everything into consideration. There has got to be a transition period so that the retailer

learns over a period of three to five years to wean himself or herself off of that commodity as a means of earning a living. It also means educating the consumer that is going to be more as it is with some other regulated products like beer or spirits. It means getting involved with governments for contractual relationships because if you're going to go, I don't know if it's like this in PEI, but the beer and liquor is controlled by the government. So if you're going to get involved with the government then you're into contractual relationships. Well that has all kinds of implications.

So these are sort of, these are the things we've been thinking about Mr. Collins and gentlemen. As I started to say, to conclude my remarks, it's basically to say look, if that's the path that you want to go down, then as in....I can't speak for the whole industry but I can speak for Imperial Tobacco. We'll do whatever we can to accommodate you but it can't be done arbitrarily over night. I mean it will just be murder. I mean these things have to be thought through. What if you decided that from now on you were going to sell beer and wine in the grocery stores. I mean what kind of implications would that have for you politically? So I'm not saying it's going to be the same implication but just a logistical implication, just the whole economic implication is substantial.

So that concludes my remarks and thank you for giving me the time and any questions you have I'd be pleased to answer.

Wayne Collins (PC)Chair: Thank you very much, Mr. Fortier and indeed I'm sure our committee members do have some questions for you. But before we begin, I do want to remind committee members, if possible, try to restrict yourselves to a few questions. We do have a full agenda here this afternoon. If there really is an imperative follow up question we'll certainly try to get back to you with that. I have been keeping somewhat of a question list, as the members have been giving me their notice that they would like to participate in the questioning of our presenter. So I'm going to begin first with Minister MacFadyen.

Hon. Elmer MacFadyen (PC): Thank you, Mr. Chair. Thank you very much, Mr. Fortier for your presentation. I have two questions that I'd like to ask you. One, you indicated that Imperial Tobacco recognizes the health risk of tobacco which I agree with in regards to your statement. You say that the second concern that you have with the company is in regards to sales to underage. I'm wondering in regards to your stance and your position in regards to the concern and the issue that you bring forward, how does your company address this issue with underage people?

Pierre Fortier: Minister, we've done two things. First of all, we are full supporters of Operation ID and Operation ID School Zone which has taken on full flight here in Prince Edward Island to educate the retailers not to sell to underage children. The second thing that we've done and it goes back to my point of the whole youth at risk, prone or adverse. Four years ago we began a program with the Assembly of First Nations because on reserves across the country the situation was quite drastic, over 70 percent of the children aged ten up smoke and it was out of control. After a pilot project that lasted the better part of 14 months they asked us if we would broaden the ambit and we got into a series of discussions to look at the whole issue of exploring the whole risk, prone risk adverse issue and its relationship to smoking. We have put a considerable amount of money, close to $2.2 million in the past year and ten months in trying to get some answers. We hooked up with St. Thomas University in New Brunswick and also with McGill University in Montreal who would have got programs on this whole youth at risk issue and to see whether or not we can co-relate it. It's our effort right now, it's in the early stages, but that's where we are.

Hon. Elmer MacFadyen (PC): Thank you very much. In regards to the product, why is it that retail stores will buy shelf space to, why would companies buy shelf space in order to promote their product?

Pierre Fortier: Well it's the only....it is actually the last bastian of advertising. There is no advertising anywhere at all. You're left with the retail store, you're left with what they call adult only readership, that is 85 percent plus adult readership. You can put advertisements in those magazines or periodicals and you're left with what we call direct mail. That is first find the smoking customer and try to communicate with them. And the reason that's important, Minister, is that we're fighting for market ship, no different from the beer companies, no different from anybody who sells product in a competitive way. For us 1 per cent of market share is $20 million pre-tax. So that's what we're after.

Wayne Collins (PC)Chair: Mr. Bagnall, followed by Opposition Leader Ghiz.

Jim Bagnall (PC): Does your company oppose the ban of smoking in pharmacies, hospitals and athletic . . .

Pierre Fortier: The ban of smoking . . .

Jim Bagnall (PC): . . . or sales of tobacco in these facilities?

Pierre Fortier: In pharmacies?

Jim Bagnall (PC): Yes.

Pierre Fortier: No.

Jim Bagnall (PC): So you support that?

Pierre Fortier: Yes.

Jim Bagnall (PC): And also in hospitals?

Pierre Fortier: I wasn't aware that they were sold . . . that must be the little corner . . .

Jim Bagnall (PC): Could be machines too.

Pierre Fortier: Alright, okay.

Jim Bagnall (PC): And athletic facilities, like rinks or . . .

Pierre Fortier: I have no problem with it.

Jim Bagnall (PC): So you think that they should be banned from these facilities?

Pierre Fortier: What I am saying, it's not so much what I am thinking, Mr. Bagnall. What I'm saying is, that if you pass that kind of regulation, that would not be what I would call counter intuitive, that would make sense in the world that we're living in today.

Jim Bagnall (PC): But you are opposed to banning them in convenience stores and other stores?

Pierre Fortier: Well what I was saying is my position on the sale at retail was as I explained in my presentation, if you can demonstrate to me that you will get the results that you seek, that is to say you'll get fewer kids smoking and you will discourage adults from smoking if you don't sell them from retail, then by golly you go ahead and do it. I am simply suggesting that there is no evidence of that.

Jim Bagnall (PC): Okay. One other little question for you. In your remarks earlier, you mentioned to us that where stores had to take their tobacco sales off of the walls and put them underneath or put them behind curtains, that the tobacco industry didn't see a decline in the sale of tobacco.

Pierre Fortier: That's correct.

Jim Bagnall (PC): Then why would your companies go to court on that issue? I think in Saskatchewan the tobacco industry went to court and won your case at that time, I understand, but it's been appealed since I believe.

Pierre Fortier: It was won on appeal.

Jim Bagnall (PC): Yes. So why would you go, if there was no loss to sales and it didn't affect your business, why would you appeal to a court on a health issue?

Pierre Fortier: Well there are two answers to that. First of all, it is a legal product. It is governed by the Tobacco Act and federal law that does permit the sale of retail. When a provincial law passed that contradicted the federal law, Rothmans, Benson and Hedges decided that it was incorrect for the government to pass a law that forbade the sale of tobacco at retail of a legal product. So that was the first thing. The second thing is, no one knew in advance what would happen when you put the curtains up. All I was saying to you is, once we were able to track the sales after the better part of a year, we realized that they went to all this trouble to pass this law and basically they didn't get what they sought. It was just bad law.

Wayne Collins (PC)Chair: Honourable Opposition Leader Ghiz, followed by Dr. McKenna.

Hon. Robert Ghiz (L): Thank you very much. Your comments on people smoking less is true. In fact I even heard Ralph Klein is down to five smokes a day now. You mentioned that you're not against the sale of tobacco in pharmacies. That's basically the main issue that we're here to explore. I'll be

honest with you, I'm pretty much against the sale in pharmacies because you know, as one of our presenters before pointed out, you're selling the drug in the same store as you're selling the antidote. I just don't think it looks good for someone or even a child or even as a society that here we have an establishment that is out to promote health and to help people get better and at the same time we're selling them something that is proven not to be good for them.

So I am against it in the pharmacies. There are other areas where, for example convenience stores, I'm not against them selling. But pharmacies–I have that view. Do you not agree that pharmacies are a place where people generally go to buy things that make them better and yet they sell Zyban or the patch there or nicotine gum and at the same time selling tobacco. It kind of seems a little ridiculous. You see the point.

Pierre Fortier: I have no disagreement with you at all. I mean it's . . . first of all I'll agree with you if you just allow me just a small asterisk. First of all, when you look at what's going on in the world of consumerism, you get giant Loblaw stores and they've got now these complexes where you've got the pharmacy inside and you've also got the cigar store or cigarette store at another end with a separate entrance. The Loblaws outfit is trying to, you know, sort of serve an entire customer base. When we were growing up you didn't give it a second thought that you could buy a pack of smokes at a pharmacy but people have awakened to the point that you've just raised and it is counter intuitive. So I have no disagreement with what you said.

Hon. Robert Ghiz (L): Well that's good. With regards to hospitals, like Mr. Bagnall took up there, I don't think there should be any sales there but we don't even know if there is sales out of our hospital. Are they selling tobacco? We're not sure. My second question has to do with power walls. I'll be honest with you, I never even noticed the displays myself going in. Never even crossed my mind until someone actually raised it with me and I went in and I thought, geez, it is kind of attractive. I never noticed it before. But perhaps the reason why I never noticed it, and I know Mr. McKenna never noticed them either and I just want your opinion on this, is lot of presenters said to us that they're designed to attract the attention of children by being so pretty, so to speak, or so red white and blue on the wall. Would you agree, disagree or can you let us in? Are they there to help, to catch the attention of children?

Pierre Fortier: I disagree with that.

Tape No. 3

Pierre Fortier: I disagree with that 150 per cent. It's not there for that reason at all, at all, at all. There is no link to the power wall as I mentioned a moment ago to the minister, the purpose of having that, one of the last forms of advertising is we're trying to capture the heart and mind of the fellow or the lady who is smoking our competitor's product. If I can launch a new product that's got the right colour, the right price and I can locate it in the store that it is likely for that customer to see it and I steal that person away from my competitor, I've done my job. It is definitely not to go after kids.

Wayne Collins (PC)Chair: Dr. McKenna.

Dr. David McKenna (PC): Thank you, Mr. Chair. As the honourable member indicated, we both woke up with power walls just recently and I'm still infatuated with the topic. I guess my question I have for you is how much does the tobacco industry spend a year in retail displays? Do you have any numbers on that, any research on that or would you (Indistinct)

Pierre Fortier: We've got those numbers. I don't have that number off hand. I certainly--I'll undertake to have it in your hands sort of within 24 hours or by the time I get back. I just don't have that figure in my head.

Dr. David McKenna (PC): You would know how much your own company would spend a day for that.

Pierre Fortier: Oh yeah.

Dr. David McKenna (PC): Yeah, you'd know that. Could you give me a rough figure what that would be?

Pierre Fortier: We'll let you know.

Dr. David McKenna (PC): Okay, you'll--I would appreciate it if you could send that back to the committee.

Pierre Fortier: Sure.

Dr. David McKenna (PC): My other question is, what controls on displays would your company consider? Or would you consider any controls? You said that's your last bastion of advertising but could you live with some other controls, more controls?

Pierre Fortier: Well it's a tough question to answer. I mean if you're asking me, can we live with another control, yeah, we can live with another control. We get controlled every other month from some government or the federal government and we have to live with it. Is it the right thing to do? We still scratch our heads sometimes and ask ourselves, why are they doing this? What's the point? I mean is this for this greater good and we just can't correlate it. But yeah, the answer is yes.

Dr. David McKenna (PC): Thank you.

Wayne Collins (PC)Chair: Mr. Brown.

Richard Brown(L): Thank you, Mr. Chairman. Would you agree that smoking kills?

Pierre Fortier: Well jeez, will I agree that smoking kills? That's a pretty heavy statement.

Richard Brown(L): Just asking a question, sir.

Pierre Fortier: Well I'm not in a position to say right now that smoking kills anymore than–I mean, smoking is not good for your health . Smoking is addictive and smoking in some persons will cause disease. You're going the next step and saying, does smoking kill? I can't answer that. Maybe in some people it does.

Richard Brown(L): The Surgeon General of the US and I've been on the Philip Morris.com USA and Surgeon General in the US for the long term impact and effect on smoking, it was indicated that regulatory laws are the best way to go, the Surgeon General of the USA.

Pierre Fortier: Regulatory laws are the best way to go?

Richard Brown(L): To curb smoking.

Pierre Fortier: The best way to go? No I don't think they're the best way to go. I think regulation– I think that the industry is regulated, should be regulated but I still believe that education is a better tool.

Richard Brown(L): Why was the agreement between the tobacco companies and 49 states or 48 states in the US Government, what's that agreement over, between the tobacco companies and the US Government? How much do you have to pay out over the next 12 years for that agreement?

Pierre Fortier: Well this is an interesting question because you may find the answer quite surprising. The States decided to take an action against the major tobacco companies. The law in the United States says that if you loose a trial you have to post an appeal bond for the amount that you lost at trial. Now with 48 states coming after you, there is not one, never mind, there is not four, never mind one, companies that could ever find, ever afford a bond to support the amount of money that they would risk losing a trial. Not that they were guaranteed to lose a trial but they risk losing so they struck a deal. The deal was $250 billion over 25 years that they would pay to the States depending population and that kind of stuff.

Well further on in the deal it says it's not the tobacco companies that pay the money. What the States agreed to is they told the tobacco companies, you increase your price every year to your customer and that increase in price you pay us. So the tobacco companies end up paying nothing. It's the consumer that pays for it. What does that mean? It's a tax. Now if you want to extrapolate $250 billion over 25 years you look at Canada, the taxes over a year, every year it's $8 billion. You multiply that by 25, that gives you $200 billion and we're a country one tenth the size. That's what you're getting in taxation and that's what they pay through the master settlement agreement in the United States.

Richard Brown(L): Well I could argue with you on that. We're getting lots of taxation, but the reason we have all these big hospitals and the cost of medicare in Canada is spiraling right out of control. It's because of your products, because people are being sent to the hospital because of your products.

Pierre Fortier: You're saying that the cost of health care is increasing because of tobacco?

Richard Brown(L): A lot of it. Do you have evidence the other way?

Pierre Fortier: No, but I don't think you have evidence for, I would say with respect, Mr. Brown.

Richard Brown(L): Well I think we'll have some evidence later on in the discussion here. Would your company be willing or--one other, two other questions. Sales of smokes over the internet. What is the volume?

Pierre Fortier: Oh boy. It's considerable. I know that it is so invasive right now that the State of California is trying to figure out a way of having a federal law passed to oblige the seller over the internet to pay the tax that he or it would otherwise pay in California but they can't get that law to the ground. So as a result, if the internet site is in Kentucky at 25 cents a pack, the person in California is buying it over the internet, tax fully paid Kentucky price.

Richard Brown(L): So you would agree that in Canada here we should promote a law that bans the sale of smokes over the internet?

Pierre Fortier: Mr. Brown, if you got that done you'd have my undying support for years. I'm not saying I'd vote Liberal but I'd certainly give you my first (Indistinct).

Richard Brown(L): Just one more question. If the province sets up some sort of program for nicotine patches and stuff like that, would your company be willing to subsidize these programs, if you believe in reducing cigarettes and the sale of cigarettes? Will you be a part of the solution?

Pierre Fortier: Absolutely.

Richard Brown(L): Your company will be willing to--if this province through its budgetary process comes up with a mechanism to subsidize and to assist people to reduce smoking in the terms of giving them patches and other items, I don't smoke so I don't know what other items there would be, your company would be willing to help out in that endeavour?

Pierre Fortier: Whatever I could do to help. I certainly would encourage my colleagues of the company they know. I'm not certain, I'm not too sure subsidizing--I'm sure Pfizer would be delighted if I subsidized the sale of their patch here in PEI. I think there probably is another solution.

Richard Brown(L): Just one other question. Does your company have any interest in any retail outlets?

Pierre Fortier: No.

Richard Brown(L): Your company has no subsidiary, nothing in that line?

Pierre Fortier: No.

Wayne Collins (PC)Chair: Alright, Minister MacFadyen and then Mr. Bagnall, a brief question please.

Hon. Elmer MacFadyen (PC): Just wondering, you mentioned one of the beasts being a contraband product. Is there a dollar value in regards to that?

Pierre Fortier: Oh boy. That is so hard to capture, Minister. It. . .

Hon. Elmer MacFadyen (PC): How would it be in relation to the internet versus contraband?

Pierre Fortier: I would say that the combination of internet, contraband and counterfeit would account to between 10 and 12 per cent total sales across the country. Just by way of an illustration, there are 11,000 container ships that land on the Pacific and Atlantic coasts every year. It only takes six container ships full to capture all of the cigarettes smoked in Canada in one year. So the counterfeit coming in anyone of those ships, the RCMP, what they catch is about 6 per cent of the total value and they're the ones who are telling us what they estimate is being sold in this country right now.

Wayne Collins (PC)Chair: Mr. Bagnall and then Opposition Leader Ghiz.

Jim Bagnall (PC): I just want to go back to a comment you had on power walls a few minutes ago. I kind of disagree with your comment you made that it doesn't have an impact on children and it doesn't have an impact on history. I'll tell you, as a previous store owner and a power wall

display that I did carry in my business at that time, thankful to you people for the nice generous donations I used to get.

Richard Brown(L): Did he vote right?

Jim Bagnall (PC): Oh I think so, probably. But anyway, the biggest part of the power was, it's not advertising, it's to impulse buying is what the power wall is there for. The more impulse and the more product you put on that in front of everybody's face and if you notice that every power wall is at the check out. You go into a business you will find a power wall at no place but the check out.

Pierre Fortier: Because it's the law.

Jim Bagnall (PC): Okay. No, it isn't the law. I can put a power wall anywhere.

Pierre Fortier: I'm very sorry sir, you cannot. This is the one product that you can not go and pick off the shelf and go to the counter and pay for it. First you must pay for it, then you go and get it, but then someone gives it to you. That's the only way it can work. That's the law.

Jim Bagnall (PC): Okay, I'll not argue that one with you. But the problem is with the power wall, is that children in the ages of three to seven or four, it's the most important time in their lives when they're learning, and they're traveling with their parents or whoever who buys the product of cigarettes and they see that from the time they're yea high right up through. It gets instilled in their face because they're at the check out with their families. I really believe that it does make a difference with youth and the power wall end of display because it's there for one reason. The power walls are there, it's for impulse buying. You get it and their attention. I used it and I know it was my job to get people into the store. That's the way business is. You do what you can to get customers into your business and that was a way that I used to get my customers into my business. But I don't believe that it is a fundamental thing that we should have those power walls taken back on tobacco products.

Wayne Collins (PC)Chair: Does the member have a question–the guest an opportunity to respond and then we'll move onto the Opposition Leader.

(Too many speaking at once)

Mr. Fortier, would you like to respond–you have a question, very good.

Jim Bagnall (PC): On the end of it, this will be a short question. Obviously sales have not been impacted by power walls being taken away. Would your company be opposed to the elimination of power walls in retail businesses today?

Pierre Fortier: Would I be opposed? Well I said at the outset, whatever you decide. Okay. If you decide that's where you want to go, all I'm asking you is, please be prudent, make sure that a proper infrastructure is in place, proper transition in place, because you're going to hurt a lot of people

Jim Bagnall (PC): So you are opposed to it then?

Pierre Fortier: No, that's not what I said.

Jim Bagnall (PC): I know, but you didn't say you were or you weren't. You're saying, okay if those things are done.

Pierre Fortier: Do I want you to do that?

Jim Bagnall (PC): Yes.

Pierre Fortier: No, I don't want you to do it because you can't prove you're right. It's your opinion that a three and a four-year are influenced by a power wall. I disagree with you and you can't prove it. But you're the legislator. If you decide that's what you want to do, fine, I'm just asking you to be prudent about it.

Wayne Collins (PC)Chair: Aright, we're going to call it right there and I'm going to ask Opposition Leader Ghiz for a brief question and then we'll round things up because we do have a full agenda.

Hon. Robert Ghiz (L): Probably two quick questions here. Which products does Imperial sell?

Pierre Fortier: Players, du Maurier and Matinee.

Hon. Robert Ghiz (L): Okay. So those are the nice coloured ones?

Pierre Fortier: Well 50 per cent of them are, sir.

Hon. Robert Ghiz (L): Okay. How much of the market do you have now in Canada?

Pierre Fortier: Premium tailor made, the machine made cigarettes, we have about 71 per cent. All products, that is roll your own, the sticks, the low cost alternatives, we have about 62, 63 per cent.

Hon. Robert Ghiz (L): So I'd say around 70. The market there, the only thing that--I'm just having trouble here and you're right, we do have to be prudent about these things and I think we are being prudent about it. That's why we're holding these committee hearings and asking these questions. It's Saskatchewan that banned the power walls?

Pierre Fortier: Yes.

Hon. Robert Ghiz (L): Okay. And you said your sales continue to decline on the same basis but then you made the argument for advertising. If you got 70 per cent of the market there is more out there for other people to steal from you than you to steal from them.

Pierre Fortier: You're right.

Hon. Robert Ghiz (L): So you probably want things to remain at the status quo, so therefore I would think that you would want to get rid of the power walls so other people can't have power walls and you can keep 70 per cent of the market. But that's just a business aspect. We had a small business person and I'll admit, I said to the small business person that came in, it was a corner store, I think you should be allowed to sell your cigarettes. I'm against it in the pharmacies. The Sobeys and the Loblaws and all that is going to be another debate that we're going to have. So I asked this person, point blank, who was a small business owner, I said, if we took away your power walls would that bother you if you could still sell cigarettes? He said no, take away the power walls. So he doesn't think it's going to affect it. So basically the only argument for keeping the power walls, in your opinion, is for increased market share but you already have 70 per,cent of the market share.

Pierre Fortier: Well no, that's not the reason. That's a separate thing. This is a reality in the market place, that's where we are. The reason we want to keep it at retail basically is, first of all it is our right. It is a legal product that the federal government has allowed us that one area to advertise inside the retail store. Unless argument can be, not argument, but unless some kind of--unless you can come up with a good reason why, I say don't take it out. But at the end of the day it doesn't make any difference what I think. If you decide to do that, I'm repeating myself now, I would like the proper infrastructure in place so that nobody does get hurt.

Wayne Collins (PC)Chair: Mr. Fortier, I just got a few questions before we conclude this part of our afternoon presentation. Imperial Tobacco, does it own Shoppers Drug Mart?

Pierre Fortier: No, Amasco use to be the parent company and it had Canada Trust, Imperial Tobacco and Shoppers. Amasco sold its shares to British American Tobacco. British American Tobacco sold Canada Trust to the TD Bank and Shoppers to New York Investors KKK.

Wayne Collins (PC)Chair: So you got nothing to do with Shoppers, okay. I just want to make that clear. Because there was a rumour floating about to that affect. I'm glad you cleared it up.

Unidentified: At ohe time, years ago (Indistinct).

Wayne Collins (PC)Chair: At one time Amasco owned all of them Imperial, Shoppers, the works.

Where are the majority of tobacco sales made? Are they made in tobacconist stores, pharmacies, corner stores?

Pierre Fortier: C-stores, convenience stores.

Wayne Collins (PC)Chair: Convenience stores, corner stores, Mom and Pops, essentially. That's where the majority are made. You say that it is the last bastion to advertise with the walls and point of sale. You're there, as you say, for the committed smoker, right, to get their choice of the product? But what about the person trying to quit? Do you see that they could be influenced? I mean to advertise this to attract, to lure, to entice, to tempt, that's what it's all about. What would happen to that person who's three days cold turkey and they walk into a corner store just to grab a quart of milk to head on home for supper and they are assaulted by the power wall. Do you think it's going to have an effect on that person?

Pierre Fortier: I remember I gave up drinking for Lent one year and it wasn't because I walked by the beer store that I broke my promise. I mean. . . (Laughter)

Wayne Collins (PC)Chair: Don't you feel it would have an influence on that person though? I mean we all go tocorner store for a multitude of reasons.

Pierre Fortier: There are so many things that will have a person go back to a habit. You're asking, I'm not . . .

Wayne Collins (PC)Chair: Mr. Fortier, you're a very smart and intelligent gentlemen and I appreciate you being here today. But do you think that if tobacco was not out there on the market today, but someone came forward and said, look, I got this product.

Pierre Fortier: It wouldn't be allowed.

Wayne Collins (PC)Chair: Thank you, sir. It would never see the light of day.

Pierre Fortier: I won't argue that one with you.

Wayne Collins (PC)Chair: Thank you very much. I thank you very much. Final question Mr. Bagnall and that's going to have to be it.

Jim Bagnall (PC): Okay, you mentioned the phasing in program if something like that happens. What do you consider would be the appropriate or do you have any kind of research on the appropriate amount of phase-in period?

Pierre Fortier: No, Mr. Bagnall, I have not done any research. It's just that my head tells me that if you're going to go out with something like that, first of all, you'd want to avoid a domino affect where one province decides and another province decides. I mean it becomes--then you're getting into the--you're having an influence on the competitive nature of the business. So you'd almost need a protocol with all the provinces as to how you're going to proceed. That takes a pretty, healthy consultative process. So that's what I mean, like I can't. . .

Wayne Collins (PC)Chair: Yes, but would you agree, Mr. Fortier, that on Prince Edward Island you know we're a very small part of the national market, what we do here certainly is not going to cause a domino affect across the rest of Canada.

Pierre Fortier: Oh, Mr. Collins, I couldn't disagree with you more.

Wayne Collins (PC)Chair: Didn't know I had that much influence, sir. I'm delighted to hear that. Thank you very much for appearing here today.

Pierre Fortier: Thank you for having me. I apologize if I had a few outbursts but you brought out the Tory in me.

Wayne Collins (PC)Chair: No, that's an exchange of views. Thank you, Mr. Fortier.

Alright, we have several other presentations to make through the afternoon. I would ask to the table now our next presenter, he is a Senior Policy Analyst with the Canadian Cancer Society, Mr. Rob Cunningham. Mr. Cunningham, if you could come forward please, sir. I take it you have some

set up of materials.

Tape No. 4

Part II - Canadian Cancer Society: Rob Cunningham

Wayne Collins (PC)Chair: You, Mr. Cunningham until you are completely ready.

Rob Cunningham: I'm ready.

Wayne Collins (PC)Chair: You are. I thought we were, sir. Everyone disappeared on me in such a hurry. I will call them back to the table though.

Would members please come back to the table. We now officially have a forum in place. Alright, Mr. Bagnall is arriving back. Alright, Mr. Rob Cunningham, Senior Policy Analyst, Canadian Cancer Society, sir, you have the floor.

Rob Cunningham: Thank you, Mr. Chair and members of the committee and thank you very much for the opportunity to appear before you today.

I do work as a Senior Policy Analyst and a lawyer for the National Office of the Canadian Cancer Society and I'm also author of this book, Smoking Mirrors, The Canadian Tobacco War, which traces the history of the tobacco issue and the tobacco industry's behaviour in Canada. I'll table that for the committee's reference if it's interested.

In my remarks before questions, I would like to provide my indorsement of the recommendations that you've already heard from the Canadian Cancer Society of Prince Edward Island Division in terms with this committee itself my recommend. And secondly, I'd like to respond to the testimony some of the points that Imperial Tobacco made a few moments ago.

First of all, with respect to the sale of tobacco in pharmacies, I believe you know that this has already been implemented in legislation in five provinces plus Nunavut. I expect that it's inevitable that it will be across Canada, it's just a matter of time. You may know that the Quebec Order of Pharmacists in response to a complaint ruled that it was a professional misconduct for a pharmacist to sell cigarettes in the pharmacy whether behind the dispensary or at the front of the store. Outside North America, it's extremely rare, exceptional for tobacco to be sold in pharmacies. That's because it's just simply unacceptable, it would not be acceptable for a doctor to sell cigarettes in his office, in the vending machine and it's not acceptable for a pharmacist in my view to do so otherwise.

Now there is the issue, what do you do when you have a grocery store, Safeway, that includes a pharmacy. What Ontario and the other provinces have done in their legislation, they've banned the sale of tobacco in pharmacies and they've banned the sale of tobacco in establishments that include a pharmacy. So they anticipated this from the get go and I have for the consideration of members of the committee, some potential model legislation for consideration, inspired by Ontario and with a few other additions where tobacco maybe prohibited. So I can table that with the clerk.

The compliance has been good, now Wal Mart which includes a pharmacy has made the policy decision for its stores to not sell tobacco across Canada regardless of whether the laws permit it or not, in Canada, in its Canadian stores. It's not the case in the United States.

Now there is--there are a very small number of pharmacies who have exploited a loop hole by setting up a kiosk at the front of the store with separate walls and a separate entrance, in particular the Jean Coutu chain, I've seen some stores in Quebec. The way this is drafted it would prevent that to ensure that there is a level playing field for all pharmacists they can not have this separate kiosk that they really have their own employees doing with a separate entrance. It's important that those pharmacists that are conducting themselves ethically not be penalized with an un-level playing field.

In terms of other places where the sale of tobacco should be prohibited, it should not be sold at athletic facilities. It does not make sense when you have a harmful product to health, when you have a healthy activity taking place in the same establishment. It should not be sold in colleges or universities. We have many young people that are there. It is an environment of higher learning, and we've seen on a voluntary basis, some universities take that step. Should not be sold in vending machines. Now by federal law of any machines, they are only allowed to be in bars at this point.

But we know that many people, that teenagers have a fake ID and get into bars and it is important that the sale of tobacco be prohibited in bars.

Let me show you the type of marketing activity that we have now from Imperial Tobacco. Imperial Tobacco's du Maurier brand, the leading brand in Canada is predominantly red in its package. They are using scantily clad cigarette girls to market an addictive fatal product. If we prohibit the sale of tobacco in bars and other licensed premise, we can put an end to this type of marketing activity which isn't entirely unacceptable. I have a copy of this one along with a couple of other colour reproductions of these cigarette girls and I will table that through the clerk with your permission, Mr. Chair. Sometimes their underwear is partially showing in terms of the outfits that these models that have been hired to do this do.

One of the important reasons why tobacco should not be sold in bars is that a person may have a couple of drinks; they may lose inhibition, have one cigarette and then the next day they are back to being a daily smoker. Some people as well only smoke, a social smoker, but they may be a young person and that social smoking eventually may lead to addiction and a deadly habit.

So I urge that this committee recommend that the sale of tobacco in bars be prohibited. There should be a license for all retail venders to sell tobacco products. We have such a law in Ontario--in Quebec and in Newfoundland and perhaps in other provinces. We have it in municipalities in Ontario and in Alberta. A license assist with enforcement, have a list of who's selling it, with the license can be suspended if there's contraband activity, if there is a violation of a power wall or a display law that may be adopted. A person who's just out somewhere, not even in the store selling contraband could be charged with selling without a license. It's a very simple administrative process. There might be a small fee that could recover the costs, cost recovery, for the government's tobacco sales to minors enforcement. Wouldn't be a lot of money, for example a $300 fee would raise $90,000.00 but that would pay for a lot of enforcement activity here on the Island and this is what has been done for example in a number of municipalities in Ontario.

All of this leads to the longer term objective recommendation that there should be a limited number of control outlets. You've seen the recommendation from the Canadian Cancer Society, provincially of an implementation date of January 1, 2007. You heard from Mr. Fortier from Imperial Tobacco that there should be time, if this is going to be done, there should be time for retailers to wean themselves off and that is understandable. This could not be implemented for May 1, 2004. So a transition period is understandable and for that type of approach.

In terms of some of the other important issues that are you're considering in terms of retail displays, perhaps I could just provide an update what is happening internationally on this issue. Because indeed as governments worldwide increasingly restrict advertizing and promotion, retail displays are often what's left, and governments are paying increasing attention to it. Iceland has banned it.

This was challenged legally in court by British American Tobacco, Imperial Tobacco's parent company and dismissed it. Ireland adopted it, in legislation that has not been proclaimed and must be reenacted because of European community notice requirements. The South African government has tabled draft legislation that includes a ban. Several Australian states have had government spokespersons say that they are interested in moving in this direction. In Canada, Saskatchewan's ban was enforced for a year and a half. Manitoba, during that period, adopted its own law that was to come in force and did come in force on January 1, 2004, but the government has not been enforcing it pending the appeal process.

So what happened is that the Saskatchewan Court of Appeal concluded that the provincial law in Saskatchewan was in conflict with the Federal Act and was less inoperative. Despite the fact that the federal government said in their view is legally valid and the provincial government said in their view is legally valid and the Manitoba government, though not before the court, was of the view constitutionally it was valid. This judgement surprised a lot of people, and in my respectful submission, I believe a court erred in law and this was overturned by the Supreme Court of Canada.

Now we will not have a decision, first of all the Supreme Court of Canada must give Saskatchewan permission to appeal, that could come in a number of weeks. And then there may be a decision perhaps in the fall of 2005 to confirm

that.

I would urge that this committee, first of all, recommend that the government adopt this as part of its comprehensive tobacco control strategy. I would then suggest that the government could introduce legislation with implementation date of January 1, 2006. So they would be after an anticipated Supreme Court of Canada judgement and if for--you know, it would be a surprise to me but if the Supreme Court of Canada for whatever reason did not uphold the Saskatchewan law, then there would be an opportunity to delay enforcement of that, but I am very confident that the Supreme Court of Canada will agree with the trial judge who said that this was valid. We have federal and provincial cooperation in tobacco control. We've had federal and provincial legislation for a century and they work harmoniously.

There was a decrease in cigarette sales in Saskatchewan while the ban was in place. There are other factors that contributed to that decrease, higher tobacco taxes, restrictions on smoking. It is impossible to isolate the magnitude of each particular intervention. The tobacco industry, it's been said in the past that Canada wide they spend $60 million per year to retailers for these prominent displays. If these were banned across Canada, their profits would go up by $60 million. So if it really had no impact on overall sales, why would they object to an increase in their profits. I think the financial analysis answers the question. It does have an impact. It has an impact on children who grow up in this environment where cigarettes are sold as an everyday product, on the counter right beside the hockey cards and the bubble gum. Why does the hockey card company and the candy company pay to have those probably on the counter-top. They want to attract kids to their product. They are not targeting senior citizens. And that affect is the same for cigarettes regardless of what the intention is of the tobacco company.

Further there is an impact on impulse purchases and consumer products company in all types of categories pay for these prominent displays to encourage impulse purchases. In a grocery store, when a product is put on an aisle or at the front, the sales of that product category go up. It's not just market share.

Imperial Tobacco said that it does not want you to smoke. That is like an umbrella salesperson saying, I don't want it to rain. Imperial Tobacco needs teenagers to replace those consumers who die or who quit. They've made this claim for a long time but the documents of the tobacco industry clearly demonstrate that the tobacco industry has a long history of targeting youths.

In 1995, the Supreme Court of Canada saw internal documents and concluded that Imperial Tobacco had targeted 12 to 17 year olds through its marketing programs. In 2002, in December the Quebec Superior Court reviewed the constitutionality of the *Federal Tobacco Act* which restricts advertising promotion. I was co counsel in that case on behalf of the Canadian Cancer Society, we were the intervener in that case. The court rejected the arguments of the witness, Ed Ricard from Imperial Tobacco and the court on repeated occasions, and the judges concluded, that the tobacco industry targeted under-aged youth. The documents make it clear, one document from Rothman's and Benson's referred to the key 15 to 19 year old group.

Imperial Tobacco has had decades of research, from the 1950's to 1997 on teenagers as young as 15. They were under age in several provinces and they continued after--in Prince Edward Island after the age had been raised. They have refused to disclose this internal research. If they were really serious about reducing youth smoking, we heard today that we should do more research into why you smoke. They've got the research. Why don't they make it public? We heard about contraband, in fact, t federal law, the *Tobacco Act* makes internet sales illegal in Canada. Yes, internet sales are a problem for the United States. Yes there are more then a hundred sites but that's United States, that's not Canada. Internet sales are not a problem in Canada because we have a law that prohibits interprovincial sales and mail order sales.

Counterfeit as a percentage of the market in Canada is not material and they will not become a material problem because the tobacco companies have a financial interest to make sure that never happens, they have the legal resources, they have the sales representatives to ensure that there is a clampdown on that. And we must keep in mind that in the earlier 1990's, Imperial Tobacco and the other major companies exported billions of

products to upstate New York knowing that those products would come back into Canada as contraband. They acknowledged that. But Justice Denis of the Quebec Superior Court in his judgement concluded that the tobacco industry was a willing accomplice to black market cigarette smokers. He'd seen the documents and there are criminal charges against JTI-MacDonald that have been laid by the RCMP, and a civil law suit by the Attorney General of Canada against JTIMacDonald and related companies.

In terms of health care costs, Health Canada estimates that tobacco is responsible for $4 billion annually in Canada, that's very significant.

In terms of power walls, this is a very important issue, we see Nunavut take action on it. We've seen the new government in Ontario in its election platform include a commitment that they will ban the visible display of retail throughout the province. I expect that it's inevitable that we will hide it. There's no constitutional right for the maker of salad dressing to have a prominent display of salad dressing on the store.

So these are all recommendation that have been widely endorsed by the health community and I urge them for your consideration. I welcome any questions that you may have.

Wayne Collins (PC)Chair: Thank you very much, Mr. Cunningham and again I'm going to be taking a questioners list here from our honourable members and I would ask everyone as well if they could be fairly brief in their questions and comments as we do have a full agenda today. We are going to begin with Mr. Brown.

Richard Brown (L): Thank you, Mr. Chairman. The provincial government's Department of Treasury made a presentation here a few weeks ago and they have indicated--their indications were that if you ban cigarettes from pharmacies and if you restrict the sale of cigarettes, a black market would be created and the province would lose money through the black market system and smoking wouldn't be reduced. These are professional people from the Department of Treasury of our own government recommending or proposing that if you do this a black market will be created. Do you agree with that?

Rob Cunningham: I do not agree with that. There's been no evidence from the five provinces, four that are currently enforced, that have banned the sale of tobacco in pharmacies that this has in any way contributed to black market. In my view, restricting the sales outlets, assist the government's ability to provide a black market. There are fewer establishments that need inspection, fewer establishments that need monitoring, it's concentration. It makes it easier and less costly to enforce the sale of tobacco to monitor its legislation. There's no evidence to justify that statement. Thank you.

Wayne Collins (PC)Chair: Honourable Opposition Leader, Mr. Ghiz.

Hon. Robert Ghiz (L): Thank you very much. The federal laws--there's no more sponsorship right?

Rob Cunningham: Correct.

Hon. Robert Ghiz (L): Advertising, what are the rules for advertising?

Rob Cunningham: There's a total ban on sponsorship as of October 2003 for direct advertising. There's restrictions on the content and restrictions on the location. Advertising is only permitted in publications with at least 85 per cent adult readership and direct mail to an adult and in places where young people are prohibited by law, a bar. So it's an opportunity for the tobacco industry's market.

Any permitted advertising must be information, advertising or brand preference, but can not be lifestyle in nature. So this could not appear with these scantily clad women in a magazine advertisement. You could have text for example that gives information about where the product is made, what type of tobacco it contains, the price and so on, information about the product.

Hon. Robert Ghiz (L): What I don't understand then is if advertising is not allowed to take part in basically anywhere where children are allowed to be, yet power walls according to Imperial Tobacco are their last avenue of advertising. Well then, why are power walls allowed to be there in the first place?

Rob Cunningham: They shouldn't be.

Hon. Robert Ghiz (L): According to the law, from

what you just said, they shouldn't be allowed to be there in the first place. He just said that power walls are advertising. You just said they can't advertise in front of children.

Rob Cunningham: The way the *Tobacco Act* is described. The display of the product in a retail is considered to be a type of promotion . ..

Hon. Robert Ghiz (L): You just said it was advertising.

Rob Cunningham: When it's. . .

Hon. Robert Ghiz (L): So even the tobacco companies are saying that it's advertising. It just makes absolutely no sense to me. It should be banned everywhere.

Rob Cunningham: The recommendation of the World Health Organization, the Canadian Cancer Society and health communities around the world is that there should be a total ban on all forms of advertising promotion. Today power walls . . .

Hon. Robert Ghiz (L): But aren't we breaking the law already by having these power walls?

Rob Cunningham: There is an exception in the federal act. . .

Hon. Robert Ghiz (L): Okay.

Rob Cunningham: . . .with respect to the display of the product at retail. It creates the regulatory authority for the federal government to adopt regulations to control retail displays. Health Canada put out a discussion paper in 1999 on that. Unfortunately, regulations have not been adopted. The government moved ahead with regulations to put the picture based warnings on the package and have not yet get to the promotion regulations.

Hon. Robert Ghiz (L): But - I hate to interrupt you but you just said displays?

Rob Cunningham: Yes, displays.

Hon. Robert Ghiz (L): Exactly, well why don't you just take the transcript from this and show them that even the tobacco companies say it's advertising.

Richard Brown (L): Oh they'd say that differently in court,

Rob Cunningham: Listen, I think your point is very well made. It is clearly a mechanism that increases the sale of the product that should not be allowed.

Hon. Robert Ghiz (L): The other thing is Imperial Tobacco told me 150 per cent, I believe, for sure that are not targeting you. I take it your 150 per cent the other way and can you explain, go into exactly perhaps some of the research you have and explain it to us?

Rob Cunningham: You are correct sir. And it's not only me, it's the Supreme Court of Canada and the Quebec Superior Court that have seen the internal documents of the tobacco companies. Where they've targeted people, it's in some cases 12 to 17 years old. They recognize that their future market share is very much influenced by what market share they obtain among young people and in this book, there is a chapter on youth and it quotes from internal documents.

Hon. Robert Ghiz (L): This here does it take place on PEI?

Rob Cunningham: I don't know.

Wayne Collins (PC)Chair: And where?

Hon. Robert Ghiz (L): According to Tory rumor mills, I'm at bars all the time, which in fact . . .

Richard Brown (L): And you h ave you seen these girls!

Hon. Robert Ghiz (L): And I haven't seen them. But I'm not at the bars all the time anyway, rest assured.

Rob Cunningham: It's an activity that Imperial Tobacco has done across Canada.

Hon. Robert Ghiz (L): So this is displays again I take it. It's not advertising.

Rob Cunningham: Well it's a type of activity that should be prohibited and whether or not it's currently taking place on Prince Edward Island, it should not be allowed to do so in the future.

Hon. Robert Ghiz (L): I agree with you.

Wayne Collins (PC)Chair: It certainly is a display. Dr. McKenna.

Dr. David McKenna (PC): Thank you, Mr. Chairman. I'm like the honourable member over there, I'm just kind of wrapped up in these power displays again. I want to get back to that Saskatchewan legislation. First of all, I think the Imperial Tobacco implied that the sales did not go down? Is that what he. . .

Rob Cunningham: I heard different comments. One of the comments was, yes it did go down, but it's been going down for some time.

Dr. David McKenna (PC): Okay, but you fellows found that--you said it did go down?

Rob Cunningham: It did go down during that period.

Dr. David McKenna (PC): What percentage did it go down? Do you have any figures on that? Can you have–was it measurable–it was only 18 months, wasn't it.

Rob Cunningham: Yes, unfortunately it began on March 11th, 2002, and the court decision was in October 2003, so you have partial years and so on. But there is some data from Stats Canada and for Saskatchewan it's a smaller sample size but in terms of the percentage of the people that smoke, it has gone down. I have that data with me. And again we only have data for the first half of 2003 so that has to be kept in mind. But in Saskatchewan in 2001 it was 25 per cent for those age 15 plus and for the first half of 2003, 21 per cent. There is a margin of error. But that is clearly an indication that they are going in the right direction. And among youth in the first half of 2003 at 21 per cent it was the lowest recorded by Statistics Canada for Saskatchewan historically.

Dr. David McKenna (PC): And just further just on that legislation, I'm still not quite clear why--Saskatchewan was allowed to ban it by their act?

Rob Cunningham: Yes.

Dr. David McKenna (PC): But yet the--it was taken to court by Imperial.

Rob Cunningham: By Rothman's.

Dr. David McKenna (PC): By Rothman's, sorry it was Rothman's. Under what grounds. Is that to do with federal, the way the federal act is written, is that the reason? I could not quite--I'm not clear why it was taken to court.

Rob Cunningham: There were two arguments. First, they argued that it was a conflict with federal act. Because the federal act did not ban retail displays, by Saskatchewan going further, there was a conflict and the federal law prevailed.

Dr. David McKenna (PC): So we could be stuck the same way here too, then unless like you say put the years in?

Rob Cunningham: The Supreme Court of Canada hopefully will decide in the favour of the consensus among federal and provincial government that this is possible. That's why a possible option is to have a January 1st 2006 recommendation implementation date. They would be after an anticipated Supreme Court of Canada judgement.

There was another argument that it was an unreasonable infringement of freedom of expression. I don't believe that argument has merit for the same reason I don't believe that you have a constitutional right to display salad dressing in a grocery store. I mean that's ..it's kind of absurd that our constitutional rights to freedom of expression would be lowered with--to such a degree.

Dr. David McKenna (PC): Thank you.

Wayne Collins (PC)Chair: Mr. MacAleer.

Wes MacAleer (PC): I think there's been a lot of success and obviously, the Cancer Society has played a major role in that. Is there a program in place that is more effective than others in terms of reducing smoking? Is it education? Is it prohibition? What is the program that is going to ultimately reduce smoking. Is there . . .

Rob Cunningham: We recommend a comprehensive strategy. So you just don't try and find one thing but you have taxation, you have education, you have legislation, and you have programs to help people quit. And all together in

Canada it's at 20 per cent nationally. In 1965 it was 50 per cent. We've made tremendous progress and we've seen great declines in Prince Edward Island as far as that goes.

Wes MacAleer (PC): As a series of steps, okay.

Wayne Collins (PC)Chair: Mr. Cunningham, just before you go. I just have a couple of quick questions regarding that ban in Saskatchewan.

Rob Cunningham: Yes.

Wayne Collins (PC)Chair: If I walked into a Mom and Pop's store after that ban was put in place.

Rob Cunningham: Yes.

Wayne Collins (PC)Chair: Would I be able to see the cigarette brand at least behind the counter that I wanted to purchase?

Rob Cunningham: No. Now different stores respond to that in different ways. Some put them in drawers under the counter.

Wayne Collins (PC)Chair: Yes.

Rob Cunningham: Some put them in a closet and every time someone asks for a brand they would open the door or move . . .

Wayne Collins (PC)Chair: So when do they give you the packages of cigarettes were not to be seen.

Rob Cunningham: That was the whole point. To get rid of the power walls, to get rid of the counter top displays is to get them out of ...

Wayne Collins (PC)Chair: So the whole overhead light up signs are all gone.

Rob Cunningham: That's correct.

Wayne Collins (PC)Chair: Including even the packages behind had to be out of view.

Rob Cunningham: That's correct.

Wayne Collins (PC)Chair: Okay. Now the model legislation you've passed our way and you certainly have dealt very interestingly here with the idea of the adjacent stores, appendages onto the superstores where you walk out get a gulp of fresh air, hang a left and you are in the tobacconist, right.

Rob Cunningham: Yes.

Wayne Collins (PC)Chair: So and you even go so far here as to say within 20 metres of the establishment and the two premises are associated with each other by ownership, contract or otherwise.

Rob Cunningham: Yes.

Wayne Collins (PC)Chair: So someone owning a pharmacy could under this model legislation also sell cigarettes in another establishment provided it was 60 or so feet away from the front door of the pharmacy.

Rob Cunningham: That's right. Now you could say that a pharmacist could not sell tobacco products period anywhere in the province. That would be a certainly a viable approach. This was drafted in such a way to respond to a specific problem that has arisen in some other provinces.

Wayne Collins (PC)Chair: But you really have made a demarcation here. You have made a distance, a real geographic boundary line here.

Rob Cunningham: That's correct, in that draft.

Wayne Collins (PC)Chair: Alright I just wanted to assure myself.

