

TOBACCO ADVERTISING AND PROMOTION

*"The tobacco epidemic is a communicated disease.
It is communicated through advertising."*

—Dr. Gro Harlem Brundtland, Director-General, World Health Organization, March 18, 1999

A) WHY ADVERTISE TOBACCO?

⇒ What public statements by the tobacco industry say

⇒ Tobacco industry marketing efforts *"Imperial's marketing is directed towards influencing adult smokers to choose our brands over the competitors¹."*

⇒ What tobacco industry internal documents say

⇒ Mentioned as part of the tobacco industry's secretly adopted measures is the need to develop new markets, outstrip the competition to gain a greater market share, and pursue marketing efforts to these ends: *"New market development mandate: ... Ensure [Imperial Tobacco Limited]'s longer-term profitability via the application of marketing disciplines and approaches to activities and policies not necessarily related to shorter term market share growth²."*

⇒ Among these tobacco industry "goals" is the following: *"Expand industry volume via maximization of starting – attitude change³."*

⇒ "If the last ten years have taught us anything, it is that the industry is dominated by the companies who respond most to the needs of younger smokers⁴."

⇒ Former model Dave Goerlitz, who was R.J. Reynolds' "Winston Man" for five years, was instructed to was to *"attract young smokers to replace the older ones who were dying or quitting⁵."*

⇒ What the medical community says

⇒ A study published in the *Journal of the American Medical Association* provides *"These findings provide the first longitudinal evidence to our knowledge that tobacco promotional activities are causally related to the onset of smoking⁶."*

⇒ *"It is not that children see an ad and start smoking, but seeing the ads and handling the cigarette packets and the promotional gifts lessens their resistance, weakens their resolve, so later on they will be somewhat more willing to accept a cigarette from a peer when it is offered⁷."*

⇒ *"Our study provides further evidence that tobacco advertising promotes and maintains nicotine addiction among children and adolescents. A total ban on tobacco*

¹ Imperial Tobacco. 1999. "Where We Stand: Imperial Tobacco's Position on Smoking-Related Issues" (brochure).

² Excerpted from internal documents of British American Tobacco housed in their archives depository at Guilford, England ("Problem"—Market Analysis, Oct. 1, 1884, File G2057 - Box 574 - PSC 108).

³ Ibid.

⁴ Imperial Tobacco. *Overall Market Conditions—F88*, Exhibit AG-214, RJR-Macdonald v. Canada (Attorney General).

⁵ Dave Goerlitz, quoted in *The Sunday Times*, Aug. 2, 1992.

⁶ Pierce, J.P. et al. 1988. "Tobacco Industry Promotion of Cigarettes and Adolescent Smoking." *JAMA*, Feb. 18, 1998.

⁷ Dr. Pearce, author of a University of California study of tobacco advertising, quoted in P. Hiltz. 1995. "Ads Linked to Smoking by Children." *The New York Times*, Oct. 18, 1995.

advertising and promotions... can be based on sound scientific reasoning⁸.

⇒ Very few smokers (fewer than 10%⁹) switch brands, and even fewer switch to another company's brand. Most alternate between variations on the same brand (e.g.: "regular" to "mild") or between brands manufactured by the same company (e.g. du Maurier to Player's). The net market shift between tobacco manufacturers represents about 1% of the total market.¹⁰ This market share represents approximately \$11 million in revenue before taxes,¹¹ well below total industry advertising expenditures.

▪ **What the marketing experts say**

⇒ *"I am always amused by the suggestion that advertising, a function that has been shown to increase consumption of virtually every other product, somehow miraculously fails to work for tobacco products¹²."*

⇒ *Advertising Age*, the "bible of the advertising industry" has declared the Marlboro Man to be the century's top advertising icon.¹³

B) HOW TO PROMOTE A DEADLY PRODUCT

▪ **The tobacco industry conducts extensive and sophisticated research on the attitudes of young people.**

⇒ A four volume study from RJ-Reynolds-Macdonald called "Youth Target Study '87" examined the attitudes of over one thousand 15 to 24 year-olds. They measured: → fifteen dimensions of life-style (laissez-faire, workaholic, wimpishness dropout, etc.) → sixteen personality factors (tough-minded, tender-minded, trusting, suspicious, shy, adventuresome, etc.), → a series of characteristics (intelligence, ego strength, submissiveness, shrewdness, guilt proneness, conservatism, self-sufficiency, self-discipline, etc.), → their perception along twenty five scales of the image of tobacco products, → their awareness of anti-tobacco campaigns, → the credibility of various sources of information (doctors, teachers, government, and manufacturers).

