

Tobacco Industry Commercial and Corporate Giving Sponsorship:

Companies and organizations can sponsor events, programs, festivals, performances, individuals, groups, teams, equipment and/or facilities, by providing financial support for activities, promotions and services. Sponsorship refers to the donation of money, services or in-kind support in exchange for recognition of the donation (e.g., being listed as a “sponsor” of an event, production or competition). Many companies, including tobacco companies, engage in sponsorship for the purpose of promoting a product or a cause, supporting a needy group, establishing name recognition for a company or brand, earning publicity for a “good deed,” or building an image for a company, organization or product.

Tobacco companies have a long history of sponsorship in the United States including brand name sponsorship of sporting events such as the Virginia Slims Legend Tennis Tournament, the Kool Nu Jazz Festival or the Marlboro Team Penske. In addition to brand name sponsorship, Tobacco companies also contribute financially to events, venues and organizations through corporate giving. This type of sponsorship may be less visible, but is no less pervasive. Through corporate giving, tobacco companies support museums, dance troupes, university research and community organizations. Tobacco companies have solicited people and organizations that need financial support for their causes including those providing services to African Americans, Hispanic American, gay and lesbian organizations and community organizations addressing such issues as HIV/AIDS, hunger, domestic violence, human rights and disaster relief. A study conducted in 2000 found that between 1995 to 1999, tobacco company sponsorship occurred in all 50 states and the District of Columbia.¹

Tobacco companies engage in sponsorship to:

- Sell tobacco products
- Associate tobacco products with an event or activity
- Reach key markets
- Promote a positive company image
- Enhance products and corporate visibility
- Legitimize themselves as “good corporate citizens”
- Acquire “innocence through association” with organizations
- Gain a foot hold in communities
- Conduct market research and build a mailing list
- Normalize tobacco as part of a “way of life”

¹ Siegel M (2000): Title, journal,

The Master Settlement Agreement

Tobacco company sponsorship is restricted by the Master Settlement Agreement (MSA) for participating manufacturers. The MSA allows tobacco company corporate sponsorship of athletic, musical, cultural, artistic or social events as long as the corporate name does not include the brand name of a domestic tobacco product. The MSA restricts tobacco sponsorship in the following ways:

- Limits tobacco companies to one brand name sponsorship per year
- Prohibits brand name sponsorship of events with a significant youth audience or team sports (football, basketball, baseball, hockey or soccer).
- Prohibits sponsorship of events where the paid participants or contestants are under age 18.
- Bans tobacco brand names from stadiums and arenas.

To view the MSA in its entirety visit www.naag.org or see an overview of the MSA in the MSA resource section of the tool kit.

After the Master Settlement Agreement, sponsorship became increasingly important to tobacco companies. The truth about their long-term knowledge of the impact of tobacco use and their deceptive marketing practices was made public. Establishing themselves as companies that were committed to doing business differently, showing that they cared about the public and were altruistic was important to them. Following the MSA, tobacco companies launched major public relations campaigns utilizing television and print media touting their “good deeds” and commitment to the community. This image enhancing approach is part of their new strategy to communicate their community contributions and good will. This public relations campaign also provided an opportunity for tobacco companies to get their names on television for the first time in 30 years.

Corporate Giving Sponsorship and Commercial Sponsorship

For the purposes of this initiative, tobacco industry sponsorship has been divided into two categories: commercial sponsorship and corporate giving sponsorship. These sponsorships differ in terms of the methods of sponsorship and the specific purpose of sponsorship, but both serve to legitimize the tobacco companies and allow for the portrayal of the tobacco companies as respectable businesses.

Corporate Giving Sponsorship

Corporate giving involves funds donated to an entity or organization utilizing the giver’s corporate name, such as Altria. As stated earlier, there is no restriction on corporate sponsorship in the MSA. A large number of tobacco company corporate sponsorships involve the arts, including museums, dance troupes, theatres and educational institutions. Additionally, tobacco companies donate to organizations, programs and events that represent or are targeted to minorities, women, and youth. Although some tobacco industry corporate sponsorship involves major national organizations, a large number of these sponsorships involve small organizations that serve individual communities.²

² Tobacco Industry Sponsorship in the United States, 1995-1999, by Michael Siegel, MD, MPH with the Boston University School of Public Health. Dcc2.bumc.bu.edu/tobacco/sponsorships.htm

