

## **Tobacco Industry Promotion**

With many traditional marketing avenues closed to tobacco companies by the Master Settlement Agreement (MSA) or other restrictions, tobacco companies have expanded or developed new strategies to reach current customers and potential new tobacco users. These include direct marketing through Adult Only Facilities (AOF) and direct mailings to customers. In addition to being largely unregulated by the MSA, these strategies are often “under the radar” of the public health community and unnoticed by much of the public. According to the recently released Federal Trade Commission Cigarette Report for 2002, tobacco companies spent \$12.47 billion on marketing in 2002. Marketing activities that saw large increases in expenditures in 2002 compared to earlier years include sampling distribution and direct mail, as well as retail-based promotions.

### **Direct Marketing**

Direct marketing is communication directly with customers for the purpose of maintaining customer loyalty, making a sale, or generating a response such as completing a survey or entering a sweepstake. Marketing directly to consumers involves sending coupons, controlled circulation magazines, sweepstakes offers, brand loyalty programs (e.g., Camel Cash or Marlboro Miles), and catalogues to those who have “signed up” to be on mailing lists. Tobacco company mailing lists hold tens of millions of names.

### **Adult Only Facilities**

Although the MSA bans both the sponsorship of entertainment events with a “significant” youth attendance and the distribution of tobacco product samples in facilities where youth are present, both of these strategies are allowed in adult-only events and facilities, such as bars and clubs.

Section II(c) of the MSA defines an Adult Only Facility as “A facility or restricted area (whether open-air or enclosed) where the operator ensures or has a reasonable basis to believe (such as by checking identification as required under state law, or by checking the identification of any person appearing to be under the age of 27) that no underage person is present.” Such facilities include bars and freestanding exhibitions, such as tents, booths, and walk-in vehicles at fairs.

The Tobacco Industry Monitoring and Evaluation (TIME) Project at the University of California monitors tobacco company promotions at adult only and other venues in California and has noted a marked increase in these types of activities, consistent with a doubling in expenditures on distribution of samples since 1998. More than 31,000 tobacco brand promotions at adult only facilities and venues have been documented by the TIME Project in the first 11 months of 2004.

During the summer of 2004, youth partners across New York State conducted observational surveys of county fairs and family events such as Firemen Field Days, and street festivals. Partners found a number of incidents of tobacco company promotional activities at these events, particularly the promotion of smokeless tobacco products. Although admission to tobacco booths and exhibits is prohibited to anyone under the age of 18, observers noted the exhibits were situated in areas of heavy foot traffic, including near bathroom facilities and refreshment areas, where young people would be.

Not only do these types of exhibits advertise the tobacco product, their presence at family events normalizes tobacco use and tobacco companies.

### **Bar and Night Club Promotions**

During the 1990s tobacco industry sponsorship of bars and nightclubs increased considerably, although expenditures on this type of marketing has remained fairly stable since 1998. These events included the distribution of cigarette brand paraphernalia, unbranded specialty items, advertisements and entertainment.<sup>1</sup>

Tobacco industry documents indicate that tobacco companies began marketing in bars as a way to reach young adults susceptible to becoming smokers. A 1983 RJ Reynolds marketing plan discussed the benefits of a field marketing strategy “using person to person interaction at parties, concerts and night clubs to reinforce Camel’s masculine psychological image and to integrate smoking with nightlife, music, and sports.”<sup>2</sup> Bar and nightclub events include cigarette sampling, talent contests, entertainment contests, and games, and signing up for direct mail marketing.

Tobacco companies enticed bar owners with financial incentives including bar paraphernalia such as coasters, napkins and table tents, entertainment, and “gear” for wait staff including leather jackets and shirts. Besides the parties and “special perks” for bartenders (including free trips to resorts), the companies make direct payments to bartenders and bar owners, and also pay for in-bar advertising, promotional items, and free samples.<sup>3</sup> Tobacco companies can turn an ordinary bar into a “happening nightclub” complete with “beautiful people,” lavish theme parties, entertainment, and games. These tobacco sponsored entertainment events help bar owners by drawing patrons and defraying the cost of live entertainment.

A major benefit of bar promotions to tobacco companies is access to young people, names for mailing lists, and research. Tobacco companies use promotions to build their database and collect information for marketing profiles, direct mail marketing and potential political organizing<sup>4</sup>. It is not unusual for individuals to be hired to “mingle” with bar and nightclub patrons while obtaining names and information for mailing lists. Tobacco companies use sweepstakes, contests, and interactive video games that encourage patrons to complete marketing surveys.