⇒ Tobacco industry research documents discuss the behaviour of 11,12 and 13 year olds and the nature of their starting (to smoke) process.¹⁴

⇒ Multiple research resources and perspectives are employed for a single brand: For example, one was found to be the subject of at least 33 different market research reports, utilizing at least six external research suppliers, over the space of four years.¹⁵

▪ **The tobacco industry is not selling tobacco: it is selling an image.**

⇒ Starting to smoke is never pleasurable: the body initially rejects this mass infusion of smoke.

⁸ DiFranza, J.R. et al. 1991. "RJR Nabisco's Cartoon Camel Promotes Camel Cigarettes to Children." *JAMA*, 226:22, Dec. 11, 1991.

⁹ Gardner, F. 1994. "Cigarette Marketers Fight Back." *Marketing and Media Decisions*, July 1985; MacKenzie, T. et al., 1994. "The Human Costs of Tobacco." *N Engl J Med*, 330:2, April 1994.

¹⁰ Extrapolated from Imasco Ltd Annual Report, 1998: Imperial Tobacco's market share increased by 0.3% in 1996, 1.4% in 1997 and 0.4% in 1998.

¹¹ Extrapolated from pre-tax revenues of Imasco (1998) and Rothman's Inc. (1999) and an estimate of RJR-Macdonald revenue based on its market share (annual report unavailable).

¹² Emerson Foote, former president of McCaan-Erickson, which handled US \$20 million in advertising accounts for the tobacco industry, quoted in *Tobacco Explained*. London: Action on Smoking and Health, June 1998

¹³ "Marlboro Man advertising's most recognizable icon." *Ottawa Citizen*, April 13, 1999.

¹⁴ Ibid

¹⁵ Pollay, R. et A. Lavack, « The Targeting of Youths by Cigarette marketers: Archival Evidence on Trial », *Advances in Consumer Research*, vol. 20, 1992

- ⇒ Tobacco advertising does not contain any information on the product itself: the focus is on an image that has nothing to do with the reality of smoking.
- ⇒ Tobacco advertising tends to avoid making verbal claims, which minimizes consumer's counter-argumentation—the tendency to talk back inside our heads to verbal commands and incredible claims.¹⁶
- **The industry uses imagery that is attractive to young people^{17,18}**
 - ⇒ Tobacco advertising uses “**positive lifestyle**” images (health, nature, beauty) to promote the social acceptability of cigarettes. In these pristine environments, smoke is rarely seen.)
 - ⇒ **Models are always young adults:** Models that are too young diminish the ads effectiveness: Few self respecting teenagers want an explicitly teen product, as they seek symbols of adulthood, not adolescence. That's why the industry uses models that “must be 25 years or older, but should appear to be between 18 and 25 years of age¹⁹.”
 - ⇒ The brands most successful with teenagers are those that offer **adult imagery rich with connotations of independence, freedom from authority, self-reliance.** Men in Tobacco ads (ex. : the Marlboro Man, the Export 'A' Extreme Sports athletes) are usually alone—by choice—with no parent, no boss and no team mates in sight. (The slogan for Export 'A' : « *Go Your Own Way*»; for Player's : « *A Taste You Can Call Your Own*»; for Winfield : « *Rebel Red* ».)
 - ⇒ If there is a group of people in an ad, they usually **look like they are defying authority**, in a common front. This respond to the industry's finding which states that « young males are going through a stage where they are seeking to express their independence and individuality under constant pressure of being accepted by their peers. »²⁰
 - ⇒ Tobacco advertising also seeks to give teenagers **a badge of masculinity or femininity.** Advertising strategies differ according to gender: Imperial Tobacco identified young males aged 12–24 as a target in sponsorships involving the Player's brand, and girls aged 12–17 as the second a target for the du Maurier Special brand.²¹

C) TOBACCO ADVERTISING EXPENDITURES

- ⇒ **Approximate annual advertising expenditures by the Canadian tobacco industry**
- ⇒ \$32 million on advertising in newspapers and magazines, on exterior billboards and within public transit networks.²²
- ⇒ \$70 million on point-of-sale advertising.²³

¹⁶ Pollay, R. “Export A Ads are Extremely Expert, Eh?”, Article diffuse sur le Site des Médecins pour un Canada sans fumée, 1999

¹⁷ Ibid

¹⁸ Pollay, R. et A. Lavack, « The Targeting of Youths by Cigarette marketers: Archival Evidence on Trial », *Advances in Consumer Research*, vol. 20, 1992

