



## Thirteen Years of Kicking Butts Reducing the Appeal and Availability of Tobacco to Kids

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Almost ten years after the 1998 state tobacco settlement, kids are still feeling targeted by tobacco companies and still find it easy to buy tobacco products. Recent research also shows that tobacco company marketing and promotions in the retail environment (point of purchase marketing/POP) have increased dramatically and impact kids.

Since the tobacco settlement, tobacco company marketing and promotional expenditures have increased by 94.2 percent, from \$6.9 billion per year in 1998 to \$13.4 billion per year in 2005 – more than \$35 million per day. By far, the largest growth has been in POP promotions, which have increased by 145 percent, from \$4.8 billion in 1998 to \$11.7 billion in 2005, and now account for 87.5 percent of all domestic tobacco marketing and promotional expenditures.<sup>1</sup>

With 4,000 kids trying their first cigarette every day and another 1,000 becoming regular addicted smokers, it is critical that Congress act now to give the U.S. Food and Drug Administration (FDA) the authority to regulate tobacco products, including the sale and marketing of tobacco products to kids. This report details the continued targeting of kids by tobacco companies, how easy kids still say it is to buy tobacco products, and what pending FDA legislation would to restrict tobacco marketing and sales to youth.

### **The View from the Youth**

Given these trends, it is not surprising that a new poll of teens and adults, conducted for Kick Butts Day 2008, reveals that teens are almost twice as likely as adults to remember tobacco advertising in the last two weeks, that they feel that they are still targeted by tobacco companies, AND that it remains easy for teens to buy tobacco products. The key findings from the national survey<sup>2</sup> of 500 teens (12-17 year olds) and 1,000 adults (18+) include:

- Teens are twice as likely as adults to remember tobacco advertising. While almost half (47 percent) of teens recalled tobacco advertising from just the last two weeks before the survey, only 24 percent of adults did. Among teens who recalled tobacco advertising, the most commonly mentioned source was “in or outside a store.”
- Three-fourths of teens (74 percent) think tobacco companies want them to smoke, and 70 percent think tobacco companies target them with their advertising.
- Nearly two-thirds (65 percent) of teens think it is easy for teenagers to buy tobacco products. Among 15-17 year olds, 76 percent think it is easy.

### **Point of Purchase Marketing and Its Impact**

As noted above, tobacco companies have increasingly concentrated their marketing efforts in retail outlets with an array of promotions that make their products visible and appealing. These efforts ensure that tobacco products are prominently displayed in retail outlets frequented by teens. In addition to advertising, tobacco company point-of-purchase promotions include multi-pack discounts (e.g., buy two packs get one free) for which retailers are reimbursed, free gifts with cigarette or spit tobacco purchases, and other tobacco discounts and merchandizing given to customers at the sales outlets. 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 (e.g.,

open/closed signs, counter mats).<sup>3</sup> These materials are often coordinated with current advertising campaigns to promote the images and appeal of specific tobacco products.<sup>4</sup>

This virtual saturation of the retail market makes tobacco use seem normal and even appealing to kids. Recent research has demonstrated both the pervasiveness of point of purchase tobacco marketing and its impact on kids.



### Tobacco, Tobacco Everywhere

Reflecting the increases in spending on point of purchase marketing by the tobacco companies, several studies have documented the increasing pervasiveness of tobacco promotions in retail outlets.

- One study showed that, shortly after the 1998 Master Settlement Agreement, 80 percent of retail outlets had interior tobacco advertising, 60 percent had exterior tobacco advertising, 52 percent had tobacco promotions such as price discounts and gifts with purchase, and 73 percent had functional items (such as clocks, display racks, and doormats) marked with cigarette brands.<sup>5</sup>
- A 2008 study in *Tobacco Control* found that both the proportion of stores with tobacco advertising and the number of in-store cigarette advertisements increased between 2002 and 2005 in California.<sup>6</sup> An earlier study of California stores 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.<sup>7</sup>
- A 2006 study of stores in Hawaii found more than 3,000 cigarette advertisements in just 184 stores, with nearly one-third of those stores being within 1,000 feet of a school.<sup>8</sup>

## Point of Purchase Marketing Impacts Kids

The issue of marketing in retail outlets is important because point-of-purchase advertising and displays have been found to increase average tobacco sales by 12 percent, and three out of four adolescents visit convenience stores at least once a week.<sup>9</sup> Evidence shows that the abundance of tobacco advertisements has the effect tobacco companies intend – in-store tobacco advertising changes youth perception of and makes them more amenable to tobacco use. Youth are already more likely than adults to be influenced by promotional materials in stores and youth who are most aware of tobacco promotions are at highest risk to smoke.<sup>10</sup>