Corporate Sponsorship is often announced or executed in a subtle manner. The corporate name can be found on plaques, in programs, in newsletters or on venue and program website. Tobacco companies also publicize their donations through placement of ads in mainstream magazines, including the *New York Times Magazine*, *Family Circle* and *Time*, placing ads on TV, and announcing donations on their websites. The goal of corporate sponsorship is not to sell a product directly, but rather to sell the image of the tobacco company and to buy influence. By donating to the arts, tobacco companies demonstrate their commitment to the “finer things in life” and attempt to gain respectability through this association. By donating to community organizations, they attempt to show their “good guy” image, and to align themselves with the reputation of the organizations, thus acquiring innocence by association and possible influence with social and political leaders. Given limited funding for many community organizations, tobacco company corporate giving may create organizational dependency on their support. Tobacco company corporate giving may additionally buy the silence of supported programs and their constituents when tobacco control legislation is proposed.³

Commercial Sponsorship

Commercial sponsorship promotes the sponsoring company’s brand name, such as in the previous NASCAR Winston Cup or the Marlboro Team Penske. Commercial sponsorship of athletic, musical, artistic or other cultural events include the use of the brand name either as part of the event or to advertise or promote sales. The goal of this type of sponsorship is to sell the product, increase exposure to a brand name, associate a brand with an event or lifestyle, normalize tobacco use, and promote the tobacco company as a supporting member of the community. This type of sponsorship is visible at events like races, rodeos, sports competitions and concerts. This type of sponsorship is easy to recognize, given its purpose to promote a brand or product in a high profile manner on such items as scoreboards, flags, programs, tents, signs, gear, uniforms and in the title of the event. As previously noted, this type of sponsorship is restricted by the MSA and we are seeing less of it in this country. RJ Reynolds and NASCAR ended the Winston Cup sponsorship in November of 2003. However, tobacco company sponsorship of sporting events still occurs in racing and we are seeing extensive tobacco company sponsorship of rodeos. To learn more about tobacco company sponsorship and rodeo, see **Buck Tobacco Sponsorship Tips Sheets** in the resource section of this chapter.

Tobacco company brand sponsorship is very popular throughout the rest of the world and can be used when other types of advertising are restricted. A significant benefit to commercial sponsorship is the exposure it provides on television, where traditional tobacco advertising is not permitted. Besides building brand awareness and fan loyalty, sponsors get high visibility and recognition for their products. On-site spectators and millions of television viewers and radio listeners see or hear brand names through signage, merchandising, announcements, product sampling, direct mail marketing to attendees, and Internet advertising and promotion of the event. Commercial sponsorship effectively associates the product or brand with the event and normalizes, even glamorizes the product or brand in the view of fans.

The Impact

Both commercial and corporate giving sponsorship sustain the image of tobacco use as socially acceptable and of tobacco companies as legitimate members of the community.

³ Need source for this assertion.

In addition, commercial sponsorship has the same effect as other forms of tobacco advertising; it directly promotes a product that addicts and kills its user.

Studies have demonstrated the relationship between tobacco industry sponsorship and youth smoking behavior.

- Tobacco company sponsorship has the same effects on children as traditional tobacco product advertisement and promotion⁴
- Teenagers who can readily name a cigarette brand and who own a tobacco-company promotional item are more than twice as likely to become established smokers than other adolescents.⁵
- Approximately one-third of adolescent experimentation with smoking results directly from tobacco advertising and promotion.⁶
- Tobacco sports sponsorship, in particular, influences youth attitudes and behaviors related to smoking, increases brand awareness, links brands and sports, and associates cigarette brands with the excitement of the sporting event, evoking positive attitudes about smoking and smoking behavior.⁷

Actions to Address the Problem

Building awareness about the impact of tobacco company sponsorship and its relationship to tobacco use is an important step in working to eliminate tobacco company sponsorship and to adopt written policies prohibiting tobacco company sponsorship in the future. With increasing knowledge of the marketing tactics of the tobacco industry and tobacco company attempts to improve their images by associating themselves with community organizations and events, more and more of these organizations and event planners will reject tobacco company money and avoid opportunities to promote tobacco companies or their products. By refusing tobacco company sponsorship, event organizers and organizations can influence current and future tobacco use by creating a climate in which tobacco use is unacceptable and the tobacco company image is derived from the fact that they sell a product that kills up to half of those who use it as intended, rather from the comparatively small amounts of money companies provide to community organizations.

⁴ Cornwell, T Betina, and Maignan, Isabella. "An International Review of Sponsorship research." *Journal of Advertising*. 1998: 27(1): 1-21.

⁵ Article cited by the 2000 SGR Reducing Tobacco Use – need citation.

⁶ Pierce, John P., et al. "Tobacco industry promotion of cigarettes and adolescents smoking." *JAMA*. February 1998; 279(7): 511-515.

⁷ Siegel, Michael. "Countering Tobacco motor Sports Sponsorship as a Promotional Tool: Is the Tobacco Settlement Enough?" *American Journal of Public health*. 2001;91:1100-1106.