Rob Cunningham: If I may with respect to your other question with Saskatchewan. I was there earlier this week and there is a number of establishments that have maintained cigarettes out of sight. In part including the 7-11 chain and it's very convenient, we heard testimony from Imperial Tobacco it was inconvenient. Well their set up is very convenient because they had drawers under the counter, so please can I have a certain brand, they just open the drawer and give it to the customer. Many retailers found that this cut down on the risk of theft because it was--it couldn't be seen from the outside, it was easier to lock up. You weren't sure whether the store sold it or not. So for that benefit that motivation, they continue with this in place.

Wayne Collins (PC)Chair: Mr. Cunningham, I thank you very much for your presentation here today, sir. We appreciate your time in coming here to the Island to express these views.

Rob Cunningham: Thank you for the opportunity.

Unidentified Member: How much for your book.

Rob Cunningham: Well in the committee's library it's nothing. It's available for the committee.

Tape No. 5

Part III: Operation I.D. School Zone - Ann Viau & Héléne Ouellet
Boys and Girls Club PEI: Lorraine Robinson
Summerside Western Capitals & Roberts Petro-Canada: George Roberts
Charlottetown Police Department: Constable Gary Clow

Wayne Collins (PC)Chair: We're going to take a short two or three minute hiatus from the table. We will be back very shortly.

If I could have your attention of honourable members and the general public as we move to our next presentation this afternoon to the Standing Committee on Social Development as we consider the retail sales of tobacco products on Prince Edward Island. I'd like to introduce at the table Ms. Ann Viau and Ms. Hélène Ouellet. They're with Operation I.D. School Zone and they're accompanied by Ms. Lorraine Robinson of the Boys and Girls Clubs of PEI. Mr. George Roberts of the Summerside Western Capitals and Roberts Petro-Canada in Kensington and also here Constable Gary Clow. Did I miss anybody? No. Okay. Lorraine I believe you're going to get us started.

Lorraine Robinson: Yes I'm going to get us started.

Wayne Collins (PC)Chair: Welcome. The floor is yours ma'am.

Lorraine Robinson: Thank you very much. Honourable members, Chairperson, Mr. Collins, it's my pleasure as Chair of the Summerside and the Charlottetown Operation I.D. School Zone Committees to be here today and also to indicate the attendance of Mr. Tom DeBlois who is a member of our committees also and you'll hear from him later today.

I would like to open with a few remarks prior to the presentation of the relevant materials we wish to bring to the honourable members attention in relation to Operation I.D.. We will not be making any specific comments or recommendations on where the sale of tobacco should take place, on these power walls or any of that stuff. That's not within our prevue. Our prevue is to bring you information about the Operation I.D. Retailer Program and some concerns we have around the sale of tobacco products to minors and those types of things just so we have some perimeters around where we're going with that.

I would like to indicate that I've been involved with Operation I.D. since its inception here in the province and I became involved in Operation I.D. School Zone for a very specific purpose. The purpose was to work within a training program for retailers and sales persons in these retail outlets to instill in them the importance of enforcing the *Tobacco Sales to Minors* law in this province. Initially Operation I.D. started in Charlottetown but in the following year we were successful in establishing a working committee of well respected and representative persons from the Summerside area to establish the Summerside Operation I.D. Program.

We agree with the PEI Health that tobacco use is a community problem which was stated in one of your previous presentations. We believe that our community can influence positive choices and responsible retail behavior. That is why for the past three years as I said, we have 17 community leaders in Charlottetown and Summerside. So what we'd like to do now is start with Hélène and she's going to begin the presentation and we're going to ask her to flip this, you can see the screen and we have the sound. We'll make the best of a bad technology situation and then we'll move through the presentation and then comment and then probably I'll wrap up and then open it for questions if that's acceptable. We have these binders for each of you which we can circulate to you for your reading pleasure. I'm sure you have lots of reading materials.

Jim Bagnall (PC): Is your presentation in here?

Lorraine Robinson: Yes, a part of it is in there.

Hélène Ouellet: If you look under tab 1. Thank you Lorraine. Thank you honourable members. What I will do and I'll do that in a fairly quick manner to take you back a little bit to when Operation I.D. was first launched and why it was first launched. It was launched in 1996 and shortly after there were changes to the federal legislation with regards to the sale of tobacco to minors. At the request of retailers who were left pretty much on their own to develop ways on how to deal with this physical issue and how to train our staff the group of retailers approached a tobacco company and asked for funding to develop a program that would provide them with education, point of purchase material and training for their staff to bring them up to speed with the legislation and really to change the culture of the retail world.

We were looking at a period of time when retail compliance was below 50 percent. So one in two retailers were selling tobacco to minors at that time. But there was a need for stricter legislation but there was also a need that retailers found that they needed education programs and that's when Operation I.D. came about.

A coalition was formed that included different retail,.wholesale and manufacturing stakeholders to come together to develop that retail based program. It is funded 100 percent by the tobacco companies to the tune of approximately $2 million a year and it is today still the only national action plan specifically aimed at helping retailers, and I say helping retailers because that's the key portion of our mission, helping retailers refuse the sale of tobacco to minors. The advantage that that gives the program is that it sets a certain national standard for retailers across the country and then the program is flexible enough, however, that it is managed locally and can then target specific locally identified issues as we have done here in PEI , in Charlottetown and in Summerside.

What is Operation I.D.? It's a program that provides tools to retailers, point of purchase material that you've seen in stores that indicate from the moment someone approaches a retail outlet that tobacco will not be sold to people under 19 in your province. That Operation I.D. will be asked and unless you ask, unless you show appropriate ID tobacco might be refused. It provides training materials for younger clerks. Research consistently shows that younger clerks are the ones who are having the most difficulty turning down a sale and that makes so much sense. They are more susceptible to peer pressure, they're not necessarily equipped with the ways, the language, the manner in which they should ask for ID first of all from a young looking customer and they may not necessarily have the where-with-all or the knowledge of how they can refuse the sale. That is where Operation I.D. has been able to fill a void in the last two and half years where we have concentrated on younger clerks. That was one of the reasons why we wanted all this technology to show you the interactive training program that we have developed. I'm not sure the sound is working. It should be working. No, we're not hearing it.

This is a virtual store. It's something that we've created on the internet, it's also on CD Rom. Behind each of these pages are different things that are hidden for your younger clerks to find. It's a fun way, it's an imaginative interactive way for young clerks to find out for instance how to deal with six climate types, the likes of which you are likely you to meet during any given shift. I know this is difficult for you to see but these client types are the type of people that will show up at the counter and make it difficult for a young clerk to refuse a sale and that's where we come in. Provide them with a knowledge of how to do it, the knowledge of how to ask for ID and how to issue a sale. So what you don't hear is the music to jazz it up again with the idea being a young person in today's technology age will be more apt to go and find information in this more entertaining way, if I can put it that way, than simply reading a manual.

I have to tell you, we're in our fourth printing of . . . well burning of this CD Rom it is a popular tool and retailers–this is all free to retailers by the way and retailers have told us how helpful it is for them. In a nut shell, that is what the National Program of Operation I.D. does. Add to that, a 1-800 help line for retailers across the country where they can call us at any time. We're present at Trade Shows, were in trade magazines and we're always available to help retailers find new ways of training their staff and ensuring that tobacco is not sold to minors.

Lorraine Robinson: Thank you, Hélène. I'll now ask Ann Viau who is the manager for Operation School Zone, which is a component of the

Operation I.D. Program, to talk about the Operation School Zone Program.

Ann Viau: Thank you Lorraine, Mr. Chair. Thanks for having us here today. As Hélène mentioned, in 1996 Operation I.D. was watched across the country and was having some marked success in raising compliance. However, retailers and the Coalition for Responsible Tobacco Retailing felt that perhaps compliance wasn't being raised quickly enough for their needs. So we asked ourselves the question as consultants helping his client to verify additional value added program, can a community come together? Can we drive this issue to the community and see if they could bring some pressure to bear to make tobacco retailers more responsible with the end goal of raising compliance? And that's how the Operation I.D. School Zone Program became developed. I call it the icing on the Operation I.D. cake. It works directly with retailers who operate in high risk areas and those areas are defined as, in 1998 they were defined as a kilometer distance from the school because we knew that retailers that were operating in those areas, they were receiving the young customers, the kids on their lunch breaks or as they were heading in to school, as they were coming home from school. We knew that many of those retailers as well probably hired young clerks after school hours to work in their stores.

So that's how the School Zone Program was developed. It was, as I said, launched in 1998. It's now present in 12 communities, two communities here on the Island. Our first launch was four years ago in Charlottetown. Mr. Brown was there for that. Thank you very much. At the request, then minister Jeffery Lantz and as well the Premier of the Province, we expanded the program to Summerside. We were having some great success in Charlottetown and it was noted and Summerside, the issue of youth access to tobacco Summerside seemed to be significant and the program was launched there two years ago I believe, if I'm not mistaken.

The neat thing, if I could put it that way about the school zone program, is this opportunity it has to work with community groups and organizations and leaders within the community, like Constable Clow, Lorraine and other partners that we have, the Western Capitals for example. We have the Abbies Hockey Club, we have the Chamber of Commerce, groups like that, who bring some influence and pressure to bear on retailers. Through the School Zone Program retailers recognize that their community is watching. We actually have our partners, I know Constable Clow has done this for us, who visit retailers reminding them of the law and the need for them to uphold the law. It really is that value added service that we provide.

Other things that we do, we have, as I mentioned, one on one retailer visits, we have a local steering committee here in Charlottetown and in Summerside that basically drive this program and tell us as sort of national managers what needs to be done in their community to raise compliance and to work better with retailers. We have public awareness campaigns that we launch and we have seem some of our ad campaigns in *The Guardian* in the *Journal Pioneer* and we also do a number of led activities within the, community led activities, that Constable Clow is going to speak to in a little while.

If you're asking yourself, well does the program work and do you have any evidence to prove it, if I could ask you to flip the page you will see three slides. The first slide is the impact of the School Zone Program. Back in 1995, A.C. Neilson for Health Canada began to survey retailers and check compliance amongst retailers across the country. Since Operation I.D. has been in operation and with School Zone, you can see that compliance has significantly increased from 1995 to the point in 2002 where we're at 82 per cent. Today, A.C. Neilson for Health Canada surveys all of our school zone communities as well. We do our own compliance checks. We hire a firm called SCS Research Canada that goes into the stores with young looking individuals, well with young individuals who are between the ages of 17 and, I'm sorry, who are 17 who attempt to purchase tobacco products. We measure the success of the program based on the research there.

If you look at the three year compliance trend and that's the next slide, again you'll see how we've been able to raise compliance in our schools zone communities. If you look back to 2000, we had nine school zone communities. And we keep adding to that, to the point we're at 12 now. Our overall national compliance within those school zone communities is 80 percent and that is again almost 10 percentage points higher than the national average as defined by A.C. Neilson and

the research that they do for Health Canada.

A couple of years ago we had all of these program components in place. A couple of years ago we thought well maybe we should begin to survey our school zone retailers and ask their views on the program, what they like and what they didn't like about the program. Could we perhaps adapt some of our material to address some different challenges that they may be facing these days. We talked about third party sales for example. Our research, we were a bit astounded, I must tell you and FCS Canada conducted the research for us and they indicated to us that they have never seen such strong numbers before in doing this kind of survey. I guess what you call it is a retailers satisfaction survey, customer satisfaction survey, and they have never seen such strong numbers. So you have numbers like 93 per cent of retailers think that Operation I.D. helps their clerks deny underage tobacco sales. That 91 per cent think that overall the School Zone Program is effective. I mean you can read the results yourself. I don't have to go through them all.

They really like the training program that Hélène mentioned and 92 percent have an overall favorable view of the program. Again, FCS Canada was saying for a customers satisfaction survey that's unprecedented that you would have those strong numbers.

So that is the overall School Zone Program. We're here in PEI, we're in every province across the country. Lorraine is the Chair of our committees here and perhaps she can speak to . . .if I can turn it back over to Lorraine to talk about some of the things we're done here in PEI and how it works here.

Lorraine Robinson: Thank you Ann. I'm going to ask Gary Clow to talk about the partnerships and the supports in the Operation I.D. communities. He has a list of the involvement and it's varied, so Gary if you would like to come forward.

Constable Gary Clow: Thank you Lorraine. Operation I.D. School Zone is a strong supporter of community groups and organizations in Charlottetown and Summerside. Our Steering Committee, Operation I.D., has developed a real community presence supporting the efforts of our community partners and other organizations to achieve their goals. Here is just a few of the partners and organizations that we're involved with. Operation I.D. have provided t-shirts for Grade 6 per educators at the elementary schools. They've supported major junior hockey leagues, the Rockets, the Abbies, Western Capitals, alongside Future Shop and IBM Canada; assisted the PEI Boys and Girls Club to establish internet access sites in all clubs throughout the province of Prince Edward Island; in cooperation with the RCMP Drug Awareness Program helped sponsor and launch a drug awareness program for Island school children. The program features in-schools visits by RCMP and included leave behind the poster of NHL star Brad Richards from Murray Harbour. This poster went Island wide and I believe we tried to get it to every kid that we could possibly get and this was a big, big thing and the kids were excited; provided assistance and support to the Greater Charlottetown Area Chamber of Commerce for the promotion of their E-Business programs for members; sponsoring the Confederation Centre of the Arts for young Island Acadian performers; provided assistance for local organizations participating in the Gold Cup and Saucer.

In addition to supporting the projects of worthy community groups, Operation I.D. in school zones on PEI has also assisted retailers in Charlottetown and Summerside with regular in store visits and consultations and group training sessions of obeying the laws and being compliant. I would also would just like to add that I'm in the schools every day in Charlottetown and I speak on the dangers of tobacco to the children in the schools and I'm also out to the retailers. The big thing I see is education in this program. We have to educate our retailers and we also have to educate our children.

We're out there with Operation I.D. and just within the last couple of years I was at a retailer, to give you an example, where the people that were working at that establishment were not aware of the laws of tobacco on PEI. We received a complaint at the Charlottetown Police Station on that, where I attended and they did not know the laws and I set up a presentation with the cooperation of Operation I.D. and we got these, It's the Law posters and Operation I.D. in the stores. That certainly helps and it helps the employees, it helps the people. Most people are young adults working in these stores and there is a lot of peer pressure out there with them. You got a 16, 17

year old working in the store and another 16, 17 year old comes in to buy, it's a lot of pressure on that kid. Depending, you could have the bully. There is all kinds of scenarios that we could go through and we help these kids. We teach them how to say no to these people and it comes down to education.

Thank you.

Lorraine Robinson: Thank you Gary. I'm now going to ask George Robertson. He was going to do the introduction for the retailers promos video. Unfortunately, we may have a video but no sound. Well George, I'm going to ask you to speak as a retailer on the importance of this program.

George Roberts: As a retailer, Operation I.D. has made it a lot easier for us for training our employees with material that's provided. Like Constable Clow has said, there is a lot of pressure out there on kids. We have it, we see it all the time with kids coming down from the high school. A lot of our staff, you know, we range anywhere from 16 to 25, so this way they realize this is something that is happening all across the country, it's something that we as retailers/owners want them to do and it just makes our job a lot easier.

Lorraine Robinson: Thank you, George. I'm just going to wrap up and then I'll leave it open for questions from the members. On a couple of items, just to indicate that Operation I.D., working committee and myself with a consultant, we've met with the previous minister of health in the province, the present minister of health. We've indicated to officials in the health department that we are, as Operation I.D. Community Groups, *are* very prepared to work with governments around anything that we can do to keep tobacco out of the hands of children. In my involvement over the last number of years, there have been a couple of items I guess that I'd like to bring to the members of the Legislature Committee attention which we've consistently kind of taken in as a message and that is the issue of the existing legislation. And your committee which represents the Legislature and which has the authority for Legislative changes in various acts, I hope, will investigate the concerns I'm going to bring forward and make provisions for the necessary changes in legislation in this province and the regulations which stem from the legislation.

First we have heard repeatedly from retailers that the issue of non-compliance under the provincial legislation on tobacco sales for minors is not always enforced as it should be. The present legislation provides for significant finds and the third offence fine is up to $10,000. So for a Mom and Pop store to get a third offence fine for $10,000, they're probably be closing the door. So we've raised that as an issue, of the level or the severity of the fines and because the present fine structure is so severe, I mean it goes from 500 to I believe 2500 or 5000 to 10,000, so if you are a third offender, you would have the fine and after that if you are fined again you lose your license, your opportunity to sell. So there is a reluctance on the compliance officers to level those fines and take them through to court. You can understand, PEI is a small community. You don't want necessarily to put them out of business because of a mistake that was maybe made by a young clerk.

So you have to look at or we're recommending that you take a look at the fine structure in the legislation. Therefore there is sometimes warnings that are issued as opposed to actual fines. In a province which has one of the most progressive *Smoke-Free Places Act* in the country. It must ensure that those non-compliant retailers are given a clear message–that selling tobacco to minors is against the law. Sometimes the only message which is received and understood is the dollar when it hurts in the pocket book. But look at the amount of dollar that you're charging for the fine. If the fine structure in the legislation were appropriate and they were enforced on a regular basis, then we would see less non-compliance through the possibility of significant fines but not enough to put them out of business, but also with the training program that's offered through Operation I.D.

It is unfortunate that a few who ignore the law paint the majority with the same brush. This is an area which needs to be looked at and we're quite prepared as community working groups to work with government in any way that we can to help do that. As an organization which has a mandate to work with children and protect their interest, Boys and Girls Clubs will continue to work with Operation I.D. School Zone and advocate for the enforcement of those who are non-compliant in the sale of tobacco products to children.

I'd like to thank the members this afternoon for the opportunity to present to you on Operation I.D., its program, our involvement and our partners. Apologize for our technical difficulties but I believe you have the message that we wanted to send and to leave with you and I leave it for questions now.

Tape No. 6

Wayne Collins (PC)Chair: I usually defer to my colleagues here, but I'm going to indulge myself and ask the first question if that's permissible. (Laughter)

I'll be short and to the point. For what you do, you're very narrow focused here–to prevent the sale of cigarettes to minors. What's wrong with a child smoking? I started at age 11, what's wrong with that?

Lorraine Robinson: It's not healthy, it's not good habit, it's not conducive to long term health and well being and a whole gambit of issues.

Wayne Collins (PC)Chair: I looked through your material here. I don't see a word of about health. I don't see a word about lung disease, I don't see a word about death. I don't see a word about emphysema, I see nothing in here that talks to the health of young people. All I see is the legality of refusing them to purchase tobacco.

Lorraine Robinson: Because this program, Mr. Collins, is specifically a retailer training program to enforce the law.

Wayne Collins (PC)Chair: Yes, I say it's narrow focused. But could that be because you are 100 per cent funded by the tobacco companies?

Lorraine Robinson: We do not have any interference from the tobacco companies on what we do or do say. We have told the minister previously and the present minister that if you want us to go out there and talk about the hazards of smoking, then we can do that. But this is a retailer program, Boys and Girls Clubs will be pleased to stand up publicly and say you shouldn't smoke for the following reasons. But at the same time we will participate with Operation I.D. to train retailers and their clerks to say, do not sell because it is against the law, enforce the law and the more you enforce the law, then the less people you will have smoking.

Wayne Collins (PC)Chair: And I do want to say I do respect that narrow focus is a job you are doing and doing well and I will now go to Mr. Bagnall who is first on my list.

Jim Bagnall (PC): Thank you. Normally I'm one of these ones that take on the some of these programs, but on this program I'm full 100 per cent supportive of your program. It's not really a question, it's more of a endorsement of the program that I'm doing here.

As a previous retailer, and I had your material in my store, and I had it at my checkouts and used your information for my staff and worked hard at making sure that I didn't sell to underage kids. One of the things that made it difficult in my store was the high school was straight across the street and the junior high was right across the street from me. So we had a constant pile of students coming. But the message got out that we didn't sell and they stopped coming and you're right with 15 and 16 year old kids because I always had students working for me and our biggest, my major thing to students was you are not allowed to sell to students. And they said what if they're of their age and I said well if you look at it 90 per cent or 99 per cent of high school students are out of high school by the time they are 19. So it didn't become an issue with the high schools students. As long as they followed that little rule and the little rule made it easier for them and they just say . . . but if somebody pulled out the proper I.D. then that was fine. But we just said, sorry we don't sell, if you don't have an I.D. we don't sell and it works. It makes the staff , the kids a little easier when you have the rules right down and they never got too much hassle because they knew that was the store policy also, that we didn't sell to students. Although we are not supposed to say that but that was our policy and because, as I say, most of the students would be under age in any of the two schools.

The only issue I ever took offence was that we were always, the buyers that came in to try to make sure that we weren't selling to under age was that they always brought in an underage person in to try and buy from us and they always made sure that a lot of times that the person that they brought in was a very older looking, as far we were concerned, very older looking 18 or 17 year old and it made it difficult because sometimes they'd be big, with a beard on and all those

different things. I always felt that there was some kind of, maybe entrapment to my staff, because they could get maybe sell to some one like that because they wouldn't know them . . . whatever. But the program is excellent and you should be commended for the way it's done. Your material is great that you get into the stores. It really helps the retailer as probably George can say about that material in your outlets, it makes it a lot easier for your staff and everything.

So keep up the good work on your program and the only thing that I can say is that if there is any way that you can broaden it to take in more issues or more retailers then please do. But what you're doing now is excellent and the programs you're running across the Island and every thing is excellent. You're to be commended for the fine job you are doing.

Lorraine Robinson: Thank you. And to solve the problem on the compliance person coming in, if your clerks would just automatically like a record, I.D. please, I.D. please, I.D. please regardless of what and how they looked like.

Jim Bagnall (PC): We never got caught. I never said we never sold to somebody but we never ever got caught at it and we tried our best never to do that.

Lorraine Robinson: You never got a letter.

Wayne Collins (PC)Chair: Dr. McKenna and then Mr. MacAleer.

Dr. David McKenna (PC): First of all I think it's an excellent program. I was quite surprised that it was 100 per cent funded by the tobacco companies. You're always a little bit skeptical when you see that. I guess there's a little bit of skeptic in me. I'm just wondering . . . I look at the groups that you have with you, the Abbies Hockey Club, the Western Capitals, the Rockets, what actually are they doing for your program first of all and the second follow up is that, are they getting a kick back from the tobacco companies? Can you tell me if they are or aren't?

Lorraine Robinson: I can tell you what they are doing. They're doing the public relations in the schools, they're doing the t.v., the radio ads, they are speaking about the harms of tobacco. You've heard them, are you concerned about children and tobacco and the rest of it. So they are doing that. They're doing school visits and as far as sponsorships . . .

George Roberts: We've not gotten anything.

Lorraine Robinson: They're not getting anything.

Dr. David McKenna (PC): You don't think they are? You don't think the groups are. I mean, I don't know.

Lorraine Robinson: I really don't have a . . . but we will get you that materials and send it to you.

Dr. David McKenna (PC): I'm just curious. I think it's an excellent program otherwise.

Ann Viau: If I can clarify, part of the School Zone Program is and part of the responsibilities of the steering committee, is we do have a community partnership fund if you will which is monies that is basically, well a small amount placed in the hands of the committee so they can run their affairs, meet regularly over coffee or lunch and look at ways in which to promote the program. If that means that we have to buy an oversized T-shirt to put on Constable Clow's mascot. (Laughter) Then those funds would go towards that kind of thing. And I think we have purchased some hockey tickets in the past for the kids of the Boys and Girls Club.

Dr. David McKenna (PC): That would not be from tobacco companies–Operation I.D.

Ann Viau: But there is no direct relationship between the tobacco industry and our community partner.

Dr. David McKenna (PC): But you don't know the if the community partners themselves could get cut a cheque at the end of the day. You have no idea what happens.

Ann Viau: Absolutely not.

Lorraine Robinson: No, they don't. Like the sponsorship of Boys and Girls Club, when we had the big launch here in the province from the Future Shop partnership and IBM and they provided us with over $50 thousand of computers and hardware. Operation I.D., I said are you interested in partnering and they paid for internet hookup in each of the clubs for a year. That was, so that

went directly out to the kids to the benefit to pay for internet hookup which, as you know, we're non profit and non profits are always struggling.

Dr. David McKenna (PC): Thank you.

Const. Gary Clow: and just to add to that, I'm in the schools pretty near every Friday with teen members of Rocket, Panthers, Abbeys and other sports figures speaking on the effects of tobacco and also the players will speak on peer pressure and just basically what they did coming up through the ranks, the pressures they had leaving home at a young age to play hockey and being confronted with alcohol, tobacco and peer pressure out there. So we are, I'm with them every other Friday, if not every Friday, in the schools speaking about the harmful effects of tobacco and other substance abuse.

Dr. David McKenna (PC): No, I think that's good. My daughters have talked that some of the players have been at their schools and the program's been very good. You always wonder. That's the question I had.

Wayne Collins (PC)Chair: Mr. MacAleer.

Wes MacAleer (PC): Just two short questions. I understand from your presentation that this program is available in two centers, Charlottetown and Summerside?

Lorraine Robinson: That's correct.

Wes MacAleer (PC): Can we not make it available throughout the Island?

Lorraine Robinson: We are working on that and we will keep you posted.

Wes MacAleer (PC): So you are considering that?

Lorraine Robinson: Seriously considering moving it province wide. We'll send you an invitation.

Ann Viau: Mr. MacAleer if I could elaborate. What we are looking at now is how many retailers operate on the Island to see if the schools own program, which is very hands on with retailers, if it makes sense to roll it out across the province. We think it probably does. We have some indication that from our partners here that they would like to see that and so as managers of the program we are looking at a business plan to in fact perhaps do that by the end of the year.

Wes MacAleer (PC): Just that we were told that there was some 380 outlets, 370. I'm just wondering how many do you think you have covered?

Ann Viau: We are working with, in Summerside it's only 40 some . . . no not even that, 25 retailers and here in Charlottetown . . . Steve can you help me out? Fifty-five. So a small number right now. We hope to expand that to, I think the list that I've seen has just over 198 retailers on the Island something, like that.

Wes MacAleer (PC): Okay. But you're going to expand the program?

Ann Viau: We hope to very much.

Wes MacAleer (PC): On the enforcement side you are talking about the fine system being inappropriate. Because I just want to clarify something. The legislation is written where it says up to, so there is discretion there. But should there be changes in that legislation, what are you recommending there?

Lorraine Robinson: Well we are not recommending anything today. What we are prepared to do is sit down with and look at what's happening across the country in respect to fine structures and then maybe, you know, if we get an indication from government that they're prepared to look at that legislation and make some relevant changes then we will take the time and effort to do the research and come back to you and present to your next Standing Committee on the change to tobacco sales to minors what we think would be appropriate . . . I'm speaking on behalf of the Boys and Girls Club now.

Wes MacAleer (PC): Sure.

Lorraine Robinson: What we think would be appropriate. But I think right now if you levy a $10 thousand fine, as I said to a small corner Mom and Pop shop, they'll be shutting the doors because they won't be operational because they can't afford it.

Wayne Collins (PC)Chair: Mr. Brown.

Richard Brown (L): Thank you, Mr. Chairman. You get your funding from the tobacco industry. How is that derived? Who do you present it to or do they just send you a cheque every year?

Lorraine Robinson: I'll let Ann and Hélène speak to that.

Hélène Ouellet: At the national level we prepare a business plan. That set out would include what our objectives are after consultation with business members of the coalition and at the school zone levels we consult, we would ask each committee to present a plan for the following year. We would cost it out, Ann and I, and submit the plan to the CTMC Committee which says we agree and then give the money.

So as a business plan, it has to be sound, it has to meet the objectives we've set out and as business corporations they evaluate in that way. That is done once a year and once a year only.

After that we follow our business plan, and as I said earlier, the beauty of the program is such that it is flexible enough to, and because it is publicly funded it can turn around on it's a dime literally and develop new ways of doing things that are targeted to meet the local needs. Ann mentioned earlier a partnership fund that is available to each local school zone committee to disburse, again according to the needs of that particular community.

Richard Brown (L): So do you produce a report every year, nationally or provincially?

Hélène Ouellet: No we don't. We produce compliance results.

Richard Brown (L): Are they public.

Hélène Ouellet: Yes.

Richard Brown (L): We can get a copy?

Hélène Ouellet: They are posted in Ottawa.

Richard Brown (L): And I just got one question for Constable Clow. Is there a black market for cigarettes in the province?

Constable Gary Clow: I can't say for sure there is. It's not something that we're working on at the moment or it's a concern we have but we are finding that a lot of our break and enters right now, cigarettes are being taken. That's the number one thing but as far as a black market, no.

Richard Brown (L): So, I guess you said the break and enters that's the main objective for somebody . . .

Constable Gary Clow: A lot of our break and enters right now that's their target, that's their main objective is to go in to get cigarettes.

Richard Brown (L): So would the power walls encourage break and enters?

Constable Gary Clow: Sure.

Richard Brown (L): From a policing prospective power walls encourage break and enters and cause problems for retailers?

Constable Gary Clow: Yes.

Richard Brown (L): Thank you.

Wayne Collins (PC)Chair: Alright if there are no further questions, I want to thank all of our presenters this afternoon from Operation I.D. School Zone. We appreciate your input to our committee's work.

Lorraine Robinson: Thanks very much.

Wayne Collins (PC) Chair: I'll give you an opportunity there to clear things off the table and we will sort of take a two or three minute adjournment here before our next presenters.

(Break)

Part IV - Medical Society of PEI: Dr. Heather Morrison & Dr. Kathryn Bigsby

Wayne Collins (PC) Chair: Alright we are continuing our presentations to the Standing Committee on Social Development. Ask everyone to please take their places at the table and in the room.

As we continue our look at the retail sales of tobacco products on Prince Edward Island. I want to welcome to the table representatives of the Medical Society of Prince Edward Island, Dr.

Heather Morrison and Dr. Kathryn Bigsby. Good afternoon doctors and the floor is yours.

Dr. Heather Morrison: Just need a couple of seconds just to get everything we needed.

Wayne Collins (PC)Chair: You have a presentation to set up as well. I'm sorry I didn't know if that equipment was coming or going. It's obviously coming here. Very well then, are we all set? Alright, Drs. Morrison and Bigsby.

Dr. Heather Morrison: Good afternoon. I'm Dr. Morrison and Dr. Bigsby. I work in the emergency department and Dr. Bigsby is a pediatrician. Both of us work at the Queen Elizabeth Hospital here in Charlottetown.

We are here representing the Medical Society and on behalf of the Medical Society of Prince Edward Island we'd like to thank government and the committee for agreeing to hear our views of the medical profession on tobacco retailing and the promotion and the availability of tobacco products here on PEI.

Prince Edward Island is the only province east of Manitoba that has not passed legislation to date to ban the sale of tobacco products in pharmacies. We trust that your report government will support such a ban for PEI and take a lead to include other places where the sale of tobacco maybe inappropriate such as schools and hospitals.

As physicians we are also here to urge this committee to recommend a ban on displays of tobacco products and reduction in the number of retailers permitted to sell tobacco products. Government should understand legislation is needed to stop the tobacco industry's promotion of tobacco products to Islanders and especially to youth.

Tobacco is the leading cause of disease and death in Canada and on Prince Edward Island–47,000 Canadians die every year because they smoked. Caring for patients addicted to tobacco can be incredibly frustrating and often heart wrenching. I think it's certainly one of the most difficult parts of my job is breaking bad news and it's often bad news related to a new diagnosis of cancer or myocardial infraction or heart attack or actually the death of a loved one and so often smoking has played a role in these diagnoses.

The fact is smoking related deaths and diseases are preventable and the list is long. Diseases caused by tobacco use include heart disease, vascular disease, stroke, cancer, bronchitis, emphysema, sperm abnormalities, impotence, even diseases affecting the unborn such as miscarriages, premature births, low birth weight babies and sudden infant death syndrome or SID's. The frustration for any medical doctor is that despite our best efforts many of our smoking patients are unable to stop because of tremendous addictive nature of tobacco or because of the tremendous addictive nature of tobacco.

Also preventable are the hazardous health effects of exposure to second hand smoke. This is well documented and established in various independent research studies and numerous international reports. The body of scientific evidence is overwhelming. There is no doubt within the international community that second hand smoke can also cause heart disease, lung cancer, nasal sinus cancer, sudden infant death syndrome, asthma and middle ear infection in children and various other respiratory illnesses. Second hand smoke exposure is also causely associated with stroke, low birth weight, spontaneous abortion and negative affects on the development of cognition and behaviour and the exacerbation of Cystic Fibrosis and cervical cancer.

The Medical Society of Prince Edward Island as a member of the council for a Smoke Free PEI fully endorses the detailed recommendations put forth by the council. As medical professionals we believe that the strategy they proposed in an earlier presentation to the committee is sound and will achieve it's goal in further reducing the number of Islanders who smoke.

PEI's Tobacco Reduction Alliance supported by government has develop a scientific evidence based approach to tobacco strategies for PEI, one that is envied by most other provinces. We wish to recognize government's dedication to this strategy and its goal to reduce the number of Islanders who do smoke. Government decisions to legislate a ban on smoking in all public and work places has had and will continue to have a beneficial and protective affect on the health of Islanders. It has created an environment that is much more conducive to quitting and helps create a culture that does not include smoking.

Although an integral component, the *Smoke Free Places Act* is just one part of a broad strategy. What is not yet possible is an environment that is tobacco free. Obviously we can not achieve a complete ban on tobacco as a legal product to produce and sell. What is possible, however, is an environment where smokers attempting to quit are not faced with tobacco products. Evidence supports measures to renormalize smoking in our culture as part of a tobacco reduction strategy. By eliminating displays of tobacco products we can create a more helpful environment for youth where tobacco use is not perceived as part of a normal lifestyle. Restricting the number of outlets where tobacco products are sold is a viable and effective alternative to a complete ban on the sale of tobacco.

As physicians, we ask that you keep in mind we are discussing reducing the availability of a substance, although still legal, when used exactly as intended kills. We are talking about taking another step that will save lives by helping Islanders stop smoking and preventing youths from starting.

What do you believe your reaction might be if tobacco products was made available in the waiting room of your physician's office. Is it not ironic that the very place where patients who are sick or dying from tobacco related diseases go to get prescription medicines is often the same place profiting from the sale of tobacco.

The Medical Society has advocated banning the sale of tobacco products in pharmacies for many years. We understand that others have presented this view to the committee and we wanted emphasize that message. More than ten years ago PEI pharmacist asked government to enact legislation that would ban the sale of tobacco in pharmacies. In 1993, the PEI Pharmacy Board passed the following policy statement. "The members of the Pharmacy Board recognize the grave dangers of tobacco use to health and commit themselves to work with other health care practitioners to provide information on the danger of tobacco use and smoking cessation technics and are further committed working toward tobacco free pharmacies."

We are here to advocate and support our pharmacies colleagues. PEI pharmacists are not alone. Over the last ten years Canada's provincial pharmacy governing bodies have unanimously disapproved the practices of selling tobacco products in pharmacies. In 1990, the Canadian Pharmaceutical Association adopted a position statement calling for a ban on tobacco sales in pharmacies stating that tobacco products should not be sold through pharmacies. The sale of these products through Canadian pharmacies is incompatible with the image of a pharmacy as a health centre and with the image of a pharmacist as a member of the health care team.

However without legislative support, voluntary removable of tobacco from PEI pharmacies has failed. Currently 19 pharmacies on PEI continue to sell tobacco products. Pharmacists working in establishments that sell and promote tobacco products are placed in a conflict of interest that undermines the tobacco control efforts of the rest of the health care community. As members of the health care team, pharmacists must be allowed to advocate and advance tobacco reduction, not promote tobacco sales. Legislation to ban tobacco sales in pharmacies will succeed not only in reducing overall tobacco sales but just as importantly in eliminating the promotion of tobacco products in pharmacies.

Dr. Kathryn Bigsby: We'd like to talk a bit more about tobacco advertizing. Physicians are very concerned about any type of tobacco advertizing. Packed shelf displays of tobacco products are known as power walls by the tobacco industry. They are really a form of direct tobacco advertizing. Power walls do what they are there to do. They sell a product. Remembering that it's the combination of many strategies that leads to reductions in smoking, the elimination of displays of tobacco products is the logical next step in PEI's overall strategy.

We therefore ask government to introduce legislation to ban tobacco advertizing of all kinds including the open display of tobacco products on shelves. Government can help Islanders reduce consumption by reducing their temptation to give in to cravings, carvings that occur when tobacco products are featured at more than 386 cash registers across the Island.

The Medical Society's physician members volunteer every year to speak to Grade 6 students about tobacco. We are very proud of this initiative called Staying Smoke Free. A number of the

images you see today are taken from the resource materials used in our presentation. Physicians provide an excellent intervention for children who will soon enter junior high and are feeling the pressure to start smoking. Besides information about how tobacco affects their health, we talk about not giving in to peer pressure to smoke. We tell them evidence shows if they can stay smoke free until the age of 19 chances are very good they will never smoke. The tobacco industry also knows this is true.

So we include a message to students on how very important youth are to the tobacco industry. We do this by providing examples of how the industry advertises to children. We explain that Canada banned direct tobacco advertising so they will not see ads for cigarettes on Canadian t.v. or in Canadian magazines or papers. But of course they live in a global world. Young people have access to international media and most students recall seeing direct tobacco advertising. Then we talk about alternative forms of advertising that are less obvious but very effective. For example we let them know that some of their favorite actors are paid by the tobacco industry to appear smoking.

Finally we make sure that they know that sneaky tobacco advertising happens even on PEI. This is where we talk about the power walls and how these huge displays of tobacco products are strategically located close to displays of candy bars and gum. We let the students know that these displays are meant for them even though most have never thought about or tried tobacco. As pediatrician and mother I can tell you that these tactics amaze children. But they are also confused. At our presentation each year we can count on students putting up their hands and asking if tobacco is so bad for you why are people allowed to sell it? Why don't they make it illegal? And why do they sell it in drugstores? Children are not stupid but neither are they immune to industry tactics.

Government must take measures to protect our youth from an industry whose profitability indeed it's very survival depends on attracting youth. Their faithful customers have a habit of dying off. To the tobacco industry recruiting children is just good business. Our message to Grade 6 children is defy the tobacco industry, stay Smoke Free. Do not be duped by clever advertising. Understand the tactics use to trap you. We try to empower children with the knowledge that they are fair game. For the first time in the Medical Society's of history of making such presentations, Grade 6

Tape No. 7

Dr. Kathy Bigsby: We try to empower children with the knowledge that they are fair game. For the first time in the medical society's history of making such presentations, Grade 6 students will be learning about another tobacco industry tactic aimed at Youth Operation I.D.

We submit for your clarification two reports on Operation I.D. Both explain in detail the true intent of Operation I.D. Both reveal that the initiative is a very clever tactic designed to improve the tobacco industry's image by purporting to reduce youth smoking. As they say, if it sounds too good to be true, chances are it is. I'm imperil if I deviate from my script but I'd be happy to talk a bit more about this later.

Many people question why the health community will not support Operation I.D. After all, aren't we all trying to keep cigarettes out of the hands of our youth. How can this program possibly hinder efforts to stop youth from smoking? It does so in a number of ways. Industries own documents state that Operation I.D. is designed to make youth want to smoke. It is marketed in a way that will present cigarettes as one of the few initiations into the adult world. It's a variation of the reverse psychology strategy you use at the dinner table. Dear, dear, you can't have broccoli, it's just for big girls and down it goes.

The Operation I.D. ensures that the tobacco messaging reaches youth and the message to youth is that smoking is normal and acceptable as long as you're an adult. And who did they recruit as partners to deliver this message? Parents, teachers, politicians and other authority figures, precisely those that youth rebel against. By appearing to provide a service to the community, Operation I.D. aims to distract governments, we hope not this one, and the public from their true agenda. Operation I.D. was also created to delay introduction of legislation restricting or banning sales and marketing activities. Can we really allow the fox to guard the chicken coop? This very clever public relations exercise draws attention away from the fact that industries marketing efforts are aimed at teams, that it denies the health effects of

second hand smoke, that it's being prosecuted for its involvement in cigarette smuggling and that it manipulates nicotine levels in cigarettes to increase addiction.

Each year Islanders die prematurely as a result of smoking. Most started smoking as teenagers or younger, developing the habit that would kill them long before they were able to make a fully rational decision about whether the health risks were worth facing. As physicians, we feel very strongly about tobacco and its effect on our patients. As front line health professionals we see all too often the ravishes of tobacco addiction. We believe as long as tobacco is legal, steps must be taken to control the sale of this lethal product. Investing in tobacco control is good health policy. Implementing a comprehensive tobacco control policy on the sale of tobacco products will save lives.

Please urge our government to take steps to get tobacco out of places where its very presence sends the message that it is normal and acceptable. Ask them to draft legislation to eliminate industry tactics like power walls and programs like Operation I.D. and control where tobacco can be sold to stop today's youth from becoming tomorrow's victims. Change is always difficult, but this is a health issue. There are no legitimate arguments against these recommendations. Thank you.

Wayne Collins (PC)Chair: Thank you very much, Dr. Bigsby, and thank you, Dr. Morrison. We're open to questions from our members and I'm taking my list now--Dr. MacKenna ,we'll begin with you.

Dr. David MacKenna (PC): Thank you for the presentation. I guess I don't have to hear from the last presentation on the Operation I.D., as you know I'm a little bit skeptical sometimes when I see 100 per cent funded by the industries that cause most of our problems. As a health care professional I know what some of these companies try to do to you and I. So what--you think there's actually a hidden message out there for the kids? Is that why you're against the Operation I.D.? Or do you think there's two facts there as well?

Dr. Kathy Bigsby: Well there are two arms. One is that it sends a message to the community--you know tobacco is interested in this problem and gosh we're spending how many millions of dollars to reduce youth access to tobacco. We're investing a lot in this problem. But in fact, what they're investing in, is a strategy that's known not to be effective. And it also takes the attention away from other more useful strategies. So tobacco can say, you know what? We don't have to get rid of these power walls, we don't have to eliminate the tobacco displays, because gosh ,we got a sign on the wall that tells you we're not going to sell to kids. Problem solved.

In fact, Operation I.D. is a very clever program. It's tobacco advertising for children. Look at *The Guardian* the last week or so, how many times have there been quarter page ads for--I may be exaggerating, for Operation I.D.? That's tobacco advertising. It talks about tobacco, it's in your face. And what it does is it says, you know what? There is something good about tobacco, adults know this, but you're a kid. When you're big enough you can have this. Isn't that just what kids want. The signs I think have been put a picture of where the posters are for Operation I.D. They're down at kiddy level, they're down on the desk of the stores. It's tobacco advertising for kids. You might not be thinking about it but hey, oh tobacco, you got to have I.D. for that. You got to look big, got to find some ID but it's worth going for.

The other arm of it is that the organizations, and I feel like I should quote here, one of their strategies is that their Operation I.D. assists retailers in condemning punitive measures such as fines aimed at those who are found guilty of illegal sales to minors. There are some jurisdictions that have looked hard at the Operation I.D. Program and said, okay that's good. We don't want tobacco to get into the hands of youth, but we can see that you're advertising. So we're going to allow you to run the program, you can give all these freebies to the Boys and Girls Club and to all these other community groups but we want you to take your posters down because we see that that's advertising for children. That's how some folks have dealt with it.

Dr. David McKenna (PC): Thank you.

Dr. Heather Morrison: Just to add on to that. In one of the addendums that is going to be distributed here was a physician statement by the Ontario Medical Association about Operation I.D. Really they have reviewed all the programs and

program materials and they concluded that tobacco industry documents make clear that their youth access programs have little or nothing to do with reducing youth smoking. Really, that's what you want is to reduce the number of youth that are smoking and if it's not going to make a difference. . .

Wayne Collins (PC)Chair: Mr. Bagnall, then Mr. Brown.

Jim Bagnall (PC): I guess the question that I have, your support of power wall is gone, obviously.

Dr. Heather Morrison: That's right.

Jim Bagnall (PC): Your supportive of out of pharmacies?

Dr. Heather Morrison: That's right.

Jim Bagnall (PC): We talked about educational institutions, we talked about sports facilities and you're supportive of being out of there. It doesn't look like there is ever going to be a full ban and I think that would be a large step that I don't think we're prepared to try to make it this time. But if those things came out of recommendations from this committee would that be far enough?

Dr. Heather Morrison: I think those were positions put forth even by the council earlier in the week. I mean that's what we sort of talked about.

Jim Bagnall (PC): It's never far enough. I guess probably I see your expression. . .

Dr. Heather Morrison: If there are folks that are smoking we got a problem.

Jim Bagnall (PC): But this would be a major step in the right direction.

Dr. Heather Morrison: It's a good step in the right direction.

Wayne Collins (PC)Chair: Mr. Brown.

Richard Brown(L): Thank you. What percentage of people would you see coming through into your offices that the problem is with smoking?

Dr. Kathy Bigsby: I do pediatrics.

Richard Brown(L): I know what pediatrics is. But you probably see a lot of parents coming in with their kids who smokes.

Dr. Kathy Bigsby: Yeah, so if you ask me--in our clinic we send out a questionnaire and the families return it to us, and if the problem is, he coughs all the time. I pick it up and I have my diagnosis. It's quite often true. But I think that it's probably fair to say that if you take the percentage of Islanders who smoke and you ask what percentage of people have a problem, people who smoke have problems. Nicotine does something to your brain. It affects your taste buds, it affects your smell, it affects your ability to recognize that that cough that you have every morning is from the cigarettes. It does that to people. I'm sorry, I'm kind of dodging your question because it's also true that smokers are over represented in the people who actually present themselves for medical care. That's a true thing.

Richard Brown(L): I like your thing on the power walls, the person from the industry saying they're not advertising. I read a book there one time on subliminal advertising. You all said today you never saw it, but I think you really saw it. It's subliminal and that stuff is kind of illegal, I think. It's illegal in the advertising industry now, subliminal advertising. So these guys know how to do it. I guess we put a motion, the Opposition, in the last sitting of the Legislature trying to change legislation to ban the sale of tobacco in pharmacies and that's why we're here today.

Richard Brown(L): So you're diagnosis is go with the council's recommendations. I got to say that we went with your recommendations, the Medical Society, seven years ago, I think, with the VLT's. the Medical Society came out, said it was a major problem, the VLT's. I visited with the Medical Society and we launched a campaign. At that time, government was opposed to it but we had a plebiscite and we got rid of VLT's in the corner stores because of your actions and I commend you and keep up the good work. If you see anything else we should be doing, come forward because you guys have a lot of influence.

Dr. Kathy Bigsby: One of the arguments for not taking the VLT's out was that it was going to very negatively effect the retailers and in the end, I'm not so sure. I mean I don't know the finances and I'm not getting into that.

Richard Brown(L): Well there was supposed to be people going mad up the streets but we didn't see that.

Dr. Kathy Bigsby: We're still here seven years later.

Wayne Collins (PC)Chair: Thank you very much. Thank you, Mr. Brown. We won't go into the origin of where those VLT's first began but, Opposition Leader, Mr. Ghiz.