¹⁹ “F81 Advertising: Objectives and Strategies, Creative Guidelines”, document de Imperial Tobacco, cite dans Pollay, R. et A. Lavack, « The Targeting of Youths by Cigarette marketers: Archival Evidence on Trial », *Advances in Consumer Research*, vol. 20, 1992

²⁰ L'étude de Imperial Tobacco intitulée “1988 Project Sting”, cite dans Pollay, R. et A. Lavack, « The Targeting of Youths by Cigarette marketers: Archival Evidence on Trial », *Advances in Consumer Research*, vol. 20, 1992

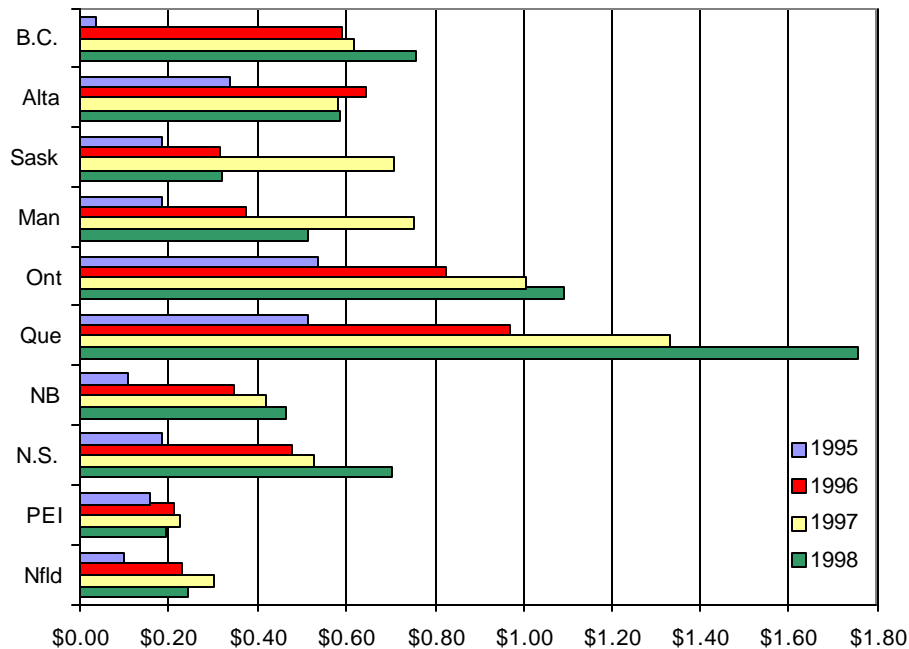
²¹ Selected excerpts from Imperial Tobacco Ltd. internal documents, National Clearinghouse on Tobacco and Health, Jan. 1992.

²² 1998. *Report on Media Advertising Expenditures in Support of Brands or Events Sponsored, in Whole or in Part, by Tobacco Manufacturers, 1998.* AC Nielsen Report prepared for Physicians for a Smoke-Free Canada.

²³ Pamphlets circulated to retailers by Imperial Tobacco, RJR-MacDonald and Rothman's/Benson&Hedges: “This Could Be the Last Year You Make Money Selling Tobacco.” March 1998.

- ⇒ These amounts do not include some \$60 million spent on event sponsorship or expenditures for advertising in bars and restaurants as well as on event sites (for which no data are available).
- ⇒ Despite legislative measures aimed at restricting tobacco advertising and promotion, industry marketing budgets continue to grow with each passing year²⁴:

Tobacco Advertising Expenditures Per Capita Canadian Provinces



- **Is there a link between these advertising expenditure rates and the governments' intentions to adopt anti-tobacco legislation?** There was a significant increase in advertising expenditures in Quebec during 1998, at the same time as the National Assembly was examining anti-tobacco legislation (Bill 444). The total invested in Quebec jumped from nearly \$4 million (\$3.791 million) in 1996 to nearly \$13 million (\$12.850 million) in 1998, an increase of 239%. The same upward trend was seen in British Columbia, where the provincial government was considering enacting particularly severe legislation.

