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Tracking Tobacco Industry Advertising, Marketing, and Promotion

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Section A

Advertising and Cigarette Use
- Tobacco advertising and promotional activities create and stimulate the desire to use tobacco products
“Without advertising, cigarette use would probably have grown; with advertising, the increase is amazing”
—Borden, 1942
Restricting or eliminating tobacco advertising and promotion can affect the inclination to initiate smoking and the motivation to maintain tobacco use.

Advertising and promotion bans are most effective if they are comprehensive and cover all types of media, including restrictions on the use of brand names, images and logos.
Data from a study of 22 countries on the effectiveness of advertising bans found that comprehensive bans on cigarette advertising and promotion can reduce smoking, but limited bans or partial bans have little or no effect.

The study concluded that, if the most comprehensive advertising restrictions were in place, cigarette consumption would fall by more than 6% in high-income countries.

*Source: Curbing the Epidemic: Governments and the Economics of Tobacco Control (1999)
Advertising and Cigarette Use

- The strongest evidence to date of the significant effect on tobacco consumption that restricting promotional activities can have comes from a study commissioned by the government of New Zealand of trends in 33 countries from 1970 to 1986. The countries studied (24 free-market economies and nine centrally planned East European economies) provide over 400 calendar years of observation of different tobacco prices, personal incomes, and advertising restrictions, including tobacco advertising bans.

- The methodology of this study was rigorous and examined adult tobacco consumption, accounting for income and tobacco price effects, as well as health education effects. The overall finding of this study was that “... the greater a government’s degree of control over tobacco promotion, the greater the annual average fall in tobacco consumption and in the rate of decrease of smoking among young people.”

Changes in Advertising

- Some countries have been able to pass complete advertising bans

- Countries with ad bans find . . .
  - Decreases in smoking rates
  - Partial bans do not work
  - Indirect advertising is a way around ad bans
  - The amount of indirect advertising increasing
Examples of Ad Ban

- Poland has a complete ban on all tobacco advertising and promotion
- Norway’s 1973 Tobacco Control Act, as amended, unconditionally bans all forms of tobacco advertising and prohibits the free distribution of tobacco products
- In Canada, the advertising of tobacco products is prohibited except for product information and brand-preference advertising that is not life-style advertising, misleading or appealing to persons under 18
Examples of Ad Ban Impact

- Hong Kong ad ban in 1990
  - By 1996 ad revenue at two TV stations increased by 500%

- Thailand ad ban in 1992
  - Overall ad spending increased by 42% by 1995
Malaysia’s Experience

- Malaysia previously banned advertising but law did not apply to point of purchase
  - Paragraph 3(1) (a) shall not apply to tobacco product advertisement displayed inside a shop or other retail place

- Tobacco industry used this loophole to aggressively use POP

- Malaysia’s new Tobacco Control Act 2003 will prohibit point of purchase ads
Advertising and Marketing

- Advertising encompasses a wide range of activities
  - Direct and indirect advertising
  - Promotion
  - Product design that contributes to the sale of the product

Continued
Advertising and Marketing

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- Marketing strategies
  - Attaching symbolic meaning to a specific brand
  - Manipulating the design of the packaging
  - Advertising images
  - Promotion and placement in popular culture
Advertising

- **Direct**
  - Newspaper
  - TV
  - Magazines
  - Outdoor
  - Transit
  - Direct mail
  - Internet

- **Indirect**
  - Point of sale
  - Sponsorship
  - Free samples
  - Promotions
  - Entertainment
  - Value added
All have youth readership (12–17 years old) totaling more than two million (more than 15%) of the magazine’s overall readership (Simmons Market Research Bureau)

Advertising in magazines with high youth readership, (Sports Illustrated, People, Rolling Stone, Glamour, Motor Trend, Spin)
Tobacco Industry Study of Newspaper and TV

- Ads in newspapers
  - Name of newspaper
  - Date published
  - Total number of millimeters
  - Ad value (quantity of millimeters X price of ad)

- Ads on TV
  - Number of seconds and value by brand
Outdoor Advertising

Image source: Shawn Carney, Anna White & Jessica Harvey
http://www.essentialaction.org/tobacco/event/altria04/PMtour.html accessed 3/20/06
Cigarettes Online

The online tobacco store

Cigoutlet.net
Cheap tax free cigarettes

CigarettesExpress.com
Delivering savings to you!

Discount-cigarettes-store.com
Your one stop for cheap discount online cigarettes from both Europe and USA in one place!
Section C

Indirect Advertising
Percent of Tobacco Industry Advertising ($)

Point of Purchase

- Tobacco industry spending has decreased by $62 million (18.1%) from 347 million in 2000 to 284.3 million (2001)

- POP accounted for 2.5% of total advertising in 2001

- Little data exists on magnitude of tobacco industry’s POP advertising and promotional efforts internationally

Continued
Point of Purchase Ads

- Target consumers at the place where they will actually buy the product
- Attract attention of shopper
- Remind them of previous seen ads
“Expenditures on public entertainment (e.g., sponsorship of concerts, auto racing, and fishing tournaments) are reported at $312.4 million in 2001. This comprises 2.8% of total advertising and promotion expenditures in 2001.”