Hon. Robert Ghiz (L): Are you saying, well the first part of your presentation I pretty much agree with everything. The second part of the presentation, Operation I.D., are you basically saying people have been duped?

Dr. Kathy Bigsby: Yes.

Hon. Robert Ghiz (L): Okay. That's a pretty strong comment. I can see what you're saying based on or (Indistinct) money involved. I can see where you're saying based on--saying you got to be 19 to do it and there is a lot of influence there. What about the aspect where Constable Clow was saying, going into the high schools with respected kind of athletes or whatever, saying that it is not a good idea to smoke. Is that too, a bad idea? What I want to know is, is everything of Operation I.D. a bad idea? If the money was coming from somewhere else would it not be such a bad idea to change the program, who creates the criteria, I'm going to just keep going here and perhaps if they took the 2 million, gave it to the Medical Society to then implement it, could you make it into a decent program?

Dr. Kathy Bigsby: I asked myself the same questions because when I first--when this issue was first brought to me I looked at it and I thought, what's the problem with this? It looks pretty good. Start digging and it declares itself. So getting back to your first point, when the police are talking about the work that they do going into the schools certainlyI think that is supported by Operation I.D. but that's not what Operation I.D. is about. I think you've got a good person who's got an important message and they're carrying that with them. But I would argue that frequently what's happening is the sports figure is carrying the Operation I.D. message which is, you got to be 19 to buy these things as opposed to, this is really bad, you shouldn't do it now, you shouldn't do it ever. I don't know why these guys are selling it in the first place. That's not the message.

So to your second point. Could it be used--could the program be changed? Absolutely. I mean I think access is not a non-issue but does it deserve $2 million and to be presented in this way. Well no it doesn't and I think that was. . .

Hon. Robert Ghiz (L): Do you know who draws up the mandate for Operation I.D.?

Dr. Kathy Bigsby: Oh, it's tobacco. They do.

Hon. Robert Ghiz (L): So why don't we just say, forget Operation I.D., let's give the money to another organization?

Dr. Kathy Bigsby: See, it's their money. So what they've done is they've developed this program as part of their image as a good corporate. We're doing something about youth smoking and this is what it is. It's called Operation I.D. It's their money and man I can hardly blame the Boys and Girls Clubs for saying, gosh look at these computers and the internet hookup in exchange for endorsing this program. I can see why they bought into it.

Hon. Robert Ghiz (L): What can we do or recommend as a committee?

Dr. Kathy Bigsby: What you can recommend, is that those posters not be allowed.

Wayne Collins (PC)Chair: Thank you honourable members and I want to thank Drs. Morrison and Bigsby for your presentation on behalf of the Medical Society. We appreciate your time.

We have two other presenters in the afternoon. I'd like to call on Mr. Tom DeBlois to come forward to the table to make a presentation. Mr. DeBlois is here representing the National Convenience Store Distributors Association. He is also the general manager of DeBlois Food Distributors, a division of TRA Atlantic.

Part V - Tom DeBlois, National Convenience Store Distributors Association

Wayne Collins (PC)Chair: We're now proceeding with the next submission today. I've introduced this gentleman already for the record but I want to welcome Mr. Tom DeBlois to the table. Mr.

DeBlois, the floor is yours, sir.

Tom DeBlois: Mr. Chair and members of the committee, thank you very much for this opportunity. I'm kind of wearing two hats here today. I'm here as general manager of DeBlois Food Distributors which is a division of TRA Atlantic. Quite frankly on June the 4th this year, it will be 89 years since my great uncle and his younger brother who was my grandfather first opened their doors for business serving the public of PEI or the retailers of PEI. Their first operation interestingly was on Water Street in what was later known as the Seaman's Beverage Building and now houses the law firm of MacNutt and Dumont and they were there from 1915 to 1919. From 1919 up until 1939, they were in the building which now houses Kays Brothers. From 1939 to 1940 up until 1980, they were on the corner site which now has the Delta Prince Edward Hotel. Then since 1980 we have been out on Spencer Drive on the north area of the city and 1986 the family business of DeBlois Brothers was purchased by TRA Foods which is a wholly owned subsidiary of Sobeys Incorporated and I have been general manager of the operation since 1986.

So if I want to put my personal hat on, it's now, we're not getting any younger, but it's 40 years this summer since I started as a young summer student in the wholesale, grocery, tobacco and confectionary industry and it's 35 years this summer since I joined the industry as a full time employee. I would also like to put forward the fact that as your clerk could advise you, this presentation was originally going to be made by Mr. Luke Dumulong who is the president of NACDA or the National Association of Convenience Store Distributors. He was originally coming, I think, at a previous date and as the meeting fell on today's date, Mr. Dumulong is currently out of the country.

So the presentation that I have to make is largely that of NACDA and Mr. Dumulong, but I will attempt to answer any questions at the end to the best of my ability and if I can't, then I will refer back to--you'll see in the package that has been provided you, there is an individuals card there by the name of Ms. Lore Visa and she is the Communications Director for NACDA. If I have to go back for any information for you following my presentation I will be in touch with her no later than tomorrow and gain any information that might be forthcoming.

So with that, I will start the presentation. Each of you have a copy and founded in Winnipeg, the National Convenience Store Distributors Association or NACDA has represented independent and corporate wholesale distributors across Canada since 1955. The variety of products handled by our members includes confectionary, groceries, tobacco, health and beauty products, beverages, wine, beer, paper goods, food service, produce and fresh meats. Today the NACDA group represents close to 100 distribution outlets, servicing more than 40,000 retail points of sale locations. Collectively our members distribute over 70 per cent of all tobacco products sold in Canada and over 85 per cent in Prince Edward Island.

Notwithstanding the above figures, NACDA members employ thousands of ordinary Canadians in communities of all sizes from coast to coast. The majority of our members are relatively small family-run businesses that are more likely to be vulnerable to any adverse effects that would be caused by any change in governments legislative and regulatory initiatives that would be introduced without thorough consultation with stakeholders or that are not fact based.

The National Convenience Store Distributors Association and its members do not promote smoking and strongly favour education aimed at young people. For several years now, our members have proudly been supporting the much needed and effective Operation I.D. Program aimed at eliminating sales of tobacco to minors.

The negative economic factors and serious undesirable consequences resulting from a possible adoption of a retail sales ban of tobacco products in Prince Edward Island gives us cause for great concern. An enactment of any legislation of this type would be very punitive to the distributors, the local retailers, government's revenues and public health initiatives.

The purpose of this brief is to provide the government with valuable information on the sales of tobacco products in the province, to allow the government to consider fai, useful and balance of public policies on a very regulated product category. NACDA would also like to express its sincere appreciation to the committee and

Standing Committee on Social Development for allowing us the opportunity for allowing us the opportunity to share our members' business reality.

Facts about the tobacco category on Prince Edward Island:

Tobacco products in Canada represent a key category for over 40,000 retailers of which around 350 are located in Prince Edward Island. Of those 350 retail outlets, 195 represent about 95 per cent of the total sales in the province. The remaining ones are very small, seasonal businesses or simply retail licensed holders buying from cash and carry outlets.

Tobacco represents a very powerful traffic builder for any retail outlet. For convenience stores, tobacco sales represent between 35 and 65 per cent of their total sales and is the top category for gross profit margin. In addition, 52 per cent of stores clients are smokers and this group generates an extra 25 cents per dollar spent on purchasing tobacco product from the retailers.

In Prince Edward Island, the convenience stores and the convenience/gas channel represent over 60 per cent of the total sales broken out at 27 and 34 per cent respectively. Supermarkets follow with 17 per cent, drug stores are at 9 per cent, exclusive tobacco shops at 5 per cent and your superette or grocery store which falls in between your Superstore, your Sobeys stores and your convenience outlet comes in at about 3.5 per cent. In dollars figures, it amounts to $65 million in sales including GST for the above respective channels according to Mr. John Palmer, Director of Economics, Statistics and Federal Fiscal Relations in the Prince Edward Island Department of Provincial Treasury.

Today in Prince Edward Island, the average selling price of a carton of 200 cigarettes is about $70.77 but may vary due to the retailers' markup which is averaging between 5 and 7 percent. Prince Edward Island's provincial tobacco tax is at $29.90 per carton which represents 42.25 per cent of the selling price. By including the federal excise tax, the excise duty and the GST, the four taxes combined represents 71.19 per cent of the selling price, and I've provided a comparative grid below which shows the various tax variations and the various jurisdictions across the country.

In the early 1990's, governments were facing a tobacco contraband epidemic that was felt everywhere including Prince Edward Island. Over 60 per cent of the Quebec market and 40 per cent of the Ontario market were supplied by organized crime-led parallel and illegal channels. These two jurisdictions represent respectively about 30 and 40 per cent of the total Canadian market and obviously with a problem of that magnitude, Prince Edward Island felt the ripple effect and consequently, governments' revenues were negatively affected.

Also affected were the job generating and tax paying legitimate businesses that could not compete with the $25 to $30 price differential offered on the black market. Many businesses, primarily your Mom and Pop stores and independent distributors closed as a consequence of the tobacco contraband.

Distributors and retailers were also victims of a huge increase in store robberies and truck highjackings. Staff security, prohibitive insurance premiums and possible bankruptcy were becoming a part of the daily life for the distribution channel stakeholders. The results of these often violent criminal acts also fed a demand for a reasonably priced product.

Of significant importance was the impact of the illicit market for governments' public health policies. According to Statistics Canada, it was during the contraband epidemic that we observed a significant increase in youth smoking in the country.

It is only when governments decided to roll back taxes to an acceptable level for consumers that users went back to the legitimate channel to buy their tobacco product and that we started to see a gradual downward trend in the incidence of youth smoking. As part of the Canadian Coalition for Responsible Tobacco Retailing, NACDA members launched a national campaign to better equip retailers in applying the law. Our aim remains to send a strong message to minors that valid proof of ID is now the norm for purchasing tobacco products in Prince Edward Island and across the country.

Canada's wholesale distributors remain at the forefront of this private sector effort to prevent youth access to tobacco. The National

Convenience Store Distributors Association does not promote smoking and favours education aimed at minors. Operation I.D. was designed with the assistance of wholesalers to help store clerks ensure that all tobacco customers are of legal age. In the province, our members ensured the distribution of over 250 Operation I.D. kits to retailers. This campaign has been highly successful in curbing sales to minors and I'm proud to say that I personally have been a member of the Prince Edward Island Operation I.D. Advisory Board since its inception.

Why are we sharing with the honourable members of the committee what happened in the market ten years ago? After successive and lately, huge tobacco tax hikes, we have now surpassed the tax levels that created the early 90's black market. Today, we of the distribution channel are facing the same problems faced a decade ago. Staff, safety and store security are of major concern, operators can no longer get insurance for their tobacco products and truck high jacking is on the increase across the country.

In 2004, just like the economy itself, the tobacco illegal trade is going global. With the internet, one can now buy with a credit card a carton of cigarettes for about $30 or less. Despite the fact that the Canadian market is rather insignificant on a global scale, we are now seeing the appearance of high quality counterfeit Canadian brand produced in China. We submit that if these products are entering our market, it is due to two factors: a growing demand for cheaper products and high taxes.

It is with this market reality in mind that NACDA shares its concerns with the committee over an excessive restriction on the number of point of sale outlets in Prince Edward Island. In other jurisdictions, when a ban on sales of tobacco in pharmacies was introduced, we witnessed the sales volume transfer from one channel to the other. Despite a significant loss for the drugstore channel and impulse driven categories such as confectionery, the other channels were large enough to accommodate the consumers demand and avoid a tobacco product scarcity that would have resulted in an unintended consequence of creating a parallel market.

Tape No. 9

Part VI - Heart and Stroke Foundation: Barb Stevenson

Wayne Collins (PC)Chair: I call upon now Ms. Barb Stevenson, the president of the Heart and Stroke Foundation of Prince Edward Island with a presentation to the committee.

Barb Stevenson: Mr. Collins.

Wayne Collins (PC)Chair: Good afternoon.

Barb Stevenson: Mr. Chair, we do have a--our presentation in print, it hasn't been distributed earlier, but I am going to leave that with you. It is in a fabulous folder which I hope you will recycle and use. We could certainly use the subliminal advertising that might be derived from that.

But I do realize that it is late in the day and I do intend to be brief and so may I begin by saying that I will leave the typed version of our presentation with you. I was quite impressed to sit through the presentation of Dr. Bigsby and Dr. Morrison and thought that the comments were entirely timely and I think you'll see that we have hit a number of the same points in our presentation.

So very briefly let me introduce myself to the committee. I'm Barb Stevenson, I happen to be a lawyer, I hope you won't hold that against me. I'm with the firm of Carr, Stevenson and MacKay. With me is Heather Keats who is the Communication Coordinator with the Heart and Stroke Foundation of PEI. I am the current president of the foundation. I am married, I have two teenage children who I have attempted to brainwash since birth that smoking is wrong and I'll just start with a little story.

I have a friend and his name was Bill. He since died with heart disease, but he was a heavy smoker. He was the only person that we ever had visit our home who smoked and I use to kick him outside to do so. And my son, who is approaching 18 and is about 6' 7" so he could handle himself these days. But he was about three or four at the time and Bill went outside to have his cigarette and my son approached him and he said, "Billy didn't anybody tell you that smoking gives you cancer and you die." And Bill was just absolutely, I mean he didn't quit but it was a very powerful message from a very little boy and I credit the efforts of a

committee like this and our government officials and health care providers with getting that information out to our three and four-year olds and I think really, if we are going to win this battle, that's where it's going to be won so I thought I would start with that little story for you.

Just to give you a bit of information. The mission of the Heart and Stroke Foundation--we've spent a lot of time on this actually over the last couple of years--but our mission is to reduce the incidents of and disability and death due to heart disease and stroke and to improve the quality of life for those effected.

I want to make it very clear that in our minds, smoking is a heart health issue. That's what it's all about, and the relationship of tobacco consumption to coronary heart disease is indisputable given various scientific methods which have established this and I won't go any further. But over 21 per cent of cardiovascular deaths can be directly attributed to smoking and over 30 per cent, 36 per cent of smoking-related deaths are manifested as cardiovascular deaths and again I speak from personal experience. I grow up in a household where my father happened to smoke Rothman's. I had chronic ear infections my entire childhood and I think I now know the reason why. But more importantly, he had his first heart attack that we know of, a major heart attack at 36 years of age and he died at 55, so I know what I speak.

Heart disease is directly linked to smoking and the more that we can do as a society to reduce smoking in this province the better off all of our citizens will be.

Two out of five tobacco-related deaths are due to cardiovascular disease in this country. And cardiovascular disease is two to four times more likely to occur in smoker than non smokers. Every 35 minutes, a Canadian woman dies as a result of smoking. Smoking triples a woman's risk of dying from heart disease, death by stroke is five times higher in women who smoke. So traditionally, this may have been thought as an issue for men, but we know all to well that women are very strongly effected by smoking as well. So in our minds at the Heart and Stroke Foundation, smoking is absolutely critical to the well being of Islanders.

I was going to get into a lot of statistics on what smoking does and what it doesn't do, but you've already heard those. But the most shocking one to me and what keeps me focused on our mission is that there are 47,000 tobacco-related deaths in Canada every year, which means again that every 12 minutes, a Canadian is dying from a tobacco-related death. Certainly puts it in prospective for all of us. That doesn't count all of the disease-ridden people and children that are affected by the second-hand smoke, spouses and so on.

I was very happy to hear the doctors mention that smoking causes heart--not that I was happy with the results but that they brought this point out so strongly. Smoking causes heart disease, causes stroke, causes cancer, emphysema, chronic bronchitis, gum disease, tooth loss, male impotence, which should be of interest to most, gangrene, harm to babies during pregnancy and many other adverse health effects.

We all know that exposure to second-hand smoke is just as deadly as the primary inhaler and children are particularly susceptible. There is good news though, we've come a long way. I believe that tobacco is now no longer a main stream event or common event in our society. Close to 80 per cent of Canadian adults do not smoke although the numbers vary by regions. Unfortunately, on PEI 23 per cent of Islanders over the age of 15 are currently smoking. So we are certainly above the national average. So obviously, we have more work to do.

I've included for you in our presentation a number of facts and statistics regarding cardiovascular disease. I'm going to leave those with you. But let me just say that on PEI, 37 per cent of all deaths can be attributed to heart disease and stroke and smoking increases the incidents of all major forms of heart disease and stroke. The impact of smoking on cardiovascular diseases related to the number of cigarettes smoked per day, how long a person has smoked, the age when a person started smoking and the pattern of inhaling.

Now let me commend you, as politicians and as those who implement public policy on this province, the Heart and Stroke Foundation has been obviously delighted with the legislation related to the *Smoke-Free Places Act* in 2003. We see this as a tremendous step forward and I just like to point out that there was so much discussion of how adverse this was going to be on businesses and how things were going to operate and I really

think it's been a tremendous success story. In fact, I was watching the National news the other night and I was quite disappointed when they didn't recognize that the entire province of PEI has basically gone smoke-free in public places and I think again we still have some education to do in that area, but it's going to be a tremendous benefit for people who want to go out and enjoy activities with their families and can do so in a smoke-free environment. Those who wish to smoke can hit the outside decks. So really, it works for everyone as far as I'm concerned.

Having said that, the Heart and Stroke Foundation does recommend the development of a comprehensive strategy to limit the retail sale of tobacco in Prince Edward Island. We have two main recommendations which we have presented in our paper. You are very familiar with all of them. Let me just say that in our brief, we have expounded on how we arrived at those.

But our first recommendation does endorse the banning of sale of tobacco in pharmacies and we come out very strongly in support of that and if you have questions, we certainly will entertain them but that's the first thing that we do want to state quite clearly. We do not believe that tobacco belongs in pharmacies in any way, shape or form and we believe that the pharmacies themselves want that particular ban for the main part. Pharmacists, pharmacists want that because they are in an ethical dilemma every day of their lives when they go into work. They are trying to dispense medications to help people become well or become well again and they are faced with the sale of tobacco.

One thing I did want to point out. According to Trends 2001, the Pharmacy Report, economic growth in community pharmacies has been lead by an increase in dispensary sales or sales of prescriptions and so called front shop items like electric toothbrushes, disposal cameras and anti-smoking products, anti-smoking products. In fact, tobacco does not rank in the top ten front shop items sold and I think that is worthwhile to consider in your deliberation.

Furthermore, the existence of tobacco-free pharmacies in Canadian provinces with and without a tobacco ban is evidence that tobacco-free pharmacies are financially viable. We believe that because the baby boomers are now approaching middle age that the pharmacies will derive more and more of their income actually from the sale of prescription drugs and will become less reliant on the sale of tobacco.

If we do our work properly, all Islanders are going to live longer. They will require more medications and this indeed will become true. We are hoping that you are going to help us get there.

I'd like to point out that PEI is the only eastern jurisdiction that has not introduced legislation to ban the sale of tobacco in pharmacies and in stores that contain pharmacies and I'm sure you've heard this before. Ontario, Quebec, Nunauvt, New Brunswick and Nova Scotia all have legislation in place. Newfoundland and Labrador are presently in a phase in period for their legislation which I understand is to take full effect on January 1st, 2005.

I also believe it to be true that 41 of the 60 pharmacies in this province voluntarily do not sell tobacco for ethical and professional reasons and I'm sure that you can check that and you'd know that to be true. We want to congratulate those pharmacies that have made that tough decision, but we believe this also clearly points out that the climate is right to create an equal playing field for all pharmacies and again we recommend the ban.

Very quickly moving on, our second recommendation that we would like to endorse is we would recommend that effective, January 1st 2006, that we ban signage and visible displays of tobacco products in all retail locations across Prince Edward Island and of course, this would include the power walls. As I was sitting there and looking at that picture that the doctors had of the power walls. I thought--I'm not addicted to anything that I know of, but I sure do like chocolate bars and the only time I buy chocolates bars is when I get in those stores where there are power walls of them and I always get a Coffee Crisp so I can't image the poor guy or gal who is strongly addicted to tobacco managing to get by that and I just point that out. I'm sure all of us have our weaknesses so just think what yours is and if they had a whole wall of it, right?

So very briefly, we've set out a long narrative on why we want to bring those recommendations to you, but really we just want to be here in support of all the excellent presentations that have been

made and to say it's wonderful to finally have the last word on something.

Wayne Collins (PC)Chair: I thank you very much for your wonderful presentation and I really appreciate the Heart and Stroke Foundation of Prince Edward Island and I know personally, they've been very helpful to me in my recovery from a heart attack because I always kid people, you know, it's easy to quit smoking. All you need to do is have two angioplasties, a massage heart attack, quintuple bypass surgery and (snapping of fingers) you can quit like that. No problem. Questions from honourable members. (Inaudible Comment)

Barb Stevenson: But what a wonderful conflict it is.

Wayne Collins (PC)Chair: Mr. Bagnall.

Jim Bagnall (PC): I too, am glad I never smoked–your comments earlier. The second thing would be your recommendation was 2006 for taking power walls out of convenient stores or any other–why wait til 2006? Like Imperial Tobacco stated earlier that it doesn't effect the sales of tobacco in stores, why would we want to wait that long?

Barb Stevenson: Well I guess what we were expecting or anticipating is that by January 1st 2005, we would like to see the ban on sale of tobacco in pharmacies, so this would be a phase in. If it could be done earlier with legislation we would be delighted.

Jim Bagnall (PC): Okay, I was just wondering because that part–if it's not going to have an economic spinoff to those small stores why couldn't we do it right away.

Barb Stevenson: No, we'd love to have it sooner. Absolutely.

Wayne Collins (PC)Chair: Mr. Brown.

Richard Brown (L): I too, want to thank the Heart and Stroke for making their presentation today. It's an excellent presentation. We are politicians and with more lobbying and pressure, that's the only way sometimes we react which is not always the right way.

Just one other comment. Would you also support something in the lines if we really want to stop smoking on PEI and help as much as we can, that products like the patch and anti-smoking or getting off cigarettes beyond the formulary, the prescription drug formulary, in order for people to get them under the co-pay system and all that instead of paying full price. Like we have the Senior Drug Program and we have the Drug Assistance Program and maybe these should be on it.

Barb Stevenson: I don't have any mandate to speak for Heart and Stroke on that, but speaking personally, I just think it would be a tremendous thing and can I digress for just a moment. I feel so strongly on this. We had two lawyers in our office who smoked and first they smoked on the back step and then they smoked in the front lobby and then the back porch and whatever. I felt so strongly about I was going to leave the partnership at one point. And finally I booked them an appointment with Dr. Feldstein and I paid for it and they both went grudgingly and they smoked the whole way there, you know, chained smoked the whole way there. And they did not want to quit, they both told me, you know who I'm talking about here. And they went in and they told me that they were. too strong willed, they couldn't be hypnotized.

After I guess, after about an hour of this hypnosis, one fellow decided he had to scratch his nose but he couldn't lift his arm to do it. And they got back out in the car and one fellow says to the other, "Will we have a cigarette?" and he said, "Well, I don't really feel like one." And they haven't had one for ten years. So maybe you should be thinking about massive hypnosis, I'm not sure.

The reason I tell you that story is, it is a very difficult thing to quit but whatever it is that can help people and if there is money to do it or will, let's do it. But I really think it's with the children, I mean I really do believe that we really have to make sure that we are not getting subliminal advertizing or any kind of message out to children or even the word tobacco or you should do it when you are 19, that's very wrong in my humble opinion.

Wayne Collins (PC)Chair: Mr. Ghiz.

Hon. Robert Ghiz (L): I just wanted to say that was a specular presentation and what a great way

to end off than with someone from District 13.

Wayne Collins (PC)Chair: Thank you very much, Ms. Stevenson for your presentation and I want to thank all the presenters not only here today but throughout the hearings that we've had and this has been our third full session of hearings on this issue and I not quite sure, Clerk but it most of been 19, 20 or 21 submissions or more that we've received.

Marian Johnston (Committee Clerk): And many more written.

Wayne Collins (PC)Chair: And many more written as well from all across the country and we are very pleased to have received those submissions and it's been a great deal of food for thought for this committee and we look forward to deliberating In Camera in the very near future and making some recommendations to our provincial legislature. So thank you all very much for your participation. And honourable members as well, and the Chair will entertain a motion of adjournment.

Jim Bagnall (PC): So moved.

Wayne Collins (PC)Chair: So moved by Mr. Bagnall. All of those in favour say Aye.

Some Committee Members: Aye.

Wayne Collins (PC)Chair: Contrary Nay. Adjourned.

rothmans, benson & hedges *c.* saskatchewan

Gouvernement de la Saskatchewan *Appelant*

c.

Rothmans, Benson & Hedges Inc. *Intimée*

et

Procureur général du Canada, Procureur général de l'Ontario, Procureur général du Québec, Procureur général de la Nouvelle-Écosse, Procureur général du Manitoba, Procureur général de la Colombie-Britannique, Procureur général de l'Île-du-Prince-Édouard, Société canadienne du cancer, Association pulmonaire du Canada, Association médicale canadienne, Fondation des maladies du cœur du Canada et Western Convenience Stores Association *Intervenants*

Répertorié : Rothmans, Benson & Hedges Inc. *c.* Saskatchewan

Référence neutre : 2005 CSC 13.

N° du greffe : 29973.

2005 : 19 janvier; 2005 : 18 mars.

Présents : La juge en chef McLachlin et les juges Major, Bastarache, Binnie, LeBel, Deschamps, Fish, Abella et Charron.

en appel de la cour d'appel de la saskatchewan

POURVOI contre un arrêt de la Cour d'appel de la Saskatchewan (les juges Tallis, Cameron et Sherstobitoff) (2003), 232 D.L.R. (4th) 495, 238 Sask. R. 250, 305 W.A.C. 250, [2004] 3 W.W.R. 589, [2003] S.J. No. 606 (QL), 2003 SKCA 93, qui a infirmé un jugement du juge Barclay (2002), 224 Sask. R. 208, [2002] 10 W.W.R. 733, [2002] S.J. No. 541 (QL), 2002 SKQB 382. Pourvoi accueilli.

Thomson Irvine et *Richard Hischebett*, pour l'appelant.

Steven Sofer, *Neil G. Gabrielson*, *c.r.*, *Michelle Ouellette* et *Marshall Reinhart*, pour l'intimée.

S. David Frankel, *c.r.*, et *David Schermbrucker*, pour l'intervenant le procureur général du Canada.

Robin K. Basu, *Mark Crow* et *Edward Burrow*, pour l'intervenant le procureur général de l'Ontario.

Brigitte Bussières et *Hugo Jean*, pour l'intervenant le procureur général du Québec.

Edward A. Gores, pour l'intervenant le procureur général de la Nouvelle-Écosse.

Cynthia Devine, pour l'intervenant le procureur général du Manitoba.

R. Richard M. Butler, pour l'intervenant le procureur général de la Colombie-Britannique.

Argumentation écrite seulement par *Ruth M. DeMone*, pour l'intervenant le procureur

général de l'Île-du-Prince-Édouard.

Argumentation écrite seulement par *Julie Desrosiers* et *Robert Cunningham*, pour les intervenantes la Société canadienne du cancer, l'Association pulmonaire du Canada, l'Association médicale canadienne et la Fondation des maladies du cœur du Canada.

Argumentation écrite seulement par *Ron A. Skolrood* et *Clifford G. Proudfoot*, pour l'intervenante Western Convenience Stores Association.

Version française du jugement de la Cour rendu par

LE JUGE MAJOR —

1 Le présent pourvoi porte sur la question de déterminer si une mesure législative de la Saskatchewan, en particulier l'art. 6 de la *Tobacco Control Act* (la « Loi provinciale »), S.S. 2001, ch. T-14.1, doit être considérée incompatible avec l'art. 30 d'une loi fédérale, la *Loi sur le tabac*, L.C. 1997, ch. 13, au point d'être jugée inopérante selon la doctrine de la prépondérance des lois fédérales. Au terme de l'audience, la Cour a conclu par la négative et a accueilli le pourvoi avec motifs à suivre.

I. Faits

2 En 1997, le Parlement a adopté la *Loi sur le tabac*, dont l'art. 4 énonce ainsi l'objet :

> **4.** La présente loi a pour objet de s'attaquer, sur le plan législatif, à un problème qui, dans le domaine de la santé publique, est grave et d'envergure nationale et, plus

particulièrement :

a) de protéger la santé des Canadiennes et des Canadiens compte tenu des preuves établissant, de façon indiscutable, un lien entre l'usage du tabac et de nombreuses maladies débilitantes ou mortelles;

b) de préserver notamment les jeunes des incitations à l'usage du tabac et du tabagisme qui peut en résulter;

c) de protéger la santé des jeunes par la limitation de l'accès au tabac;

d) de mieux sensibiliser la population aux dangers que l'usage du tabac présente pour la santé.

3 L'article 19 de la *Loi sur le tabac* interdit la promotion d'un produit du tabac ou d'un élément de marque d'un produit du tabac, sauf dans la mesure autorisée par une autre disposition de cette loi ou ses règlements. L'article 18 définit la « promotion » comme :

> ... la présentation, par tout moyen, d'un produit ou d'un service — y compris la communication de renseignements sur son prix ou sa distribution —, directement ou indirectement, susceptible d'influencer et de créer des attitudes, croyances ou comportements au sujet de ce produit ou service.

4 Les dispositions qui suivent l'art. 19, d'une part, interdisent certaines formes de promotion de produits du tabac et, d'autre part, autorisent d'autres types de promotion, qu'interdirait autrement l'art. 19. Parmi ces dispositions, le par. 30(1) prévoit que, « [s]ous réserve des règlements, il est possible, dans un établissement de vente au détail, d'exposer des produits du tabac et des accessoires portant un élément de marque d'un produit du tabac ». Le paragraphe 30(2) ajoute qu'un détaillant peut signaler que des produits du tabac sont en vente dans son établissement et indiquer leurs prix.

5 Le 11 mars 2002, la Loi provinciale est entrée en vigueur. L'article 6 de cette loi interdit la publicité, l'exposition et la promotion de tabac ou de produits connexes dans les lieux auxquels ont

accès les moins de 18 ans.

6 L'intimée a poursuivi l'appelant devant la Cour du Banc de la Reine de la Saskatchewan pour obtenir deux formes de redressement : un jugement déclarant que l'art. 6 de la Loi provinciale est inopérant compte tenu de l'art. 30 de la *Loi sur le tabac* et que les art. 6 et 7 de la Loi provinciale sont inopérants selon l'al. 2*b*) de la *Charte canadienne des droits et libertés*. L'intimée a présenté, en vertu de la règle 188 des *Règles de la Cour du Banc de la Reine* de la Saskatchewan, une demande de jugement sommaire sur la question de l'inopérabilité de l'art. 6 de la Loi provinciale en raison de la doctrine de la prépondérance des lois fédérales, compte tenu de l'art. 30 de la *Loi sur le tabac*.

II. Historique judiciaire

A. *Cour du Banc de la Reine de la Saskatchewan* ((2002), 224 Sask. R. 208, 2002 SKQB 382)

7 Le juge Barclay statue qu'il n'existe pas de conflit entre l'art. 6 de la Loi provinciale et l'art. 30 de la *Loi sur le tabac*. L'article 6 de la Loi provinciale impose des restrictions plus rigoureuses en matière de promotion des produits du tabac que l'art. 30 de la *Loi sur le tabac*, mais il n'existe pas de conflit d'application. Un détaillant peut se conformer simultanément aux restrictions imposées par les deux gouvernements.

8 En conséquence, le juge Barclay rejette la demande de l'intimée avec dépens.

B. *Cour d'appel de la Saskatchewan* ((2003), 238 Sask. R. 250, 2003 SKCA 93)

9 Le juge Cameron (aux motifs duquel souscrivent les juges Tallis et Sherstobitoff), comme le juge siégeant en son cabinet, reconnaît qu'il est possible de respecter l'art. 6 de la Loi provinciale sans qu'il y ait violation de l'art. 30 de la *Loi sur le tabac*. Il constate toutefois une incompatibilité pratique

entre les deux dispositions : ce qui est autorisé à l'art. 30 de la *Loi sur le tabac* est interdit à l'art. 6 de la Loi provinciale.

10 Pour ce motif, la cour a accueilli l'appel et a déclaré inopérant l'art. 6 de la Loi provinciale pour cause d'incompatibilité avec l'art. 30 de la *Loi sur le tabac*.

III. Analyse

11 Selon la doctrine de la prépondérance des lois fédérales, en cas de conflit entre une loi fédérale et une loi provinciale qui sont validement adoptées, mais qui se chevauchent, la loi provinciale devient inopérante dans la mesure de l'incompatibilité. L'arrêt *Multiple Access Ltd. c. McCutcheon*, [1982] 2 R.C.S. 161, est souvent cité à l'appui de la théorie que l'incompatibilité apparaît selon cette doctrine en cas d'impossibilité de respecter simultanément les textes législatifs provincial et fédéral. Le juge Dickson (plus tard Juge en chef) écrit :

> En principe, il ne semble y avoir aucune raison valable de parler de prépondérance et d'exclusion sauf lorsqu'il y a un conflit véritable, comme lorsqu'une loi dit « oui » et que l'autre dit « non »; « on demande aux mêmes citoyens d'accomplir des actes incompatibles »; l'observa[tion] de l'une entraîne l'inobserva[tion] de l'autre. (p. 191)

Voir également *Rio Hotel Ltd. c. Nouveau-Brunswick (Commission des licences et permis d'alcool)*, [1987] 2 R.C.S. 59, p. 65; *M & D Farm Ltd. c. Société du crédit agricole du Manitoba*, [1999] 2 R.C.S. 961, par. 17 et 41-42; *114957 Canada Ltée (Spraytech, Société d'arrosage) c. Hudson (Ville)*, [2001] 2 R.C.S. 241, 2001 CSC 40, par. 35.

12 Cependant, des décisions subséquentes indiquent que l'impossibilité de se conformer aux deux textes ne représente pas le seul signe d'incompatibilité. L'incompatibilité survient également selon

la doctrine de la prépondérance des lois fédérales lorsque la loi provinciale supplante la loi fédérale ou entrave la réalisation de son objet. En effet, dans *Banque de Montréal c. Hall*, [1990] 1 R.C.S. 121, p. 155, le juge La Forest fait observer :

> La démonstration que le conflit peut être évité si la loi provinciale est respectée à l'exclusion de la loi fédérale peut difficilement constituer une réponse à la question de savoir si les lois provinciale et fédérale entrent en conflit et sont, par conséquent, incompatibles. À mon avis, cette conclusion reviendrait simplement à supposer vrai ce qui est en question. L'examen doit plutôt porter sur la question plus large de savoir si l'application de la loi provinciale est compatible avec l'objet de la loi fédérale.

Voir aussi *Spraytech*, par. 35, et *Law Society of British Columbia c. Mangat*, [2001] 3 R.C.S. 113, 2001 CSC 67, par. 69-70.

13 Cette préoccupation à l'égard du risque que la réalisation du but visé par le Parlement soit entravée trouve peut-être son origine dans *McCutcheon*, où le juge Dickson affirme :

> ... Il n'y a pas vraiment incompatibilité dans le cas de dispositions qui se répètent simplement, puisqu'il n'importe pas de savoir quelle loi est appliquée; le but visé par le Parlement sera atteint, peu importe la loi sur laquelle se fonde le recours; l'application de la loi provinciale n'a pas pour effet d'écarter l'intention du Parlement. [p. 190; c'est moi qui souligne.]

14 À mon avis, le principe dominant à tirer de *McCutcheon* et des décisions subséquentes signifie qu'une loi provinciale ne doit pas entraver la réalisation de l'objet d'une loi fédérale, soit en rendant impossible le respect de celle-ci soit par tout autre moyen. En ce sens, l'impossibilité de se conformer aux deux textes suffit pour établir l'incompatibilité, mais ce n'est pas le seul critère.

15 Ainsi, pour décider si l'art. 6 de la Loi provinciale est incompatible avec l'art. 30 de la *Loi sur le tabac* au point d'être inopérant selon la doctrine de la prépondérance, on doit se poser deux questions. Premièrement, une personne peut-elle se conformer simultanément à l'art. 6 de la Loi provinciale et à l'art. 30 de la *Loi sur le tabac* ? Deuxièmement, l'art. 6 de la Loi provinciale

entrave-t-il la réalisation du but que visait le Parlement en adoptant l'art. 30 de la *Loi sur le tabac* ?

16 Avant de répondre à ces questions, il faut examiner la nature de l'art. 30 de la *Loi sur le tabac*.

17 Interprété dans le contexte de l'ensemble de la *Loi sur le tabac*, l'art. 30 a clairement pour objet de définir avec plus de précision l'interdiction de faire la promotion des produits du tabac prévue à l'art. 19. Plus précisément, il sert à exclure de la large portée de l'art. 19 la promotion consistant en l'exposition de produits dans des établissements de vente au détail. Ainsi, l'art. 30 se situe dans la même lignée que les par. 22(2), 26(1) et 28(1) de la *Loi sur le tabac*, qui excluent aussi de l'interdiction de l'art. 19 certaines formes de promotion de produits du tabac qui pourraient autrement être visées. Cette délimitation de l'interdiction de l'art. 19 représente une approche mesurée visant à préserver « notamment les jeunes des incitations à l'usage des produits du tabac », soit un des objectifs de la *Loi sur le tabac* énoncés à l'art. 4.

18 Cependant, en délimitant la portée de l'interdiction de l'art. 19 par le biais de l'art. 30, le Parlement n'accordait pas et ne pouvait pas accorder aux détaillants un droit positif d'exposer des produits du tabac, et ce, pour deux raisons.

19 Premièrement, tout comme la *Loi réglementant les produits du tabac*, L.C. 1988, ch. 20, qui l'a précédée, la *Loi sur le tabac* s'attaque à un mal en matière de santé publique et comporte des interdictions assorties de sanctions pénales. Dès lors, comme l'ont à bon droit conclu les tribunaux de la Saskatchewan à la suite de l'arrêt *RJR-MacDonald Inc. c. Canada (Procureur général)*, [1995] 3 R.C.S. 199, elle relève du pouvoir du Parlement en matière de droit criminel prévu au par. 91 (27) de la *Loi constitutionnelle de 1867*. Il convient de préciser qu'aucun argument n'a été soulevé au sujet de la possibilité que la loi ait été adoptée en vertu de la disposition concernant « la paix, l'ordre et le bon gouvernement » de l'art. 91. Cet argument n'aurait pu non plus être plaidé en raison des

admissions sur la base desquelles la procédure judiciaire s'est engagée devant le juge siégeant en son cabinet. En raison de la nature essentiellement prohibitive du pouvoir en droit criminel, les dispositions adoptées en vertu de ce pouvoir, comme l'art. 30 de la *Loi sur le tabac*, ne permettent généralement pas de créer des droits autonomes qui limitent la capacité des provinces de légiférer plus rigoureusement dans le domaine que le Parlement. Cette portée limitée du par. 91(27) est bien établie : voir, par exemple, *O'Grady c. Sparling*, [1960] R.C.S. 804; *Ross c. Registraire des véhicules automobiles*, [1975] 1 R.C.S. 5; *Spraytech*.

20 Deuxièmement, il est difficile d'imaginer comment l'octroi aux détaillants d'un droit autonome d'exposer des produits du tabac pourrait aider le Parlement à « s'attaquer, sur le plan législatif, à un problème qui, dans le domaine de la santé publique, est grave et d'envergure nationale » (*Loi sur le tabac*, art. 4). En d'autres termes, une interprétation de l'art. 30 qui accorderait aux détaillants le droit d'exposer des produits du tabac n'est pas justifiée eu égard aux objectifs déclarés de la *Loi sur le tabac* et contredit peut-être même ceux-ci.

21 Je n'accepte pas l'argument de l'intimée selon lequel le Parlement voulait, en adoptant l'art. 30, que l'exposition des produits du tabac dans un établissement de vente au détail ne soit assujettie qu'à sa propre réglementation. À mon avis, on ne peut prêter au Parlement l'intention de vouloir « occuper tout le champ », en l'absence d'un texte de loi clair à cet effet, sans s'écarter de l'attitude de retenue judiciaire pour les questions de prépondérance des lois fédérales que respecte la Cour depuis au moins l'arrêt *O'Grady*, p. 820.

A. *Impossibilité de se conformer aux deux textes*

22 Il est clair qu'il est possible en l'espèce de se conformer aux deux textes. Les détaillants peuvent facilement respecter à la fois l'art. 30 de la *Loi sur le tabac* et l'art. 6 de la Loi provinciale de l'une des façons suivantes : en n'admettant pas les moins de 18 ans dans leurs établissements ou en

n'exposant pas de tabac ou de produits connexes.

23 De même, le juge appelé à appliquer l'une des lois n'a aucune difficulté à le faire malgré l'existence de l'autre loi. Comme la Cour, le juge peut se fonder sur la prémisse que la Loi provinciale interdit simplement ce que le Parlement a décidé de ne pas interdire dans ses propres loi et règlements.

24 Pour qu'il soit impossible de respecter les deux dispositions, il faudrait que l'art. 30 de la *Loi sur le tabac* exige que les détaillants fassent ce qu'interdit l'art. 6 de la Loi provinciale : exposer du tabac ou des produits connexes devant des jeunes.

B. *Entrave à la réalisation de l'objet de la loi*

25 L'article 6 de la Loi provinciale n'entrave pas la réalisation de l'objet de l'art. 30 de la *Loi sur le tabac*. Tant l'objet général de la *Loi sur le tabac* (s'attaquer à un problème de santé publique d'envergure nationale) que l'objet précis de l'art. 30 (circonscrire l'interdiction générale concernant la promotion des produits du tabac établie à l'art. 19 de la *Loi sur le tabac*) sont réalisés. En fait, l'art. 6 de la Loi provinciale paraît favoriser au moins deux des objectifs déclarés de la *Loi sur le tabac*, à savoir « préserver notamment les jeunes des incitations à l'usage du tabac » (al. 4*b*)) et « protéger la santé des jeunes par la limitation à l'accès du tabac » (al. 4*c*)).

26 La conclusion que l'art. 6 de la Loi provinciale n'entrave pas la réalisation de l'objet de l'art. 30 de la *Loi sur le tabac* ne contredit pas la position du procureur général du Canada. En effet, celui-ci est intervenu en l'espèce pour plaider que la *Loi sur le tabac* et la Loi provinciale visent les mêmes objectifs en matière de santé et qu'il n'existe pas d'incompatibilité entre les deux dispositions en cause. Bien que les observations du gouvernement fédéral ne règlent évidemment pas la question juridique de l'incompatibilité, il existe un précédent de la Cour selon lequel il convient de garder à l'esprit la position de l'autre ordre de gouvernement, pour examiner les questions de fédéralisme : voir

Bande Kitkatla c. Colombie-Britannique (Ministre des Petites et moyennes entreprises, du Tourisme et de la Culture), [2002] 2 R.C.S. 146, 2002 CSC 31, par. 72-73.

IV. Conclusion

27 Il n'existe pas d'incompatibilité entre l'art. 30 de la *Loi sur le tabac* et l'art. 6 de la Loi provinciale qui soit susceptible de rendre ce dernier inopérant selon la doctrine de la prépondérance des lois fédérales. L'appel est accueilli et l'appelant a droit aux dépens dans toutes les cours.

28 La question constitutionnelle reçoit la réponse suivante :

L'article 6 de la loi intitulée *Tobacco Control Act*, S.S. 2001, ch. T-14.1, est-il constitutionnellement inopérant par application de la doctrine de la prépondérance législative fédérale, vu l'existence de l'art. 30 de la *Loi sur le tabac*, L.C. 1997, ch. 13?

Non.

Pourvoi accueilli avec dépens.

Procureur de l'appelant : Procureur général de la Saskatchewan, Regina.

Procureurs de l'intimée : McKercher McKercher & Whitmore, Saskatoon.

Procureur de l'intervenant le procureur général du Canada : Procureur général du Canada, Vancouver.

Procureur de l'intervenant le procureur général de l'Ontario : Procureur général de l'Ontario, Toronto.

Procureur de l'intervenant le procureur général du Québec : Procureur général du Québec, Sainte-Foy.

Procureur de l'intervenant le procureur général de la Nouvelle-Écosse : Procureur général de la Nouvelle-Écosse, Halifax.

Procureur de l'intervenant le procureur général du Manitoba : Procureur général du Manitoba, Winnipeg.

Procureur de l'intervenant le procureur général de la Colombie-Britannique : Procureur général de la Colombie-Britannique, Victoria.

Procureur de l'intervenant le procureur général de l'Île-du-Prince-Édouard : Procureur général de l'Île-du-Prince-Édouard, Charlottetown.

Procureurs des intervenantes la Société canadienne du cancer, l'Association pulmonaire du Canada, l'Association médicale canadienne et la Fondation des maladies du cœur du Canada : Martineau Walker, Montréal.

Procureurs de l'intervenante Western Convenience Stores Association : Lawson Lundell, Vancouver.

rothmans, benson & hedges *v.* saskatchewan

Government of Saskatchewan *Appellant*

v.

Rothmans, Benson & Hedges Inc. *Respondent*

and

Attorney General of Canada, Attorney General of Ontario, Attorney General of Quebec, Attorney General of Nova Scotia, Attorney General of Manitoba, Attorney General of British Columbia, Attorney General of Prince Edward Island, Canadian Cancer Society, Canadian Lung Association, Canadian Medical Association, Heart and Stroke Foundation of Canada, and Western Convenience Stores Association *Interveners*

Indexed as: Rothmans, Benson & Hedges Inc. *v.* Saskatchewan

Neutral citation: 2005 SCC 13.

File No.: 29973.

2005: January 19; 2005: March 18.

Present: McLachlin C.J. and Major, Bastarache, Binnie, LeBel, Deschamps, Fish, Abella and Charron JJ.

on appeal from the court of appeal for saskatchewan

Constitutional law — Federal paramountcy — Retail display of tobacco products — Federal tobacco legislation allowing retailers to display tobacco and tobacco-related products, and signs indicating availability and price of tobacco products — Provincial tobacco control legislation banning all advertising, display and promotion of tobacco or tobacco-related products in any premises in which persons under 18 years of age are permitted — Whether provincial legislation inoperative pursuant to doctrine of federal legislative paramountcy — Tobacco Act, S.C. 1997, c. 13, s. 30 — Tobacco Control Act, S.S. 2001, c. T-14.1, s. 6.

The respondent company sought a declaration that s. 6 of the Saskatchewan *Tobacco Control Act* is, by virtue of the paramountcy doctrine, inoperative in light of s. 30 of the federal *Tobacco Act*. Section 30 allows retailers to display tobacco and tobacco product-related brand elements and post signs indicating the availability and price of tobacco products, while s. 6 bans all advertising, display and promotion of tobacco or tobacco-related products in any premises in which persons under 18 years of age are permitted. The Court of Queen's Bench dismissed the company's application. The Court of Appeal set aside that decision and declared s. 6 inoperative on the basis of a practical inconsistency between the two provisions.