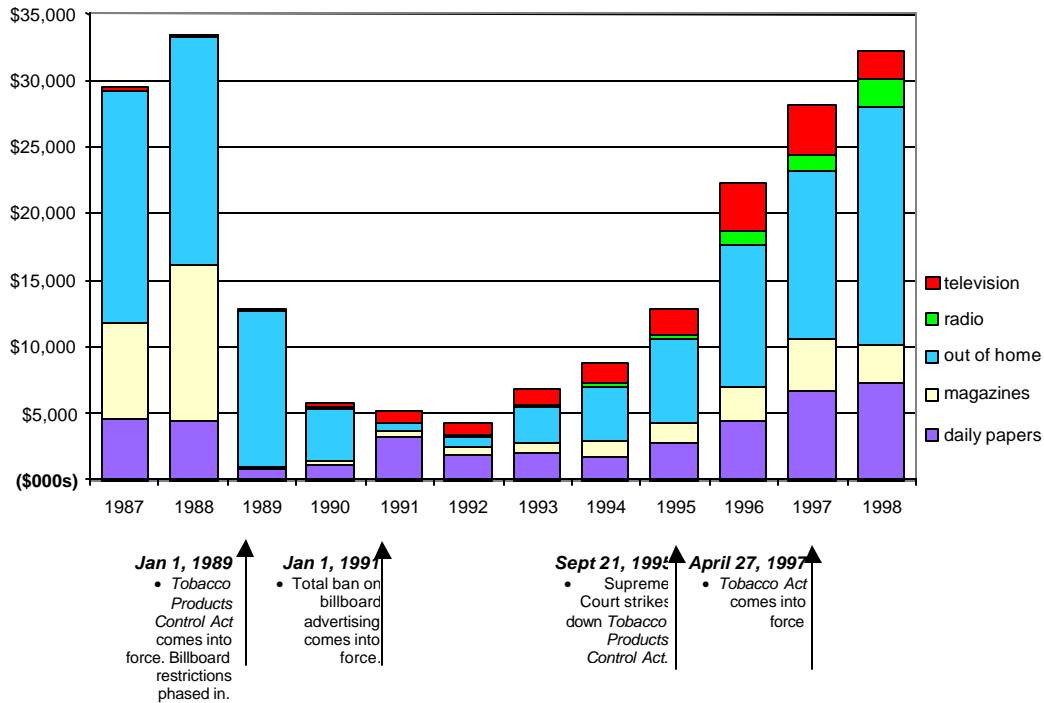
D) TOBACCO INDUSTRY SPONSORSHIP: HISTORY

- ⇒ The widespread sponsorship of events by tobacco manufacturers stems from the *Tobacco Products Control Act*, enacted by the Canadian government in 1989 to ban the advertising of cigarette brands. The law did not forbid the use of tobacco companies' corporate names, e.g., *Imperial Tobacco Ltd.*, *RJR-MacDonald Inc.*, *Rothmans/Benson & Hedges Inc.* The manufacturers sidestepped the legislative restrictions by creating companies that incorporate their brand names (e.g.: *Du Maurier Ltd.*) and use the same colours and designs as their cigarette packs. The industry then sponsored cultural and sports events through these companies.
- ⇒ In the wake of the federal government ban on direct advertising in January 1989, the

²⁴ Physicians for a Smoke-Free Canada. 1998. *Tobacco Industry Advertising Expenditures*. (Response to AC Nielsen Report on Media Advertising Expenditures in Support of Brands or Events Sponsored, in Whole or in Part, by Tobacco Manufacturers, 1998.)

tobacco industry progressively increased its advertising expenditures to the point where, today, the same amounts are spent as before the 1989 law was enacted. During this decade, the industry has channelled virtually its entire direct advertising budget into indirect advertising via event sponsorship.²⁵

Tobacco Advertising 1987-1998



⇒ The Supreme Court revoked the 1989 Act in 1995. The decision hinged on a technicality; it was not based on an infringement of freedom of expression. The Court ruled that the Government had to prove that a *full* ban would produce better results than a *partial* ban. It also confirmed that the Government had the right to place restrictions on advertising for health reasons, and that this right “*may be dealt with by valid Federal or Provincial legislation*”. The purpose of a law prohibiting tobacco advertising is to “*protect Canadians against serious health hazards that flow from the consumption of tobacco. The parliament’s decision to criminalize tobacco advertisement and promotion is a valid exercise of the criminal law power*”²⁶.

⇒ In 1996 and 1998, respectively, the federal government passed bills C-71 and C-42: the new legislation places severe restrictions on direct advertising, sets limits on indirect advertising via sponsorship as of October 1, 2000, and imposes an across-the-board ban on sponsorships by the tobacco industry as of October 2003.

²⁵ Ibid.

²⁶ Lamer, La Forest, L’Heureux-Dubé, Gonthier, Cory, McLachlin, Iacobucci, *Supreme Court of Canada*, Sept. 21, 1995.