Bar and nightclub promotions, which began as efforts to reach young adults and beginning smokers, have evolved into interactive consumer events in tobacco friendly environments. Tobacco industry marketing in bars provides direct access to a young adult population of legal age, yet still susceptible to initiating or establishing tobacco use. This strategy is particularly dangerous to the health of young adults.<sup>5</sup>

---

<sup>1</sup> Sepe E, Ling PM, Glantz SA. Smooth Moves: bar and nightclub tobacco promotion that target young adults. *American Journal of Public Health*, March 2002; 92:414-19.

<sup>2</sup> Ibid.

<sup>3</sup> Campaign For Tobacco Free Kids Fact Sheet: Tobacco Company Marketing to College Students Since The Multistate Settlement Agreement Was Signed.

<sup>4</sup> Katz SK and Lavack AM: Tobacco related bar promotions: insights from tobacco industry documents. *Tobacco Control* 2002; 11(Suppl I): i92-i101.

<sup>5</sup> Ibid.

## Direct Mail

Tobacco companies maintain lists containing the names, addresses and other information of tens of millions of customers and potential consumers. Direct mail to mailing list members is a targeted marketing tactic that facilitates direct communication, cultivates an ongoing personal relationship, and offers rewards and incentives to current and potential customers.<sup>6</sup> Items directly mailed to consumers include coupons and discount offers, controlled circulation magazines, brand loyalty programs, catalogues, and announcements of sweepstakes, product gifts, and sample cigarettes.

## Controlled Circulation Magazines

Direct mail is the sole distribution channel for controlled circulation magazines produced by tobacco companies for customers on their mailing lists. These magazines convey images and information consistent with the brand and with images and messages conveyed by traditional tobacco advertising. Whether it is *Unlimited*, the Marlboro magazine with large, full color pictures of outdoor activities, *Flair*, the Brown and Williamson magazine with articles telling women how they “can look great at any age” or *PS*, a magazine that promotes Newports to minority communities, these controlled circulation magazines advertise smoking as a socially desirable activity.

## Brand Loyalty Programs

One of the purposes of direct marketing and direct mail is to promote brand loyalty. Many companies operate brand loyalty programs, which involve incentives like Camel Cash, Marlboro Miles or similar offers with proof of purchase. Such programs allow consumers to accumulate points through cigarette purchases that can be saved and redeemed for a variety of products or gifts.<sup>7</sup> The MSA bans tobacco company merchandise from displaying brand names and logos, so these products and gifts no longer carry a brand name or logo, but through colors, packaging and design, the products are consistent with the brand images and messages. Brand loyalty programs are designed to enhance brand loyalty, cultivate an ongoing relationship with customers and encourage frequent and increasing purchasing of the product.

## Coupons

Coupons offer savings and discounts on packs or cartons of cigarettes and can be distributed directly to consumers through the mail, at retail stores, at promotional events and even in newspapers and magazines. Coupons reduce the price of cigarettes and can offset the impact of higher taxes, price increase, or other tobacco control measures. For “price sensitive” smokers, including youth and young adults, coupons help maintain brand loyalty and reduce incentives to avoid starting or stop smoking. Coupons also encourage people to try new products, brands and brand variations, such as flavored cigarettes by Camel.<sup>8</sup>

---

<sup>6</sup> Lewis J, Delnevo D, Slade J. Tobacco industry direct mail marketing and participation by New Jersey adults. *American Journal of Public Health*. 2004; 94: 257-258.

<sup>7</sup> Lewis MJ, Yulis S, Delnevo C, Hrywna M. Tobacco industry direct marketing after the Master Settlement Agreement. *Health Promotion Practice* 2004; 5 (suppl): 75 S-83S.

<sup>8</sup> Ibid.

Some direct mailings will include multiple coupons so that the receiver can share the savings with friends.<sup>9</sup> Coupons often encourage recipients to log onto websites to be eligible for future discounts or sweepstakes, thus continuing the “relationship” and the gathering of additional information.

### **Sweepstakes**

Tobacco company sweepstakes offer the chance to win cash, product prizes and trips. Sweepstakes are marketed through direct mail, contests at promotional events and through the Internet. Sweepstakes provide tobacco companies the opportunity to add to mailing lists and to update databases. Additionally they offer prizes that are consistent with the brand image, such as the Virginia Slims sweepstake offering an all expenses paid trip to a Spa or American Spirit’s sweepstake offering a chance to win an 8-day trip to Santa Fe, New Mexico with cash for spending and deluxe accommodations.<sup>10</sup>

### **The Impact of Direct Tobacco Marketing**

Although the MSA placed important limits on tobacco marketing aimed at youth, it left many practices unregulated, particularly those targeted to adults. Direct marketing does not violate the MSA as long as the tobacco company is not directly or indirectly targeting youth. Whether or not they are regulated by the MSA, promotional and direct marketing activities serve to sustain tobacco use and the image of tobacco use as normative and desirable. Tobacco company documents clearly describe the systematic and purposeful targeting of youth and young adults as replacement customers through promotional marketing. Numerous studies have demonstrated the relationship between tobacco marketing and youth smoking behavior.