Held: The appeal should be allowed. The provincial legislation is not inoperative by virtue of the paramountcy doctrine.

There is no inconsistency between s. 6 of *The Tobacco Control Act* and s. 30 of the *Tobacco Act*. First, a retailer can easily comply with both provisions in one of two ways: by admitting no one under 18 years of age on to the premises, or by not displaying tobacco or tobacco-related products. The provincial legislation simply prohibits what Parliament has opted not to prohibit in its own legislation and regulations. Second, s. 6 does not frustrate the legislative purpose underlying s. 30. Both the general purpose of the *Tobacco Act* (to address a national public health problem) and the specific purpose of s. 30 (to circumscribe the *Tobacco Act*'s general prohibition on promotion of tobacco

products set out in s. 19) remain fulfilled. In demarcating through s. 30 the scope of the federal legislation's general prohibition on the promotion of tobacco products, Parliament did not grant retailers a positive entitlement to display such products.

Cases Cited

Applied: *RJR-MacDonald Inc. v. Canada (Attorney General)*, [1995] 3 S.C.R. 199; **referred to:** *Multiple Access Ltd. v. McCutcheon*, [1982] 2 S.C.R. 161; *Rio Hotel Ltd. v. New Brunswick (Liquor Licensing Board)*, [1987] 2 S.C.R. 59; *M & D Farm Ltd. v. Manitoba Agricultural Credit Corp.*, [1999] 2 S.C.R. 961; *114957 Canada Ltée (Spraytech, Société d'arrosage) v. Hudson (Town)*, [2001] 2 S.C.R. 241, 2001 SCC 40; *Bank of Montreal v. Hall*, [1990] 1 S.C.R. 121; *Law Society of British Columbia v. Mangat*, [2001] 3 S.C.R. 113, 2001 SCC 67; *O'Grady v. Sparling*, [1960] S.C.R. 804; *Ross v. Registrar of Motor Vehicles*, [1975] 1 S.C.R. 5; *Kitkatla Band v. British Columbia (Minister of Small Business, Tourism and Culture)*, [2002] 2 S.C.R. 146, 2002 SCC 31.

Statutes and Regulations Cited

Canadian Charter of Rights and Freedoms, s. 2(*b*).

Constitution Act, 1867, s. 91.

Queen's Bench Rules (Saskatchewan), Rule 188.

Tobacco Act, S.C. 1997, c. 13, ss. 4, 18, 19, 22(2), 26(1), 28(1), 30.

Tobacco Control Act, S.S. 2001, c. T-14.1, ss. 6, 7.

Tobacco Products Control Act, S.C. 1988, c. 20.

APPEAL from a judgment of the Saskatchewan Court of Appeal (Tallis, Cameron and Sherstobitoff JJ.A.) (2003), 232 D.L.R. (4th) 495, 238 Sask. R. 250, 305 W.A.C. 250, [2004] 3 W.W.R. 589, [2003] S.J. No. 606 (QL), 2003 SKCA 93, reversing a decision of Barclay J. (2002),

224 Sask. R. 208, [2002] 10 W.W.R. 733, [2002] S.J. No. 541 (QL), 2002 SKQB 382. Appeal allowed.

Thomson Irvine and *Richard Hischebett*, for the appellant.

Steven Sofer, *Neil G. Gabrielson, Q.C.*, *Michelle Ouellette* and *Marshall Reinhart*, for the respondent.

S. David Frankel, Q.C., and *David Schermbrucker*, for the intervener the Attorney General of Canada.

Robin K. Basu, *Mark Crow* and *Edward Burrow*, for the intervener the Attorney General of Ontario.

Brigitte Bussières and *Hugo Jean*, for the intervener the Attorney General of Quebec.

Edward A. Gores, for the intervener the Attorney General of Nova Scotia.

Cynthia Devine, for the intervener the Attorney General of Manitoba.

R. Richard M. Butler, for the intervener the Attorney General of British Columbia.

Written submissions only by *Ruth M. DeMone*, for the intervener the Attorney General of Prince Edward Island.

Written submissions only by *Julie Desrosiers* and *Robert Cunningham*, for the interveners the Canadian Cancer Society, the Canadian Lung Association, the Canadian Medical Association and

the Heart and Stroke Foundation of Canada.

Written submissions only by *Ron A. Skolrood* and *Clifford G. Proudfoot*, for the intervener the Western Convenience Stores Association.

The judgment of the Court was delivered by

MAJOR J. —

1 The question on this appeal is whether Saskatchewan legislation, and in particular s. 6 of *The Tobacco Control Act*, S.S. 2001, c. T-14.1, is sufficiently inconsistent with s. 30 of the federal *Tobacco Act*, S.C. 1997, c. 13, so as to be rendered inoperative pursuant to the doctrine of federal legislative paramountcy. At the end of the hearing, the Court concluded that that question should be answered in the negative and allowed the appeal, with reasons to follow.

I. Facts

2 In 1997, Parliament enacted the *Tobacco Act*. Section 4 of the statute speaks to its purpose as follows:

> **4.** The purpose of this Act is to provide a legislative response to a national public health problem of substantial and pressing concern and, in particular,
>
> (*a*) to protect the health of Canadians in light of conclusive evidence implicating tobacco use in the incidence of numerous debilitating and fatal diseases;
>
> (*b*) to protect young persons and others from inducements to use tobacco products and the consequent dependence on them;
>
> (*c*) to protect the health of young persons by restricting access to tobacco products; and

(*d*) to enhance public awareness of the health hazards of using tobacco products.

3 Section 19 of the *Tobacco Act* prohibits the promotion of tobacco products and tobacco product-related brand elements, except as authorized elsewhere in the *Tobacco Act* or its regulations. Section 18 of the *Tobacco Act* defines "promotion" as:

> . . . a representation about a product or service by any means, whether directly or indirectly, including any communication of information about a product or service and its price and distribution, that is likely to influence and shape attitudes, beliefs and behaviours about the product or service.

4 The provisions that follow s. 19 both prohibit specific types of tobacco product promotion, and permit other types of promotion that s. 19 would otherwise prohibit. Among those provisions, s. 30 (1) provides that, "[s]ubject to the regulations, any person may display, at retail, a tobacco product or an accessory that displays a tobacco product-related brand element". Section 30(2) further provides that retailers may post signs indicating the availability and price of tobacco products.

5 On March 11, 2002, *The Tobacco Control Act* came into force in Saskatchewan. Section 6 of that Act bans all advertising, display and promotion of tobacco or tobacco-related products in any premises in which persons under 18 years of age are permitted.

6 The respondent sued the appellant in the Saskatchewan Court of Queen's Bench, seeking two forms of relief: a declaration that s. 6 of *The Tobacco Control Act* is inoperative in light of s. 30 of the *Tobacco Act*, and a declaration that ss. 6 and 7 of *The Tobacco Control Act* are of no force and effect in light of s. 2(*b*) of the *Canadian Charter of Rights and Freedoms*. The respondent applied pursuant to Rule 188 of *The Queen's Bench Rules* of Saskatchewan for a summary determination by the court as to whether s. 6 of *The Tobacco Control Act* is inoperative in light of s. 30 of the *Tobacco Act* by virtue of

the doctrine of federal legislative paramountcy.

II. Judicial History

A. *Saskatchewan Court of Queen's Bench* ((2002), 224 Sask. R. 208, 2002 SKQB 382)

7 Barclay J. held that there was no conflict between s. 6 of *The Tobacco Control Act* and s. 30 of the *Tobacco Act*. While s. 6 of *The Tobacco Control Act* prescribed a stricter standard concerning the promotion of tobacco products than did s. 30 of the *Tobacco Act*, there was no operational conflict. A retailer could comply simultaneously with the restrictions imposed by both governments.

8 In the result, Barclay J. dismissed the respondent's application with costs.

B. *Saskatchewan Court of Appeal* ((2003), 238 Sask. R. 250, 2003 SKCA 93)

9 Cameron J.A. (Tallis and Sherstobitoff JJ.A. concurring) agreed with the chambers judge that it was possible to comply with s. 6 of *The Tobacco Control Act* without defying s. 30 of the *Tobacco Act*. However, he observed a practical inconsistency between the two provisions, in that the authorization afforded by s. 30 of the *Tobacco Act* was negated by s. 6 of the *Tobacco Control Act*.

10 On that basis, the court allowed the appeal, and declared s. 6 of *The Tobacco Control Act* inoperative as inconsistent with s. 30 of the *Tobacco Control Act*.

III. Analysis

11 The doctrine of federal legislative paramountcy dictates that where there is an inconsistency between validly enacted but overlapping provincial and federal legislation, the provincial

legislation is inoperative to the extent of the inconsistency. *Multiple Access Ltd. v. McCutcheon*, [1982] 2 S.C.R. 161, is often cited for the proposition that there is an inconsistency for the purposes of the doctrine if it is impossible to comply simultaneously with both provincial and federal enactments. Dickson J. (as he then was) wrote, at p. 191:

> In principle, there would seem to be no good reasons to speak of paramountcy and preclusion except where there is actual conflict in operation as where one enactment says "yes" and the other says "no"; "the same citizens are being told to do inconsistent things"; compliance with one is defiance of the other.

See also *Rio Hotel Ltd. v. New Brunswick (Liquor Licensing Board)*, [1987] 2 S.C.R. 59, at p. 65; *M & D Farm Ltd. v. Manitoba Agricultural Credit Corp.*, [1999] 2 S.C.R. 961, at paras. 17 and 41-42; and *114957 Canada Ltée (Spraytech, Société d'arrosage) v. Hudson (Town)*, [2001] 2 S.C.R. 241, 2001 SCC 40, at para. 35.

12 However, subsequent cases indicate that impossibility of dual compliance is not the sole mark of inconsistency. Provincial legislation that displaces or frustrates Parliament's legislative purpose is also inconsistent for the purposes of the doctrine. In *Bank of Montreal v. Hall*, [1990] 1 S.C.R. 121, at p. 155, La Forest J. wrote:

> A showing that conflict can be avoided if a provincial Act is followed to the exclusion of a federal Act can hardly be determinative of the question whether the provincial and federal acts are in conflict, and, hence, repugnant. That conclusion, in my view, would simply beg the question. The focus of the inquiry, rather, must be on the broader question whether operation of the provincial Act is compatible with the federal legislative purpose.

See also *Spraytech*, at para. 35, and *Law Society of British Columbia v. Mangat*, [2001] 3 S.C.R. 113,

2001 SCC 67, at paras. 69-70.

13 This concern about frustration of Parliament's legislative purpose may find its roots in *McCutcheon*, in which Dickson J. stated, at p. 190:

> . . . [T]here is no true repugnancy in the case of merely duplicative provisions since it does not matter which statute is applied; the legislative purpose of Parliament will be fulfilled regardless of which statute is invoked by a remedy-seeker; application of the provincial law does not displace the legislative purpose of Parliament. [Emphasis added.]

14 In my view, the overarching principle to be derived from *McCutcheon* and later cases is that a provincial enactment must not frustrate the purpose of a federal enactment, whether by making it impossible to comply with the latter or by some other means. In this way, impossibility of dual compliance is sufficient but not the only test for inconsistency.

15 It follows that in determining whether s. 6 of *The Tobacco Control Act* is sufficiently inconsistent with s. 30 of the *Tobacco Act* so as to be rendered inoperative through the paramountcy doctrine, two questions arise. First, can a person simultaneously comply with s. 6 of *The Tobacco Control Act* and s. 30 of the *Tobacco Act*? Second, does s. 6 of *The Tobacco Control Act* frustrate Parliament's purpose in enacting s. 30 of the *Tobacco Act*?

16 Before answering those questions, it is necessary to examine the character of s. 30 of the *Tobacco Act*.

17 Read in the context of the *Tobacco Act* as a whole, it is clear that the purpose and effect of s. 30 is to define with greater precision the prohibition on the promotion of tobacco products contained in s. 19. Specifically, it serves to exclude from the wide net of s. 19 promotion by way of retail display.

In this way, it is like ss. 22(2), 26(1) and 28(1) of the *Tobacco Act*, which also exclude from the s. 19 prohibition certain types of tobacco product promotion that it might otherwise capture. This demarcation of the s. 19 prohibition represents a measured approach to protecting "young persons and others from inducements to use tobacco products", one of the purposes of the *Tobacco Act* set out in s. 4.

18 However, in demarcating the scope of the s. 19 prohibition through s. 30, Parliament did not grant, and could not have granted, retailers a positive entitlement to display tobacco products. That is so for two reasons.

19 First, like the *Tobacco Products Control Act*, S.C. 1988, c. 20, before it, the *Tobacco Act* is directed at a public health evil and contains prohibitions accompanied by penal sanctions. Accordingly, and as the Saskatchewan courts correctly concluded in light of this Court's decision in *RJR-MacDonald Inc. v. Canada (Attorney General)*, [1995] 3 S.C.R. 199, it falls within the scope of Parliament's criminal law power contained in s. 91(27) of the *Constitution Act, 1867*. It might be noted that no argument was made regarding the possibility that the legislation was adopted under the "peace, order and good government" clause of s. 91, nor could any have been made, given the concessions on the basis of which this chambers motion proceeded. As the criminal law power is essentially prohibitory in character, provisions enacted pursuant to it, such as s. 30 of the *Tobacco Act*, do not ordinarily create freestanding rights that limit the ability of the provinces to legislate in the area more strictly than Parliament. This limited reach of s. 91(27) is well understood: see, for example, *O'Grady v. Sparling*, [1960] S.C.R. 804; *Ross v. Registrar of Motor Vehicles*, [1975] 1 S.C.R. 5; and *Spraytech*.

20 Second, it is difficult to imagine how granting retailers a freestanding right to display tobacco products would assist Parliament in providing "a legislative response to a national public health problem of substantial and pressing concern" (*Tobacco Act*, s. 4). To put it slightly differently, an interpretation of s. 30 as granting retailers an entitlement to display tobacco products is unsupported by,

and perhaps even contrary to, the stated purposes of the *Tobacco Act*.

21 I do not accept the respondent's argument that Parliament, in enacting s. 30, intended to make the retail display of tobacco products subject only to its own regulations. In my view, to impute to Parliament such an intention to "occup[y] the field" in the absence of very clear statutory language to that effect would be to stray from the path of judicial restraint in questions of paramountcy that this Court has taken since at least *O'Grady*, at p. 820.

A. *Impossibility of Dual Compliance*

22 It is plain that dual compliance is possible in this case. A retailer can easily comply with both s. 30 of the *Tobacco Act* and s. 6 of *The Tobacco Control Act* in one of two ways: by admitting no one under 18 years of age on to the premises or by not displaying tobacco or tobacco-related products.

23 Similarly, a judge called upon to apply one of the statutes does not face any difficulty in doing so occasioned by the existence of the other. The judge, like this Court, can proceed on the understanding that *The Tobacco Control Act* simply prohibits what Parliament has opted not to prohibit in its own legislation and regulations.

24 For an impossibility of dual compliance to exist, s. 30 of the *Tobacco Act* would have to require retailers to do what s. 6 of *The Tobacco Control Act* prohibits— i.e., to display tobacco or tobacco-related products to young persons.

B. *Frustration of Legislative Purpose*

25 Section 6 of *The Tobacco Control Act* does not frustrate the legislative purpose underlying

s. 30 of the *Tobacco Act*. Both the general purpose of the *Tobacco Act* (to address a national public health problem) and the specific purpose of s. 30 (to circumscribe the *Tobacco Act*'s general prohibition on promotion of tobacco products set out in s. 19) remain fulfilled. Indeed, s. 6 of *The Tobacco Control Act* appears to further at least two of the stated purposes of the *Tobacco Act*, namely, "to protect young persons and others from inducements to use tobacco products" (s. 4(*b*)) and "to protect the health of young persons by restricting access to tobacco products" (s. 4(*c*)).

26 The conclusion that s. 6 of *The Tobacco Control Act* does not frustrate the purpose of s. 30 of the *Tobacco Act* is consistent with the position of the Attorney General of Canada, who intervened in this appeal to submit that the *Tobacco Act* and *The Tobacco Control Act* were enacted for the same health-related purposes and that there is no inconsistency between the two provisions at issue. While the submissions of the federal government are obviously not determinative of the legal question of inconsistency, there is precedent from this Court for bearing in mind the other level of government's position in resolving federalism issues: see *Kitkatla Band v. British Columbia (Minister of Small Business, Tourism and Culture)*, [2002] 2 S.C.R. 146, 2002 SCC 31, at paras. 72-73.

IV. Conclusion

27 There is no inconsistency between s. 6 of *The Tobacco Control Act* and s. 30 of the *Tobacco Act* that would render the former inoperative pursuant to the doctrine of federal legislative paramountcy. The appeal is allowed with costs to the appellant throughout.

28 The constitutional question is answered as follows:

> Is s. 6 of *The Tobacco Control Act*, S.S. 2001, c. T-14.1, constitutionally inoperative under the doctrine of federal legislative paramountcy, having regard to s. 30 of the *Tobacco Act*, S.C. 1997, c. 13?

Answer: No.

Appeal allowed with costs.

Solicitor for the appellant: Attorney General for Saskatchewan, Regina.

Solicitors for the respondent: McKercher McKercher & Whitmore, Saskatoon.

Solicitor for the intervener the Attorney General of Canada: Attorney General of Canada, Vancouver.

Solicitor for the intervener the Attorney General of Ontario: Attorney General of Ontario, Toronto.

Solicitor for the intervener the Attorney General of Quebec: Attorney General of Quebec, Sainte-Foy.

Solicitor for the intervener the Attorney General of Nova Scotia: Attorney General of Nova Scotia, Halifax.

Solicitor for the intervener the Attorney General of Manitoba: Attorney General of Manitoba, Winnipeg.

Solicitor for the intervener the Attorney General of British Columbia: Attorney General of British Columbia, Victoria.

Solicitor for the intervener the Attorney General of Prince Edward Island: Attorney General of Prince Edward Island, Charlottetown.

Solicitors for the interveners the Canadian Cancer Society, the Canadian Lung Association, the Canadian Medical Association and the Heart and Stroke Foundation of Canada: Martineau Walker, Montreal.

Solicitors for the intervener the Western Convenience Stores Association: Lawson Lundell, Vancouver.

provisions of the Master Settlement Agreement—no marketing to children whatsoever, and specifically no tobacco advertisements in publications targeted at young people. Was this an oversight on a massive scale or another brick knocked out of the tobacco cartel's youth marketing stonewall? We may never know; but it shows the importance of independent groups and individuals closely monitoring all aspects of any and every tobacco control regulation.

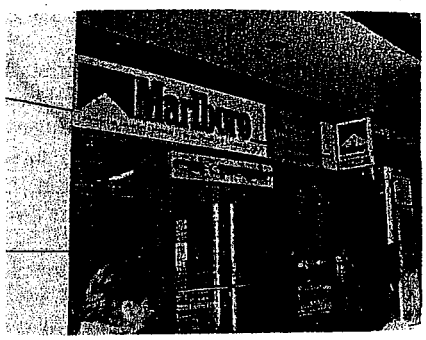
AMANDA HOLM
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Hungary: tobacco ads forced back inside

On 19 December 2000 the National Assembly of Hungary passed the amendment of the 1997 Act on Advertising, which introduced a comprehensive ban on tobacco advertising. (*Tobacco Control* 2002;11:79–81). The ban was to take effect on 1 July 2001 for print media and 1 January 2002 for outdoor advertising, including posters, billboards, and other forms of advertisements. The law only allows "exhibition of tobacco products and their prices" at the point-of-sale (POS), advertising in industry publications and, on request, for global motor sport events, such as the Hungarian Formula 1 race.

Tobacco industry representatives, supported by interest groups of the advertising industry, expressed their disappointment and obtuseness around the law. Their first thought was to challenge the law in the Constitutional Court, because of the violation of commercial freedom of speech. While a law firm prepared the submission, the challenge was never initiated. Instead, tobacco companies started thinking about ways to evade the regulation in an attempt to remain as visible to the public as possible. A representative of an advertising agency even thought about behind-the-scenes agreements between the tobacco company and the publisher of the illegal ad, through which the company assumes the expected fine. In the end, neither of these tactics have been used. Tobacco companies chose to conclude a deal with the Self-regulation Advertising Board (an association with a membership of a wide range of "advertisers", including all major transnational tobacco companies), and to develop their own interpretation of what POS meant.

The result was disappointing for tobacco control advocates and for those who were committed to controlling tobacco through administrative means. Again, tobacco advertisements became



The ubiquitous Marlboro logo, now being forced off the streets in Hungary.

part of the scene on our streets. As it later turned out, the Consumer Protection Directorate (CPD), a government based agency responsible for enforcing the ban, received instruction from the Ministry of Economic Affairs to apply the tobacco industry's interpretation of the law. As a consequence, CPD turned a blind eye to the everyday, illegal practice of the industry.

The Hungarian National Smoke-free Association (NSFA) decided to intervene. Without having information on the deal on which CPD enquiries about outdoor tobacco ads were based, it first collected information and reported to CPD illegal practices of which it became aware. It was only after its claims had been rejected by CPD that it made its next step.

First, NSFA asked the ombudsman's office to take a stand on the issue. On 4 February 2003 the ombudsman took the position that tobacco advertising was not allowed in shop windows or shop fronts. Next, NSFA sued CPD for deeming legal a tobacco advertisement placed outside a bar in Budapest. In a precedent setting court case the Court of the Capital City ruled in favour of NSFA, outlining that in the context of the law, "point of sale" did not include anything visible from a public place.

According to this decision, promotional POS material for tobacco will have to be placed specially in retail outlets so it cannot be viewed from outside. Since the first case, the court has ruled in favour of NSFA on nine other occasions, and forced CPD to do what was intended by the law: to protect the public from the interests of a small but powerful lobby group.

The efforts of NSFA have already started to bear fruit. Shop owners, fearing fines and court cases, began removing tobacco ads from their shop fronts. While indirect tobacco advertisements—such as the ubiquitous Marlboro logo—are still to be seen, there is unquestionably a change in the public acceptance of tobacco advertisements.

However, the reasons for the apparent collusion between a government department (the Ministry of Economic Affairs), a government based agency (CPD), and tobacco company interests remains to be understood and revealed.

TIBOR SZILAGYI
Health 21 Hungarian Foundation; h21hf@axelero.hu

Australia: sudden death in Sydney

Are tobacco control advocates a sentimental lot, prone to overlooking the fact that, as tobacco industry apologists never tire of pointing out, "We all die eventually"? Or is it perhaps a case of those able to do Big Tobacco's dirty work being either a self selecting bunch of tough guys, or a group with a knack for denial about the medical consequences of their products, or both? Whatever accounts for the differences in the way the two sides view tobacco induced disease, an industry document that surfaced recently shed an interesting light on how a tobacco industry executive viewed a sudden death almost certainly aided by the free cigarettes that were routinely given to industry employees until comparatively recently.

In February 1972, almost exactly 10 years after the world's first expert review of the scientific evidence about the effects of smoking on health was published by the Royal College of Physicians of London, which included some strong conclusions about smoking and sudden cardiovascular death, a series of tobacco industry meetings took place in Australia. An American executive identified only as Bill, possibly William Kloepfer from the US Tobacco Institute, wrote home to a colleague, "Dear Alex [almost certainly Alex Holtzman, general counsel to Philip Morris in the United States], Informal progress report. Damn good trip so far..." and went on to describe his first few days down under.

Describing a lunch at British Tobacco, he related how "Unfortunately, William Bengtsson whom I had just met and who was our host a[t] luncheon collapsed and died at the luncheon table, and my attempts to resuscitate him were completely fruitless. It was quite sad, as he was much liked and highly competent."

Quite sad? Is that all? Was it a form of manly understatement, or just a colloquial turn of phrase of the time, as in the English translation of the famous 19th century German book of terrify ing cautionary tales for children, *Struwwelpeter*? In that, young Conrad, who ignored his mother's instructions

Point-of-Purchase Tobacco Environments and Variation by Store Type --- United States, 1999

To promote its products, the tobacco industry spent $8.2 billion on marketing in 1999, an increase of $1.5 billion over the previous year (*1*). Tobacco advertising in various media increases tobacco consumption (*2*) and adolescents are more susceptib than adults to being influenced by some forms of tobacco advertising (*3*). To describe the retail tobacco advertising and marketing environment, researchers from the Robert Wood Johnson Foundation-sponsored ImpacTeen Project* collected and analyzed store observation data in 163 communities throughout the United States. This report summarizes the extent of point-o purchase (POP) tobacco advertising and marketing found in various types of stores. The findings in this report indicate that certain retail environments frequented by teenagers heavily promote tobacco use. To reduce demand for tobacco products amor adolescents, public health efforts should address POP environment exposure to tobacco advertising and marketing.

During a 4-month period in 1999, ImpacTeen researchers observed POP environments in 3,031 retail outlets in 163 communiti with public schools participating in the nationally representative Monitoring the Future (MTF) study of eighth-, 10th-, and 12th grade students (*4*). Private and magnet schools (comprising approximately 20% of the original sample) were not included in thi study. Community boundaries were defined by the area from which each school drew at least 80% of its student population. Random samples of up to 30 retailers per community were drawn from lists of stores selling tobacco and/or liquor products as identified by their Standard Industrial Classifications (SIC) Index codes†. Two additional samples of 10 stores each were drawn as replacements for any stores on the original list that did not meet study criteria (i.e., those that had ceased business, had relocated, were not open during the days observers were on site, or did not sell tobacco products). If field observers could not reach the desired sample size of 30 using the original and replacement lists of retailers, they added tobacco retailers identified c site. Of the 3,031 observed stores, 2,309 (76.2%) were from the original sample, 355 (11.7%) were from randomly generated replacement lists, and 367 (12.1%) were added in the field based on study protocol. Overall, 2,999 (98.9%) of all observed stor were tobacco retailers and were eligible for inclusion in the study.

Field observers collected information on the presence of various POP tobacco environment features including 1) tobacco produ placement (self-service versus clerk-assisted); 2) promotions (multipack/cents-off discounts and gift-with-purchase offers); 3) tobacco-branded functional objects (free items provided by the industry such as counter change mats or shopping baskets displaying the sponsoring company's logo); 4) presence and extent of exterior and interior advertisements (such as those indicating special prices); 5) presence of low-height interior advertising or advertisements directly in the line of sight of very young children (at a height of <3½ feet above the floor); and 6) tobacco-control signage (including Food and Drug Administration [FDA]§- or industry-sponsored signage, health warnings, or messages indicating that identification is required t purchase tobacco products). Data were weighted to account for both the community-level multistage sampling procedures and t store selection probabilities. The GENMOD procedure in SAS v.8 was used to run generalized estimating equations that accounted for community clustering while specifying a binomial distribution and a logit link function. Results were expressed a unadjusted odds ratios and 95% Wald confidence intervals. For all analyses, supermarkets were used as the referent category.

Some form of tobacco POP presence (i.e., interior or exterior advertising, self-service pack placement, multipack discounts, tobacco-branded functional objects, or vending machines) was observed in 92.1% of the stores: self-service cigarette pack placement in 36.4%, multipack discounts in 25.2%, and at least one tobacco-branded functional object in 68.5%. Most (80%) retailers displayed interior tobacco advertising; 22.8% had high levels of interior advertising (i.e., advertisements outside areas where tobacco products were sold or displayed), and 42.9% had low-height advertisements. Exterior tobacco advertisements were observed in 58.9% of the stores, with 40.4% having high levels of exterior advertising (i.e., five or more advertisements or at least one advertisement >1 foot in any dimension). Some form of tobacco advertising (interior or exterior) was present in 84.1% of the stores. Convenience/gas retailers were significantly more likely to have five of the six POP measures, convenience and liquor stores were significantly more likely to have four of the measures, and drug stores were significantly less likely to have two of the measures (Table 1).

Tobacco-control signage was observed in 65.8% of the stores (Table 2). Forty-eight percent of stores had industry-sponsored signage warning minors that proof of age is required to purchase tobacco products (e.g., "We Card" signs), 32.7% had FDA-sponsored signage, 4.1% had health warning signs, and 6.3% had other minors' access signs. Convenience stores and convenience/gas stores were significantly more likely to have industry-sponsored signs. Both gas stations and liquor stores were significantly less likely to have health warning signage.

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Restrictions on the Retail Display of Tobacco Products

POLICY ANALYSIS

PREPARED FOR SMOKE-FREE NOVA SCOTIA
BY TILSON CONSULTING

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Restrictions on the Retail Display of Tobacco Products

Executive Summary

There is a substantial body of research that demonstrates a strong correlation between the advertising and promotion of tobacco products and tobacco use. The evidence shows that youth are more influenced by tobacco marketing than adults, with exposure and receptivity to tobacco advertising among youth influencing not only experimentation with smoking but also progression from experimentation to established smoking. In an effort to reduce youth smoking initiation and tobacco use in general, countries around the world have restricted or banned traditional forms of tobacco product promotion. In response, tobacco manufacturers have altered their mix of marketing activities, placing greater emphasis on various forms of promotion at the point-of-sale. Thus tobacco control advocates and policy-makers have begun to call for legislated controls over how and where tobacco products may be displayed and sold in retail establishments.

This report is intended to stimulate informed debate on the question of restricting the retail display of tobacco products, by providing a detailed analysis of the evidence and arguments in support of and against such restrictions. The paper is based on extensive research in several distinct fields:

- Consumer product marketing research on the importance of the retail environment in general and point-of-purchase displays in particular;
- Internal tobacco company documents that discuss the value of retail merchandising and specific merchandising programs;
- Tobacco control research on point-of-sale promotions and related issues;
- Experiences of jurisdictions that have implemented display restrictions.

A range of different restrictions on the display of tobacco in retail outlets have been proposed or implemented in jurisdictions around the world:

- Regulating the proximity of tobacco products to children's goods;
- Banning countertop displays;
- Banning self-service displays;

- Limiting retail stores to one tobacco display each;
- Limiting the number of packs visible to the public;
- Limiting the size of the tobacco display;
- Banning the visible display of tobacco products.

In Canada, the federal government has banned self-service tobacco displays. Under the *Tobacco Act* the federal government also has the authority to regulate tobacco product displays and retail signage. Of the provinces and territories less than half have implemented some form of control on tobacco displays at point-of-sale. Self-service displays are banned in Quebec, New Brunswick, Nova Scotia, and Nunavut. Countertop displays are banned in three provinces—New Brunswick, Nova Scotia, and Nunavut. A complete ban on the display of tobacco products at retail has been passed by the governments of Saskatchewan, Manitoba, and Nunavut. However, a display ban is not currently in force in any province, pending the outcome of the court case between the Government of Saskatchewan and tobacco company Rothmans, Benson & Hedges on the legality of the provision.

A growing number of countries around the world are also legislating controls on the retail promotion of tobacco, including tobacco displays. Since August 2001, a ban on the visible display of tobacco at retail has been in effect in Iceland. Ireland has passed a law banning self-service tobacco sales and restricting retail displays to one package of each tobacco product offered for sale. However, the provisions have not been implemented, pending the outcome of legal challenge launched by several Irish and European tobacco companies. Several Australian states have similarly imposed limits on the size and content of retail tobacco displays, including Victoria and the Northern Territory. The government of New South Wales, Australia, has announced its intentions to ban tobacco products from public view in retail establishments.

That tobacco displays at point-of-sale are a vital form of product promotion is substantiated by a large body of evidence from consumer product and tobacco control research, as well as by internal documents of the tobacco manufacturers themselves. Tobacco sales depend on ongoing ability of tobacco companies to

- make consumers aware of the brand;
- have consumers recognize the brand;
- transmit the essential image of the brand in a way that motivates consumers to buy the product.

In the absence of traditional forms of advertising, the display of tobacco at point-of-sale plays a critical role in generating brand awareness and maintaining brand image. Tobacco displays work synergistically with other forms of tobacco product promotion, most notably the package design. Tobacco companies have conducted sophisticated scientific studies, using equipment such as eye-gaze monitors and projection tachistoscopes, to understand the behaviour of consumers in retail outlets and to incorporate this knowledge into the design of retail displays and tobacco packages.

General consumer product research has concluded that merchandising activities at point-of-sale increase product sales. Tobacco control research has likewise found that tobacco sales are boosted by point-of-sale promotional efforts. One study found that retail advertising and displays increase average tobacco sales by 12%. One reason for this is that an estimated 60% of tobacco purchases are unplanned. Large, attractive tobacco displays in virtually every convenience store, supermarket, and gas stations are designed to provide strong visual cues to consumers and prompt impulse purchases.

The position, size, and type of tobacco display, and the location and number of company signs to be posted are specified in contractual agreements between tobacco companies and retailers. In exchange for complying with the tobacco companies' requirements, retailers are paid promotional allowances, in the form of cash, discounts, rebates, merchandise, fixtures, prizes, or some combination of these. The competition between tobacco firms for prime display space is so intense that tobacco giant Philip Morris was even sued by other tobacco companies on the grounds that its retailer incentive program unlawfully restricted competition.

Tobacco companies contend that the purpose of tobacco product displays is to provide their customers with information on which to base their choice of brand, that is, to encourage brand switching among current smokers, and that displays have no impact on inducing non-smokers or former smokers to take up smoking. The research indicates, however, that smokers are highly loyal to their brands, with less than 10% of smokers switching brands each year. Moreover, smokers usually choose a brand while they are still experimenting with tobacco use. Since more than 80% of smokers begin smoking during adolescence, tobacco companies of necessity must direct their marketing to youth in order to influence their decision to smoke and their initial brand choice. In addition to being influenced by tobacco advertising and promotion, youth smoking is affected by adolescents' belief regarding the prevalence of tobacco use. Research shows that the degree to which young people overestimate smoking rates is a predictor of starting smoking. The widespread availability of tobacco products for sale and the size and prominence of tobacco product displays contribute to the belief common among youth that "everyone" smokes.

The ubiquity, accessibility, and visibility of tobacco displays in retail stores also play a significant role in normalizing tobacco products and undermining the impact of health risk information. The proximity of tobacco products to benign consumer goods like candy and trading cards renders them benign by association.

Given the importance of visibility for their products at the point-of-sale, tobacco companies have vigorously opposed any attempt by governments to limit the retail display and promotion of tobacco products. In several jurisdictions, including Iceland, Ireland, and Saskatchewan, tobacco companies have challenged the legality of display restrictions in court—arguing that the provisions violate their constitutional right to freedom of expression. Tobacco companies have also undertaken aggressive lobbying campaigns against any proposal to restrict product displays. Experience in Canada and the United States, however, indicates that the tobacco firms prefer to orchestrate public opposition by retailers, keeping their own interests in the background. Retailers can be expected to oppose government attempts to restrict or ban tobacco product displays for fear of losing tobacco company promotional allowances, suffering revenue losses from reduced tobacco sales, and incurring remodeling costs. The experience in Saskatchewan, together with current market forces, however, suggests that these losses could readily be mitigated.

The point-of-purchase is critical to marketing a product, uniting three of the four key elements of marketing—product, place, and promotion. The point-of-purchase is where the shopper can be transformed into the buyer—given the right inducements. In the case of a product that causes the death of over 47,000 Canadians every year, governments have a responsibility to do everything within their power to ensure that retail outlets do not serve to normalize tobacco products among youth, do not promote increased use among current smokers by prompting impulse buying, and do not cue smokers who are trying to quit to resume smoking.

Restrictions on the Retail Display of Tobacco Products

Overview of the Issue

There is a solid body of research demonstrating a strong correlation between the advertising and promotion of tobacco products and tobacco use (Wakefield and Terry-McElrath; U.S. Department of Health and Human Services). The evidence shows that youth are more influenced by tobacco marketing than adults, and there is evidence of a causal relationship between the advertisement and promotion of tobacco products and smoking initiation (Pierce).[1] Recent research also shows that exposure and receptivity to tobacco advertising influences not only experimentation with smoking but also progression from experimentation to established smoking (Choi). As traditional forms of promotion have been increasingly restricted over the past decade, tobacco control advocates and policy-makers have begun to emphasize the importance of legislating controls on the remaining forms of tobacco product promotion, in particular controls over how and where tobacco products may be displayed and sold in retail establishments, as a means of preventing youth from starting to smoke and reducing tobacco use.

The nature of the problem of retail tobacco displays is clearly portrayed in this description of a typical convenience store in Montreal:

> "Walk into the depanneur in the basement of the downtown Complexe Les Ailes and you hit a wall of cigarettes. Sixty-four cartons of Player's hover above the counter in a display case. Nearby a 4-foot-tall wall rack features 135 packs of du Maurier. Other Montreal stores strategically place plexiglass cigarette displays on their counters, often right next to candy. It certainly looks like advertising...." (Riga).

[1] The study by Pierce and colleagues provides the first longitudinal evidence that tobacco promotional activities are causally related to the onset of smoking. The study "provides clear evidence that tobacco industry advertising and promotional activities can influence non-susceptible never-smokers to start the process of becoming addicted to cigarettes." The authors estimate that 34% of all experimentation in California between 1993-1996 can be attributed to tobacco company promotional activities.

Power Wall—"a bright, colourful display of cigarette packages located behind the service counter, that show several brands on tens of columns and rows" (Health Canada, 1999).

In recent years, retail displays of tobacco products have gotten bigger. Display racks are also being modified so that the packages cover most of the health warnings. In some outlets, dozens of boxes of roll-your-own cigarette tubes—which don't require health warnings—are piled up to form a large, branded "billboard" (Riga). The photographs below illustrate typical 'power walls' of tobacco products found in retail stores in Canada.

Photo 1: Power wall, Convenience store

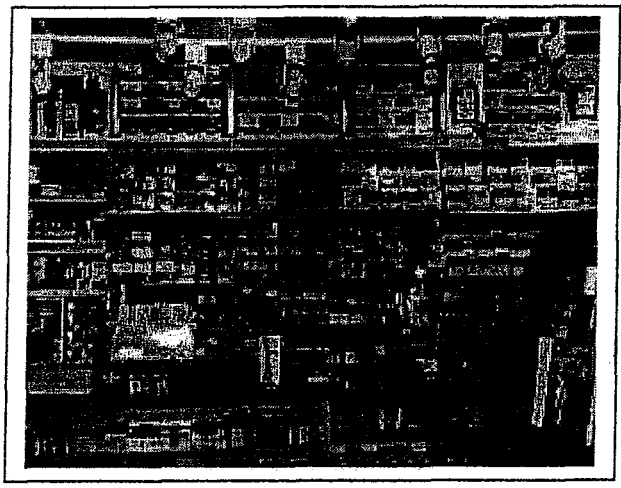


Photo 2: Cascading power wall, Convenience store, Montreal, PQ

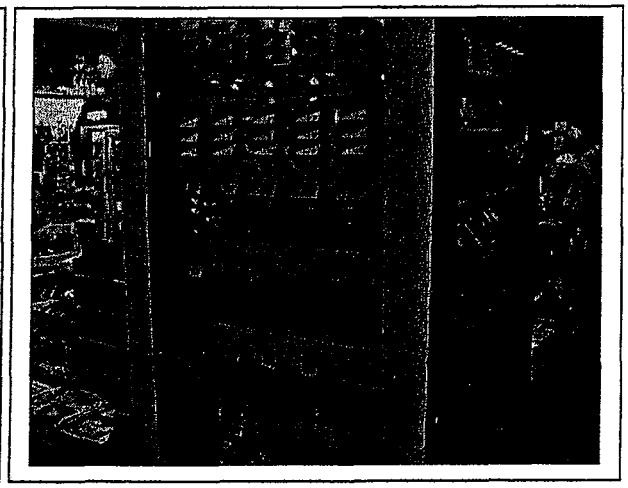


Photo 3: Gas station/convenience store, Amherst, NS

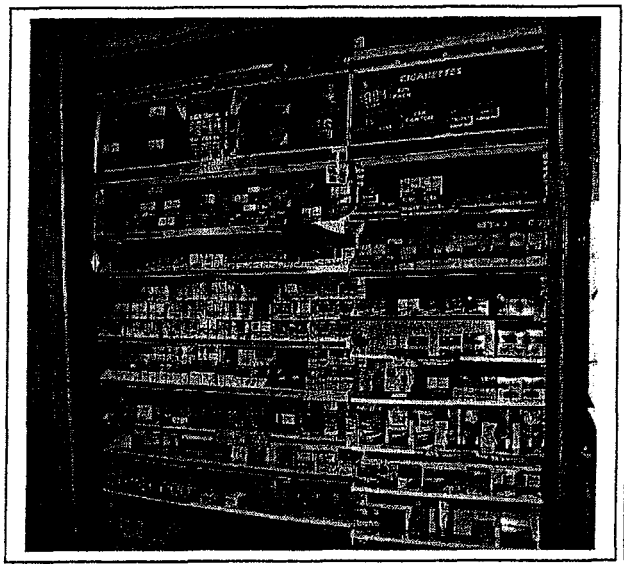


Photo 4: Convenience store, Truro, NS

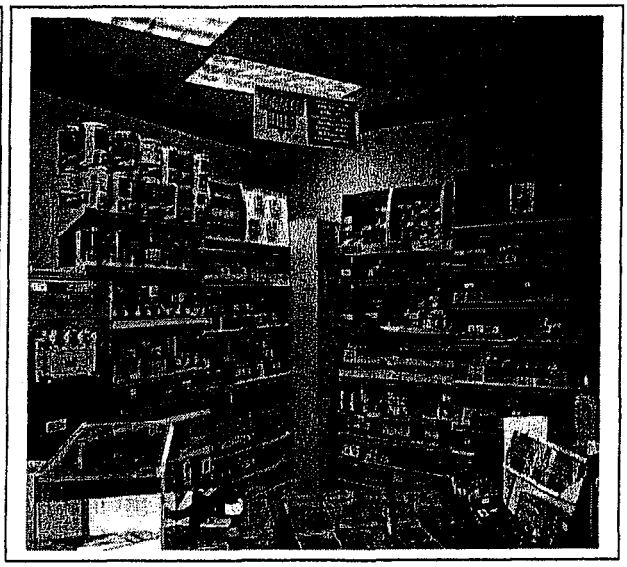


Photo 5: Smoke shop, Halifax, NS

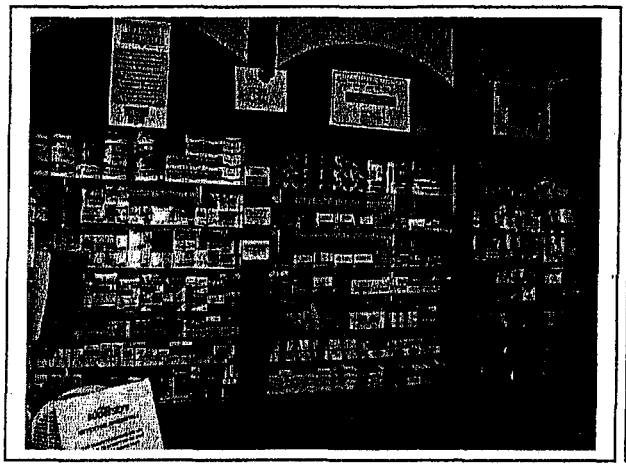
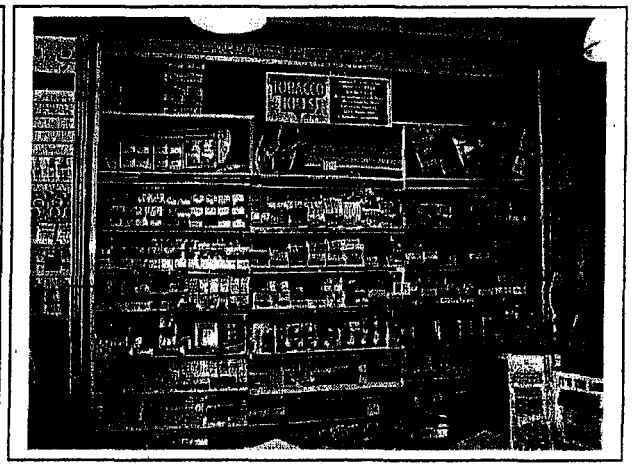


Photo 6: Gas station, Elmsdale, NS



A variety of different restrictions to address the problem of promoting tobacco use through retail displays have been implemented in jurisdictions around the world:

- Regulating the proximity of tobacco products to children's goods;
- Banning countertop displays;
- Banning self-service displays;
- Limiting retail stores to one tobacco display each;
- Limiting the number of packs visible to the public;
- Limiting the size of the tobacco display;
- Banning the visible display of tobacco products.

The purpose of this paper is to stimulate informed debate on this issue, by providing a detailed analysis of the evidence and arguments in support of retail display restrictions and the potential negative repercussions of such a policy. The paper is based on extensive research in several distinct fields: general consumer product marketing research on the importance of the retail environment in general and point-of-purchase displays in particular; internal tobacco company documents that discuss the value of retail merchandising and specific merchandising programs; and tobacco control research on point-of-sale promotions and related issues. In addition the paper draws upon the experiences of jurisdictions that have implemented display restrictions to anticipate the likely response from key stakeholders in the issue, including tobacco companies and retailers.

Arguments for Display Controls

Merchandising Increases Sales of Consumer Products

> "[M]arketing is a strategic process—a planned series of actions or methods that take place sequentially. This process includes developing products, pricing them strategically, making them available to customers through a distribution network, and promoting them through sales and advertising activities. The ultimate goal of the marketing process is to earn a profit for the firm by consummating the exchange of products or services with those customers who need or want them" (Arens).

In developing a marketing plan, marketing managers traditionally focus on the four P's of marketing—product, price, place, and promotion. Merchandising is all the activities that showcase a product at the point of purchase:

> [Merchandising] is the final step in ensuring that the consumer sees your product and is tempted to buy it. Good merchandising is about the impact your product has on the consumer, it is about using the product itself to stimulate the customer to buy, it is about reminding the consumer of your mass media campaigns at the actual point of purchase when he/she is faced with the buying decision" (British-American Tobacco, "Merchandising").

The point-of-purchase in effect unites product, place, and promotion. It is where the shopper can be transformed into the buyer given the right inducements (Parmar, 2002).

It is only recently that marketing departments have recognized the value of the point-of-purchase as a vehicle to promote their products and increase sales (Facenda). This trend toward an increased emphasis on point-of-sale promotion began in the early 1990s. In many regions worldwide, particularly in the more mature markets such as North America, expenditures on point-of-purchase promotions grew by more than ten percent a year throughout the 1990s and at least until 2001 (Krakowka). Industry experts anticipate that figures for 2003 will again show that point-of-purchase has been accorded a greater share of marketing budgets, while other forms of media stabilized or decreased (Parmar, 2003).

"More than ever, trade dollars grease the shelves of all retailers,' says Mickey Jardon, executive vice president at DVC Co-Marketing" (K. Fitzgerald).

As marketers increasingly recognize the importance of point-of-sale, more and more manufacturers are paying retailers to promote their products, not just specific brands but entire product categories. The growth of point-of-purchase expenditures seen in North America during the 1990's is now being mirrored internationally (Parmar, 2002).