Promotional Items

- Creation of walking billboards
- Cigarette logos on . . .
  - T-shirts
  - Hats
  - Backpacks
  - Children’s clothes and toys
Brand Stretching

- Move beyond traditional promotions to market items with a shared brand name
  - Marlboro Classic Clothing
  - Salem Power Station music stores
  - Benson and Hedges coffee shops
Retail value are the costs associated with offers such as . . .
- Buy one, get one free
- Buy three and get a free T-shirt

Cigarettes are often packaged together with the bonus item

In U.S. increased by 37.9% since 2000
Promotional Allowances

- Promotional allowances
  - Payments to retailers for displaying and merchandising brands
  - Payments to retailers and other persons to facilitate the sale of cigarettes
  - Volume discounts to wholesalers

- Increased by 13.8% in U.S. since 2000
Use of young women to give out free cigarettes at concerts, clubs, discos

In the U.S., 3.9 billion cigarettes were given away in 2001
Entertainment
Entertainment

- Tobacco industry sponsors discos, rock concerts, and other events popular with young people
- Positive portrayal of smoking in movies is also encouraged
- New methods included global satellite, cable, and internet advertising to circumvent country ad bans
Smoking in TV ads for movies is widespread

Between December 2001–August 2002, 10 movies showed a specific cigarette brand in the movie and smoking in the trailer
  - TV ads reached 93% of all 12- to 17-year-olds in the U.S., a total of 137 million impressions
  - Eighty-one percent (81%) of all 12- to 17-year-olds in the U.S. saw at least one of these trailers three or more times
Mr. Bob Kovoloff  
Associated Film Promotion  
10100 Santa Monica Blvd.  
Los Angeles, CA 90067

Dear Bob:
As discussed, I guarantee that I will use Brown & Williamson tobacco products in no less than five feature films.
It is my understanding that Brown & Williamson will pay a fee of $500,000.00.
Hoping to hear from you soon;

Sincerely,
Sylvester Stallone

- Letter from Sylvester Stallone agreeing to use Brown and Williamson product in five feature films for a price of $500,000
Smoking in the Movies

- Only 19% of Americans of high SES smoke
- Movies show 57% of same population smoking
- Smoking in the movies is one of the most powerful pro-tobacco influence on kids today

Continued
A Philip Morris executive said—"We do not pay for product placement"

But the Philip Morris documents clearly show that arrangements between Philip Morris and Hollywood continue even after the movie industry instituted “bans”
Smoking in the Movies

Documents show arrangements in the following films:
- Jaws II
- Grease
- Blade Runner
- Rocky II
- Mr. Mom
- Crocodile Dundee
- Robocop
- Die Hard
- Who Framed Roger Rabbit
- Field of Dreams
- The Muppet Movie
Possible Topics to Monitor

- Tobacco use by major vs. minor characters
- Tobacco use as a major theme or sub-plot
- Settings in which use occurred (bar, restaurant, party)
- Negative consequences associated with use
- Positive statements concerning use
- Attempts to quit use
How are illicit drugs, tobacco, and alcohol portrayed in the most popular television series?

- Frequency; nature of use; top-rated, prime-time shows

## Tobacco Scenes in Films

<table>
<thead>
<tr>
<th>Year</th>
<th>Movie</th>
<th>Star</th>
<th>No. of tobacco scenes in film</th>
<th>No. of tobacco scenes with Star</th>
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<tbody>
<tr>
<td>1996</td>
<td>A Time to Kill</td>
<td>Matthew McConaughey</td>
<td>30</td>
<td>12</td>
</tr>
<tr>
<td>1996</td>
<td>Independence Day</td>
<td>Will Smith</td>
<td>28</td>
<td>6</td>
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<tr>
<td>1996</td>
<td>Birdcage</td>
<td>Robin Williams</td>
<td>25</td>
<td>3</td>
</tr>
<tr>
<td>1996</td>
<td>Mission Impossible</td>
<td>Tom Cruise</td>
<td>14</td>
<td>4</td>
</tr>
<tr>
<td>1996</td>
<td>The Rock</td>
<td>Ed Harris</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>1990</td>
<td>Born on the 4th of July</td>
<td>Tom Cruise</td>
<td>32</td>
<td>0</td>
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<tr>
<td>1990</td>
<td>The Hunt for Red October</td>
<td>Sean Connery</td>
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<td>1</td>
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<td>Bird on a Wire</td>
<td>Mel Gibson</td>
<td>5</td>
<td>0</td>
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<tr>
<td>1990</td>
<td>Pretty Woman</td>
<td>Julia Roberts</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>1990</td>
<td>Total Recall</td>
<td>Arnold Schwarzenegger</td>
<td>1</td>
<td>0</td>
</tr>
</tbody>
</table>
Smoking in the Movies

- For example, BAT launched a huge promotional campaign in Nigeria for its Rothmans brand.
  - The theme of the campaign was "Experience It" and the main feature was blockbuster Hollywood films (Warner Brothers) that combined free movies in a giant air conditioned dome with free cigarettes.
The transnational tobacco companies promote images of Western themes—affluence and sophistication

Cigarette brands:
- American Dream
- All American
- Natural American Spirit
- Marathon American
- Hollywood
- Kansas
- Virginia Slims
Comprehensive advertising, promotion, and sponsorship ban would reduce consumption

Based on constitution or constitutional principles
  – Shall undertake a comprehensive ban
  – Prohibit all forms of false advertising
  – Require health warning
  – Restrict use of direct or indirect incentives
  – Require disclosure of tobacco industry expenditures, if there is no ban
  – Data may be made available
Possible Data Sources

- Endorsements
- Testimonials
- Direct mail
- Coupons
- Retail value added
- Internet
- Sales of cigarettes
  - Local
  - Western
  - Novel
- Presence and expenditures
  - Newspapers
  - Magazines
  - Outdoor
  - Transit
  - Point-of-sale
  - Sampling
  - Public entertainment
  - Promotional allowances
Tobacco Industry Arguments

- Tobacco industry invokes right to “freedom of speech”
- Promotes “freedom of choice”
- Advocates for voluntary restrictions

THE SURGEON GENERAL WARNED ME; NOW LET ME MAKE A CHOICE