- A 2002 monograph by the National Cancer Institute (NCI) reviewed the research on tobacco advertising and promotion and its impact on youth smoking. NCI found that tobacco advertising and promotional activities are important catalysts in the smoking initiation process.<sup>11</sup>
- *An American Journal of Public Health* study 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 as those who did neither.<sup>12</sup>
- A longitudinal study of teenagers in the *Journal of the American Medical Association* showed that tobacco industry promotional activities influenced previously non-susceptible non-smokers to become susceptible to or experiment with smoking.<sup>13</sup>

---

<sup>9</sup> [www.trinketsandtrash.org](http://www.trinketsandtrash.org)

<sup>10</sup> [www.trinketsandtrash.org](http://www.trinketsandtrash.org)

<sup>11</sup> National Cancer Institute, Changing Adolescent Smoking Prevalence, Smoking and Tobacco Control Monograph No. 14, NH Pub. No. 02-5086, November 2001.

<sup>12</sup> Biener, L. and M. Siegel, Tobacco marketing and adolescent smoking: more support for a casual inference. *American Journal of Public Health* 90(3): 407-411 (March 2000).

<sup>13</sup> Pierce, J. et al. Tobacco industry promotion of cigarettes and adolescent smoking. *JAMA*. February 1998; 279(7): 511-515.

- In the early 1990s, 30 percent of youth, 12 to 17 years old, both smokers and nonsmokers, owned at least one tobacco-brand promotional item, such as T-shirts, backpacks, and CD players.<sup>14</sup>
- Young adulthood is an important time in the establishment of regular smoking patterns, as smokers make the transition from occasional to established use.<sup>15</sup>
- Smoking rates among 18 to 24 year olds increased sharply since 1998.<sup>16</sup>
- According to one study, there has been a marked increase in tobacco industry use of bars and clubs as promotional venues and an increase in the use of the alternative press to reach the young adults who frequent these establishments. The study authors concluded that this increased targeting of young adults might be associated with an increase in smoking among this group.<sup>17</sup>
- Another study found that smokers aged 18 to 30 years were more receptive to cigarette marketing and were more likely to be frequent patrons of bars and clubs than older adults.<sup>18</sup> Thus, bar and nightclub promotions may target young adults and the teenagers who emulate them.
- The same study found that many young adult smokers are in the initiation phase of smoking and are likely to undergo a transition to either nonsmoking or established smoking. The authors believe that if unimpeded by regulation, tobacco promotion in bars and clubs is likely to lead to an increase in adult smoking prevalence.<sup>19</sup>
- The exact impact of direct mail activities has yet to be fully understood, although a recent study found that almost 50% of smokers in New Jersey participated in some type of direct marketing activities.

In order to be successful in tobacco control, efforts must address all components of the tobacco industry's marketing programs. Funded community partners will implement actions in order to understand, catalogue and address tobacco company promotional and direct marketing activities. An overview of these actions and detailed instructions can be found in the next two sections of this chapter.

---

<sup>14</sup> Gallup International Institute, "Teenage Attitudes and Behaviors Concerning Tobacco" (September, 1992).

<sup>15</sup> Sepe E, Glantz SA. Tobacco related promotions in the alternative press: targeting young adults, *American Journal of Public Health*, 2002; 92:75-78.

<sup>16</sup> Sepe E, Glantz SA. Tobacco related promotions in the alternative press: targeting young adults, *American Journal of Public Health*, 2002; 92:75-78.

<sup>17</sup> Sepe E, Glantz SA. Tobacco promotions in the alternative press: targeting young adults, *American Journal of Public Health*, 2002; 92:75-78.

<sup>18</sup> Biener L, Albers A. Adults only: the prevalence of tobacco promotions in bars and clubs in the Boston area. *American Journal of Public Health*. 2004; 94:326-330.

<sup>19</sup> Biener L, Albers A. Adults only: the prevalence of tobacco promotions in bars and clubs in the Boston area. *American Journal of Public Health*. 2004; 94:326-330.