"In real estate, the mantra may be 'location, location, location,' but for retailers it's all about presentation.... A proper presentation can make all the difference in the sale of a product at retail..." (Facenda).

It is well-known within the retail sector that about 70% of all buying decisions are made at the point-of-sale. Depending on the product and the type of store, impulse purchases can account for as much as 90% of sales. Cognizant of the high proportion of sales that are unplanned, brand marketers and retailers use shelves, in-store signage, displays, promotions, and contests "to make cash registers ring" (K. Fitzgerald; *Hardware Merchandising*).

In-store signage is an inexpensive yet effective tool that retailers use to draw attention to their products and increase their sales (Turcik). Colour plays a key role on point-of-sale signage and advertising in attracting the customers' attention to the products. Colour is also of vital importance in establishing brand image and brand recognition. Indeed, marketers use studies of colour psychology to develop effective colour combinations for packaging and display: "It is true to say that most successful brands now, own, their own colors" (Hancock).

A study on effective category management in retail stores found that retailers with the best performance do four things in common, including using feature advertising to increase traffic to their store and using displays to increase in-store purchases (Dhar). The key influencers of individual category performance, however, depend on the role the category plays in the consumer's everyday life, that is, whether the category can be classified as a staple, a variety enhancer, a niche, or a fill-in.[2] While more and better displays do improve sales regardless of the category, displays have the greatest impact on sales of staples and niches, that is, products that are purchased often, either by the mass market (high penetration) or by a niche market (low penetration) (Dhar).

[2] Product categories are classified into high and low penetration, defined as percentage of households that purchase the category, and high and low frequency, defined as the average number of times per year the category is purchased. Categories fall into one of four groups: staples are high penetration/high frequency; niches are low penetration/high frequency; variety enhancers are high penetration/low frequency; and fill-ins are low penetration/low frequency.

Merchandising Increases Tobacco Brand Awareness and Tobacco Sales

"Presentation is everything not only in our business but in almost every business imaginable, travel agents, restaurants, airlines, the list is almost endless. You must make the product(s) talk to the consumer" (British-American Tobacco, "Merchandising").

The previous section provided evidence from general marketing research of the importance of merchandising to everyday consumer products such as hardware and groceries. The sale of tobacco products likewise is directly affected by merchandising activities at point-of-sale, despite significant differences between tobacco and other consumer products in many respects, most notably the addictiveness of tobacco. Bloom sees the trend to an increased emphasis on using "'push' marketing tools (for example, sales calls, trade allowances, slotting fees, and display fees) over increasingly less effective 'pull' marketing tools (for example, media advertising)" as a reflection of the trend in the way consumer products in general are being promoted (Bloom). Evidence of the importance of the point-of-sale to tobacco companies can be found in a number of sources—in the actions of tobacco manufacturers, in the words of tobacco company executives, and in tobacco control research.

Tobacco Companies Study Consumer Behaviour at Point-of-Sale

Testifying to the importance of retail display to the tobacco companies is the fact that the companies conduct scientific research on consumer behaviour in the retail environment in order to maximize the effectiveness of the tobacco display at point-of-sale. During the 1990s, for example, Philip Morris performed a study entitled "Metro Area Consumer Retail Master Study" to learn where its products should be placed in stores to garner the most attention from customers. As part of the study, participants wore eyetracking glasses while shopping to determine which displays and products attracted the most attention. The study found that the best locations where "on the counter, behind the counter or cashier, and on and around the door" (*United States' Preliminary Proposed Finding of Fact*).

A sophisticated study by British American Tobacco entitled "A Cross Cultural Comparison of Visual Scanning Patterns" was designed to provide an understanding of the variables that affect visual scanning behaviour, including the size of the display, the number of shelves, the number and type of pricing information, and whether cultural factors such as differences in reading styles between eastern and western cultures influences the impact of these variables. The goal of these experiments was to produce a handbook of guidelines on maximizing the potential of the point-of-sale display:

"This technique makes use of an eye-gaze monitor to make the measurements and an infra-red technology and computorised [sic] digitization to analyse the results. By examining the routes of tracking over the display the output of the analysis provides a cumulated picture of the visual hot spots on the display. With this information it is possible to better position our brands on the gantry in order to receive the maximum amount of visual attention" (British-American Tobacco, "A Cross Cultural Comparison of Visual Scanning Patterns").

Tobacco Companies Pay for Prime Display Space

"The tobacco companies are making very large payments to retailers to encourage the creation of a retail environment that encourages trial and consumption of tobacco products" (*United States' Preliminary Proposed Finding of Fact*).

For decades, tobacco companies have been compensating retailers for promoting tobacco products in their stores. The forms of promotion vary, from allocating premium retail display space to their products, to discounting the price of certain products, to permitting tobacco advertising in various locations in and around the store (on shopping baskets/carts, gas pumps, exit signs, clocks, counter tops, shelf banners, front windows, walls, and curb signs), to displaying a higher percentage of one tobacco company's brands than those of any other company. The nature of the compensation likewise varies considerably:

- slotting fee (also called slotting allowance, display fee, or placement fee)—cash payment made for displaying brands at certain heights, in certain locations (on the counter, behind the counter, in a self-service container, close to the register), or with a specified number of facings, units, or trademarks visible;
- trade allowance—reduction in the amount retailers owe on invoices or offers of free cases;
- buy down—payment made either in cash or as an off-invoice allowance to encourage the retailer to reduce the price of products currently held in inventory;
- rebate—payment made in cash or as an off-invoice allowance to retailers who have achieved certain sales volumes;
- two-for-one—retailers buy brands that are packaged in pairs of packs, for which the consumer and the retailer only pay for a single pack;
- free or discounted equipment—display cases, shopping carts, clocks;
- free entertainment—NASCAR tickets, free vacations, clothing (*United States' Preliminary Proposed Finding of Fact*).

Below is one example of a retailer incentive program, this one used by American Tobacco in 1993.

Graphic 1: Retail Incentive Program, American Tobacco

EXHIBIT I

RETAIL INCENTIVE PROGRAM

The Retail Incentive Program has been designed as follows:

- 40 Pack Temporary Display
  - Incentive: 1-2-3-4 E.B. Gratis
- Semi Permanent Pack Display
  - Accommodates 60 Non-Promotional Packs Plus 20 Promotional
  - Incentive:
    - ~ 6 Free Packs with 60 Packs Displayed
    - ~ 8 Free Packs with 80 Packs Displayed
    - ~ Plus a One Time Bonus of 2 Free Cartons for a 3 Month Commitment
- Self Service Permanent Package Display
  - Accommodates 25 Packs Per Shelf with a Maximum of Four Shelves Per Display
  - Incentive:
    - ~ $4.00 Per Shelf/Month, Paid Quarterly
    - ~ Plus a One Time Bonus of $20.00 for a 6 Month Commitment
- Non-Self Service Permanent Package Display
  - Accommodates 25 Packs Per Shelf with a Maximum of Four Shelves Per Display
  - Incentive:
    - ~ $2.00 Per Shelf/Month, Paid Quarterly
    - ~ Plus a One Time Bonus of $10.00 for a 6 Month Commitment
- Semi Permanent Floor Display
  - Accommodates 70 Packs Over a Maximum of 108 Cartons (54/Shelf)
  - Incentive:
    - ~ 2 Free Cartons with 40 Cartons Displayed
    - ~ 4 Free Cartons with 80 Cartons Displayed
    - ~ 6 Free Cartons with 115 Cartons Displayed
    - ~ Plus a One Time Bonus for a 3 Month Commitment:
    - ~ 4 Free Cartons with 40 Cartons Displayed
    - ~ 8 Free Cartons with 80 Cartons Displayed
    - ~ 12 Free Cartons with 115 Cartons Displayed

While the practice of tobacco companies entering into contracts with retail establishments is well-known, the specifics of these agreements remain unclear. A recent qualitative study by Feighery and colleagues involving in-depth interviews with a sample of 29 tobacco retailers in 21 U.S. states concluded that "little systematic data are available on retailer incentive programmes because these transactions are negotiated privately and are unique to each retail outlet (Feighery, 2003).[3] Common to all the contracts, however, is that the tobacco companies offer volume discounts to retailers that meet minimum sales volume standards. The contracts are usually long-term, although the volume and the terms are reviewed regularly. In return for the incentive payment, "retailers are expected to follow tobacco company requirements to place products and advertising in specific locations and to advertise special prices prominently" (Feighery, 2003).

"The consensus among retailers is that if you want to sell cigarettes they have to be visible to customers" (S. Fitzgerald).

The amount of money that retailers earn from their participation in these incentive programs varies greatly and, as stated, is usually negotiated on an individual basis (Feighery, 2003; S. Fitzgerald). A study of 108 randomly selected small retail outlets in Santa Clara County, California, found that an average store received about $2500 annually from tobacco company slotting fees (Feighery, 1999). Other reports claim that convenience stores earn as much as $20,000 per store per year by cooperating fully with incentive programs such as Philip Morris's Retail Leaders program (*United States' Preliminary Proposed Finding of Fact*).

As in the U.S., the payment of incentives to tobacco retailers is common across Canada. The Executive Director of the Ontario Convenience Stores Association, Peter Flach, has stated that most of his 2000 members receive display allowances from tobacco companies (S. Fitzgerald). The Quebec Association des Détaillants en Alimentation, which represents some 9,000 convenience store owners and other retailers, claims that retailers in Quebec received between $4,000 and $9,000 per year from tobacco companies in exchange for their in-store displays. In some cases the fee is sufficient to cover the rent (Riga). A calculation estimate by Physicians for a Smoke-Free Canada put the average retail allowance at $1500 per year. The figure is based on total annual tobacco company expenditures on retail promotions of $60 million, divided by an estimated 40,000 tobacco retailers in Canada (Physicians for a Smoke-Free Canada).

[3] Feighery and colleagues interviewed store managers, assistant/section managers, and store owners. The types of stores included 9 small grocery stores both with and without gas stations, 9 convenience stores both with and without gas stations, 5 liquor stores, 3 chain supermarkets, 2 chain pharmacies, and 1 mass general merchandise.

Tobacco Companies Compete For Display Space

"[P]oint-of-sale advertising is becoming increasingly important, according to Ms. Ivey [President of Brown & Williamson], who said that the biggest battle today is at the retail level, where display space is at a premium and the tobacco companies are constantly jockeying for position" (Stamler).

Further evidence of the value of display to the tobacco companies is the intense competition between companies for the prime display space. In its contracts with retailers, Philip Morris, for example, dictates the percentage of the display space to be devoted to its products (in keeping with the company's overall market share). Typically the larger companies also demand that their products be displayed at eye level (Feighery, 2003). The ongoing battle over display space has even ended up in the courts. In 1999 Brown & Williamson, R. J. Reynolds, and Lorillard Tobacco sued Philip Morris over its "Retail Leaders" incentive program, claiming that the program unlawfully restricted competition and forced retailers to give Philip Morris brands unfair prominence on their shelves (Spethmann, 1998; Stamler):

> "Under Retail Leaders, Philip Morris provides discounts to retailers on its popular Marlboro brand in exchange for the most advantageous display and signage space in retail establishments. This arrangement, the plaintiffs say, restricts the flow of information to consumers, limits the plaintiffs' abilities to promote their products, insulates Philip Morris from effective competition, and results in higher cigarette prices" (U.S. Fourth District Court of Appeals).

Although the plaintiffs were unsuccessful, the fact that three tobacco companies sued a fourth over its retail incentive program demonstrates the significance of these programs to the competitive position of the companies and ultimately to their sales of tobacco products. As marketing professor Sheri Bridges puts it: "[The tobacco companies] are not spitting at each other just for the fun of it. This has real meaning because point-of-purchasing has such an impact on consumer choice and because point-of-purchasing displays play such a major role in building and maintaining brand image" (Quinn).

Importance of Point-of-Sale Increases When Promotion Restricted

"Our results are consistent with those of other research demonstrating that as long as tobacco advertising restrictions are incomplete, significant reductions in overall marketing efforts are unlikely to be achieved" (Wakefield and Terry-McElrath).

There is an extensive body of research showing that tobacco companies consistently respond to restrictions in one form of promotion by transferring their promotional expenditures to other marketing activities. Bans on advertising on television and radio resulted in increases in print advertising. Where traditional forms of advertising are banned, the companies move to sponsorship advertising. In recent years, as tobacco companies have increasingly been prohibited from undertaking any form of advertising in any type of traditional mass media in countries around the world they have turned their focus to marketing their products at the point-of-purchase:

> "As primary media channels become restricted, greater emphasis must be placed on effective point of sale and parallel communications" (British-American Tobacco, "Product Communication in the Context of Varying Degrees of Advertising Restriction").

Under a total advertising ban, point-of-sale merchandising activities must fulfill multiple objectives:

- to inform the consumer of the presence of the brand;
- to promote recognition of the brand;
- to generate interest in and enthusiasm for the brand through special offers;
- to stimulate trial purchase and re-purchase; (British-American Tobacco Company, "Guidelines on Communication Restrictions and New Opportunities in Marketing").

Consumer recognition of the brand and its associated image is achieved through effective pack design, display layout, and point-of-sale advertising.

An internal Philip Morris document from 1991 that outlines the launch strategy for a new product, Marlboro Medium, indicates not only that marketing activities at the point-of-sale work synergistically with the other elements of the marketing plan but also that their relative importance has grown:

> "All of our advertising, merchandising and promotional strategies pay off only when we do our job in the store. We compete for the consumer's attention against all consumer goods companies. Each year the industry spends more and more on consumer and trade programs—in the store" (Philip Morris).

A study by Wakefield and colleagues of approximately 1500 retail stores both before and after the Master Settlement Agreement (which imposed restrictions on various forms of tobacco product promotion including banning all billboard advertisements) found significant post-ban increases in tobacco advertising and promotion at point-of-sale. Specifically the study found greater use of in-store tobacco sales promotions, more exterior and interior store advertising, and greater variety in exterior store advertisements (Wakefield and Terry-McElrath; *United States' Preliminary Proposed Finding of Fact*).

The findings of this relatively small study of 193 communities across the U.S. were confirmed by the Federal Trade Commission's analysis of tobacco company marketing activities in the first three years following the Master Settlement Agreement. From 1999-2001, total tobacco industry marketing expenditures *increased* by 67% to $11.2 billion. During this period, the largest increases in spending were for retail promotional allowances (slotting fees) and "retail value added" which includes price promotions and gift giveaways. Point-of-sale promotions now account for 82% of the tobacco companies total marketing expenses. Of this, 40%, or $4.5 billion, goes to retail promotional allowances (U.S. Federal Trade Commission).

In Canada's highly restrictive promotional environment, merchandising activities at point-of-sale have likewise become the industry's most important marketing tool. In 1996, tobacco companies spent $60 million on retail promotions, including payments to retailers. This is three times more than the companies spent on all other forms of measured media. (The tobacco companies spent approximately $20 million in total on radio, television, daily newspapers, magazines, billboards, and transit advertising (Physicians for a Smoke-Free Canada). By 2002, tobacco company spending had grown to $77 million (Personal Communication, Rob Cunningham, Canadian Cancer Society, May 2004).

In the wake of the total ban in October 2003 on the promotion of sponsorships, including point-of-sale sponsorship advertising, Canadian tobacco manufacturers have responded with creative solutions that put even more importance on product displays. Imperial Tobacco Canada launched two new subsidiaries to promote its products in novel ways—Channel 2 and Rumbling Walls Events. Channel 2 specializes in finding non-traditional venues for product displays, including bars and entertainment events. Channel 2 will manage the merchandising activities and displays at events organized by Rumbling Wall Events (Imperial Tobacco, 2003).

"[W]hen there is less opportunity to establish brand imagery through traditional methods of advertising, as is increasingly becoming the case as advertising restrictions come into force, packaging must play a more important role in establishing and driving brand image" (Wakefield and Morley).

The experience in Australia when traditional advertising was banned at point-of-sale illustrates the value of tobacco product displays as a promotional vehicle. Cigarette packs themselves were used to make "pyramids, mechanical windmills, entire walls of display stock, designs and patterns on walls, ceilings, floors and anything else a creative advertising agency can dream up" (Wakefield and Morley). This experience also demonstrates that the impact of the tobacco display on the consumer is integrally related to the impact of the pack design:

> "[I]n the context of tighter restrictions on conventional avenues for tobacco marketing, tobacco companies view cigarette packaging as an integral component of marketing strategy and a vehicle for (a) creating significant in-store presence at the point of purchase, and (b) communicating brand image..." (Wakefield and Morley).

"Under conditions of total ban, pack designs ... have enormous importance.... Therefore the most effective symbols, designs, colour schemes, graphics and other brand identifiers should be carefully researched.... An objective should be to enable packs, by themselves, to convey the total product message" (British-American Tobacco, "Guidelines on Communication Restrictions").

While the tobacco package itself has always played an important role in the marketing mix, as advertising is curtailed, the pack grows in significance as a means of promoting brand imagery. To understand how to enhance the effectiveness of pack design, tobacco companies have undertaken sophisticated scientific research (British-American Tobacco, "Structured Creativity Group Presentation"; British-American Tobacco, "Principles of Measurement of Visual Standout in Pack Design"). One study by British-American Tobacco describes a series of experiments involving the use of a tachistoscope to measure the visual prominence of various elements of a cigarette pack:[4]

> "The elements of the pack can be designed so that those that are most important in communication terms also achieve the highest level of visual impact.... The pack itself can be designed so that it achieves more visual impact in the point of sale environment than its competitors" (British-American Tobacco, "Principles of Measurement of Visual Standout in Pack Design").

[4] "A conventional tachistoscope is a piece of portable equipment which allows the presentation of visual stimulus material for successively increasing short intervals of time. Initially, the exposure durations are so short that the stimulus material is presented below the threshold.... Threshold is the level at which exposure durations are just long enough for the individual to actually become consciously aware of the stimulus. As the exposure durations increase different elements of the pack reach the perceptual threshold level. This level is determined by the visual prominence of those elements" (British-American Tobacco, "Principles of Measurement of Visual Standout in Pack Design").

While emphasizing how the use of a tachistoscope can enhance the package design process by ensuring that the pack has the desired impact, the authors stress that the "aesthetic aspect of pack design to support brand imagery" remains paramount (British-American Tobacco, "Principles of Measurement of Visual Standout in Pack Design).

Just as the design of the pack influences the impact of the tobacco display, so too does the design of the display affect the impact of the package design: "The basic image prominence of a pack design can be augmented or detracted from significantly by its positioning in the structural array and the pack designs it is placed in proximity with" (British-American Tobacco, "Product Communication in the Context of Varying Degrees of Advertising Restriction"). Wakefield and Morley conclude that "a comprehensive ban on advertising would mean that cigarettes need to be available only from under the counter, rather than being on display" (Wakefield and Morley).

Tobacco Displays Increase Tobacco Sales

"The more facings you can devote to a brand, the more effectively it will be portrayed to the consumer. It will be more visible on the shelf and have more chance of grabbing the attention of the consumer and of being purchased" (British-American Tobacco, "Merchandising").

According to the Point-of-Purchase Advertising Institute, the standard placement of tobacco products behind the checkout counter has three advantages:

- Enhanced visibility;
- Reduced theft;
- Last-minute reminders to consumers.

The value of last-minute reminders speaks to the fact that a high percentage of tobacco purchases are unplanned. A 1995 study by the Institute indicates that approximately 60% of tobacco purchases are not planned, within the same range as the percentage of impulse buys of consumer products in general (Point of Purchase Advertising Institute). Prominent tobacco product displays, together with advertising and signage at the point-of-sale, cue the smoker to buy cigarettes or to smoke, leading to increased consumption (Feighery, 2001). There are many references in internal tobacco company documents about the need to take advantage of impulse buys:

> "Many impulse sales are lost when stock is not available or cannot easily be seen or reached" (British-American Tobacco, "Merchandising").

> "There is an ever-increasing trend toward impulse purchases. The large majority of consumers do not really check ads ... or plan their purchase decisions. We should have Marlboro (and other PM brands) positioned to take maximum advantage of the impulse shopper" (Philip Morris).

According to a report by the U.S. Department of Justice, the current retail environment in which tobacco is sold is characterized by a substantial increase in the amount of interior and exterior promotion of tobacco product brand names and prices, including banners, billboards, signage, clocks, shopping baskets/carts, and change trays. The result is that "the tobacco industry is now dominating the stimuli in many of these stores in the hope of dominating the impulse purchases" (*United States' Preliminary Proposed Finding of Fact*).

Tobacco use by non-daily smokers is by definition not regular and can be stimulated by suggestions at the point-of-sale. Approximately 4% of the population, or 20% of smokers, are non-daily smokers (Health Canada, 2003). Visual cues at the point-of-sale can also serve to weaken the will of former smokers and those who are trying to quit, "by reminding them of their favourite brand every time they visit a store" (Feighery, 2001). Seventy percent of smokers in Canada, or close to 2.2 million Canadians, made at least one quit attempt in the past year (Health Canada, 2003). It can take as little as one cigarette to turn a former smoker back into a current smoker. Point-of-purchase displays and advertisements have been found to increase average tobacco sales by 12% to 28% (Feighery, 2001).

Tobacco companies publicly claim that the purpose of product displays and signage at point-of-sale is to communicate with smokers about their brand offerings. "[T]he point-of-sale ... is the location where consumers who intend to buy a product are allowed to browse through the products available to them before they make their choice of brand" (Imperial Tobacco). The aim is to persuade a current smoker to switch to their particular brand. This argument does not stand up under closer scrutiny, however. Cigarettes have the highest brand loyalty of any consumer product, with less than 10% of smokers changing brands in any given year. Furthermore, smokers usually choose their brand very early in the smoking initiation process—there is a high correlation between the brand first smoked and the brand ultimately chosen as a usual brand (Wakefield and Morley). Thus loyalty to a tobacco brand usually forms during the teen years, when many smokers are still experimenting with tobacco use. Marketing appeals at point-of-sale ostensibly aimed at convincing adolescents to choose a particular brand in effect serve to entice them to smoke. Solomon's conclusions about the importance of marketing to teens are even more salient with respect to tobacco product promotion: "Marketers view teens as 'consumers-in-training'.... For this reason advertisers

sometimes try to 'lock in' adolescent consumers so that in the future they will buy their brands more or less automatically" (Solomon).

Point-of-Sale Promotion Influences Youth Smoking

A solid case can be made that point-of-purchase promotional activities serve to influence the factors that predispose youth to experiment with and continue tobacco use (Wakefield and McElrath; Chaloupka). One study of students shown pictures of retail stores with and without tobacco ads found that the students shown photographs of stores with tobacco ads perceived that it was easier to obtain tobacco, believed that more of their peers had tried smoking, and expressed less support for tobacco control policies compared to their counterparts who saw pictures of stores with no tobacco advertising. Wakefield and colleagues conclude that "the point-of-purchase environment may have important influences on youths in terms of making tobacco use seem normative and, ultimately, increasing the likelihood of smoking initiation" (Wakefield and Terry-McElrath). The U.S. Justice Department believes that retail outlets with prominent tobacco displays and point-of-sale promotional material create "tobacco-friendly" environments that "stimulate a lift in sales, particularly among new or occasional smokers" (*Preliminary Proposed Finding of Fact).* Studies in fact show that convenience stores and gas stations are where most youth purchase tobacco (Cummings).

Just as the tobacco industry has historically focused on advertising in publications with high youth readership, tobacco promotion in retail outlets receives high levels of youth exposure (Chaloupka). Three out of four teenagers shop at a convenience store at least once a week, meaning they are regularly exposed to tobacco advertising and displays at point-of-sale. One study of young adolescents (aged 12 and 13) found that over 60% of them recalled seeing tobacco ads in retail stores (Feighery, 2001). More than half of teens say they are influenced by in-store displays and promotions (*U.S. Distribution Journal*).

Finding that retail tobacco displays play a strong role in conveying brand image, the 1994 U.S. Surgeon General's report on preventing youth tobacco use concluded that it is highly plausible that tobacco displays are intended to influence youth smoking:

> "[T]o the extent that these displays focus on brand image, they may not only encourage experienced smokers to switch brands but also encourage new smokers to experiment with a particular brand.... The $1.3 billion spent on promotional allowances and point-of-sale displays combined are thus funds potentially directed at new, youthful smokers" (U.S. Department of Health and Human Services).

Similarly, in its fraud case against the major U.S. tobacco manufacturers, the U.S. government alleges that the companies use marketing techniques to make their products attractive to children. The government cites tobacco industry studies showing that retail promotional activities are a key source of information for consumers about cigarette brands and their associated images. One study by Brown & Williamson, for example, found that "the store environment, especially displays inside stores, is the biggest source of advertising awareness for all cigarette trademarks" (*United States' Preliminary Proposed Finding of Fact).* The government case emphasizes the close correlation between the imagery and objectives of traditional tobacco product advertising and the imagery and aim of point-of-sale promotions:

> "Visibility of brands means communicating a brand equity message, which influences consumer choice, creates brand awareness and encourages product trial. It speeds and improves cigarette sales. And it is the vehicle by which the Cigarette Company Defendants communicate the same youth-targeted advertising images that they have honed and refined through their long-time recognition of the importance of the youth market, research into the best ways to obtain the youth market, and development of advertising campaigns designed to capture it that have remained largely unchanged for more than thirty years" (*United States' Preliminary Proposed Finding of Fact*).

Retail Displays Normalize Tobacco Products

The widespread availability and promotion of tobacco serves to 'normalize' both tobacco products and tobacco use, contributing to youth smoking uptake and continued smoking among current smokers:

> "The pervasiveness and ubiquity of cigarette advertising in multiple media and forms make cigarettes a cultural commonplace, which creates a benign taken-for-granted attitude that Marlboro's advertising agent called 'friendly familiarity'" (Choi).

The ubiquity of tobacco product displays serves the same function, with large, prominent walls of cigarettes displayed for sale in virtually every grocery store, convenience store, and gas station in the country, as well as many pharmacies, discount stores, and bars. The high visibility of these products in so many public places contributes to the belief that tobacco use is socially acceptable behaviour—the norm. It is well-known that youth commonly overestimate the prevalence of smoking among both their peers and the adult

population as a whole. Research has shown that the degree of this overestimation is a predictor of starting smoking among young people (Choi). It would not be unreasonable to conclude that the widespread availability of the product for sale combined with the size of the sales displays contributes to the belief that smoking is something done by a large proportion of the public.

"[T]he positioning of tobacco with other commodities conveys subtle associational meanings" (Institute of Medicine).

In addition to conveying the impression that tobacco use is the norm, the ubiquity of tobacco displays sends the message that tobacco products are normal, everyday products. They become as benign as the products they are associated with in the minds of the public, products such as bread, milk, candy, and trading cards.

Arguments Against Display Controls

Opposition by Tobacco Companies

A good indication of how the tobacco companies in Canada might be expected to react to an attempt by government to impose a display ban can be found in their response to proposed restrictions on point-of-sale tobacco displays put forward by then Health Minister Allan Rock in 1999. The heads of Canada's three main tobacco companies together wrote a letter to thousands of tobacco retailers, warning them that the government's proposals would have dire consequences for their business including revenue losses in the thousands of dollars and more shoplifting. The retailers were invited to join forces in a campaign to prevent the proposals from being implemented.

"So let's take a TEAM approach to the challenges presented by misguided regulations. Let's ensure the united voices of our TEAM are heard against their costly and unworkable ideas that threaten us all" (Imperial Tobacco, 1999).

The tobacco companies also solicited the support of wholesalers and distributors. In a speech before ITWAL Limited, a national network of independent retail and foodservice wholesale distributors, Imperial Tobacco's Vice-President of Marketing made the case for how Health Canada's proposed display restrictions were "a serious economic threat" to the manufacturers, to the wholesales, and to the retailers.

"With profits of the average convenience store running at a razor-thin 0 to 2% of sales, the results are going to be bankruptcies and job losses" (Imperial Tobacco, 1999).

Imperial Tobacco emphasized that retailers would suffer financially, since the promotional allowances that tobacco companies pay retailers for prime display space is a significant source of revenue for many retailers. Retailers would have to pay for new displays and to revise their inventory management and storage systems. Hidden stock would give rise to increased theft. The retailers' loss of inventory control would cause serious problems for the wholesalers' supply systems. Either stock would run out or too much stock would be delivered for the amount of storage available to the retailers. Since the retailers would have less storage space, distributors would be forced to make more frequent deliveries. If retailers go out of business as a result of the display restrictions, wholesalers would lose business and jobs.

This response by the tobacco companies is typical of their response to proposed government regulations. Recognizing that their public credibility is weak, the tobacco companies seek the support of organizations with a favourable reputation and strong credibility and then put these organizations at the forefront of the public campaign to oppose the restrictions. During the 1990s, for example, when governments across North America were legislating tighter controls on tobacco sales to minors, the tobacco companies organized front groups headed by retailer associations to promote their plan—

Operation I.D. and Operation I.D. School Zone—which emphasized retailer education over the more effective financial sanctions for non-compliance and failed to disclose the role of the tobacco companies themselves in promoting youth access to tobacco. Similarly in battles over bans on smoking in public places in municipalities and provinces/states throughout Canada and the U.S., the tobacco companies provide financial and organizational support from behind the scenes to the hospitality associations for their lobbying campaigns.

The identical approach was used by tobacco-maker Philip Morris in California in 1996 in a campaign to prevent county government from banning self-service tobacco displays. Philip Morris hired a telemarketing firm with a prepared script to telephone area retailers, ostensibly on behalf of the California Grocers Association, and notify them that their revenue was in jeopardy as a result of the proposed display ban. Retailers were urged to contact their local representatives and to attend political meetings to oppose the ban. A copy of the telemarketers' script has been reproduced below (Optima).

Graphic 2: Memorandum, Optima Direct Inc.

OCT 11 '96 12:22PM OPTIMA DIRECT INC P.1

ODI CODE: PM090 SAN FRANCISCO, CA
TARGETS: COUNTY SUPERVISORS
TROOPS: RETAILERS
ISSUE: DISPLAY BAN
DRAFT1: 10/11/96 11:30 AM ET

Good morning/afternoon/evening, my name is (TSR - use full name). May I please speak with Mr./Mrs./Ms..... (If contact is unavailable, find out when would be a convenient time to call back.) Mr./Mrs./Ms....., I'm calling on behalf of the **********Association to let you know that County Supervisors are considering proposals that will likely impose severe restrictions on your ability to market and sell cigarettes to adults in the county. **Are you aware of this?**

IF YES OR NO:
County supervisors are proposing a ban on all self-service tobacco displays, promotions and even window advertising. If passed retailers in the county will be at an economic disadvantage as they could lose merchandising allowances. **Are you opposed to any proposal that would severely restrict your right to sell and market cigarettes to adult customers?**

IF YES:
The County Supervisors will meet to discuss these proposals on Thursday, October 17th at 1:00 pm. These proposed regulations can affect your business so it is important to attend and let your voice be heard. **Would you be willing to attend the hearing?**

IF YES WILL ATTEND: Great! Do you have a pen and paper ready? **(TSR INSTRUCTION - PLEASE WAIT FOR CONTACT TO GET A PEN AND PAPER).** The Meeting will be held on Thursday at 1:00 pm at the Veterans Building, 401 Van Ness, Room 410. Please ask other employees and business people to attend. It is very important your elected officials hear from members of the business community. **Would you also take a moment to call a County Supervisor and voice your opposition to these proposals?**

IF NO TO ATTENDING:
Would you be willing to just take a moment and call a County Supervisor and voice your opposition to these proposals that can affect your business?

IF YES WILL CALL:
Great! (TSR INSTRUCTION - PLEASE WAIT FOR CONTACT TO GET A PEN AND PAPER. Please call: (TSR NOTE: GIVE OUT ONE NAME AND ROTATE)

Supervisor Angela Alioto	554-7788
Supervisor Susan Leal	554-6644
Supervisor Michael Yaki	554-7901

When you reach his/her office, please let them know you oppose restrictions on self-service tobacco displays.

Mr./Mrs./Ms....., thank you for your time and have a pleasant day, good-bye.

IF NO, WILL NOT CALL OR ATTEND, IS UNDECIDED, NOT INTERESTED IN THE ISSUE OR PREFERS ANOTHER ACTION: Thank you for your time. Good-bye.

IF IRATE OR HOSTILE: I am sorry to have disturbed you. Good- bye.

TSR INSTRUCTION: Give the address or phone number only to retailers who understand the issue and oppose the restrictions.

2070321255

In terms of the anticipated impact of a display controls on the tobacco manufacturers themselves, the standard argument has been that these measures would severely impair the companies' ability to provide their customers with valuable information. Imperial Tobacco has claimed that even limiting the size of tobacco displays at point-of-sale or banning countertop displays would "make it next to impossible to communicate with customers about new products or changes in products" (Imperial Tobacco, 1999). Imperial Tobacco insists that the purpose of a tobacco product display is to provide their customers—that is, current smokers—with important information on which they will base their choice of brand. The display is for the benefit of current smokers and has no impact on inducing a non-smoker or former smoker to take up smoking:

> "This [the point-of-sale] is the location where consumers who intend to buy a product are allowed to browse through the products available to them before they make their choice of brand.... It's not because we see a display of cough syrup that we choose to consume the product, or consume more of it. It is the customer who chooses to take over-the-counter medication for a cough that even notices the display, and then possibly purchases the brand that was highly visible" (Imperial Tobacco, 2002).

Legal Challenges

Consistent with their response to most legislative restrictions imposed by governments in Canada, the tobacco companies launched a legal challenge of the first Canadian retail display ban. Rothmans, Benson & Hedges challenged the display ban provisions of the Saskatchewan *Tobacco Control Act* on two grounds:

- The provisions are in conflict with the federal *Tobacco Act* (which does not prohibit tobacco displays and signage at retail).
- The provisions violate section 2(b) of the *Charter of Rights and Freedoms*, which guarantees freedom of expression.

The display ban was upheld in September 2002 by the Court of Queen's Bench, which found the provision to be consistent with the federal law. The Appeal Court, however, struck down the display ban in October 2003, ruling that in the case of a conflict, the federal law takes precedence. The decision was a surprise, in particular because the federal government was an intervener in the deliberations and had declared the Saskatchewan provision not to be in conflict with the federal Act. In rendering its decision, the Saskatchewan Court of Appeal acknowledged that the law on this issue is unclear, calling it an "admittedly uncertain matter." Nonetheless, the Court rejected the government's request for a stay of the ruling, which would have kept the display ban in

effect until the Supreme Court makes a final ruling on the issue (*Cnews*). The Saskatchewan government was granted permission to appeal the ruling to the Supreme Court (Supreme Court). The Supreme Court is expected to render its decision sometime in 2005.

In addition to the question currently before the courts regarding whether there is a conflict between the federal and provincial laws, Rothmans, Benson & Hedges also contends that the display ban is an unjustified infringement of the freedom of expression guaranteed under section 2(b) of the *Charter of Rights and Freedoms*. Should the Supreme Court find in favour of the provincial government on the first question, Rothmans, Benson & Hedges can be expected to challenge the validity of the display ban in court on the second, and much more complex, grounds.

It is worth noting that the tobacco companies successfully challenged the advertising and promotion restrictions under the *Tobacco Products Control Act* on the same legal grounds, charging that they were an unreasonable breach of the constitutional guarantee of freedom of expression. A majority of the Court ruled that the government had failed to demonstrate that the provisions were reasonable and justified restrictions on freedom of expression and that less intrusive measures would be insufficient to achieve Parliament's objective of protecting the health of Canadians. More specifically, the Court objected to the fact that advertising ban also prohibited "purely informational advertising, simple reminders of package appearance, advertising for new brands and advertising showing the relative tar content of different brands." The Court argued that these prohibitions served to deny consumers "an important means of learning about product availability to suit their preferences and to compare brand content with an aim to reducing the risk to their health" (Health Canada, 1995).

In at least two other countries, tobacco companies have responded to government attempts to restrict tobacco product displays at retail by challenging the legislative provisions in court on similar grounds. In Iceland, the total ban on tobacco product advertising, which includes a retail display ban, was challenged by BAT Nordic on the grounds that the ban violates Iceland's constitution with respect to freedom of expression, the sanctity of property, and freedom of enterprise:

> "The purpose of this litigation is to preserve our fundamental right of expression by displaying our products at the point of sale. We also believe that the clause in the Tobacco Control Act that bans any kind of discussion in mass media of an individual product for a purpose other than warning of their harmfulness, is unconstitutional" (British-American Tobacco Nordic).

The suit was dismissed by the courts on technical grounds in October 2003 (Canadian Cancer Society, SK Division).

"The Act ... would prevent consumers from knowing what products were available and stop them getting other information about available products. Carroll's believes that such restrictions would be anti-competitive and would limit consumer choice" (P.J. Carroll, 2003).

In Ireland the legislated ban on the advertising and display of tobacco products in retail outlets is also being taken to court. In April 2004 several Irish and European tobacco companies, PJ Carroll, John Player & Sons, and Gallaher (Dublin) Ltd, launched a joint legal challenge, declaring the measures to be unnecessary, since tobacco advertising is already sufficiently controlled, and an unjustified infringement of the companies' right of freedom of expression and of their right to communicate information to their consumers (P.J. Carroll, 2004).

Opposition by Retailers

"Obviously, the tobacco growers are the political strength along with the 1,300,000 retail tobacco outlets" (Hill & Knowlton, 1953).

As explained previously, the response by retailers to government proposals to control retail displays of tobacco products has been fueled by the tobacco companies themselves. When the tobacco companies mounted a letter campaign to retailers in 1999 urging them to oppose Health Canada's proposed restrictions, retailers reportedly "swamped [MPs offices] with angry letters and phone calls" (Kennedy). Retailers also got involved in media advocacy. Convenience store operators in Quebec, for example, held a news conference claiming that a display ban could cost them upwards of $100 million—$33 million in lost display allowances from the tobacco companies, $25 million to refurbish their stores, and $40 million from reduced tobacco sales—and some 2,000 jobs (Ledger; Riga). The tobacco companies have publicly stated their intention to discontinue the practice of paying slotting fees if there is no visibility for tobacco products and thus no "competitive positioning" of their products in retail stores (S. Fitzgerald).

The National Association of Convenience Stores (NACS) in the U.S. believes that banning the visibility and promotion of tobacco in retail would diminish tobacco sales. In testimony before Congress regarding a proposal that would permit tobacco merchandising in adults-only stores, the NACS voiced strong objections on the grounds that permitting tobacco products to be displayed and accessed by customers in adults-only outlets would "drive sales out of traditional retail establishments" (National Association of Convenience Stores, 2000).

Retailers also emphasize the storage and inventory problems that would be caused by a display ban. Requiring tobacco products to be kept out of sight could prevent retailers

from maintaining an adequate inventory to meet consumer demand without significant remodeling. Estimates for such remodeling costs are between $4,000 and $7,000 per store" (National Association of Convenience Stores, 2000). With over 400 brands of cigarettes and tobacco products on the market in the U.S., the NACS argues that a display ban would necessarily limit the number of brands a store can offer for sale. Given the brand loyalty of tobacco users, if their normal outlet no longer carries their brand they will purchase their tobacco, and whatever else they need, at another retailer (National Association of Convenience Stores, 2003).

"Consumer buying patterns in various classes of retail outlets have shifted causing a change in how and where cigarettes are purchased.... Traditional C-Stores and Oil Retailers are growing primarily due to their competitive merchandising of cigarettes and their high levels of promotion" (Brown & Williamson).

Tobacco products are clearly an important source of revenue for some segments of the retail market, in particular convenience stores. It has been estimated that 55% of cigarette sales are purchased at convenience stores, the largest retail share of tobacco sales (S. Fitzgerald). This has not always been the case. Historically supermarkets and grocery stores held the largest share of tobacco sales. However, by the early 1990s convenience stores and gas stations were taking over, as the consumer buying trend shifted to pack sales (Brown & Williamson). Cigarettes are a now the top in-store category for convenience stores, accounting for 38% of sales according to the U.S. National Convenience Store Association, with only gasoline producing higher sales (S. Fitzgerald).

While tobacco products account for a high proportion of convenience store sales, "on a per unit basis they don't generate a lot of profit" (Bennett). Furthermore there is growing recognition within the retail sector that tobacco sales are in a state of decline. According to Jeff Lenard, Director of Communications with the NACS, "cigarettes are a low-margin commodity and those margins are shrinking" (S. Fitzgerald). Rather than opposing the trend, some establishments are responding by seeking new sources of revenue and profit. 7-Eleven Inc., for example, has broadened its service offering to include fresh food and postal outlets at some locations. Others, like Git-n-Go stores, are looking to prepaid phone, gift, and Internet cards to make up for some lost tobacco revenues (Bennett). Lenard believes that retailers "have seen that they need to evolve their offer. Retailers in general offer what the community wants, so if the community tastes switch and they look for something else, well then the retailers will offer it" (S. Fitzgerald). Likewise Jeff Leedy, Vice-President of Marketing with Rutter's Farm Stores, points out that it's nothing new for retailers to have to respond to changing market conditions:

> "It's marketing's responsibility to grow income at every opportunity.... Certain categories were profitable that aren't today. There are others that make money. Tobacco, gasoline and foodservice are historically high-volume categories for the industry.... Cigarettes and gas drive traffic, but on a unit basis they don't generate a lot of profit" (Bennett).

Retail Display Restrictions

Canada

Federal Law

Under the federal *Tobacco Act,* self-service displays of tobacco are prohibited. The *Act* also grants the government the authority to regulate tobacco product displays and retail signage:

> 30 (1) Subject to the regulations, any person may display, at retail, a tobacco product or any accessory that displays a tobacco product-related brand element.
>
> (2) A retailer of tobacco products may post, in accordance with the regulations, signs at retail that indicate the availability of tobacco products and their price.

To date, the federal government has not exercised the authority granted in the legislation to pass regulations restricting the display of tobacco products, despite having released a consultation paper on the subject more than five years ago—*Options for Tobacco Promotion Regulations*—and despite having strong support from the health community to do so.

Provincial/Territorial Laws

Approximately half of provincial/territorial governments have implemented some form of control on tobacco displays at point-of-sale. Four provincial/territorial governments have banned self-service displays—Quebec, New Brunswick, Nova Scotia, and Nunavut. Countertop displays are banned in New Brunswick, Nova Scotia, and Nunavut. A complete ban on the display of tobacco products at retail has been passed by the governments of Saskatchewan, Manitoba, and Nunavut.

Saskatchewan

Saskatchewan was the first jurisdiction to prohibit the display of tobacco products in retail outlets. *The Tobacco Control Act* bans the advertising, promotion, and display of tobacco products in any retail store accessible to minors. In adults-only stores that sell

tobacco products, tobacco promotion or advertising may not be visible from outside of the premises. Only government-approved signage is permitted in retail outlets.

The display ban was in place for eighteen months, from March 2002 to October 2003, when the Appeal Court struck down the provision. Saskatchewan's experience with the display ban provides an indication of what other provinces/territories might expect if they implement a similar a ban. No retailer claimed to have gone out of business as a result of the ban, and no retailer was prosecuted for non-compliance. The provision was nicknamed the "shower curtain law," as a number of retailers resorted to using shower curtains as an inexpensive, easy to install, and temporary solution to the need to obscure tobacco products from public view. Other more permanent storage solutions were also found such as keeping tobacco behind cupboard doors and in drawers (*Cnews*). Although the display ban was lifted when the Court of Appeal ruled in favour of tobacco company Rothmans, Benson & Hedges, several tobacco retailers are reported to have kept their tobacco products out of public view (Personal Communication, Donna Pasiechnik, Canadian Cancer Society, Saskatchewan Division, March 2004). The Saskatchewan government has appealed the ruling to the Supreme Court. (See section on Legal Challenges for more detailed information on the case.)

Manitoba

Manitoba followed Saskatchewan's lead, including among amendments to the *Non-Smokers' Health Protection Act* a prohibition on the display, advertising, and promotion of tobacco products in places accessible to children. Passed in August 2002, the prohibition was set to go into force in January 2004, but enforcement has been put on hold pending the outcome of the court case on Saskatchewan's display ban. The Manitoba government has requested that the federal government amend the *Tobacco Act* to explicitly permit provinces to ban tobacco product displays.

Nunavut

As part of its comprehensive *Tobacco Control Act*, which includes a ban on smoking in public places and workplaces, the Nunavut government prohibited the advertisement and display of tobacco products at retail, except under circumstances that may be prescribed in the regulations. The legislation also bans vending machine sales and self-service displays. Although most provisions of the *Act* went into effect on February 1, 2004, as with Manitoba the implementation of the display ban has been suspended pending the Supreme Court's decision.

Prince Edward Island

The Prince Edward Island government recently completed committee hearings on a range of issues concerning the promotion and sale of tobacco products at retail. In its April 2004 report to the Legislature, the Standing Committee on Social Development made a number of recommendations concerning how tobacco products are displayed in retail outlets:

- Ban self-service tobacco displays;
- Prohibit the display of tobacco products and any signage indicating the availability of tobacco products in all establishments licensed under the *Liquor Control Act*;
- Prohibit the display of tobacco products and signage used to advertise or promote tobacco products in all retail establishments as of 1 January 2006;
- Review existing regulations governing signage related to the sale of tobacco products (Standing Committee on Social Development).

Ontario

In Ontario Premier Dalton McGuinty included a commitment to ban retail displays of tobacco products in his 2003 campaign platform. Since the election, the government has on several occasions reiterated its commitment to implement a display ban.

This patchwork of retail display controls throughout Canada is summarized below:

Table 1: Retail Display Restrictions

Legislative Restriction	Federal Government	Provincial/Territorial Government
Bans vending machine sales	Restricts to adults-only establishments	ON, NS, NU SK (restricts to adults-only establishments)
Bans self-service display	Yes	PQ, NB, NS, NU PEI (recommended)
Bans countertop display	Has authority; not exercised	NB, NS, NU PEI (recommended)
Bans all visible retail display of tobacco products	Has authority; not exercised	SK, MB, NU PEI (recommended)
Restricts/bans point-of-sale advertising	Yes	SK, MB, NU PEI (recommended)
Controls retail signage	Has authority; not exercised	SK, NU PEI (recommended)

International

Iceland

Since August 2001, a ban on the visible display of tobacco at retail has been in effect in Iceland, implemented as part of a comprehensive set of measures to regulate the marketing and sale of tobacco and to limit exposure to second hand smoke. Under the *Act on the Prevention of the Use of Tobacco*, the display of tobacco products is considered a form of advertisement, and all forms of advertising are forbidden, including "any kind of public announcements, or announcements aimed at specific target groups, including product presentations, displays in shop windows, any kind of signs and similar equipment" (Tobacco Control Task Force of Iceland). Tobacco products are typically kept in drawers or under the counter (see photos below courtesy of Tobacco Control Task Force of Iceland). A few shops store tobacco behind curtains. Compliance is reported as very high. The tobacco industry has launched a legal challenge to the *Act* (Personal Communication, Vidar Jensson, Tobacco Control Task Force of Iceland, January 2004).