E) TOBACCO INDUSTRY SPONSORSHIP: PARTICULARITIES

- ⇒ Initiatives by the tobacco industry to sponsor cultural or sports events are viewed by the public as tobacco advertising, not promotional activities for the events in question.²⁷
- ⇒ **Sponsorship is currently the main method employed by tobacco manufacturers to advertise cigarettes:** the AC Nielsen agency, which studies advertising in Canada, considers the marketing of tobacco sponsorships on television and radio as well as on large billboards as advertising in the traditional sense.²⁸
- ⇒ **The purpose of tobacco industry sponsorship is advertising and promotion.** *“We’re in the cigarette business. We’re not in the sports business. We use sports as an avenue for advertising our products .. We can go into an area where we’re marketing an event, measure sales during the event and measure sales after the event, and see a increase in sales.”*²⁹ Said RJR MacDonald spokesperson Wayne Roberson.
- ⇒ *“Basically it (sponsorship) is part and parcel with the marketing of your product. It is one of a range of tools. No one hands over big cheques just to give themselves a warm fuzzy feeling.”* says Cynthia von Maerestetten, Vice-President, Corporate Affairs, Rothmans/Benson & Hedges.³⁰
- ⇒ **Sponsorship enables the tobacco industry to sidestep certain rules, such as the requirement to include health warnings and bans of so-called lifestyle advertising.** By sponsoring cultural or sports events, the industry associates cigarette smoking with such notions as physical prowess, music, winning, celebrities, rebelliousness and independence.
- ⇒ The industry uses **event sponsorships to deploy advertising campaigns that extend beyond the event in question.** Often the event will either have been over for quite some time by the time advertising for the sponsorship appears in print or is broadcast, or be held in a location too remote from the advertiser’s target audience.
- ⇒ **Sponsorships supply the tobacco industry with a pool of grateful, financially dependent beneficiaries on which it can rely when defending its interests.** The *Alliance for Sponsorship Freedom* (organized by the industry’s ad agency) is an association of organizations that receives funds from the industry and lobbies to block the ban on tobacco company sponsorship.

²⁷ Rootman, I, Flay, B. 1995. *A Study on Youth Smoking*. University of Toronto, University of Illinois, York University, Ontario Tobacco Research Unit, Addiction Research Foundation, June 1995. Environics poll (Quebec data), March 1996.

²⁸ Physicians for a Smoke-Free Canada. 1998. Op. cit.

²⁹ Wayne Robertson, Quoted in J. DeParle, “Warning: Sports Stars May be Hazardous to Your Health”, *The Washington Post Monthly*, 1989, September, p.34-49

³⁰ Quoted in *What the Tobacco Manufacturers Do Not Want You to Know About Tobacco Sponsorship of the Arts*. Non-Smokers’ Rights Association, 1996.

F) TOBACCO INDUSTRY SPONSORSHIP: ECONOMIC CONSIDERATIONS

- ⇒ Sponsorship of cultural events by tobacco manufacturers accounts for less than 1% of these events' total revenue in about 40% of cases, and for between 1% and 9% of total revenue in about 50% of cases.³¹
- ⇒ **Sports events that receive funds from the tobacco industry are exceptions to the general rule:** only a few major events (car racing, tennis, golf, equestrian events) accept tobacco industry sponsorship. The vast majority of amateur and professional sports events do not.
- ⇒ **For the majority of events, discontinuing tobacco industry sponsorship does not have a crippling effect:** in 1999, Air Canada replaced Player's as a major sponsor of the Canadian Grand Prix in Montreal, and Loto-Québec replaced Craven 'A' as a major sponsor of the Just for Laughs Festival. In 2000, General Motors will probably replace du Maurier as a major sponsor of the Montreal International Jazz Festival.

G) POINT-OF-SALE PROMOTION

- ⇒ Tobacco manufacturers pay retailers to display their merchandise according to specific criteria, e.g., "walls" of cigarette packs, counter display cases.
- ⇒ Extensive shelf space for cigarettes sends the message that tobacco is a socially acceptable product, on the same level as magazines or candies.
- ⇒ The preponderance of cigarette packs relative to other products gives the impression that smoking is more popular than it actually is.
- ⇒ Point-of-sale promotion encourages impulse buying: for young people who are undecided about smoking, ex-smokers who still feel the nicotine urge, and occasional smokers (20% of smokers), the huge visibility given to cigarettes can serve as a reminder or as temptation.

³¹ Study conducted by the Canadian Conference of the Arts, quoted by the Canadian Cancer Society, March 1996.