Photo 7: Supermarket, Reykjavik, Iceland

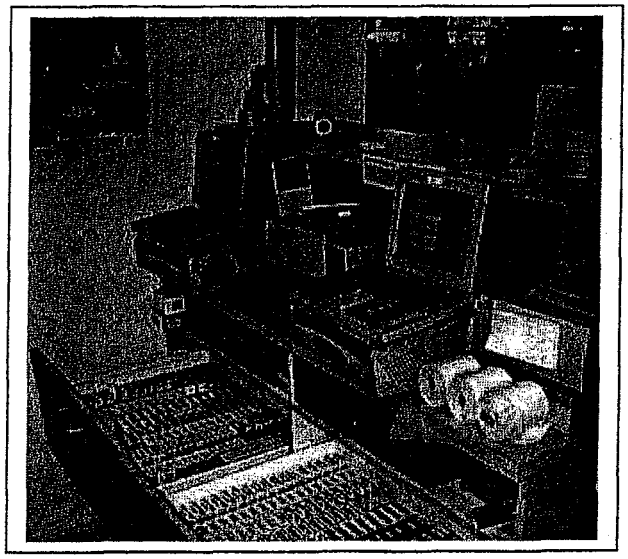


Photo 8: Gas station, Reykjavik, Iceland



Ireland

In Ireland, the *Public Health (Tobacco) (Amendment) Act, 2004* bans self-service sales of tobacco products. Retail displays are restricted to one package of each tobacco product offered for sale or a pictorial list showing one image of each package. The image must be no larger than the package itself and the list must contain a health warning. The advertisement of tobacco products in retail premises is also prohibited.

In April 2004, several Irish and European tobacco companies, P.J. Carroll, John Player & Sons, and Gallaher (Dublin) Ltd, launched a joint legal challenge over the legislated bans on the advertising and display of tobacco products in retail outlets, declaring the measures to be unnecessary, since tobacco advertising is already sufficiently controlled, and an unjustified infringement of the companies' right of freedom of expression and of their right to communicate information to their consumers (P.J. Carroll, 2004).

Australia

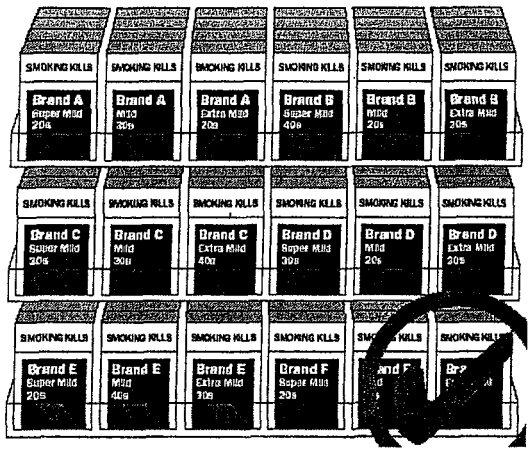
In the state of Victoria, Australia, a series of amendments to the *Tobacco Act* went into effect in January 2002 regulating the display of tobacco at retail:

- No tobacco brand advertising is permitted inside or outside retail stores.
- The size of the tobacco product display is limited to a maximum 4 square metres.
- No cartons may be displayed.
- Only one package from each product line of tobacco stocked may be displayed. A product line is defined as a tobacco product that differs from other products based on one or more characteristics, including trademark, brand name, nicotine or tar content, or flavour.
- Only one tobacco display is permitted in each tobacco sales outlet.
- Tobacco can be sold from more than one point of sale in a retail outlet; however, if tobacco products are located at a point of sale other than the display area, the facings of the tobacco products must be hidden, for example, by using price tickets.

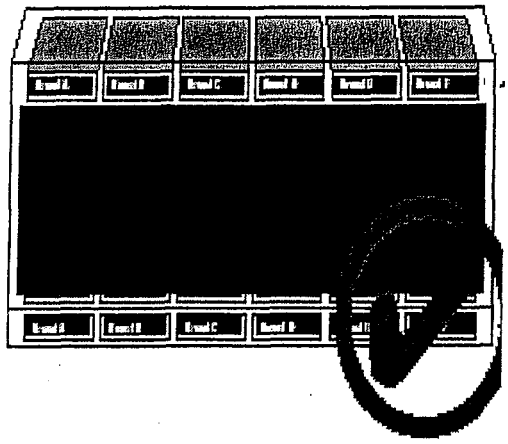
The illustrations below show the types of tobacco display cases that are permitted in Victoria (Victoria Government).

Graphic 3: Permitted tobacco display cases, Victoria, Australia

Packages stacked behind each other; front face of each product line, as well as the tops, sides, and health warning, may be visible.



Packages stacked on top of each other; any part of top and bottom packages may be visible.



Tobacco brand and product advertising both inside and outside retail establishments is also prohibited. A generic "price board" indicating the product lines available and their prices is permitted at each point of sale within a retail shop (Victoria Government, 2001).

The Northern Territory of Australia has implemented similar retail display controls under its *Tobacco Control Act 2002 and Tobacco Control Amendment Act 2003.* The following provisions went into effect in July 2003:

- The maximum size of a tobacco product display is 4 square metres;
- A tobacco display cannot be within 2 metres of a display of products marketed to children.
- Retailers are permitted to display one example of every type of tobacco product they sell in each size and package type (such as hard pack and soft pack for cigarettes and tin and pouch for loose tobacco).
- Carton displays are limited to one of each product type.
- One "price board" of a maximum size of one square metre is permitted. Shelf tickets are not permitted if the retail premise has a price board. Both price boards and shelf tickets must be black and white only.

The legislation also bans the use of lighting or any "device that causes movement" to draw attention to the display. Only one point of sale is permitted in sales outlets, other than premises that are licensed to sell alcohol. The advertising of tobacco products in public places is banned.

The restrictions also apply to tobacconists, although tobacconists are permitted a maximum display space of 12 square metres. A tobacconist is defined as a separate retail operation where 85% of the revenue comes from tobacco sales.

In February 2004, the government of New South Wales, Australia, announced that it intends to propose as part of its soon to be released state Cancer Plan that tobacco products be banned from public view in retail establishments. Having "already lowered the profile of tobacco through restricting tobacco advertising," the government considers a display ban to be the logical next step. This move would make New South Wales the first Australian state/territory to completely prohibit tobacco product displays. Prior to implementing such a ban, however, the government intends to conduct a full public consultation with affected parties, including retailers, health groups, and government departments, and will weigh both the costs and benefits of the measure (Sartor).

In May 2004, the state government of South Australia introduced comprehensive tobacco control legislation. The legislation would phase in a total ban on smoking in enclosed workplaces and public places, prohibit tobacco sales to minors, and eliminate the remaining forms of tobacco advertising and promotion, including the visible display of tobacco products at point-of-sale. Although the legislation was passed by the House of Assembly in July 2004, debate on the display provisions was deferred until September to permit the Health Department to undertake additional consultations with retailers and other interested parties on the timing and implementation of the proposed display restrictions (South Australia Department of Health).

USA

The U.S. Justice Department has launched a massive civil suit against the major tobacco manufacturers (Philip Morris, R.J. Reynolds, Brown & Williamson, Lorillard, British American Tobacco, American Tobacco, Liggett) and two trade organizations, the Council for Tobacco Research and the Tobacco Institute. The lawsuit claims that since 1954 the defendants have conspired "to deceive consumers into starting and continuing to smoke." Specifically, the complaint alleges that the scheme involved:

- Concealing relevant research on the health effects of smoking and fraudulently claiming that there was controversy over smoking and health research;
- Misrepresenting the addictiveness of nicotine and manipulating the delivery of nicotine;
- Marketing low-delivery products with an intent to deceive consumers;
- Marketing tobacco to youth while denying that they were doing so (Altria; Department of Justice).

Of particular relevance to this report is the Justice Department's allegation that the tobacco companies have targeted young people with their marketing practices for decades and continue to do so, despite repeated public claims to the contrary. The Justice Department supports this allegation with evidence showing how the tobacco makers target youth with "their marketing at point-of-sale, including trade promotions and other materials displayed in retail stores" (*United States' Preliminary Proposed Finding of Fact*).

The Justice Department is seeking two forms of redress:

1) Financial—The Justice Department is requesting that the companies be ordered to forfeit approximately $289 billion, the estimated profits the companies earned from thirty years of sales to the youth-addicted market.[5]

2) Regulatory—The Justice Department is also requesting that the court establish a new regulatory framework for tobacco companies that would, among other things, further restrict tobacco advertising, retail merchandising programs, and promotion aimed at youth (Altria; Lichtblau). The Justice Department wants the court to order the tobacco companies to disclose all documents related to their marketing practices that target youth; to enjoin the companies from undertaking such promotions in the future; to order the companies to establish mechanisms to ensure compliance; and to require that the companies "make corrective statements regarding the health risks of cigarette smoking and the addictive properties of nicotine in future advertising, marketing, and promotion of their tobacco products"

[5] "[T]he United States...seeks 289 billion dollars: a reasonable approximation of the profits that Defendants obtained from the "Youth-Addicted Population" (those who began smoking more than five cigarettes daily before age 21) from 1971 (the effective date of the RICO statute) to 2001 throughout their smoking lives. The evidence establishes that smoking one to five cigarettes per day is a predictor of continued smoking and nicotine dependence...." (*United States' Preliminary Proposed Conclusions of Law*).

(United States' Preliminary Proposed Conclusions of Law).

The trial is scheduled to begin in September 2004 (Altria).

The U.S. Department of Justice civil action against the tobacco companies is not the first time the government has sought to control the promotion and display of tobacco products at point-of-sale. In 1997 a proposed tobacco settlement agreement, negotiated by the tobacco companies and the Attorneys-General of several U.S. states, would have mandated significant changes to the manner in which tobacco products could be displayed and sold, including a ban on vending machine sales of tobacco products; a ban on self-service displays except in adults-only establishments; and the requirement that all tobacco products be out of reach and out of sight of consumers, except in adults-only stores. The agreement would also have imposed restrictions on point-of-sale tobacco advertising, regulating the size, number, and placement of ads (not within two feet of any candy display) and requiring that the text of ads be black and white only (*Text of Attorney General/Tobacco Industry Settlement*). Although the deal was widely condemned by members of the health community, particularly for the fact that it would grant the tobacco industry immunity from future litigation, the display ban provisions were not among those criticized (Fox).

United Kingdom

In the United Kingdom, the issue of banning displays of tobacco products at point-of-sale has recently gained public profile, with the launching in early March of a consultation paper called *Choosing Health? A consultation paper on action to improve people's health* by Secretary of State for Health John Reid. The consultation paper addresses a broad range of issues related to preventing illness and disease and improving health. While acknowledging that government can't *force* people to make healthier lifestyle choices, the paper asserts that government "can and should provide information, encouragement and support to enable everyone to make healthier choices." Specifically, the consultation paper asks participants to consider whether local and national governments should "take more of a role in supporting people to make healthier choices" by regulating the advertising, promotion, and retail display of products that can harm health, including tobacco, alcohol, and foods high in fat, sugar, and salt. The results of the consultation process will influence the government White Paper, which will set out the government's intended course of action to improve public health. The White Paper is to be published in the summer of 2004.

Alternatives to a Ban on Tobacco Product Displays

There are a variety of ways in which governments can limit the promotion of tobacco products at the point-of-sale, beyond mandating that the visible display of tobacco be completely banned:

- Limit the size and the number of tobacco displays;
- Prohibit the payment of promotional allowances for tobacco products;
- Eliminate tobacco sales from certain types of stores;
- Restrict tobacco sales to tobacco-only stores;
- Restrict tobacco sales to government-controlled outlets.

While likely more acceptable to tobacco manufacturers, restricting the size and number of tobacco displays does little to control the promotion of tobacco products at point-of-sale. Nor does it eliminate the need for retailers to remodel their stores. Furthermore, this option would likely cause significant enforcement challenges.

Prohibiting tobacco manufacturers from paying promotional allowances to retailers would likely give rise to a de facto ban on tobacco displays. Under this scenario other product manufacturers could be expected to take over from the tobacco companies in paying retailers for prominent display of their products. This has already been happening in places where countertop cigarette displays have been outlawed, with candy merchandisers moving in to pay for the space. As one retailer predicted, "There is still going to be competition for the spot, it's just that the cigarette people have been the most lucrative up to this point" (Barnack, December 1997).

Banning certain types of stores from selling tobacco products would be a highly controversial move. The experience with banning tobacco sales in pharmacies provides some indication of the resistance that could be expected, although in the case of the pharmacy ban the opposition was tempered by the ethical issues involved with pharmacists promoting the sale of a lethal product. Nonetheless, only five Canadian provinces do not permit tobacco sales in pharmacies. According to the U.S. National Association of Convenience Stores, among the top concerns of their members is the possibility that the Food and Drug Administration, if granted authority over tobacco products, would limit the sale of tobacco products to specific categories of retail outlets. The NACS fears that the FDA "could determine that C-stores, as a class of trade, should not be permitted to sell tobacco" (Smith).

Another possible means of controlling the promotion of tobacco products at point-of-sale, while permitting tobacco companies to 'communicate' with their adult customers, would be to restrict tobacco sales to adults-only stores. This could result in tobacco sales being limited to privately-owned specialty tobacco stores or to government-controlled outlets. The trend to specialty tobacconists has already begun, particularly in the U.S., where cigarette/tobacco stores have been taking tobacco sales away from gas stations and convenience stores for some time now. Some convenience stores have responded by embracing the trend and setting up their own specialty tobacco divisions:

> "Under the 'If you can't beat them, join them' rule of thumb, some marketers are taking sides with CTS [cigarette/tobacco stores] and jumping on the bandwagon. The trick is to overhaul less-than-optimal C-store sites and re-open with a new name as a CTS" (Barnack, Dec. 1997).

A related trend is convenience stores setting up a 'store-within-a-store' to handle tobacco sales. By creating a separate tobacco section and making it accessible only to adults, retailers are attempting to attract business back from the tobacco specialty store. Their longer-term goal is to qualify for the same regulations as tobacco specialty stores, which they anticipate will be subject to fewer display and marketing restrictions being off-limits to minors (Barnack, July 1997). Some analysts predict that supermarkets will follow suit, remodeling their stores to have a separate tobacco-only outlet (Barnack, Dec. 1997). This model would fit well with the Canadian supermarket scene, as many supermarkets are already redesigning their stores to include a number of specialty outlets, from flowers to wine to postal services. It should be noted that this concept is not a new one, as the establishment of a tobacco store-within-a-store was the initial response of a number of pharmacies to the legislated ban on tobacco sales in pharmacies.

Recognizing that in many cases the attempt to further regulate tobacco companies and retailers merely gives rise to creative end-runs around the letter and/or spirit of the law, long-time tobacco control advocate Ron Borland makes the case for more comprehensive controls over the tobacco market. In his paper on a "regulated market model for tobacco," Borland calls for the creation of a new agency that would control all aspects of the distribution, marketing, and sale of tobacco products, contracting with tobacco manufacturers only for supply of the product. Tobacco would become a controlled substance and all remaining forms of tobacco promotion would be eliminated (Borland).

Conclusions and Recommendations

There is a substantial and growing body of evidence demonstrating that the advertising and promotion of tobacco products is both directly and indirectly related to youth smoking initiation, to progression from experimentation to regular smoking among youth, and to continued smoking among adults.

As jurisdictions around the world have restricted or banned traditional tobacco product advertising, tobacco manufacturers have responded by adjusting their mix of marketing activities, emphasizing promotion at the point-of-sale. The primary challenge for tobacco companies remains the same, regardless of whether they are operating under conditions of a partial or total advertising ban. The companies' success depends on their continued ability

- to make consumers aware of the brand;
- to have consumers recognize the brand;
- to transmit the essential image of the brand in a way that motivates consumers to buy the product.

Thus in the absence of traditional advertising, the display of tobacco at point-of-sale is critical to the tobacco firms' ability to generate brand awareness and maintain brand image. Tobacco displays work synergistically with other forms of tobacco product promotion, most notably the package design. Testifying to the significance of point-of-purchase displays and related advertising and signage is the fact that tobacco companies have conducted sophisticated scientific studies to understand the behaviour of consumers in retail outlets and to incorporate this knowledge into the design of retail displays and tobacco packages. Eye-mapping studies, for example track the participants eye movements across a display, showing companies how they can position their brands to receive maximum visual attention.

In exchange for complying with the tobacco companies' requirements related to all aspects of the display, retailers are paid promotional allowances, in the form of cash, discounts, rebates, merchandise, fixtures, prizes, or some combination of these. The contractual agreements between the tobacco companies and individual retailers specify the position, size, and type of tobacco display and the location and number of company signs to be posted, and require the retailer to keep the display clean, stocked, and unobstructed. Some manufacturers demand that the proportion of the retailer's total tobacco display space devoted to its products be in keeping with its percentage of total market share. There is fierce competition between tobacco firms for prime display space to the extent that several U.S. tobacco makers sued Philip Morris over its aggressive "Retail Leaders" incentive program, claiming that it unlawfully restricted competition.

Both consumer product and tobacco control research conclude that merchandising activities at point-of-sale increase product sales. One study has found that retail advertising and displays increase average tobacco sales by 12%. One reason for this is that an estimated 60% of tobacco purchases are unplanned. Large, attractive tobacco displays in virtually every convenience store, supermarket, and gas stations are designed to provide strong visual cues to consumers and prompt impulse purchases. Internal tobacco company documents reveal that tobacco companies strive to take advantage of and promote impulse purchases through their merchandising activities at point of sale. A report by the U.S. Department of Justice concludes that "the tobacco industry is now dominating the stimuli in many of these stores in the hope of dominating the impulse purchases."

Tobacco companies claim that their intent in promoting their products is to encourage brand switching among current smokers, but the research shows that smokers are highly brand loyal, with less than 10% of smokers switching brands each year. Moreover, smokers usually choose a brand while they are still experimenting with tobacco use. Since more than 80% of smokers begin smoking during adolescence, tobacco companies of necessity must direct their marketing appeal to youth in order to influence their brand choice.

Research shows that in addition to being influenced by tobacco advertising and promotion, youth smoking behaviour is affected by their belief regarding the prevalence of tobacco use. The degree to which young people overestimate smoking rates has been shown to be a predictor of starting smoking. The widespread availability of tobacco products for sale and the size and prominence of tobacco product displays contribute to the belief common among youth that "everyone" smokes.

The ubiquity, accessibility, and visibility of tobacco displays in retail outlets also play a significant role in normalizing tobacco products and undercutting health risk information. The proximity of tobacco products to benign consumer goods like candy and trading cards renders them benign by association.

In sum, a substantial body of consumer product and tobacco control research, enhanced by internal tobacco company documents, proves that tobacco product displays at point-of-sale are a vital form of promotion. Tobacco product displays are particularly important in places such as Canada, where most other forms of tobacco promotion have been prohibited.

Several provinces and territories in Canada have already legislated bans on tobacco displays in retail outlets accessible to children, including Saskatchewan, Manitoba, and Nunavut, and several others are considering following suit. Saskatchewan's display ban was in place for eighteen months before being struck down by the Court of Appeal. While the Saskatchewan government appeals the ruling to the Supreme Court, tobacco products remain on display in retail outlets across Canada.

Given the importance of visibility for their products at the point-of-sale, tobacco companies can be expected to oppose vigorously any attempt to control the retail display and promotion of tobacco products. Tobacco manufacturers have launched lawsuits in Canada and several other countries challenging the government's right to restrict their ability to communicate with their customers. Tobacco companies can also be expected to mount aggressive lobbying campaigns against any proposal to restrict product displays. Experience in Canada and the United States, however, indicates that the tobacco firms will spearhead opposition by the retailers, preferring to stay in the background. Retailers can be expected to oppose government attempts to restrict or ban tobacco product displays for fear of losing tobacco company promotional allowances, suffering revenue losses from reduced tobacco sales, and incurring remodeling costs. The experience in Saskatchewan, together with other market forces, however, suggests that these losses could readily be mitigated.

The point-of-purchase is critical to marketing a product. It is where three of the four key elements of marketing come together—product, place, and promotion. It is where the shopper can be transformed into the buyer, with the right inducements. In the case of a product that causes the death of over 47,000 Canadians every year, governments have a responsibility to do everything within their power to ensure that retail outlets do not serve to normalize tobacco products among youth, do not promote increased use among current smokers by prompting impulse buying, and do not cue smokers who are trying to quit to resume smoking.

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Appendix A: Legislative Provisions Restricting Tobacco Displays

Saskatchewan: *The Tobacco Control Act*

PART II
Transactions involving Tobacco or Tobacco-related Products

Certain sales promotion practices prohibited

6(1) No person shall advertise or promote tobacco or tobacco-related products in any place or premises in which tobacco or tobacco-related products are sold if young persons are permitted access to the place or premises.

(2) No person shall advertise or promote tobacco or tobacco-related products by means of an advertisement or promotional material placed in the windows of any place or premises in which tobacco or tobacco-related products are sold if the advertisement or promotional material is placed so that it is visible from the outside of the place or premises.

(3) No retailer shall permit tobacco or tobacco-related products to be displayed in the retailer's business premises so that the tobacco or tobacco-related products are visible to the public if young persons are permitted access to those premises.

2001, c.T-14.1, s.6.

Unauthorized signs prohibited, display of supplied signs required

7(1) No person shall, at any place or premises in which tobacco or tobacco-related products are sold at retail, display any sign respecting the legal age to purchase tobacco or tobacco-related products in Saskatchewan or health warnings respecting tobacco unless the sign:

(a) is a sign supplied or approved by the department; or

(b) is otherwise authorized pursuant to the Tobacco Act (Canada).

(2) No retailer shall fail to display in the retailer's premises any sign supplied by the department respecting the legal age to purchase tobacco or tobacco-related products in Saskatchewan or health warnings respecting tobacco.

2001, c.T-14.1, s.7.

Manitoba: *The Non-Smokers Health Protection Act*

Regulations re display and advertising
7.1 Section 7.2 and subsection 7.3(1) do not apply in relation to a place or premises for which the sale of tobacco or tobacco-related products is the major activity, if the place or premises is prescribed for the purpose of that section or subsection in the regulations.
S.M. 2002, c. 37, s. 4.

Tobacco not to be displayed
7.2 No person shall display or permit to be displayed tobacco or a tobacco-related product such that it is visible to children in any place or premises in which tobacco or tobacco-related products are sold.
S.M. 2002, c. 37, s. 4.

Tobacco not to be advertised or promoted
7.3(1) No person shall advertise or promote tobacco or a tobacco-related product

(a) in any place or premises in which tobacco or tobacco-related products are sold;

(b) in any place or premises to which children are permitted access;

(c) on an outdoor sign of any type, including

(i) a billboard or portable sign, or

(ii) a sign on a bench, vehicle, building or other structure; or

(d) inside a building or other structure or vehicle if the advertisement or promotion is visible from outside the building, structure or vehicle.

Product and price lists allowed
7.3(2) Notwithstanding subsection (1), a place or premises described in clause (1)(a) may have signage that lists the tobacco or tobacco-related products offered for sale and their prices, if the signage complies with the requirements specified in the regulations.

Nunavut: *Tobacco Control Act*

TOBACCO DISPLAYS AND SALES

Handling of tobacco prohibited

7. No person shall sell or supply tobacco in a retail store by means of a display that permits a person to handle the tobacco before paying for it.

Retail displays and promotional advertising

8. No person shall advertise or promote the use of tobacco or tobacco products at a retail premises unless the advertisement or display meets such requirements as may be prescribed.

Iceland: *Tobacco Control Act 002 no. 6*

Section II. Sales and advertising.
Art. 7

All forms of advertising of tobacco and smoking accessories is prohibited in Iceland. This does not apply, however, to publications published abroad by foreign parties in foreign languages, provided that their primary purpose is not the advertising of such products. Notwithstanding, the State Wine, Spirit and Tobacco Authority is authorised to issue a price list for tobacco and to publish a register of harmful substances in tobacco products.

It is also prohibited to show consumption or any form of handling of tobacco or smoking accessories in advertisements or information on goods or services of other kinds and in illustrations on goods.

Advertising within the meaning of this Act shall refer to, among other things:

1. any form of information addressed to the public or to a specified target group, including product promotions, window displays in shops, signs of any kind and comparable items.

2. all use of traditional tobacco trademarks (name and logo) or parts of them; products manufactured under such trademarks are, however, exempted, but the advertising-limitation provisions of the Act otherwise apply to them.

3. any form of media coverage of individual products for other purposes than to warn of their harmful effects.

4. distribution of samples of goods to consumers.

It is prohibited to place tobacco on the Icelandic market under trademarks which are known or used as trademarks for other goods or services.

Any form of contribution to an event or activity whose objective, or direct or indirect effect, is to promote tobacco, is prohibited.

Tobacco and tobacco trademarks shall be so placed at points of sale that they are not visible to the customer.

Ireland: *Public Health (Tobacco) (Amendment) Act 2004*

14.—The Principal Act is amended by the substitution of the following section for section 43:

"43.—(1) Subject to subsection (2), it shall be an offence for a person to sell a tobacco product by retail, or cause a tobacco product to be sold by retail, by means of self service.

(2) It shall be lawful for tobacco products to be sold by retail, in accordance with regulations made by the Minister, by means of a vending machine on licensed premises or the premises of a registered club by such persons, or by persons belonging to such classes of persons, as are specified in the regulations (being persons who are registered under section 37 in respect of the licensed premises concerned or the premises of the registered club concerned).

(3) A person registered under section 37 (other than a person to whom regulations under subsection (2) apply) shall ensure that tobacco products sold by him or her are kept in a closed container or dispenser that is not visible or accessible to any person other than the first-mentioned person, or a person employed by him or her in connection with the business of selling goods by retail while so employed.

(4) A person registered under section 37 shall ensure that—

(*a*) the registration number in respect of him or her is affixed to the container, dispenser or vending machine, as the case may be,

(*b*) subject to paragraph (*c*) and the European Communities (Requirements to Indicate Product Prices) Regulations 2002 (S.I. No. 639 of 2002)—

(i) no notice, sign or display shall be displayed, and

(ii) no leaflet, circular, pamphlet or brochure shall be issued to the public or given to a purchaser of a product,

at any place, indicating that tobacco products may be purchased at the premises concerned,

(*c*) a sign is displayed at the premises concerned—

(i) in such a manner and form as may be prescribed by regulations made by the Minister,

(ii) informing the public that tobacco products may be sold at those premises to persons who have attained the age of 18 years, and

(iii) providing such other information as may be so prescribed.

(5) (*a*) A person registered under section 37 may provide such information relating to a tobacco product sold by him or her to a member of the public intending to purchase a tobacco product as may be prescribed by regulations made by the Minister.

(*b*) Regulations under paragraph (*a*) may provide that the person registered under section 37 may—

(i) notwithstanding subsection (3), show the member of the public concerned one packet only of each tobacco product sold by him or her, or a reproduction thereof, or

(ii) show the member of the public concerned a pictorial list consisting of visual images of packets of the tobacco products sold by him or her, provided that—

(I) each such image is not greater in size than the size of the packet concerned,

(II) the list does not contain more than one image of the same product, and

(III) the list or each such image contains a warning in such form and of such a type as may be prescribed by those regulations.

(6) A person who contravenes subsection (3) or (4), or regulations under subsection (5), shall be guilty of an offence.

(7) For the purposes of subsection (1), a tobacco product shall be deemed to have been sold by means of self service where the purchaser was permitted to supply himself or herself, either upon or before payment, with the tobacco product concerned whether by means of the depositing of money or a token (intended to be used as a substitute for money) in a machine containing the tobacco product or otherwise.".

Northern Territory of Australia: *Tobacco Control Regulations*

PART 4 – RESTRICTIONS ON ADVERTISING, DISPLAYS AND POINTS OF SALE

19. Price boards

(1) For the purposes of section 18 of the Act, the requirements with which a price board is to comply are set out in this regulation.

(2) There is to be only one price board for tobacco products at a point of sale (other than a vending machine) in or on premises and then only if there are no shelf tickets for tobacco products at the point of sale.

(3) The area of the price board cannot exceed 1 square metre.

(4) For the purposes of subregulation (3), section 21(9), (10), (11), (12) and (13) of the Act applies (with the necessary modifications) in relation to a price board as if a reference to a display of tobacco products were a reference to the price board.

(5) The price board is to be within 3 metres from the display of tobacco products (if any) at the point of sale.

(6) The price board cannot be within 1 metre from a display of products designed or marketed for consumption or use by children (including but not limited to displays of confectionary and toys).

(7) The information on the price board is limited to the following:

(a) names of tobacco products;

(b) sizes or quantities of tobacco products;

(c) prices of tobacco products;

(d) tar contents of tobacco products;

(e) countries of origin of tobacco products;

(f) barcodes or reference numbers for tobacco products.

(8) The information referred to in subregulation (7) (other than barcodes) is to be in letters that are –

(a) all the same font and size and not more than 2 centimetres high or 1.5 centimetres wide; and

(b) marked only in black on a white background or only in white on a black background.

20. Shelf tickets

(1) For the purposes of section 18 of the Act, the requirements with which shelf tickets are to comply are set out in this regulation.

(2) There may be shelf tickets for tobacco products at a point of sale (other than a vending machine) in or on premises only if there is no price board for tobacco products at the point of sale.

(3) The size of a shelf ticket cannot exceed 70 millimetres x 50 millimetres.

(4) The information on a shelf ticket is limited to the following:

(a) the name of a tobacco product;

(b) the size or quantity of the tobacco product;

(c) the price of the tobacco product;

(d) the tar content of the tobacco product;

(e) the country of origin of the tobacco product;

(f) the barcode or reference number for the tobacco product.

(5) The information referred to in subregulation (4) is to be marked only in black on a white background or only in white on a black background.

(6) All shelf tickets at a point of sale are to be marked identically in accordance with subregulation (5).

21. Displays other than at specialist tobacconists or on vending machines

(1) For the purposes of section 21(3) of the Act, the numbers of packets of cigarettes, cigars (other than cigars sold singly) or other tobacco products that are displayed cannot exceed one packet of each kind of packet for each kind of cigarette, cigar or other tobacco product that is available under each brand name.

(2) For the purposes of section 21(4) of the Act, the numbers of cigars sold singly that are displayed cannot exceed 2 cigars of each size for each kind of cigar that is available under each brand name.

(3) For the purposes of section 21(5) of the Act, the numbers of cartons of cigarettes that are displayed cannot exceed one carton of each kind of packet for each kind of cigarette that is available under each brand name.

(4) For the purposes of section 21(7) of the Act, a display cannot be within 2 metres from a display of products designed or marketed for consumption or use by children (including but not limited to displays of confectionary and toys).

(5) For the purposes of section 21(8) of the Act, the area occupied by a display cannot exceed 4 square metres.

21A. Displays at specialist tobacconists

(1) For the purposes of section 20(1)(b)(ii) of the Act, the conditions specified in this regulation apply in relation to displays of tobacco products that are at points of sale at specialist tobacconists in substitution of the conditions specified in section 21(3), (4), (5) and (8) of the Act.

(2) The area occupied by a display cannot exceed 12 square metres.

(3) The area of the part of a display occupied by packets of cigarettes cannot exceed 4 square metres.

(4) The area of the part of a display occupied by cigars cannot exceed 4 square metres.

(5) The area of the part of a display occupied by loose tobacco cannot exceed 2 square metres.

(6) The area of the part of a display occupied by cartons of cigarettes cannot exceed 2 square metres.

Victoria, Australia: *Tobacco Act*

PART 2—CONTROLS RELATING TO TOBACCO PRODUCTS

Division 2—Advertising and Other Controls

6. Certain advertising prohibited

(2) A person must not for any direct or indirect pecuniary benefit—

(a) place or display or cause or permit to be placed or displayed, or authorise the placing or display of, a tobacco advertisement that is visible from a public place; or

(b) place or display, or cause or permit to be placed or displayed, or authorise the placing or display of, a tobacco advertisement on the outside of any road, sea or air vehicle or vessel.

Penalty: For a first offence: 10 penalty units.

For a second or subsequent offence: 100 penalty units.

(2A) If there is a tobacco advertisement of a product line of a tobacco product at a point of sale at a retail outlet or wholesale outlet that is not in accordance with section 6A, the person carrying on the tobacco retailing business or the tobacco wholesaling business at that outlet is guilty of an offence.

Penalty: For a first offence:
10 penalty units.

For a second or subsequent offence:
100 penalty units.

(2B) A person must not, in the course of carrying on a tobacco retailing business or tobacco wholesaling business, display tobacco products at a retail outlet or wholesale outlet other than at a point of sale.

Penalty: For a first offence: 10 penalty units.

For a second or subsequent offence:
100 penalty units.

(2C) Sub-section (2B) does not apply to—

(a) the display of cigars in an operating humidor; or

(b) the display of cartons at an on-airport duty free shop.

(3) Nothing in this section applies to—

(a) a tobacco advertisement in or on—

(i) a newspaper or magazine; or

(ii) a book; or

(iii) a package containing a tobacco product, other than a package at a point of sale; or

(b) a tobacco advertisement that is an accidental or incidental accompaniment to a film or video tape; or

(c) a tobacco advertisement (other than a display of a tobacco product carried about on a person) at a point of sale inside a retail outlet or wholesale outlet that is in accordance with section 6A; or

(ca) one notice about tobacco products at one or more points of sale at a retail outlet or wholesale outlet that complies with the prescribed requirements as to size, information contained in it and the manner in which the information is set out or displayed; or;

(cb) tickets or labels on, or adjacent to, immediate packages of tobacco products displaying retail prices, being tickets or labels that comply with the prescribed requirements as to size, information contained in them and the manner in which the information is set out or displayed; or

(cc) tickets or labels on, or adjacent to, representations of immediate packages of tobacco products in vending machines displaying retail prices, being tickets or labels that comply with the prescribed requirements as to size, information contained in them and the manner in which the information is set out or displayed; or

(d) a tobacco advertisement that is within a retail outlet (whether or not it is visible from a public place) and that does not contain a trademark or brand name, or part of a trademark or brand name, of a tobacco product or the name of a manufacturer or distributor of a tobacco product; or

(e) anything to which, by reason of section 10, this section does not apply; or

(f) an invoice, statement, order, letterhead, business card, cheque, manual or other document ordinarily used in the course of business.

6A. Point of sale advertisements

(1) A tobacco advertisement at one point of sale at a retail outlet or at any point of sale at a wholesale outlet may advertise a product line of a tobacco product in one only of the following ways—

(a) by the display of a single immediate package of the product line in the form in which the package is available for sale at that point of sale (including the display of an immediate package if only cartons are available for sale);

(b) by means of a stack dispenser for immediate packages of the product line in the form in which the packages are available for sale at that point of sale if—

(i) in the case of an angled stack, the most that is displayed is—

(A) any part of the single package at the front of

the stack;
and

(B) any part (other than the face) of the other packages in the stack; and

(C) those parts of the faces of the other packages that bear the warning message required by the Trade Practices (Consumer Product Information Standards) (Tobacco) Regulations 1994 of the Commonwealth; and

(ii) in the case of packages stacked on top of each other, the most that is displayed is any part of the package on the top of the stack and any part of the package on the bottom of the stack;

(c) if the point of sale is a vending machine, by a single representation of an immediate package of the product line in the form in which the package is available, or usually available, for sale at that point of sale no larger than

the actual size of the package, with the same appearance as the package;

(d) in the case of a product line of cigars, by the display of either or both of the following—

(i) up to 13 cigars of the product line in an open box, or in any other manner;

(ii) a single closed box full of the product line in the form in which the box is available for sale at that point of sale.

(2) A tobacco advertisement at any other point of sale at a retail outlet may advertise a product line of a tobacco product by means of a stack dispenser for immediate packages of the product line in the form in which the packages are available at that point of sale if—

(a) in the case of an angled stack, the most that is displayed is—

(i) any part (other than the face) of any package in the stack; and

(ii) those parts of the faces of the packages that bear the warning message required by the Trade Practices (Consumer Product Information Standards) (Tobacco) Regulations 1994 of the Commonwealth; and

(b) in the case of packages stacked on top of each other, the most that is displayed is any part of the package on the top of the stack (but not including the face or the top of that package as stacked or the side or end of that package directly facing the customer) and any part of the package on the bottom of the stack (but not including the face or the bottom of that package as stacked or the side or end of that package directly facing the customer).

(3) A display of tobacco products at a point of sale may not consist of the display of the products, packages of the products or representations of the products or packages so as to constitute a tobacco advertisement itself as distinct from the display of each product, package or representation.

(4) A display of a product line at a point of sale at a retail outlet may not include the display of a carton of the product line, or any part of the carton, whether or not the carton is empty or partly empty.

(5) Despite sub-section (4), a product line at a point of sale at a retail outlet that is an on-airport duty free shop may be displayed in such a way that—

(a) one carton of the product line is visible; or

(b) in the case of cartons of the same size as each other, the cartons are stacked directly behind each other, and the most that is visible is—

(i) any part of the carton at the front of the stack; and

(ii) any end or the top (or both) of the next carton in the stack; or

(c) in the case of cartons of different sizes, the most that is visible is—

(i) one carton of one size; and

(ii) any end or the top (or both) of one other carton of that size; and

(iii) the smallest side (or one of the smallest sides) of one carton of any other size.

(6) A display of a product line at a point of sale at a wholesale outlet—

(a) may include the display of one or more cartons of the product line, but only with the smallest (or one of the smallest) sides of the carton (or cartons) facing the customer service area; and

(b) must otherwise comply with this section.

(7) The area of display of tobacco products that constitute a tobacco advertisement referred to in sub-section (1) at a retail outlet must not exceed the prescribed area.

(8) A display of tobacco products on a vending machine may

include a display of one packet only of each product line available, or usually available, from the machine and must not include the display of any other product lines.

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RESEARCH PAPER

"Some convincing arguments to pass back to nervous customers": the role of the tobacco retailer in the Australian tobacco industry's smoker reassurance campaign 1950–1978

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Background: Epidemiological studies and reports on smoking and health published in the 1950s and 1960s threatened the tobacco industry worldwide, which acted to reassure smokers and counteract mounting evidence that smoking posed a serious risk to smokers' health.
Objective: To document the use of tobacco retailers (1) as a conduit to pass messages of reassurance onto smokers, and (2) to recruit youth and women into smoking.
Methods: Review of an extensive collection of Australian tobacco retail trade journals (1950–1978) for articles consistent with the industry's efforts to counter messages about smoking and health, and how to attract non-smokers, particularly youth and women.
Results: The main arguments advanced in the journals included the notion that air pollution and other substances cause cancer, that "statistics" did not constitute proof in the tobacco health scare, and that the industry was committed to research into the causes of cancer and into developing a "safer" cigarette.
Conclusions: Numerous articles designed to be reiterated to customers were published, arguing against the link between tobacco and ill health. Tobacco retailers, salesmen and retail trade organisations played a significant role in dissembling the tobacco health nexus. Tobacco retail journals may be an important component in tobacco industry misinformation strategies.

Since the release of an estimated 40 million pages of internal tobacco industry documents, a growing body of research has explored ways in which the tobacco manufacturing industry planned and acted to counteract the rising tide of information that smoking posed a serious risk to smoker's health.[1 2] The industry embarked on a global campaign that it termed "smoker reassurance". This involved the use of publicity tours by consultant scientists to the industry who dissented from the mainstream of medical opinion, public campaigns centred on the industry's public position that "more research is needed", and promulgation of the notion that any alleged health effects from smoking were confounded by other causes. These efforts were overseen by tobacco industry lawyers advising on what could and could not be said.[3]

While the manufacturing industry's role in this misleading conduct is well documented, the part played by retailers is less understood. Tobacco retailers have a unique opportunity to interact with smokers on each occasion of purchase. In Australia today impersonal supermarkets, often employing a high turnover of casual staff, dominate tobacco retailing with 35% of the $A7.1 billion retail market.[4] However, in the first three decades after the advent of major adverse publicity about smoking and health (1950–1980) most smokers bought their cigarettes from dedicated tobacconists in more personalised retail environments. Today, these tobacconists command only 20% of the Australian retail trade. These shops are generally independently owned and run by small businessmen, and supplied by tobacco companies and their wholesalers via van salesmen.

The salesmen have always acted as conduits from the tobacco manufacturing industry to the retailer, introducing and recommending new products and discounted lines, advocating sales pitches and gimmicks. Another paper in this supplement details the vital role played in Australia today by company retailing representatives in in-store, below-the-line marketing.[5] Importantly, and something virtually neglected in tobacco control research, these salesmen and delivery workers may have also passed on messages from the tobacco industry, which they would have hoped the shopkeepers would in turn pass on to smokers to counteract the potential effects of publicity about research on smoking and health. Later, as governments began introducing tobacco control measures, the van salesmen supplied campaigning material that sought to enlist smokers in the industry's opposition to issues like excise tax rises, smoking restrictions, and even advertising bans.

Another major conduit for the tobacco industry was trade journals distributed to retailers by their trade associations. These included the *Retail Tobacconist of NSW* (1944 till July 1966, thereafter *The Australian Retail Tobacconist*—still published today), the *Tobacco Trade Journal* (Queensland, 1940–1974), *The Tobacco Journal* (South Australia, 1935–1974), and the *Tobacco Journal* (Victoria, 1930–1974). These journals were circulated to all members of tobacco retail organisations in their respective states.

METHODS

We obtained a trunk full of these journals from an antique dealer who had purchased them from the deceased estate of a former tobacconist. The collection included largely complete volumes of the journals from: Queensland (1952–3, 1957–61, 1970–74); South Australia (1950–72); Victoria (1961–1974); and nationally (1954–58, 1969–78). We examined the journals in this large convenience sample for articles consistent with the manufacturing industry's efforts to counter messages about smoking and health, and for illustrative material on

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how tobacconists might attract non-smokers, particularly young people and women.

Both authors independently reviewed each issue, noting candidate articles. AT then extracted all relevant statements and quotes which were then chronologically catalogued under two broad headings (health; and marketing to youth and women). We then selected exemplary instances for use in the paper.

RESULTS

The tobacco retail journals outlined promotional and sales strategies for tobacconists. The producers of these journals actively championed their promotional material, and encouraged retailers to utilise it for merchandising purposes. It follows that this information may have become a significant part of the sales strategies of many tobacconists, and in the process this information may have been passed on to customers—the smoking public.

The journals contained tear-out price lists for all brands for display in shops.[6] As such, the journals are an invaluable source for scholarship requiring detailed information on brands and prices going back decades. They routinely provided general guidance regarding the operation of a small business such as choosing staff, store tidiness, window decoration, and other methods of attracting and retaining customers. Generic articles syndicated from writers on selling techniques were common, as were reports about the trade associations' and manufacturers' activities.

Information regarding current issues pertinent to the industry were also covered, with advice given to retailers to display such notices to their customers. For example, when a ban on smoking on public transport was announced retailers were urged: "If you object to this attempt to dictate personal habits by Transport Minister Cox put up in your shop the notice on the opposite page."[7] Retailers were advised to consult the travelling tobacco salesmen about policy matters: "Retailers who are in doubt about the health warning requirement on cigarette packets, should discuss the matter with their friendly van-salesman."[8]

Counteracting smoking and health scares

Both retailers and van salesmen were seen by the industry as partners in their efforts to counteract the rising tide of negative publicity about smoking, that had been given a major boost by the publication of epidemiological studies on smoking and lung cancer by Doll and Hill[9] and Wynder and Graham[10] in 1950. Considerable momentum then developed via publicity surrounding the publication of the reports on smoking and health of the Royal College of Physicians of London (1962)[11] and the US Surgeon General (1964).[12] These reports were openly attacked in articles in the retail journals, and retailers advised on counteracting propaganda to pass on to their customers. A 1953 article was said to give: "...an illuminating and effective answer to some of the British medical men and others who have been trying to frighten the smoking public. It gives retailers some convincing arguments to pass back to nervous customers."[13]

And in 1955: "...These objections can be handled satisfactorily on a personal basis by the average salesman...The intelligent handling of this objection can aid the industry in explaining the true facts, and while so doing destroy the poison of half-truths, innuendos, double-talk and outright falsehoods forming the current bulk of conversation of this topic...Remember, your customer is quite apt to repeat your story to his customers, to those he might hear objecting or repeating this unfavorable propaganda."[14]

Air pollution, not smoking

Perhaps the most recurring theme in health related articles throughout the journals was that other agents, particularly air pollution and petrol fumes, caused cancer (box 1). Promoting information about other suspected carcinogens promised to fulfil two main objectives. Often these reports were about ordinary, banal agents and activities said to be carcinogenic. These are likely to have contributed to the notion that risk-phobic scientists believed "everything" caused cancer, and that warnings about tobacco therefore needed to be discounted when considered against such an extreme orientation. By routinely highlighting other alleged causes of cancer in conjunction with a publicity agenda that the industry was dedicated to uncovering the "real" causes of lung cancer, the tobacco industry positioned itself as responsible, not bending to fashionable theories but dedicated to uncovering the truth.

Public health scaremongers were said to be constantly adding everyday items to their lists of dangerous agents that caused cancer (box 2).

Genetic susceptibility and confounding from other illness were also emphasised. Dr Charles Mayo said that the

Box 1: Air pollution, not tobacco, causes lung cancer

- **1959:** "Addressing a meeting of the United States Southern Society of Clinical Surgeons, Dr William Rienhoff, associated [sic] professor of surgery at Johns Hopkins University School of Medicine, said that after operating on nearly 800 cases of lung cancer he had found "no scrap of evidence" to indicate that cigarettes were more likely to cause lung cancer than air pollutants that every one breathed, such as exhaust fumes."[15]
- **1962:** Sir Clement Price-Thomas, an eminent surgeon said to have operated on King George VI (a heavy smoker who died of lung cancer) was quoted as saying: "But there are other causes of cancer — atmospheric pollution, for instance, all those factories belching out smoke. And here's another — benzpyrene — found in the fumes put out by motor cars..."[16]
- **1963:** "Dr. Geoffrey Dean... blames air pollution for the disease. And he concludes: There is little risk in moderate smoking — unless the air is also dirty."[17]
- **1964:** "The Japanese cigarette monopoly in Tokyo...have found that the incidence of lung cancer in Japan is linked with industrial smog areas rather than the number of smokers."[18]
- **1964:** "The researchers concluded that "no statistically demonstrable connection" could be found between cigarette smoking and lung cancer. They further asserted that "other external influences", particularly air pollution, had to be considered in the increasing occurrence of lung cancer."[19]
- **1964:** "Dr. Roche and his associates say unequivocally that air pollution is the most likely suspect cause and explain the paradox of agricultural risks in terms of implement diesel fumes, chemical sprays, exposure to colds and to polluted air from nearby towns."[20]
- **1970:** Dr John Wyatt, Professor of Pathology at Canada's University of Manitoba, toured Australia for the tobacco industry; "...one important avenue of research was the role of air pollution."[21]

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Box 2: Everything can cause cancer

- **1969:** "Last month we reported that Aspirin had joined the club of health hazards according to a Melbourne doctor, who claimed it induced kidney disease. ..Now more items in general use have also fallen under suspicion and received world-wide publicity following action taken in the United States." The article then ridiculed panic about cyclamates and monosodium glutamate, arguing that scaremongering was becoming rampant.[22]
- **1967:** "Bread and tea, as well as cigarette smoke and air pollution have been indicated as possible causes of cancer...the bread comes into direct contact with cancer-causing agents produced by burning fuel...a study had indicated that tea contained properties...which promote or enhance the activity of cancer initiators..."[23]
- **1971:** "Coffee drinking may cause cancer of the bladder, a group of American scientists said in an article published recently in the British medical magazine "The Lancet".[24]
- **1976:** Under the headline Join the club: "A red dye commonly used to colour cereals, cosmetics, sweets, jams and medicines, will be investigated by the Australian Health Department because of a suspected link with cancer."[25]
- **1977:** "Fructose, a sweetener used extensively in diet soft drinks, may pose as big a health threat as the suspected cancer-causing agent saccharin..."[26]
- **1977:** "The trend towards shorter haircuts for young Australians is disastrous for health, according to an American professor. "It can only increase the already-dangerous level of skin cancer complaints..."[27]

tobacco-cancer link was greatly over-rated, adding: "the chance of a smoker contracting lung cancer depends on the health of the individual smoker and his susceptibility to lung cancer."[28]

In 1963, the year after the publication of the Royal College of Physicians report, the *Victorian Tobacco Journal* published a statement from Rothmans' chairman: "The subject of health continues to cloud the industry. A great deal of emotionalism surrounds the question, and the issue has been magnified out of all proportion, if only because it is fashionable to attack the tobacco industry. There is much public misconception as a result... The fact remains that the theory is still only a theory, and there has been no clinical or laboratory confirmation. Indeed, it seems to be ignored that other factors must be at work... It is unquestionably wrong, and irresponsibly wrong, to publicise smoking as the sole culprit, even if the "evidence" proved it to be one of the culprits."[29]

In 1970, following calls for Australian packs to carry health warnings, the Australian Retail Tobacconist ran material emphasising that anti-smoking claims were being made by inexpert people who were simply wrong: "...Two members of the U.S. Government committee which conducted the 1969 inquiry made these comments in the official report: Congressman Richardson Preyer–" Like most of the public, I thought that a case against tobacco had been made by disinterested and well-informed groups acting on behalf of the public... This was very naive... For example, not a single witness for the anti-smoking forces testified to any research which he himself had done, while over 20 witnesses testified in person or by written statement that their own research cast serious doubts on the theory that cigarettes cause disease."

Congressman David E. Satterfield: "Perhaps the most disturbing aspect of the hearings before our committee was that the highly qualified pathologists, thoracic surgeons, general practitioners, and statisticians were able to demonstrate that certain published and well-known statements dealing with smoking, which have been accepted as true, are in fact false and without basis." The official committee report also makes this statement: "On the basis of these hearings the committee concludes that nothing new has been determined with respect to the relationship between cigarette smoking and human health since its hearings in 1964 and 1965."[30]

In 1970 two retail journals[31 32] re-published an industry "memorandum to smokers" brochure containing a smorgasbord of quotations from doctors and scientists criticising anti-smoking propaganda such as: " The concept that cigarette smoking is the cause of the increase in lung cancer and emphysema is a colossal blunder."—Dr. Milton B. Rosenblatt, President of Medical Board, Doctors Hospital, New York (fig 1).

Safe cigarettes imminent

Several articles emphasised that the tobacco industry was deeply committed to finding and then removing any problematic ingredients in tobacco, and to changing its manufacturing process to produce "safe" cigarettes. The irony of this (in light of the constant denial that tobacco was harmful) was apparently lost on the industry: "We shall endeavour to produce such a safe cigarette and we believe that simple loose rolling of 'roll your own' cigarettes is also quite satisfactory."[33] Other articles emphasised developments in filter technology[34] and agricultural practices said to greatly reduce the potential harm of cigarettes. If communicated to smokers, these ideas may well have offered reassurance that safe smoking was imminent, perhaps delaying decisions to quit: "A new cigarette which the manufacturers claim carries a reduced cancer risk has gone on the market in U.S.A. Officials of the Continental Tobacco Company, of Colombia, South Carolina, say their new cigarette, Venture, has reduced cancer-causing properties because its tobacco is grown without the use of pesticides ...Continental's president, Mr. James Sorensen, said the company had eliminated or controlled two broad categories of cigarette tar components which may be related to certain lung disorders...in their search for a safer smoke, two American scientists have come up with a new filter that they claim could cut by 92 per cent a radioactive substance that has been linked with lung cancer..."[35]

Exotic anomalies were publicised, such as an account of "Ecuadorian peasants in a 1,500ft. high valley who drank rum and smoked many cigarettes every day were still able to till soil when well over 100 years old... The peasants...drank two to four cups of rum and smoked anything from 40 to 60 cigarettes a day."[36] The tobacco industry later realised that the Ecuadorian situation arose because "it turned out that they didn't inhale."[37]

Committed to research

Like the manufacturing industry, the retail journals pushed the argument that the industry was vitally committed to researching the real causes of cancer, the assumption being that tobacco would either be exonerated or that any problematic elements in tobacco could be easily eliminated, allowing smokers to continue smoking in safety: "American cigarette manufacturers in the past 12 years have spent over $9 million for health research through the Council for Tobacco Research, U.S.A., which has made some 613

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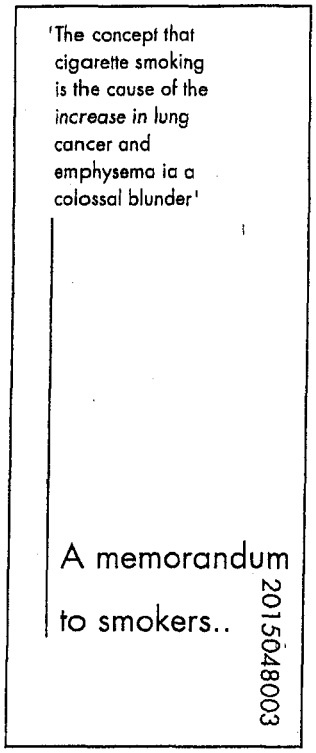


Figure 1 Smokers' brochure republished in retail journals in 1970.

no-strings-attached grants for independent research into the health problem. ...The cigarette industry insisted on all-out research to find out how the diseases mentioned in the report developed, whether cigarette smoking had anything to do with it and if it does, how to remove the hazard."[38]

Local research initiatives by Australian companies were also publicised, appealing to notions that disease aetiology was likely to follow unique patterns in each country, the corollary being that international studies could be dismissed as irrelevant to local conditions: "It is intended that the Foundation should concern itself specifically with smoking and health research in the Australian environment... Our independent research project has been prompted by the fact that too little is known scientifically of the smoking and health problem in a wholly Australian context... We believe that there has been too strong a predisposition to accept the results of statistical analyses and certain experiments in other countries as being applicable to Australia."[39]

Anti-smokers: alleged experts and killjoys

Anti-smokers also came in for comment in the journals. They were "made up of a lot of po-faced people who are quite often, or so my prejudices insist, in favour of legalising soft drugs. This thought is prompted by the news that the president of the Australian Council on Smoking and Health, Dr. W. C. B. Harvey, this week described as deplorable the fact that the 200 Australian soldiers still serving in Vietnam are to be presented with Father's Day gifts of cigarettes, cigars and tobacco. Only one thing is deplorable here, and that is that Dr. Harvey should have made his petty-minded objection. Hundreds of thousands of people [gain] the innocent pleasure from smoking — and the world is full of old smokers."[40]

Those warning about smoking were "alleged" scientists, people "posing as experts", and "killjoys" deserving ridicule. Such articles played to populist notions of scientists as lacking the ordinary person's ability to see through nonsense and who hoodwinked the public with implicitly untrustworthy "statistics": "We take note again of the alleged scientists, reformers and Dr. Killjoys who keep telling us all we'll live longer by staying away from cigarettes... The Dr. Killjoys et al. admit that their evidence is purely statistical. That means they collect coincidences—cases of people who (1) smoked cigarettes and (2) died eventually of lung cancer or heart trouble—and then conclude that the cigarettes caused the fatal diseases. There is no laboratory evidence that cigarettes ever gave lung cancer or heart disease to a single human... let's play for a moment with the notion that you'll live longer statistically if you don't smoke. Taking off from that notion, you can work out a statistical formula for living, not merely longer, but forever. Here's how you do it...statistically, the way to live forever is simply to refrain from eating, drinking water, and breathing...let's go on giving the horselaugh to the enemies of the cigarette,"[41]

A good example of such ridicule was in a 1969 article "Do horses smoke?": "...Yet horses have been found to suffer from the lung disease, emphysema, for which some public health authorities...blame cigarettes...but the National Institute of Allergy and Infectious Diseases announced firm findings that...the cause or causes of emphysema are not now known."[42]

Anti-smoking efforts were said to be "hysterical" and populist: "Politicians everywhere are slowly giving into the hysteria of the anti-smoking lobby and proposing more and more restrictions on this long-standing pleasure of millions. These days it seems to be the "in thing" for politicians to knock the tobacco trade and ignore the more sensitive problems of poverty, pollution, pornography and pot."[43]

"Excessive" smoking is the problem

By 1972, there were signs that the retailers had begun to modify their position on smoking and health, with one editorial noting: "...we have no wish to play down the indisputable health hazard of excessive cigarette smoking."[44] Another visiting consultant for the industry, WB Ober: "...told a press conference that...ordinary cigarette smoke carried no appreciable risk...although excessive smoking—like any other sort of abuse—might do some harm. ...No-one has investigated the effects of very heavy smoking."[45] The Tobacco Workers Union duly picked up this message and called for: "an ending of the attacks on the harmless habit of smoking in moderation. ...No one denies that excessive smoking, together with other factors, like industrial pollution and car exhausts, can cause damage to the lungs. But no one is prepared to give credit to smoking for quietening the nerves and relaxing millions of people caught up in the industrial rat race. Mental and nervous stress in the automated factory, plus the striving for better conditions of living for the worker and his family, produce a situation in which the desire for smoking becomes impossible to resist"[46]

"Nobody ever argues against going after young customers...": recruiting smokers

The industry also used the journals to advise retailers on how they might interest non-smokers and "novices" in smoking. Despite cigarette sales to minors having been illegal in most Australian states since the end of the 19th century[47] the journals acknowledged the importance of the teenage market. The journals are rich sources of candour about the importance of attracting youth.

1953: "...it is important enough for each industry to try to get as much of the market as possible of young customers for its products... After all, they are still at an age when they can be influenced in their buying habits...they are at an age of enthusiasm where if they like something, they try to get all their friends to go along."[48]

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1954: "One of the most important customers today is the youthful novice in smoking. He is your customer of the future and special efforts should be made to cultivate him..."[49]

1964: "Statistics show that 12 per cent of the population in Australia are teenagers and represent 16 per cent of the total purchasing power... The importance of wooing this group with advertising is therefore evident. Surveys show that teenagers are most responsive to advertising, and when it appears in a form slanted to them directly, it becomes a valuable springboard for capturing this lucrative market...The habit of magazine readership built up through such a teenage paper carries through to adulthood. ...To the far-sighted advertiser, this is one of the most important aspects of the teenage market — it is the adult market of tomorrow."[50]

Specific suggestions to attract young customers were provided, ranging from sales advice to shop layout and particularly the attractions of smoking accessories such as cigarette cases and holders: "...and we should certainly go after them strong with smokers' accessories... Nobody ever argues against going after young customers...for example they must be made to feel that it is stylish to have a dressy cigarette case, to have a cigarette holder, to have a well-styled pouch. The magazines are full of colour pages showing young fellows how to be better groomed and better turned out, and certainly it should not be too difficult to get them to add well-styled smokers' accessories to the list of things a well-groomed young fellow has...Keep something stylish up on top all the time and you build yourself a reputation for attracting young buyers—and no matter where he is or who he is, you want him to become a customer for smokers' accessories... Every other type of product is boomed and boosted in the scramble for a share of the wage packet. The tobacco trade cannot afford to stand back...We need more positive promotion—in advertising and displays, and in over the counter salesmanship—if we are to create regular customers out of hesitant young smokers...The persistent theme in trying to attract the youthful smoker is that the cost need not be excessive, and that the pleasure to be gained is more than worth the cost. But the trade must drive home this message and not wait for the youngster to discover it for himself. He might never do so."[49]

Women

Women were also seen as a critical target group, not only for their own potential as smoking customers, but as gatekeepers important in influencing their families' smoking:

1954: "We all know that women do in fact comprise quite a big part of the smoking population... Any change ought to be in an upward direction... Perhaps the biggest opportunities are offered by young women smokers. They are at the receptive age at which habits are formed, and a special campaign to attract such customers may well yield dividends for years to come."[51]

1956: A sales guru advised "... women are one of the prime deciding factors on what brands of produce come into the home. In America where the house-wife will buy a whole carton of cigarettes at a time while marketing, she can gradually accustom the rest of the family towards smoking her choice of cigarettes."[52]

Judging by an almost total absence of female retailers named or profiled in the journals, the vast majority of retailers were probably male, and it was considered that they required special instructions in smalltalk for selling to the opposite sex whose mysterious predilections were revealed thus: "...To her a goodly array of nicely displayed goods is the biggest attraction a tobacco shop can offer...something more is needed than merely handing over a packet of the requested brand. Women enjoy special, individual attentions. There could be more interest in the job in many shops—a greater keenness to introduce new lines and to make suggestions... Women are especially affected by personal cleanliness and neatness of dress on the part of the salespeople."[51]

"Winter, when the housewife is even more likely to purchase the week's smokes at the supermarket when she gets the family groceries. This is the time of the year when your business premises should look particularly attractive. The time when you should put forward your best efforts at salesmanship. "It looks like being a stormy weekend" you might well say to your next customer, adding quietly, "Have you made certain that you've enough smokes to see you through?" Then, apparently as an afterthought: "It's much better sitting at home by the fire these days than having to come out shopping for something you've run out of."[53]

DISCUSSION

We have presented illustrative examples of efforts to take the "heat" off tobacco from a large sample of the Australian retail tobacco industry literature published between 1950–1978. If, as the tobacco industry intended, tobacconists did indeed pass this sort of information onto their customers, then many smokers alive today who commenced smoking during this 28 year period would have been exposed to this "reassurance" strategy. The modal age for smoking initiation in Australia is 15 years of age. Thus many smokers born between 1935 (today therefore aged 68) and 1963 (today aged 40) are likely to have often bought their cigarettes at dedicated tobacconists who subscribed to these journals. These smokers may therefore have been subject to the sort of persuasion urged or implied by the authors of the articles we have excerpted.

A core platform of the tobacco industry's defence against litigation from sick and dying smokers claiming damages in the courts is to argue that smokers are fully informed about the risks of smoking and therefore should bear all responsibility for their decision to smoke. Despite having fought hard to keep health warnings off packs ("Obviously the Group policy should be to avoid health warnings on all tobacco products for just as long as we can"),[54] and to then keep those warnings as non-specific as possible ("As you know, it has been our policy to resist any mention of specific diseases"),[55] the industry also shelters behind the defence that all cigarette packs have featured a health warning in Australia since 1973.

Against this, counsel for such litigants typically argue that smokers were inadequately warned about the magnitude and probability of the risks they faced; that the tobacco industry actively worked to prevent, delay and weaken health warnings on packs; that the industry targeted them as children when they were below an age when they could meaningfully comprehend the risks they faced; that the addictiveness of nicotine and the industry's efforts to deny that cigarettes were addictive undermined smokers' ability to exercise free choice; and that the industry sought actively to falsely reassure smokers that there was widespread disagreement in the scientific community that smoking was harmful to health.

In 1987, a small Sydney pilot study of smokers reported that 59% of smokers agreed that "everything causes cancer these days".[56] Larger Australian studies in 1991 and 2002 found that 42% (1991) and 24% (2002) of smokers agreed with the statement "Most lung cancer is caused by air pollution, petrol fumes, etc" and 45% (1991) and 22% (2002) believed that "the medical evidence that smoking causes cancer is not convincing".[57 58] Such findings are consistent with an hypothesis that the tobacco industry's efforts to dissemble the evidence on smoking and health is likely to have contributed to the formation of such widespread beliefs

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What this paper adds

The tobacco manufacturing industry's efforts to reassure smokers about the alleged harms of tobacco use are now well documented.

This is the first study to examine the role played by tobacco retailers in acting as a conduit to smokers for information often supplied by the tobacco manufacturers about smoking and health. Between 1950–1978 heavy emphasis was placed on air pollution (not smoking) causing lung cancer; on how "experts" believed everything was dangerous; on how the industry was dedicated to making safer cigarettes; and on how only "excessive" smoking might be dangerous. In the 1950s and early 1960s, tobacco retailers openly targeted youth and women in their sales pitches.

in the Australian community. The material summarised in this paper should prove useful in litigation, complementing evidence of the tobacco manufacturing industry's efforts to falsely reassure smokers.

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THE ROLE OF SOCIAL NETWORKS AND MEDIA RECEPTIVITY IN PREDICTING AGE OF SMOKING INITIATION: A PROPORTIONAL HAZARDS MODEL OF RISK AND PROTECTIVE FACTORS

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Abstract — The increasing prevalence of adolescent smoking demonstrates the need to identify factors associated with early smoking initiation. Previous studies have shown that smoking by social network members and receptivity to pro-tobacco marketing are associated with smoking among adolescents. It is not clear, however, whether these variables also are associated with the age of smoking initiation. Using data from 10,030 California adolescents, this study identified significant correlates of age of smoking initiation using bivariate methods and a multivariate proportional hazards model. Age of smoking initiation was earlier among those adolescents whose friends, siblings, or parents were smokers, and among those adolescents who had a favorite tobacco advertisement, had received tobacco promotional items, or would be willing to use tobacco promotional items. Results suggest that the smoking behavior of social network members and pro-tobacco media influences are important determinants of age of smoking initiation. Because early smoking initiation is associated with higher levels of addiction in adulthood, tobacco control programs should attempt to counter these influences.
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Understanding both the risk and protective factors for the early initiation of tobacco use is necessary to prevent tobacco smoking among adolescents. Despite recent prevention efforts, adolescent smoking remains a significant public health problem. Approximately 80% of people who experiment with cigarettes do so before 18 years of age (Centers for Disease Control and Prevention, 1998). Among high school students in the United States in 1997, 70% reported having experimented with cigarettes (Centers for Disease Control and Prevention, 1998). Approximately 55% of people who have smoked 100 or more cigarettes continue to smoke until less than a year before their deaths; therefore, recent projections of smoking prevalence rates (Centers for Disease Control and Prevention, 1996) indicate that if current patterns of smoking behavior continue, over 5 million U.S. citizens who were aged 0–17 in 1995 could die prematurely from smoking related diseases.

The age of smoking initiation is an important determinant of an individual's probability of becoming addicted to tobacco, probability of smoking cessation, and risk of adverse health outcomes. Adolescents who begin to smoke at or before age 13 are twice as likely to remain smokers in adulthood as are those adolescents who begin to smoke at age 17 or later (Breslau & Peterson, 1996). In addition, because the total number of years that a person smokes is associated with risk of mortality, cardiovascular disease, and cancer (Chaturvedi, Stevens, & Fuller, 1997; Muscat, Stellman, Zhang, Neugut, & Wynder, 1997; Chyou et al., 1997; Tong, Spitz, Fueger, & Amos, 1996; Tell et al., 1994), adolescents who begin to smoke at earlier ages have a potentially higher risk of these adverse health outcomes.

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Numerous studies have identified the variables associated with the likelihood that an individual will experiment with smoking or become a regular smoker. These include low socioeconomic status, access to tobacco products, perceptions that tobacco use is normative, smoking by peers and siblings, lack of parental involvement, low academic achievement, lack of cigarette refusal skills, low self-esteem, high perceived benefits of smoking, and low perceived risks of smoking (Centers for Disease Control and Prevention, 1994).

Two of the most powerful predictors of adolescent smoking experimentation are smoking by social network members and receptivity to pro-tobacco marketing. The association between smoking by social network members and adolescent experimentation with smoking has been well established. Numerous studies have shown that adolescents whose parents, siblings, or friends smoke are at increased risk of smoking relative to their peers whose social network members are not smokers (Jackson, 1997; Jackson & Henricksen, 1997; Killen et al., 1997; Oygard, Klepp, Tell, & Vellar, 1995; Urberg, Degirmencioglu, & Pilgrim, 1997). Social network members who smoke serve as models for adolescents (Bandura, 1974). Their smoking behavior may communicate a message that smoking has positive consequences and is a socially acceptable and normative activity. In addition, new evidence suggests that adolescents in the early stages of smoking are likely to obtain their cigarettes from social network members rather than from retail sources (Ribisl et al., 1998). Adolescents whose social network members are smokers may therefore have greater access to cigarettes.

Recently, research has indicated that receptivity to pro-tobacco media is a powerful predictor of adolescent smoking and susceptibility to smoking. Adolescents classified as receptive to pro-tobacco media are those who have a favorite cigarette advertisement, own tobacco promotional items (e.g., hats, T-shirts, or keychains with tobacco company logos), and/or would be willing to use such items. Receptivity to pro-tobacco media is common among adolescents and has been increasing in recent years (Gilpin, Pierce, & Rosbrook, 1997). A 3-year longitudinal study of adolescents (Pierce, Choi, Gilpin, Farkas, & Berry, 1998) found that among adolescent nonsmokers, those adolescents who had a favorite cigarette advertisement, owned a tobacco promotional item, or were willing to use a tobacco promotional item were at increased risk of progressing to more advanced stages of smoking over the 3-year period. A correlational study of California adolescents (Evans, Farkas, Gilpin, Berry, & Pierce, 1995) found that receptivity to pro-tobacco marketing was a stronger correlate of tobacco use than was exposure to smokers. In addition, receptivity to pro-tobacco media is strongly associated with susceptibility to smoking (the absence of a firm commitment not to smoke), which is a risk factor for later experimentation with smoking (Altman, Levine, Coeytaux, & Slade, 1996; Unger et al., 1997; Pierce et al., 1996).

Although many studies have identified the predictors of experimentation with smoking among adolescents, few studies have focused on the determinants of age of smoking initiation. Examination of the age of smoking initiation is difficult, because it involves censored observations—a common problem for many epidemiological studies. If a study follows adolescents for several years, some of them will start to smoke during the study period, and some will not. It is therefore unclear how to categorize those adolescents who have not started to smoke by the end of the study. One possible solution is to categorize these adolescents as nonsmokers, because they have not yet smoked. However, this approach may not be valid, because these "nonsmokers" may begin to smoke after the end of the study period. Another possible solution is to eliminate these adolescents from the analysis and study age of initiation only among those

adolescents whose age of initiation is known. This strategy, however, not only decreases statistical power, but also does not make effective use of the information available about the adolescents who have not yet started smoking. Therefore, this strategy bears the risk of a reduced chance to identify the predictors of age of smoking initiation, or even the risk of biased conclusions about these predictors. For these reasons, studies of smoking initiation have typically focused on predicting whether an individual begins to smoke during a specified period of time, rather than when the individual begins to smoke.

To identify variables associated with the age when an adolescent starts to smoke, this study used a proportional hazards model (Cox & Oakes, 1984) for survival analysis. Proportional hazards models are used to examine the determinants of the time to the occurrence of a particular event. For example, proportional hazards models have been used to study behavioral correlates of age of death (Daviglus et al., 1997), progression to AIDS among HIV-positive patients (Chaisson, Keruly, & Moore, 1995), predictors of survival time among cancer patients (Andrykowski, Brady, & Hensiee-Downey, 1994) and time to relapse among people who have quit smoking (Shiffman, Engberg, Paty, & Perz, 1997). The advantage of proportional hazards models over traditional linear or logistic regression models is that proportional hazards models allow the inclusion of respondents who have not experienced the event of interest by the end of the study period but are still at risk of experiencing the event. These respondents are referred to as censored observations. In addition, the proportional hazards model is directly based on the hazard, the instantaneous probability of the occurrence of the event being studied.

In this study, the proportional hazards model was used to identify significant predictors of the age of smoking initiation among 10,030 adolescents in California. This analysis focuses on smoking by social network members (i.e., friends, siblings, and parents) and receptivity to pro-tobacco marketing (i.e., having a favorite cigarette brand, owning tobacco promotional items, and willingness to use these items). In addition, demographic and acculturation variables were examined.

METHODS

Sample

The data used in this study are from the 1993 California Tobacco Survey (CTS) (Pierce et al., 1994), and the 1994–1996 California Youth Tobacco Survey (CYTS) (California Department of Health Services, 1996). These surveys were conducted to assess smoking prevalence in California and gain information regarding a wide range of smoking behavior and attitudes. The 1993 CTS and the 1994–1996 CYTS were telephone surveys of randomly selected California youth 12 through 17 years of age. Households were randomly selected using a modified Waksberg-Mitofsky random-digit dial methodology and adolescents 12 through 17 years of age within these households were scheduled for extended interviews. All the interviews were conducted using a Computer-Assisted Telephone Interview (CATI) system. The sampling procedures and data collection method are described in detail by Pierce et al. (1994) and the California Department of Health Services (1996). Previous analyses (Chen, Unger, Cruz, & Johnson, in press) showed that the demographic characteristics of the 1993–1996 samples did not differ significantly by age, gender, or ethnicity. Therefore, these samples were combined in the analysis.

Measures

Dependent variable. The dependent variable was the self-reported age (in years) at which the respondent smoked his or her first cigarette. If the respondent had not yet tried smoking, the respondent was treated as a censored observation in the proportional hazards analysis.

Independent variables. Demographic variables included age, gender, and ethnicity. Acculturation was assessed with a measure of language spoken at home, rated on a 5-point scale ranging from native language only to English only. Receptivity to pro-tobacco media was assessed with three items that assessed whether respondents had a favorite cigarette brand, whether they had ever owned a tobacco promotional item, and whether they would ever use a tobacco promotional item (Altman et al., 1996). To assess smoking among social network members, respondents were asked how many of their male friends, female friends, siblings, and parents were smokers. Because the distributions of these variables were skewed, a dichotomous variable was created for each category (male friends, female friends, siblings, and parents) to indicate whether any of the respondent's social network members in that category were smokers.

Data analysis. Data were analyzed using the SAS system for personal computers, release 6.11 (SAS Institute, 1996). The PHREG (Proportional Hazards Regression) procedure was used to identify significant variables, to estimate model parameters, and to compute relative risks for the variables entered into the model. For adolescents who reported having ever smoked, their age of smoking initiation was used as the dependent variable. Adolescents who had not yet smoked were coded as censored observations. The hazard (or the instantaneous probability) of smoking onset was estimated with Kaplan-Meier's product-limit method (Pagano & Gauvreau, 1993) for both males and females.

All independent variables (age, gender, ethnicity, acculturation, the four social network variables, and the three media receptivity variables) were entered simultaneously into the model. All analyses were controlled for year of survey administration and respondent's age at survey administration. Ethnicity × acculturation interaction terms were included in an initial model to determine whether the effects of acculturation would differ by ethnic group, but these interaction terms were removed from the final model because they were not significant at $p < .05$. Conditional risk ratios and 95% confidence intervals were computed.

RESULTS

Of the 11,929 respondents in the sample, 10,030 (84.1%) had complete data for all the variables used in the analysis. The respondents with complete data did not differ from the respondents with missing data on gender, age of smoking initiation, or year of survey. However, the respondents deleted from the sample because of missing data were younger (chi-square = 334.4, $p < .001$), less acculturated (chi-square = 35.0, $p < .001$), and more likely to be African-American (chi-square = 4.1, $p < .05$), Latino (chi-square = 6.5, $p < .05$), or Asian (chi-square = 24.1, $p < .001$) than were the respondents with complete data.

Table 1 shows the demographic characteristics of the analytic sample. The mean age of the respondents was 14.53 years (SD = 1.67 years). Approximately half (49.2%) of the respondents were female. Approximately half of the respondents were white

Table 1. Demographic characteristics of respondents (N = 10,030)

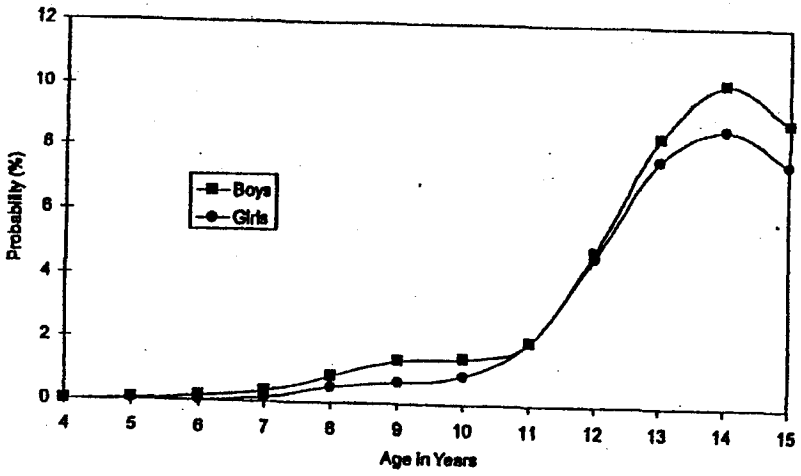
	N	(%)
Age		
12	1,511	15.1
13	1,661	16.6
14	1,764	17.6
15	1,788	17.8
16	1,755	17.5
17	1,523	15.2
18	28	0.3
Gender		
Male	5,095	50.8
Female	4,935	49.2
Ethnicity		
White	5,436	54.2
Latino/Hispanic	2,832	28.2
African-American	630	6.3
Asian	753	7.5
Other	379	3.8
Smoking by social network members		
Parent(s)	3,618	36.1
Sibling(s)	1,558	15.5
Male friend(s)	3,926	39.1
Female friend(s)	3,245	32.4
Pro-tobacco media receptivity		
Have a favorite cigarette ad	7,784	77.6
Have owned a tobacco promotional item	1,074	10.7
Would use a tobacco promotional item	2,657	26.5
Smoking behavior		
Ever tried smoking	2,661	26.5

(54.2%), followed by Latino/Hispanic (28.2%), Asian (7.5%), African-American (6.3%), and other ethnicities (3.8%).

Among the 10,030 respondents included in the analysis, 2,661 (26.5%) reported that they had experimented with smoking. Among these respondents, the mean age of smoking initiation was 12.93 years (SD = 2.03 years). Figure 1 shows the age-specific instantaneous probability (hazard) of smoking initiation by sex. The hazard of smoking initiation changes dramatically with age. Before age 12, the risk of smoking initiation (or hazard) for a never smoker increases slowly from zero at about age 5–6 to about 2% before age 11. This hazard, however, increases sharply and reaches its peak at age 14 with a risk of about 10% for boys and 9% for girls. After age 14, the risk of new smoking initiation begins to decrease.

Bivariate correlates of age of smoking initiation

Table 2 shows the percent of the respondents who had smoked and the mean age of smoking initiation (among respondents who had tried smoking), according to their responses to the social network and media receptivity questions. The results shown in Table 2 are bivariate relationships (i.e., the associations are not controlled for demographic variables, and the results for each predictor are not controlled for the effects of the other predictors). The respondents whose parents, siblings, or friends smoked were significantly more likely to have tried smoking themselves than were respondents whose social network members were not smokers. In addition, among those respondents who had tried smoking, respondents whose parents or siblings were smok-



Note: The probability was estimated using Kaplan-Meier's product-limit method

Fig. 1. Instantaneous probability of smoking onset for California adolescents.

ers reported having tried smoking at an earlier age. Respondents who had a favorite cigarette advertisement, had received a tobacco promotional item, or would use a tobacco promotional item also showed a greater likelihood of having tried smoking and an earlier age of smoking initiation, as compared with their peers without these media-related risk factors.

Significant correlates of age of smoking initiation from the multivariate proportional hazards model

Table 3 shows the results of the proportional hazards regression model. This table describes the effects of each predictor variable, controlling for the effects of the other variables in the model. The model was successfully fitted with the observed data with a −2Log (L) score of 44532.0 (chi-square = 1864.8, $p < .0001$). Variables significantly associated with earlier smoking initiation included smoking by parents, siblings, male friends, and female friends, white race, acculturation, having a favorite tobacco advertisement, ownership of a tobacco promotional item, and willingness to use a tobacco promotional item. An adolescent who has a friend who smokes has a risk of early smoking onset two times greater than that of an adolescent without friends who smoke, controlling for all other factors. Variables significantly associated with later smoking initiation included female gender and African-American, Latino, or Asian ethnicity (relative to white). Asian and African-American ethnicity showed the greatest protective effect; the risk of early smoking onset for an Asian or African-American adolescent is only about 59% of that for a White adolescent.

Table 2. Percent of responspondents who had smoked, and mean age of smoking initiation, according to social network and media receptivity variables

Variable	(%)	Chi-square	Mean age of smoking initiation among responsents who had smoked	t-value
Parent(s) smoke				
Yes	33	107.5**	12.9	5.06**
No	23		13.3	
Sibling(s) smoke				
Yes	48	418.5**	12.9	3.67**
No	23	—	13.2	
Male friend(s) smoke				
Yes	47	1392.9**	13.1	1.10
No	13		13.2	
Female friend(s) smoke				
Yes	50	1325.5**	13.0	1.92
No	15		13.2	
Have a favorite cigarette ad				
Yes	29	121.1**	13.0	2.28*
No	18		13.3	
Have received tobacco promotional item				
Yes	49	305.7**	12.8	3.74**
No	24		13.2	
Would use tobacco promotional item				
Yes	45	636.1**	12.9	4.01**
No	20		13.2	

*$p < .05$; **$p < .001$.

DISCUSSION

As hypothesized, in this sample of 10,030 California adolescents, early smoking initiation was significantly associated with smoking by social network members (parents, siblings, and friends), and pro-tobacco media receptivity.

Table 3. Variables associated with age of smoking onset

Variable	Conditional risk ratio	95% Confidence Interval
Female (vs. male)	0.91	(0.85, 0.99)
African-American (vs. White)	0.59	(0.48, 0.73)
Latino (vs. White)	0.84	(0.76, 0.92)
Asian (vs. White)	0.59	(0.49, 0.72)
Other ethnicity (vs. White)	1.02	(0.84, 1.24)
Acculturation	1.11	(1.05, 1.17)
Parents' smoking	1.16	(1.08, 1.26)
Siblings' smoking	1.57	(1.44, 1.71)
Male friends' smoking	2.18	(2.00, 2.39)
Female friends' smoking	2.04	(1.87, 2.22)
Have a favorite cigarette ad	1.37	(1.23, 1.53)
Have received tobacco promotional item	1.16	(1.05, 1.28)
Would use tobacco promotional item	1.54	(1.42, 1.68)

Note. Conditional risk ratios greater than 1 indicate increased risk for smoking initiation; conditional risk ratios less than 1 indicate decreased risk for smoking initiation.
All conditional risk ratios are controlled for year of survey and age at survey administration.

Consistent with previous studies of adolescent smoking (Jackson, 1997; Jackson & Henricksen, 1997; Killen et al., 1997; Oygard et al., 1995; Urberg et al., 1997), the smoking behavior of social network members was associated with age of smoking initiation. Respondents whose siblings, friends, or teachers were smokers began smoking at earlier ages than did those respondents whose social network members were not smokers. This result highlights the role of social influences in smoking initiation. Peers and siblings may influence adolescents' expectancies about the consequences of smoking, establish a social norm that smoking is desirable, or provide young adolescents with cigarettes. In this analysis, the influence of peer smoking was greater than the influence of smoking by parents or siblings, which is consistent with previous studies (Blanton et al., 1997; Cowdery, Fitzhugh, & Wang, 1997; Hu et al., 1995).

These results also are consistent with previous studies of media receptivity (Altman et al., 1996; Gilpin et al., 1997; Pierce et al., 1998; Evans et al., 1995). Media receptivity has been shown to be associated with susceptibility to smoking (Altman et al., 1996), and prospective studies have shown that it predicts future smoking (Pierce et al., 1998). The results of this study indicate that media receptivity also is associated with age of smoking initiation. Adolescents who are more receptive to pro-tobacco media (as indicated by having a favorite cigarette brand and/or using or intending to use tobacco promotional items) report smoking initiation at earlier ages. Of the three media receptivity measures, willingness to use a tobacco promotional item was most strongly associated with age of smoking initiation.

Although many previous studies have examined the effects of social network members' smoking and media receptivity separately, this is only the second known study to examine these two categories of predictor variables in the same model. Including both classes of predictors in the same model is essential to eliminate the possibility that the effects of these two predictors are confounded. For example, it is possible that pro-tobacco media receptivity is associated with smoking only because adolescents who attend to pro-tobacco media also are likely to have social network members who are smokers. The salience of smoking in these adolescents' social networks may make them more likely to attend to pro-tobacco media. If this were the case, it is possible that the social influences from social network members, rather than the pro-tobacco media, may be responsible for increasing these adolescents' risk of smoking. The other study to examine social influences and media influences in the same model (Pierce et al., 1998) found that media receptivity was associated with progression to higher levels of smoking, but social influences were not. The present results, in contrast, show that social network members' smoking and media receptivity each were independently associated with age of smoking initiation. One explanation for this apparent contradiction in results is that the Pierce et al. (1998) study included only those adolescents who were not susceptible to smoking (i.e., those who expressed a firm commitment not to smoke). It is possible that social network members' smoking increases the risk of smoking among adolescents who already have an interest in smoking, but not among those who have firmly decided not to smoke. Longitudinal studies of both susceptible and nonsusceptible adolescents are necessary to determine whether this is the case.

Age of smoking initiation was earlier among whites than among African-Americans, Latinos, or Asians, even after controlling for smoking by social network members and media receptivity. This suggests that other cultural characteristics of these ethnic minority groups may delay smoking initiation among their adolescents. Identifying these protective cultural characteristics should be an important research priority, because people who begin to experiment with smoking later in adolescence are less likely to become addicted to smoking than are those who initiate smoking early in adolescence (Breslau & Peterson, 1996).

Previous studies have found that among Asian and Latino-American adolescents, acculturation is associated with increased risk of smoking (Balcazar, Peterson, & Cobas, 1996; Fraser et al., 1998; Landrine, Richardson, Klonoff, & Flay, 1994; Vega, Gil, & Zimmerman, 1993; Smith, McGraw, & Carrillo, 1991; Chen et al., in press; O'Hare & Van Tran, 1998). The results of this study add to previous research by showing that acculturation also is associated with earlier age of smoking initiation. When people immigrate to the U.S., they tend to acquire the values, beliefs, language, customs, and mannerisms of the society to which they immigrate, including health behaviors such as adolescent smoking. Interestingly, the strength of the association between acculturation and age of smoking initiation did not differ significantly between Asian-Americans and Latinos. (Acculturation was not examined among Whites or African-Americans because only 1% of Whites and 2% of African-Americans reported ever speaking a language other than English in the home. Acculturation measures based on factors other than language usage would be necessary to evaluate the role of acculturation in smoking initiation among African-Americans, and these measures were not available in this dataset.) This finding suggests that even after controlling for smoking by social network members and pro-tobacco media receptivity, some other aspect of U.S. culture may encourage acculturated adolescents to experiment with smoking early in adolescence.

Limitations

The analyses presented in this article are subject to several limitations. First, this analysis assumes that the independent variables used as predictors of smoking initiation remained constant from the time the respondents first smoked to the time when they completed the survey. For demographic variables (e.g., ethnicity, gender, etc.), this assumption cannot be questioned. Respondents' scores, however, on the other predictor variables (e.g., acculturation, smoking of social network members, pro-tobacco media receptivity) may have changed after they began to smoke. For example, an adolescent who begins to smoke at an early age may form friendships with peers who are also smokers. This would lead to a statistical association between friends' smoking and early smoking initiation, when in reality the friends' smoking was the effect, rather than the cause, of the early smoking initiation. Therefore, these analyses cannot rule out the alternative hypothesis that early smoking initiation leads to changes in psychosocial variables. Prospective studies would be necessary to determine the direction of causation.

These results are based on adolescents' self-reports of their smoking status. Respondents may have biased their responses to telephone survey questions in an attempt to present a favorable impression to the interviewer, or they may have underreported their smoking behavior if they feared that their telephone conversation would be overheard by their parents. Studies of the validity of smoking prevalence estimates obtained with computer-assisted telephone interviews (Gilpin et al., 1994; Pierce et al., 1994) have, however, suggested that this methodology yields unbiased estimates of smoking prevalence.

It is possible that some of the respondents may have misreported their age of smoking initiation. A longitudinal study of adolescents (Engels, Knibbe, & Drop, 1997) found that self-reports about age of smoking initiation did not have good test-retest reliability over a 5-year period. Self-reported age of smoking initiation tended to in-

crease with age. Therefore, the respondents who had been smoking for several years may have overestimated their ages of initiation. However, other studies that used retrospective reports of age of smoking initiation (Breslau, 1993; Lee, Gilpin, & Pierce, 1993) did not find such problems with validity.

Despite these limitations, this study provides important new information about the correlates of age of smoking initiation among adolescents. These results indicate that adolescents who start smoking at an early age generally have more smokers in their social networks and are more receptive to pro-tobacco media. Smoking prevention programs are needed to encourage these adolescents not to experiment with smoking, despite the numerous pro-tobacco influences in their environment.

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Brief Report

Reducing Cigarette Sales to Minors in an Urban Setting:

Issues and Opportunities for Merchant Intervention

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Introduction: Intervention studies to reduce cigarette sales to minors have been conducted primarily in suburban settings. Little is known about sociocultural factors influencing cigarette sales to minors in urban settings. This study sought to determine sociodemographic and cultural factors that may play a role in cigarette sales and in efforts to reduce sales to minors in urban areas.

Methods: Merchant education and follow-up surveys were conducted in small local stores in predominantly African-American urban census tracts in Baltimore. The stores had prior evidence of cigarette sales to minors.

Results: Merchants reported hostility (66%) and foul language (64%) when they requested youth identification. Youthful-oriented advertising of cigarettes was highly prevalent in all stores and moreso in stores owned and staffed by Asian merchants. Advertising with specific youthful content was predictive (OR = 3.97; 95% CI = 1.70, 9.23; $P = .0014$) of higher requests for cigarettes from minors.

Conclusions: Youth-oriented cigarette advertising is a prevalent environmental risk for urban youth. Differences between Asian and African-American merchants suggest socioethnic factors may be an influential component of illegal sales and educational campaigns to reduce smoking among minors.

Medical Subject Headings (MeSH): cigarettes, sales, minors, advertising. at risk populations, government policy (Am J Prev Med 1998;14:138–142) © 1998 American Journal of Preventive Medicine

Efforts to reduce cigarette sales to minors through retail outlets have been met with mixed results in many community settings.[1–4] Recent data show that in low-income urban settings and in other settings, between 40% and 88%[5–10] of minors continue to make successful illegal purchases. Merchant education campaigns have been more effective in suburban communities than in most urban communities[4] and among Hispanics and Caucasians than among African Americans.[2] Intervention studies suggest that retailer education alone does not reduce sales to minors.[3,4] However, the context and cultural components of strategies used may make generalizability of such studies limited. Sustained community-driven education campaigns may counteract the public's failure to recognize the importance of limiting cigarette sales to minors and may serve as an alternative to educational models that emphasize the punitive aspects of sales.[11]

Effective interventions directed by the community at the retailer level need to consider sociocultural and local community norms.[9,12–14] Operations that employ youths to purchase cigarettes are no longer legal in many states, Maryland being one such state, thus making it difficult to directly evaluate laws that limit sales to minors.[15]

Given the problems associated with evaluating educational campaigns, the qualitative aspects critical to the design of merchant interventions in urban environments have not been well studied. This study examined sociocultural factors associated with merchant behavior and the qualitative aspects of conditions related to conducting a nonpunitive merchant education campaign in an urban African-American community where minors have consistently had access to cigarettes.[10]

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Figure 1. Signs posted in stores.

Methods

A total of 153 community small retail establishments in 18 low-income urban, predominately African-American census tracts in Baltimore were targeted based on earlier data showing 88% of youth were able to successfully purchase cigarettes in a random sample of these stores.[10] Large retail outlets and cigarette vending machines are uncommon in many low-income urban areas and are not the primary sources of illegal purchases.

Merchant Contact/Education

During a 4-week period (February 1995) merchants were approached by indigenous community members trained by investigators in survey methods. Merchants were asked about their awareness of specific youth access laws and the fines associated with violation. Each merchant was given an informational pamphlet that included facts about tobacco use and children; about fines; specific community, city, and state leaders that actively support the laws; "facts the tobacco industry doesn't what you to know"; and the goals of Project BLESS (*B*altimore *L*eading *E*veryone to be *S*afe and *S*moke-free). Details of pamphlet content were discussed with the merchants. Community members cited clergy in their census tracts that would be assigned to actively monitor specific merchants. In addition, merchants were asked to place signs (Figure 1) inside (small 14-by-11-inch) and/or outside (large 24-by-18-inch) their store: "We don't sell cigarettes to minors. Don't even ask! It's the law." "Alive with Pride" (counter-advertising for Newport advertisement slogan "Alive with Pleasure") and Project BLESS identifying logo were included on the signs. Outdoor advertising data were also collected and coded for "youthful" content by visual review by trained community surveyors. Advertisements were considered "youthful" if they were judged by community surveyors to include models who appeared to be in their early twenties or younger.

Prior to the campaign, investigators and community leaders met with Baltimore City school and health department officials regarding working with the campaign to assist in visible support and posteducation evaluation. Local officials were in support of this effort and, despite their understanding of the need for empirical data to monitor intervention effects and compliance with the laws, were unable to sanction an "illegal activity."

Follow-up Survey/Data Collection

Two months after the initial merchant education visit, community surveyors revisited stores to monitor progress. Sales to minors could not be monitored legally owing to a recent law change that prohibited persons less than 18 years of age from purchasing cigarettes in Maryland.

Indigenous community surveyors trained by investigators identified whether or not signs given out in the education period 2 months earlier were still posted, and they conducted merchant interviews regarding sales and sociocultural factors. Investigators were unable to legally monitor compliance by using undercover buying operations as had been conducted 12 months earlier. Data collected included most frequent reason sold to youth; response from youth when asked for identification; frequency of daily buying requests from minors; highest frequency brand sold to youth; whether access law affected sales; knowledge of specific fines associated with selling cigarettes to minors; surveyor-estimated age, gender, ethnicity; and smoking status of the merchant.

Results

Of the 153 stores targeted, 108 initially identified as making illegal sales in an earlier survey were provided with education and youth-deterrent signs. On follow-up, 103 stores were surveyed 2 months later; five stores had either gone out of business or were closed on two attempts. Of all merchants surveyed, 75% were Asian, 18% African-American, and 8% "other," with most, 71%, being male. Most merchants (76%) reported owning the store. Stores reported frequent daily requests from probable minors for cigarettes (47%, 1–4 requests/day; 40%, 5 or more requests/day). Newport-brand cigarettes were most often (84%) requested

(11% other, and 5% generic). Most merchants reported (96%) that when youth asked to purchase cigarettes they do not sell. The majority of merchants also believe smoking is bad for youth (95%) and agree with the law prohibiting sales to minors (94%), only 19% believe, however, that the law prohibiting sales to minors had reduced cigarette sales in their store. Merchants remained unaware of the specific nature and the amounts of fines associated with selling packs of cigarettes (88%) and loose (92%) cigarettes to minors. Cigarette advertisements were prevalent (47%, 1–5 ads/store, 33%, 6–20 ads/store), with 55% of stores displaying between 1–5 "youthful" ads.

Merchants reported frequently (78%) asking "young" customers for identification. When they asked young customers for identification, merchants reported the following youth responses: overt hostility (66%), use of foul language (64%), no identification (59%), accepts and leaves peacefully (52%), begs and pleads (47%), or attempts to get an adult to buy for them (47%). Observation of the signs distributed during the campaign showed 61% of stores displaying no-smoking signs in "very visible" internal locations, with 81% of merchants retaining the indoor "don't ask" signs in prominent locations. Stores missing signs (19; 47% of stores without signs) mostly reported that "someone else tore it down" as the major reason sign was not posted.

Comparisons between all variables and merchant ethnicity (Asian vs. African-American) were made (Table 1). Statistically significant differences were found in overall advertising, youthful-oriented advertising, and daily requests for cigarettes. Asian merchants reported significantly more daily requests for cigarettes from youth, displayed more overall advertising, and had more youthful advertising compared with African-American merchants. No statistical difference was observed in the percentage by ethnic group in attitudes toward illegal sales or in the prominent display of signs prohibiting sales, although there was a higher probability that Asian merchants had campaign signs remaining.

Merchant demographic, advertising, and youth response to a merchant's request for identification variables were analyzed in a multiple logistic regression model to determine their significance in predicting higher cigarette purchase requests. Significant predictors were youthful cigarette ads (OR = 3.13; 95% CI = 1.29, 7.58; $P = .001$) and foul language (yes or no) used when identification was requested (OR = 3.9; 95% CI = 1.49, 10.23; $P = .006$) adjusting for merchant gender, estimated age, race, smoking status, and whether or not the merchant asks for identification. A logistic regression model predicting the presence or absence of "youthful cigarette advertising" demonstrated African-American merchants being less likely to display "youthful" ads (OR = 0.12; 95% CI = 0.028, 0.48; $P = .002$) than Asian merchants when adjusting for non-youthful advertising, gender, estimated age, and smoking status of merchant and whether or not the merchant asks for identification. Goodness-of-fit test respectively (Hosmer-Lemeshow $P = .818$; $P = .582$) indicates a good fit.[16]

Discussion

This study illustrates differences by merchant ethnicity in behavior in response to a community-initiated model to lower cigarette sales to minors. Ethnicity of the merchant proved to be the best predictor of compliance with a campaign to post visible signs prohibiting sales to minors and highlights specific areas for refining interventions to reduce/eliminate illegal cigarette sales to minors. Hostility and foul language were the most frequent responses by youth when the merchants requested identification for cigarette purchase. Others have shown that asking for identification may reduce sales.[14] Asking for identification alone may be an inadequate action to reduce sales to minors given the negative behavior merchants are faced with and the real or perceived potential for violent retaliation by individuals or gangs. The violent culture in which many of these urban store owners/merchants operate their businesses, and the merchants' "ethnic distance" from the youth in the cultural context, present special challenges for interventions.[9] It is also unlikely, given this scenario, that enforcement campaigns could be effective considering the strong negative feedback from neighborhood youth and the low probability that enforcement methods to limit cigarette sales would have a high enough priority to be applied frequently enough to overcome hostility and possible danger.

Differences in merchant advertising practices by ethnic group showed overall more cigarette advertising outside Asian-owned compared to African-American–owned/operated stores and specifically more targeted youth advertisements displayed on Asian stores. These differences may represent more aggressive business practices among Asian merchants or less identification with the neighborhood culture. Among African-American merchants, fewer advertisements may reflect concern for youth and "protection" of one's own community. The finding that the more that youthful advertisements were displayed outside stores, the more that young people tried to buy cigarettes, is not surprising, but it is one that has not been previously examined empirically. Promising approaches to interventions with urban merchants might include initiatives that foster community action to monitor and encourage compliance by merchants as well as by potential youthful purchasers. Small businesses depend on the goodwill of the community. It is to their commercial advantage to support community goals to prevent nicotine

Table 1. Merchant survey: Follow-up responses by merchant ethnic group

Variable/Merchant Ethnicity	Merchant African-American (N = 18)	Merchant Asian (N = 77)	Differ P valu
Store Owners			
Yes	56% (10)	83% (63)	0.012[c]
Daily requests for cigarettes by minors			
1–4/day	29% (13)	51% (39)	
5 or >/day	35% (6)	41% (31)	0.008[a]
Brand most often requested			
Newport	81% (15)	87% (66)	
Generic	13% (2)	4% (3)	0.324[b]
Other	6% (1)	9% (7)	
Smoking is bad for kids			
Agree	89% (16)	96% (73)	0.243
Agree with law prohibiting sales to minors	89% (16)	96% (73)	0.243[b]
Law has hurt cigarette sales			
Yes	6% (1)	21% (16)	0.179
Able to correctly identify fine associated with selling to minors:			
Packs of cigarettes	6% (1)	5% (4)	0.560[b]
Single ("loose")	6% (1)	4% (3)	0.815
Ask for identification			
Yes	61% (11)	83% (62)	0.046[a]
Response from youth when merchant requests identification:			
hostility	61% (11)	67% (50)	0.656
foul language	44% (8)	68% (52)	0.057
don't have ID with me	33% (6)	64% (34)	0.016[a]
begs and pleads	50% (9)	45% (36)	0.721[a]
attempts to get adult to buy	39% (7)	48% (37)	0.486
Cigarette advertisements displayed outside store			
Any	61% (11)	88% (68)	0.006[a]
1–5 ads	44% (8)	48% (37)	
6–20 ads	17% (3)	35% (27)	0.006
Mean (SD)	2.8 (4.8)	7.5 (7.8)	0.002
Median	1	5	0.003[e]
Cigarette advertisements with "youthful" content			
Any	33% (6)	70% (54)	0.004
1–5 ads	33% (6)	58% (45)	0.003
6–20	0	12% (9)	
Mean (SD)	.89 (1.6)	2.5 (2.6)	0.002[d]
Median	0	2	0.009
"No-smoking" signs displayed			
Yes	47% (8)	64% (49)	0.183[a]
"Don't Ask" signs displayed			
Yes	89% (16)	79% (60)	0.509
Gender of merchant			
Female	56% (10)	23% (18)	0.007[a]
Age of merchant (estimated)			
<40	56% (10)	36% (28)	0.135

[a]Chi-square test.
[b]Fisher's exact test.
[c]Chi-square for trend.
[d]t-test.
[e]Median test.

addiction in youth. More work on the efficacy of interventions in urban settings that mobilize whole communities, including youth and retailers, is needed. Evaluation of interventions can include the use of non-completed purchases and requests by merchants for identification as outcomes when local laws prohibit youth from completing purchases.

Rigorous policy-oriented approaches are clearly needed to reduce youth access to cigarettes[17–21] include, as the Clinton Administration recently nounced, "far-reaching restrictions on tobacco adv ing and sales to adolescents."[22] Recent draft regula suggest a more aggressive stance on youth-orient cigarette advertising and must include provision

legally sanctioned compliance checks to monitor sales to minors. Depending solely on merchants, youth, and enforcement activities is unlikely to reduce youth access to cigarettes. Major comprehensive policy initiatives and entire community, state, and federal initiatives to counteract the ability of tobacco advertising to influence youth selling and purchasing are likely to be the only actions that will have a sufficient impact on a public health level.

This research was supported by grant R01HL43604-0651 from the National Heart, Lung and Blood Institute.

The authors acknowledge Tyrinda Griffin, MBA, and Stanley Boone for their efforts, commitment, in Project BLESS; and CURE (Clergy United for Renewal in East Baltimore) for their insight and support.

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Tobacco Industry Marketing at Point of Purchase After the 1998 MSA Billboard Advertising Ban

Melanie A. Wakefield, PhD, Yvonne M. Terry-McElrath, MSA, Frank J. Chaloupka, PhD, Dianne C. Barker, MHS, Sandy J. Slater, MS, Pamela I. Clark, PhD, and Gary A. Giovino, PhD

Point-of-purchase marketing has become increasingly important for the tobacco industry in the United States.[1] In the wake of the 1998 master settlement agreement (MSA) that required tobacco advertising on billboards across the country to end on April 24, 1999, the point-of-purchase environment is likely to assume even greater importance in the industry's marketing efforts.

One goal of the billboard advertising ban (as well as other MSA advertising and promotion restrictions) was to reduce youth exposure to cigarette advertising. However, previous research suggests that the tobacco industry is able to compensate for an inability to advertise in one medium by transferring advertising dollars to other marketing activities.[2–6] Accordingly, there is concern that the MSA billboard advertising ban may merely shift tobacco advertising funding to other efforts, such as point-of-purchase marketing. In this study, we used data from a unique national sample of retailers to explore changes in the point-of-purchase environment after implementation of the billboard tobacco advertising ban.

METHODS

Sample Selection

Data were obtained through the activities of ImpacTeen, a policy research partnership (supported by the Robert Wood Johnson Foundation) focused on reducing substance use among young people. The sampling strategy (described elsewhere[7]) for the 193 communities involved in the partnership was primarily determined by the locations of public schools drawn as part of nationally representative samples of students in the 8th, 10th, and 12 grades in the coterminous United States.

Catchment areas (communities) reflecting the area from which each school drew the majority of its student population were defined. Up to 30 retailers in each community were randomly selected for observation; in instances in which there were fewer than 30 retailers, all were included. The final sample of retailers (n=3553) varied from 2 to 34 (mean=18.4) per community. Of these establishments, 36 were excluded because they did not sell tobacco, and a further 55 were excluded owing to missing covariate values; thus, analyses involved a maximum of 3462 tobacco retailers in 191 communities.

Data Collection and Analysis

Observations were conducted between February 16 and June 23, 1999. Trained field staff teams unobtrusively collected information on tobacco product placement, extent of related advertising and promotions, and prices.

Levels of store interior, store exterior, and parking lot tobacco advertising were measured with a 4-point scale ranging from *no advertising* to *advertising covering most of the store or storefront.* Prevalence of low-height (less than 3.5 ft [105 cm]) ads was noted, and the number of tobacco-related functional objects (i.e., items owned by the store, such as clocks and shopping baskets, that are labeled with a cigarette brand) was recorded. The prevalence of a variety of promotions, including multipack discounts and gifts offered with purchases, was recorded.

SAS (version 6.12) was used in conducting logistic regression analyses that attempted to determine the effect of the ban on the prevalence of store interior, store exterior, and parking lot tobacco advertising, tobacco promotions, and functional objects. Cumulative logit analyses were used to examine the relationship between ban date and extent of interior, exterior, and parking lot advertising and number of functional objects.

TABLE 1—Characteristics of Communities and Retailers

Characteristic	Retailers, % (n = 3462)
Population density	
Large city	16.3
Midsize city	11.0
Urban fringe, large city	33.0
Urban fringe, midsize city	12.7
Large/small town	15.9
Rural	11.0
Tobacco control	
States without programs	70.5
States with programs[a]	29.5
Store type	
Convenience	12.4
Convenience/gas	34.5
Gas station	7.5
Mom/pop store	3.3
Grocery store	9.1
Supermarket	9.0
Drug store	9.6
Liquor store	8.5
Tobacco store	2.0
Other	4.1
Store size, No. of cash registers	
1	61.0
2	17.2
≥3	21.7

[a]Arizona, California, Florida, Massachusetts, Maine, Oregon.

RESULTS

Table 1 shows characteristics of the sample. Observations were made in 1484 stores (43%) before April 24, 1999, and 1978 stores (57%) were observed on or after that date.

Table 2 indicates that, in comparison with tobacco retailers observed before the billboard ban, those observed thereafter evidenced significant increases in the prevalence of interior tobacco advertising and the prevalence and extent of exterior tobacco advertising. Highly significant increases were found in the prevalence of all 3 types of cigarette promotions and the number of tobacco-related functional objects. However, there was no significant change in the extensiveness of interior advertising, low-height advertising, or parking lot advertising.

DISCUSSION

The increases observed here in point-of-purchase marketing over a relatively short period of time probably reflect responses to changes in the tobacco marketing regulatory environment, particularly the prohibition of billboard advertising and restrictions on event sponsorships and related advertising (e.g., auto racing, concerts) after implementation of the MSA provisions. Our results are consistent with those of other research demonstrating that as long as tobacco advertising restrictions are incomplete, significant reductions in overall marketing efforts are unlikely to be achieved. This explains why only comprehensive advertising bans are associated with reductions in smoking.[6] Point-of-purchase marketing organizations have noted that the billboard ban is expected to translate into millions of extra revenue dollars for point-of-purchase marketers.[8]

Point-of-purchase advertising increases are of particular concern to those seeking reductions in smoking among teenagers. There is growing evidence that cigarette advertising and promotions increase youth smoking[9–15] and that youths are more responsive to such marketing than are adults.[4] Research shows that tobacco advertising has both predisposing and reinforcing effects on youth smoking, acting as an inducement to experimentation with smoking as well as reinforcing continued progression toward regular smoking.[12] For example, one study showed that, in comparison with students who saw pictures of stores with no tobacco advertising, students exposed to photographs of stores with tobacco ads perceived that tobacco was significantly easier to acquire, believed more of their peers had tried and approved of smoking, and expressed weaker support for tobacco control policies such as advertising restrictions and cigarette price increases.[16]

Also, a merchant intervention study conducted in Baltimore, Md, showed that youths were more likely to attempt cigarette purchases in stores with exterior cigarette advertising depicting models who were youthful in appearance than in stores without similar ads.[17] In that 3 of 4 teenagers visit a convenience store at least once per week,[18] these research studies suggest that the point-of-purchase environment may have important influences on youths in terms of making tobacco use seem normative and, ultimately, increasing the likelihood of smoking initiation.

In conclusion, evidence suggests that point-of-purchase advertising and promotions have increased since implementation of the MSA billboard tobacco advertising ban. These increases, at least in part, are likely to have resulted from the shifting of resources once spent on billboard advertising to other marketing efforts. As a result of this shift, the intended effect of the billboard advertising ban may not be realized, because overall exposure to advertising and promotions may not be reduced. Further research is needed to examine the impact of the billboard ban and other MSA restrictions on tobacco company marketing strategies and on youth and adult smoking. ■

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Note. The views expressed in this article are those of the authors and do not necessarily reflect the views of the Robert Wood Johnson Foundation.

Contributors

M.A. Wakefield contributed to developing the survey instruments, supervised the analysis, and wrote the article. Y.M. Terry-McElrath undertook the data analysis and contributed to the writing of the article. F.J. Chaloupka and D.C. Barker conceived the study. F.J. Chaloupka, D.C. Barker, S.J. Slater, P.I. Clark, and G.A. Giovino contributed to developing the survey instruments and analyzing the data and assisted in the writing of the article.

TABLE 2—Regression Analyses: Association of Tobacco Advertising and Promotion Variables With Date of Ban

Dependent Variable	No. of Stores	Preban, %	Postban, %	Unadjusted OR (95% CI)	P	Adjusted OR[a] (95% CI)	P
Interior ads, any vs none	3424	76.0	79.6	1.23 (1.05, 1.45)	.012	1.27 (1.06, 1.52)	.011
Interior ads	3424			1.09 (0.95, 1.25)	.210	1.08 (0.94, 1.25)	.292
Free of any ads		24.0	20.4				
Ads limited to where sold		57.5	62.1				
High levels of ads[b]		18.6	17.6				
Low-height tobacco ads	2646	44.3	43.3	0.96 (0.82, 1.12)	.592	1.02 (0.86, 1.20)	.846
Exterior ads, any vs none	3401	55.2	59.9	1.22 (1.06, 1.40)	.006	1.22 (1.03, 1.44)	.020
Exterior ads	3401			1.29 (1.13, 1.46)	.000	1.30 (1.12, 1.50)	.001
Free of any ads		44.8	40.1				
<5 ads, each <30 cm in any dimension		20.3	17.5				
High levels of ads[c]		34.9	42.4				
Parking lot ads, any vs none[d]	1421	41.1	39.8	0.95 (0.76, 1.17)	.613	1.02 (0.81, 1.27)	.877
Parking lot ads[d]	1421			1.10 (0.89, 1.35)	.396	1.19 (0.95, 1.47)	.128
Free of any ads		58.9	60.3				
<5 ads, each <30 cm in any dimension		15.6	6.2				
High levels of ads[c]		25.5	33.6				
Promotions, any vs none	3414	43.3	52.0	1.42 (1.24, 1.63)	.000	1.65 (1.42, 1.92)	.000
Promotions, specific types							
Multipack promotions, 1 or more	3424	23.4	27.1	1.22 (1.04, 1.43)	.014	1.38 (1.17, 1.64)	.000
Gift-with-purchase promotions, 1 or more	3423	3.8	8.5	2.36 (1.73, 3.23)	.000	2.51 (1.81, 3.47)	.000
Cents-off promotions, 1 or more	3415	32.3	40.4	1.43 (1.24, 1.64)	.000	1.65 (1.41, 1.92)	.000
Functional objects, any vs none	3434	65.9	72.8	1.38 (1.19, 1.60)	.000	1.63 (1.38, 1.93)	.000
Functional objects	3434			1.36 (1.20, 1.54)	.000	1.57 (1.38, 1.79)	.000
None		34.1	27.2				
1–2		33.7	33.6				
3–4		17.7	20.9				
≥5		14.6	18.2				

Note. OR = odds ratio; CI = confidence interval.
[a]Adjusted for store type, number of cash registers (proxy for store size), urbanicity of community, and presence of statewide tobacco control program in April 1999.
[b]Combination of "has ads in sections of the store distinctly separate from where product sold" and "has ads covering almost all available space throughout the store."
[c]Combination of "had less than 5 ads, but one or more is larger than 30 cm in any dimension" and "has 5 or more ads."
[d]Includes only stores with parking lots (gas stations and convenience stores selling gas), n = 1454.

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Report: PH-05-023

REGION OF WATERLOO

PUBLIC HEALTH
Environmental Health/Lifestyle Resources

TO: Chair Jane Brewer and Members of the Community Services Committee

DATE: April 19, 2005 **FILE CODE:** L17-80

SUBJECT: POINT-OF-SALE PROMOTION OF TOBACCO PRODUCTS

RECOMMENDATION:

THAT The Regional Municipality of Waterloo forward this report to the Honourable George Smitherman, Minister of Health and Long-Term Care, as an expression of support to include a provision to ban all point-of-sale promotion of tobacco products in the newly introduced Bill 164, Smoke Free Ontario Act.

SUMMARY:

The marketing of tobacco products through advertising and sponsorship are prohibited in Canada, causing tobacco companies to increase their emphasis on retail displays as a marketing strategy. Studies conducted during the 1990s concluded that retail displays increase average tobacco sales 12% to 28%. Research on primary school students reporting at least weekly visits to small grocery and convenience stores in California showed that such visits were associated with a 50% increase in the odds of ever smoking, after controlling for other social influences to smoke.[1]

Tobacco companies are known to pay for prominent displays in retail outlets, usually in the form of large behind-the-counter displays also known as "Power Walls". In 2001, Saskatchewan became the first Canadian jurisdiction to ban the visible display of tobacco products in retail outlets accessible to minors. Manitoba and Nunavut have since enacted similar bans. The Saskatchewan retail display ban was in effect from October 2002 until March 2004 when the Saskatchewan Court of Appeals ruled in favour of tobacco manufacturer Rothmans, Benson & Hedges. However, in January 2005, the Supreme Court of Canada upheld the Saskatchewan law banning point-of-sale display of tobacco products. The Saskatchewan legislation and the Supreme Court ruling set a precedent for other provinces.

The proposed Bill 164, Smoke-Free Ontario Act, is presently before the Ontario legislature. It is anticipated that hearings will be held in April 2005. The current proposed legislation would ban smoking in workplaces and most public places and institutions. It places some restrictions on retail displays of tobacco products but would not ban power walls.

REPORT:

Tobacco Promotion and Advertising in Canada

Canadian laws prohibit tobacco manufacturers from promoting their products through advertisements and sponsorship. As a result, the manufacturers have turned to other methods of promoting their products. A significant part of their marketing strategy is now point-of-sale promotion. This offers them the opportunity to

1 Feighery, EC, Ribisl, KM, Schleicher, N, et al. Cigarette advertising and promotional strategies in retail outlets: results of a statewide survey in California. Tobacco Control, 2001, 10, 184-88.

promote their product to anyone who enters a store that sells tobacco, by way of large retail displays.

Most Canadian cigarettes are made from the same variety of tobacco and have virtually identical taste. However, smokers are known to have high brand loyalty; therefore the tobacco industry is interested in promoting its products to new smokers who are primarily teens and pre-teens. Further, despite the addictiveness of tobacco, more than 60% of tobacco purchases are impulse buys. This would include occasional smokers, adolescent smokers and daily smokers trying to quit.[2] Prominent retail displays of tobacco products trigger impulse buying. Other than point-of-sale, there are a few other marketing strategies, such as direct mail to adult smokers and bar promotions. However, these are expensive and less effective than point-of-sale displays in reaching the target audience.

Point of sale Promotion and Advertising

Under the Federal Tobacco Act, retailers are permitted to display tobacco products, accessories and price signs. There is no limit on the number of packs or price signs that may be displayed. Manufacturers pay retailers millions of dollars to have such displays and send sales representatives to maintain the displays as designed. They also make extensive use of countertop displays that place the products very close to potential customers.

According to a news release on January 17, 2005, by Physicians for a Smoke-Free Canada, the average payment to retailers by each tobacco company has increased by more than 50% in the past three years. In the first half of 2004, the average tobacco company payment for the right to advertise cigarettes in retail stores was $876.66, compared with $563.42 paid in the first half of 2001. In 2003, tobacco manufacturers paid $88 million to promote their products. This represents an increase of $11 million from 2002. Also, the percentage of Ontario retailers carrying tobacco advertisements increased from 17% in 1996 to 41% in 2003.[3]

Point-of-Sale Displays are known to:

(1) Contribute to spontaneous purchases.
(2) Weaken the resolve of ex-smokers to remain smoke-free.
(3) Send a message that tobacco is as socially acceptable as candy or newspapers.

Youth in some regions of the province have been conducting informal surveys of tobacco retailers. A recent study in London, Ontario counted 60,000 cigarette packages in point-of-sale displays in 30 local retail stores. They are colourful billboards placed at eye level right behind the cash register.

Current Status of Limits to Point-of-Sale Displays

Although the federal government has the legal authority to ban retail display of tobacco products, they have not exercised this authority. However, the federal government has signed the International "Framework Convention on Tobacco Control" (FCTC) championed by the World Health Organization. This framework recommends a total ban on point-of-sale displays.

A report to the Minister of Health from the Expert Panel on the Renewal of the Ontario Tobacco Strategy in 1999, recommended that tobacco products be placed out of sight behind counters at point-of-sale.[4] In its 2003 election campaign platform, the Ontario Liberal Party promised to "ban counter-top and behind-the-counter

2 Point of Purchasing Advertising Institute, Consumer Buying Habits Study, 1995. Taken from http://courses.coker.edu/dholliday/Previous%20PowerPoint%20Presentations/BA333Power Point/Chap017.ppt

3 Percentage of Canadian retailers displaying cigarette promotions, 1996 - 2003 (by province). Taken from http://www.smoke-free.ca/factsheets/pdf/retailpromo.pdf

4 Actions will speak louder than words - Getting serious about tobacco control in Ontario. A Report to the Minister of Health from her Expert Panel on the Renewal of the Ontario Tobacco Strategy, February 1999.

retail displays of tobacco."

The Ontario provincial government has introduced the Smoke-Free Ontario Act. The Bill received second reading in February 2005 and committee hearings are anticpated in April 2005. Currently, this legislation includes a ban on counter-top displays, but not a ban on behind the-counter "Power Wall" displays.

Conclusion

A key component of any comprehensive tobacco control strategy includes "denormalization" of the industry and its products. Retail display bans remove tobacco products from one of the industry's most effective advertising placements, point-of-sale displays that are in plain view of children and adults. There is overwhelming evidence that any tobacco advertising and promotion, including point-of-sale displays, increases overall tobacco consumption. The evidence also suggests that a ban on such advertising and promotion will decrease consumption. Toronto Public Health has provided leadership by compiling this evidence on behalf of all health units. The proposed Bill 164, Smoke-Free Ontario Act, is an opportunity for the Ontario provincial government to take a lead role in reducing tobacco consumption by banning point-of-sale displays including Power Walls. Other boards of health in Ontario are taking this opportunity to encourage the Ontario provincial government to include this restriction in the new legislation.

CORPORATE STRATEGIC PLAN:

Focus Area #2: To enhance community health and social well being.

FINANCIAL IMPLICATIONS:

NIL

OTHER DEPARTMENT CONSULTATIONS/CONCURRENCE:

NIL

ATTACHMENTS

NIL

PREPARED BY: *Curt Monk*, Manager of Health Protection
Amanda Kroger, Manager of Heart Health/Cancer Prevention/Injury Prevention

APPROVED BY: *Dr. Liana Nolan*, Commissioner/Medical Officer of Health

ALGOMA HEALTH UNIT

for healthier communities

ALGOMA HEALTH UNIT

RESOLUTION NO. 2005-41

DATE: **April 19, 2005**

MOVED: **Capillo**

SECONDED: **Post**

THAT the Algoma Health Unit Board supports a resolution requesting that the Ministry of Health and Long Term Care include a provision to ban all point-of-sale promotion of tobacco products in the newly introduced Bill 164, Smoke-Free Ontario Act; and that the resolution be forwarded to the Ministry of Health and Long Term Care.

CARRIED: Chair's Signature

Chair - Guido Caputo
Vice Chair - John Currie
Debbie Amaroso
Janet Blake
Rosario Capillo
Lila Cyr
Werner Dumler
Joe LaRue
Gordon Post
Scot Reinhardt

AD WATCH

Tobacco advertising: the New Zealand experience

This article is based on a presentation at the Ninth World Conference on Tobacco and Health, held in Paris, France on 10–14 October 1994.

In theory, New Zealand has a ban on new tobacco advertising, including sponsorship – however, the New Zealand tobacco industry has found ways of circumventing the law – ways that have produced a plethora of new tobacco advertising material.

Tobacco advertising on New Zealand radio and television ceased in 1963, and at cinemas and on billboards in 1973. In 1990 the Smoke-free Environments Act was passed to ban all new tobacco advertising, and also new tobacco sponsorship advertising in all media – through direct and indirect advertising.

All tobacco sponsorship contracts signed before 17 May 1990 may continue until 30 June 1995. This corresponds with the date for the phasing out of such contracts in Australia, a provision incorporated because of the frequency of televised sporting events broadcast from Australia. The Act allows point-of-sale signs erected before 16 December 1990 to remain until 1 January 1995 providing they are not repaired or repainted.

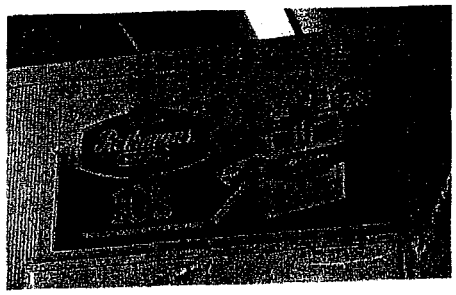


Figure 1 A cigarette advertisement masquerading as a "price notice" to escape the ban on tobacco advertising.

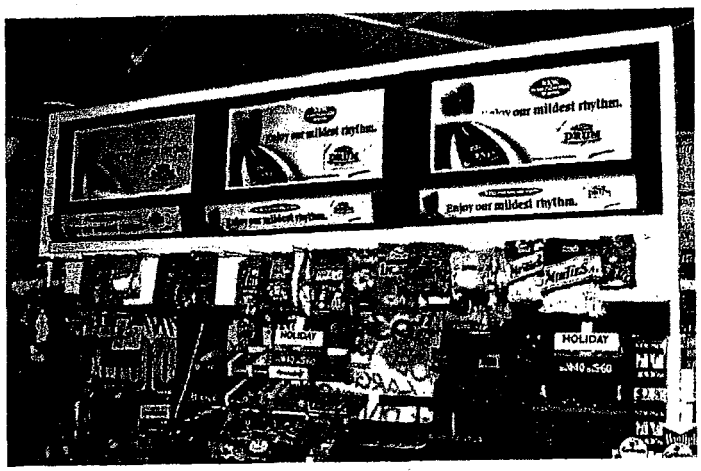


Figure 2 Identical "price notices" are grouped together to circumvent the maximum legal size for notices.

Although the Act clearly prohibits new advertisements after 16 December 1990, the industry has exploited loopholes in the legislation, producing a flood of new tobacco advertisements because: (a) the wording of the legislation has not been sufficiently clear on all matters; (b) the legal advice to the Ministry of Health has been negative and has discouraged the Ministry, which is empowered to enforce the Act, from taking legal action against the tobacco companies; and (c) the long phasing out provisions allow the tobacco industry virtually unfettered power to advertise in the interim.

Section 22 of the Smoke-free Environments Act (1990) provides that: "No person shall publish, or arrange for any other person to publish, any tobacco advertisement in New Zealand."

"Tobacco advertisement" is broadly defined to include written, printed, or spoken words and the use of trademarks, in all media, however, the Act allows exemptions for "price lists" and "price notices", which may continue indefinitely. Unfortunately, these are not clearly defined.

Price lists are required to carry a health warning but there is no limitation on their size. A list of prices has often been affixed to the corner of large tobacco advertisements, with the industry claiming the whole advertisement to be a price list.

The size of price notices is limited by the accompanying Regulations, but no health warning is required. The Act allows retailers to "display (in accordance with the Regulations) inside the retailer's place of business, any notice identifying the tobacco products that are available for purchase in that place and indicating their price."

The tobacco companies have produced large, colourful advertisements that feature the price of the brand in one corner – often barely discernible (figure 1).

The industry then claims these new advertisements are "price notices" and exempt from the ban and may be displayed forever. Each of these "notices" may not exceed the maximum legal size of 297 × 630 mm, but a group of such signs is often placed beside each other to create a large area of advertising (figure 2).

Figure 3 shows a cluster of identical "price notices" for Holiday cigarettes – one of the least expensive brands – below the counter, close to confectionery items that are bought primarily by children.

It is not clear whether the notice may refer to only one brand or product. Health profes-

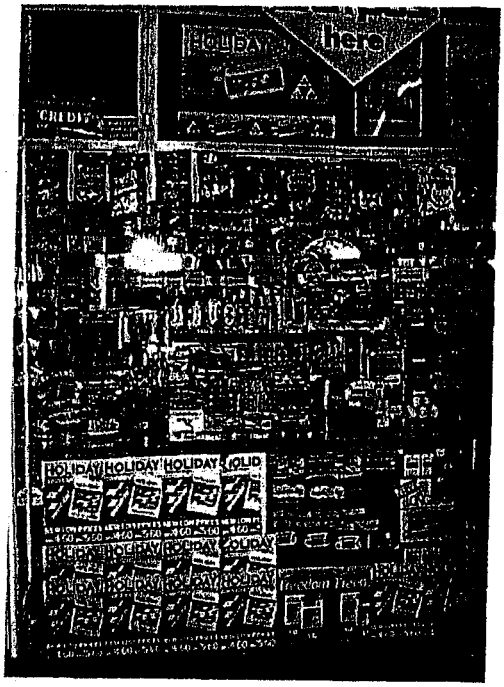


Figure 3 A cluster of "price notices" for Holiday cigarettes

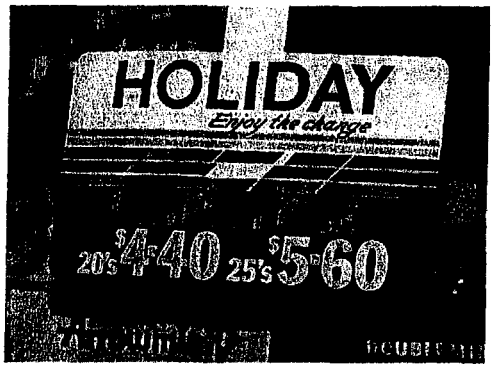


Figure 4 Two prices were shown on the same "price notice" after health professionals complained about industry practices.

sionals have argued the intention of the Act is that the notice should identify *a number of products* rather than one particular brand. The industry has reacted to our claims by putting two prices on the same notice, as is illustrated in figure 4.

As the rate of decline in cigarette consumption has tapered off, the tobacco industry claims the ban is not working. New Zealand does not, in effect, have a ban on advertising because the new advertisements and long phasing out period allow extensive advertising in retail outlets and sponsorship advertising in all media, including TV.

A major fashion and tennis event is sponsored under the banner of "Benson & Hedges". Promotional material for these two events this year featured a gold rectangle and the slogan "Where Dreams Turn to Gold". The gold rectangle carried information about the Fashion Awards in the same size and colouring as is used on Benson & Hedges cigarette packets (figure 5).

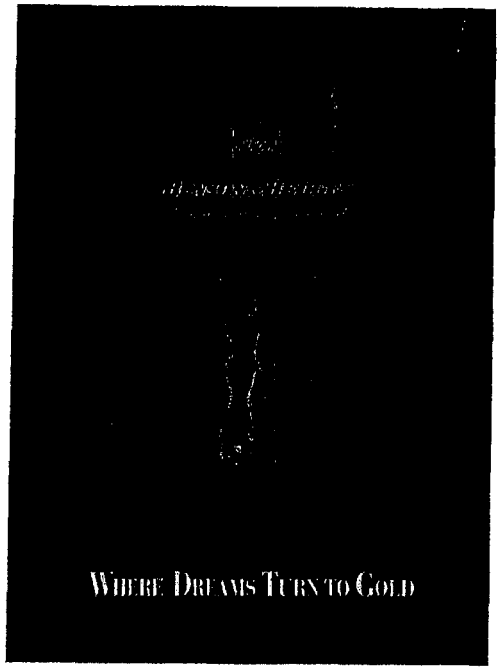


Figure 5 Promotional material for a Benson & Hedges fashion and tennis event featured a gold rectangle of the same size and colouring as that used on Benson & Hedges cigarette packets.

The manufacturer, WD & HO Wills, a subsidiary of BAT Industries, denied claims that the gold rectangle could be construed as representing a Benson & Hedges packet. Several media commentators thought otherwise. Gordon Clark, Creative Director for the advertising agency Saatchi and Saatchi, was asked what he considered to be the smartest, most creative buy he had spotted on TV in the last month. His reply:

> The TV ads promoting Benson & Hedges sponsorship of the tennis, where the camera moves down a long tunnel to a doorway bathed in yellow light. I didn't believe in subliminal advertising until I saw this spot. Watch for the colour and shape of the doorway and the strategically placed graphics at the end. If that's not a cigarette pack, I'll move to Marlboro country.[1]

Tobacco sponsorship of the Benson & Hedges Fashion Awards must cease next year. ASH has been advised that WD & HO Wills plan to continue to sponsor the event, which will be renamed "The Gold Fashion Awards" – or a similar name using the word "gold" – and will be promoted with the use of a gold rectangle in all media. A legal question then arises as to whether a gold rectangle is deemed to be a tobacco advertisement.

To date, the Ministry of Health has not been prepared to challenge the tobacco companies on any of these new forms of advertising. ASH (NZ) is trying to raise funds for a private legal challenge – otherwise they could continue *ad infinitum*.

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1 *Televiews*. Auckland, New Zealand: Television New Zealand 1994 Feb.

Tobacco Control

at a glance

Why is reducing use of tobacco a priority?

Tobacco is becoming **one of the single biggest causes of death worldwide.** By 2030 it is expected to kill 10 million people per year; half aged 35-69. The epidemic is **increasingly affecting developing countries,** where most of the world's smokers (82% or 950 million) live. Close to half of all men in low-income countries smoke daily and this has been increasing. For example, smoking prevalence among Chinese men increased from 40% in the 1950s to 63% in 1996 (Chinese Academy of Preventive Medicine 1996). Women's smoking rates are also increasing fast. By 2030, developing countries will account for 70% of all tobacco deaths. **Many deaths and much disease could be prevented by reducing smoking prevalence.**

Smoking and poverty. Episodes of ill health, the costs of health care, and premature death are frequently cited by poor people as their gravest concerns, and as the precipitating cause that pushes families into poverty. Smoking prevalence tends to be higher among men with less education and lower incomes, so they bear a greater health risk. Also, the opportunity cost of money spent on cigarettes is obviously higher for people living on low incomes – money spent on tobacco products could help feed families. Tobacco is often a significant part of family expenditure: low income households with at least one smoker in Bulgaria spent 10.4% of their total income on tobacco products in 1995; urban households in Tibet spent 5.5% of their monthly disposable income on tobacco products in 1992; and in China, smokers in 2,716 households in Minhang district spent 17% of household income on cigarettes (Gong et al, JAMA 1995, 274:1232-4).

The **harm from second-hand smoke** to others, especially unborn and young children, further justifies intervening to reduce tobacco use. 710 million children live in households where someone smokes (Lopez, WHO, 1999). Many **smokers do not know their risks,** begin smoking at very young ages and most later regret ever starting and would like to quit. For example, 61% of Vietnamese smokers surveyed in 1995 said they wanted to quit, and 44% had tried to quit (Jenkins et al, 1997). In China and in other developing countries, the average age at which people begin to smoke is falling from early 20s to teens. Nicotine is highly addictive, so it is important to **discourage smoking initiation,** especially among young people. Because many of the expected deaths from tobacco use will be among the 1.1 billion people who now smoke, persuading and **helping people to quit** is key to reducing disease and death from tobacco use.

The Framework Convention on Tobacco Control (FCTC)

The FCTC was adopted by WHO member countries in May 2003. It will commit all countries that ratify it to: eliminate all tobacco advertising, promotion and sponsorship within 5 years (with a narrow exception for those nations whose constitutions prohibit a complete ban); require warning labels occupying at least 30% of the area of cigarette packs (and suggests 50% or more); prohibit misleading tobacco product descriptors such as "light" and "mild"; and protect nonsmokers from tobacco smoke in public places. The FCTC also urges strict regulation of tobacco product contents; higher tobacco taxes, global coordination to fight tobacco smuggling, and promotion of tobacco prevention, cessation and research programs.

National tobacco control efforts are usually led by the Ministry of Health, associations of physicians and other health groups, or dedicated anti-smoking groups. NGOs, women's groups, youth groups, lawyers, economists and environmentalists play key roles in some countries. Ministries of Finance, Economic Planning and Taxation are important, because higher tobacco taxes are the single most effective way to reduce use. Other stakeholders include: Ministries of Agriculture and farmers, Ministries of Labor and Industry, employee groups, Ministries of Education, media, retailers, and sports groups (sponsorship).

Cost Effective Interventions to reduce death and disease caused by tobacco use

Measures to reduce demand for tobacco products are highly cost effective – very high on the list of public health "best buys"

Objective: Reduce tobacco use, to reduce death and disease caused by tobacco use.

Interventions	Beneficiaries/Target Groups	Process Indicators
Higher taxes on cigarettes and other tobacco products	smokers potential smokers (especially youth)	✓ price of cigarettes/bidis etc (adjust for inflation) ✓ tax as % of final sales price
Non-price measures		
Bans/restrictions on smoking in public and work places: schools, health facilities, public transport, restaurants, cinemas etc.	non-smokers protected from second-hand smoke	✓ smoke-free public spaces and places
Comprehensive **bans on advertising and promotion** of all tobacco products, logos and brand names[1]	smokers and potential smokers (especially youth) societal attitudes to smoking	✓ laws, regulations, extent to which respected/enforced
Better consumer information: counter-advertising, media coverage, research findings	smokers and potential smokers societal attitudes to smoking	✓ knowledge of health risks, attitudes to smoking
Large, direct **warning labels** on cigarette boxes and other tobacco products	smokers	✓ % of box surface covered by label, message, color/font specifications
Help for smokers who wish to quit, including increased access to Nicotine Replacement (NRT) and other cessation therapies	smokers	✓ number of ex-smokers

Impact / surveillance indicators for tobacco use (from survey data):

adult smoking prevalence: % of people 15 and older who use any tobacco product at least once a day (daily/regular smoker) or occasionally, % who have ever smoked

intensity: *average number* of cigarettes (and other tobacco products) smoked/used daily

quit behavior: % who used to smoke, but currently do not smoke at all

youth use: % of young people who currently use any tobacco product (defined as having used a tobacco product on one or more days during the past 30 days),

initiation age: age at which current and ex-smokers first started to smoke at least one cigarette a day

Note: A Global Youth Tobacco Survey is being implemented in many countries with support from WHO and CDC. See: http://tobacco.int/en/youth/gyts/html (on the WHO website) or http://www.cdc.gov/tobacco/research_data/youth/gytsfact-sheets.pdf (CDC website)

[1] If full bans are impossible, strong restrictions, and significant counter-advertising should be pursued.

The evidence shows: (useful information)

- The **best results are achieved when a comprehensive set of measures to reduce the use of tobacco are implemented** together. Many countries have succeeded in reducing smoking prevalence dramatically, and consequently reduced cancers, heart disease and other circulatory diseases, respiratory diseases, and low birth weight incidence.

- **Price increases** are the most effective and cost-effective deterrent – especially for young people and others with low incomes, who must, of necessity, be highly price responsive. A price rise of 10% decreases consumption by about 8% in low- and middle-income countries. Higher taxes will generate additional government revenue.

- In almost all countries, as people switch expenditures from tobacco to other goods, **there will <u>not</u> be net job losses.** As demand for tobacco products falls, jobs lost in tobacco farming, manufacturing and distribution, are offset by new jobs created in other sectors in response to changed expenditure patterns. Some countries (Malawi and Zimbabwe) and areas within other countries whose economies depend heavily on tobacco, may need help in adjusting to new consumption patterns.

- Erosion in global demand for tobacco will probably be slow and gradual, in the face of growing population numbers, rising incomes, social norms, addiction, and advertising and promotion of tobacco use.

- **Most measures to reduce supply are ineffective** (prohibition, youth access restrictions, crop substitution efforts and trade restrictions). **Control of smuggling** is the exception, and **is the key supply-side measure to pursue.**

- Will poor smokers be hurt by tobacco product price increases? Those who decide to quit or cut back their use of tobacco products will gain health and income. People who do not reduce or quit smoking in the face of price increases will pay more. If this is an important issue, compensating tax/price cuts in other products (eg basic foods) might be considered, and/or targeted cessation programs.

- **Many smokers want to quit,** and could use help. Most people who quit do so without help, but nicotine addiction makes quitting very hard. Quit rates can be substantially increased through advice from health care providers, telephone "quit-lines", formal and informal support-groups, and cessation therapies including nicotine-replacement (NRT). Over-the-counter (non-prescription) sales improve access to NRT. There are many potential opportunities for cessation advice and support: e.g. as part of TB treatment.

- **What works for youth?** The most effective tool to reduce/deter use of tobacco products by young people: **price increases.** Bans on tobacco product sales to young people are difficult and costly to enforce. Policies should be tailored to affect the usual sources from which young people get their cigarettes or other tobacco products. For example, some countries have reduced youth access to tobacco products (especially cigarettes) by banning sales through vending machines. **Free distribution of tobacco products and promotional products (T-shirts, school note books etc) should be strictly banned.**

- **Health warnings** on cigarette packages should be large (cover at least 30% of the surface area and preferably 50% or more), clear (e.g., black on white), in local languages, and have a set of specific required messages that change periodically. Information on the adverse health impact of tobacco use and the benefits of quitting should be widely disseminated.

- The tobacco industry argues that **advertising and promotion** affects market share and not overall prevalence levels, but countries that have implemented comprehensive bans on all advertising and promotion have reduced tobacco use much more quickly and to lower levels than other countries. Partial bans are not effective – if only a partial ban is politically feasible, then there is a very strong case for mandating counter-advertising (e.g the Fairness Doctrine in the USA, and in South Africa where the state radio corporation gave free air time every day for anti-smoking messages, while continuing to benefit

from substantial cigarette advertising revenues.

- Efforts to reduce smoking face formidable obstacles: nicotine addiction; social pressures; aggressive cigarette marketing and promotion; other pressing health problems; overestimates of the economic importance of tobacco; and the vested interests of those who live and profit by cigarette sales. But there are many good success stories that could be replicated with political will, and broad support. **Modest action could save millions of lives and avert much disease, including among poor people, without long-term harm to economies.**

Resources

People in the World Bank and IMF

- HDNHE's tobacco team: Joy de Beyer, Ayda Yurekli, Sabrina Huffman. Maureen Law is the HNP Sector Board member responsible for tobacco. Email: jdebeyer@worldbank.org, ayurekli@worldbank.org
- IMF fiscal department (Peter Heller and Emil Sunley, for help in assessing the potential for tobacco tax increases and discussion with Ministry of Finance and other tax authorities.

Documents and data

- "Curbing the Epidemic: Governments and the Economics of Tobacco Control", World Bank, 1999. Development in Practice Series. On line at: http://worldbank.org/tobacco, or hard copy from the Infoshop, or HDNHE's tobacco team. Short, readable and clear. Analyzes and summarizes the research and key economic and social issues relating to tobacco control. Also available in 18 other languages, and a "key messages" summary brochure, and powerpoint slides are available.
- "Tobacco Control in Developing Countries", Jha and Chaloupka, OUP for the World Bank and WHO, 2000. Detailed background papers for "Curbing the Epidemic". Available online at www.worldbank.org/tobacco
- http://worldbank.org/tobacco for economics of tobacco notes on selected countries, country-specific data, slide presentations, useful websites (see especially WHO/TFI and CDC)
- Details of tobacco control activities in health projects funded by World Bank from Sabrina Huffman, HDNHE, World Bank. Email: shuffman@worldbank.org
- A good data base of tobacco prevalence studies and other country-specific data is being developed by WHO/CDC/World Bank/American Cancer Society – available in July 2001 at http://worldbank.org/tobacco also at CDC and WHO/TFI websites.
- At a glance fact sheets on strong reasons to make smoke-free workplaces and how to go about doing it, and on tobacco pack information are available online at www.worldbank.org/phataglance and www.worldbank.org/tobacco

"How to" toolkit for analysis of economic issues

Explains in detail how to analyze tobacco price/consumption relationship, tax rates and revenues, options for setting and administering tobacco taxes, smuggling, employment, and impact on the poor. Describes data needs and sources, analytic model specification, and interpretation of estimation results. Available (in draft) from World Bank tobacco team, and at www://worldbank.org/tobacco

Expanded versions of the "at a glance" series, with e-linkages to resources and more information, are available on the World Bank Health-Nutrition-Population web site: www.worldbank.org/hnp