- A study published in the May 2007 issue of *Archives of Pediatrics and Adolescent Medicine* found that retail cigarette advertising and promotions increased the likelihood that youth would start smoking and move from experimentation to regular smoking. The researchers also found that reducing or eliminating these retail marketing practices would significantly reduce youth smoking.<sup>11</sup>
- An experimental study in Australia in 2006 found that youth exposed to cigarette pack displays or store advertising were more likely to recall brands and to think it would be easy to buy tobacco in the stores. Exposure to store advertising also diminished their resolve not to smoke in the future.
- A 2004 study in one California community found three times more marketing materials for Marlboro, Camel, and Newport and significantly more shelf space devoted to those brands than any other brand in stores that were frequented often by adolescents. These findings help explain why the most heavily advertised cigarette brands in stores – Marlboro, Camel, and Newport – are also the three brands most popular among youth aged 12 to 17.<sup>12</sup>



## FDA Legislation is Critical to Curtail Marketing that Impacts Kids

The continuing appeal and availability of tobacco to kids demonstrates just how critical it is that the U.S. Food and Drug Administration (FDA) be given authority to regulate tobacco and its sale and marketing, just as the agency does for virtually all other consumer products.

Bipartisan legislation (S.625/H.R.1108) is pending to grant the FDA authority over the sale and marketing, as well as the manufacture, of both current and new tobacco products.

The marketing restrictions in the legislation would limit the point of purchase and other tobacco marketing aimed at kids by doing the following:

- Prohibiting all outdoor tobacco advertising (including the outside of stores) within 1,000 feet of schools and playgrounds
- Limiting all other tobacco retail advertising to a black and white, text-only, format
- Limiting tobacco advertising in magazines with high youth readership to black and white, text-only format

To reduce the availability of tobacco products to kids, the legislation would also do the following:

- Place all tobacco products behind the counter and eliminate self-service displays
- Set a national minimum age of purchase of 18 and require retailers to verify age when selling tobacco products. The legislation also provides funds to states for compliance checks to ensure that retailers do not sell to kids.

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<sup>1</sup> U.S. Federal Trade Commission (FTC), *Cigarette Report for 2004 and 2005*, 2007, <http://www.ftc.gov/reports/tobacco/2007cigarette2004-2005.pdf>. See also, FTC, *Smokeless Tobacco Report for the Years 2002 and 2005*, 2007, <http://www.ftc.gov/reports/tobacco/02-05smokeless0623105.pdf> [data for top 5 manufacturers only].

<sup>2</sup> Survey of 507 teens aged 12-17 interviewed between March 5 and 9, 2008 via ICR's TEENEXCEL national telephone omnibus; a national survey of 1008 adults aged 18+ via ICR's EXCEL telephone Omnibus between March 6 and 10, 2008.

<sup>3</sup> Rogers, T & Feighery, E, "Community Mobilization to Reduce Point of Purchase Advertising of Tobacco Products," *Health Education Quarterly* 22(4):427-43, November 1995.

<sup>4</sup> Lynch, B & Bonnie, R (Eds.), *Growing Up Tobacco Free: Preventing Nicotine Addiction in Children and Youth*, Institute of Medicine, 1994.

<sup>5</sup> Wakefield, M, et al., "Changes at the point of purchase for tobacco following the 1999 tobacco billboard advertising ban," University of Illinois at Chicago, Research Paper Series, No. 4, July 2000.

<sup>6</sup> Feighery, EC, et al., "An examination of trends in amount and type of cigarette advertising and sales promotions in California stores, 2002-2005," *Tobacco Control* (published online), February 26, 2008.

<sup>7</sup> Feighery, E, et al., "Cigarette advertising and promotional strategies in retail outlets: results of a statewide survey in California," *Tobacco Control* 10L:184-188, 2001.

<sup>8</sup> Glanz, K, Sutton, NM, & Jacob Arriola, KR, "Operation storefront Hawaii: Tobacco advertising and promotion in Hawaii stores," *Journal of Health Communication* 11(7):699-707, 2006.

<sup>9</sup> *The 1999 annual report of the promotion industry, a PROMO magazine special report*, Overland Park, 1999. Feighery, E, et al., "Cigarette advertising and promotional strategies in retail outlets: results of a statewide survey in California," *Tobacco Control* 10L:184-188, 2001. Point of Purchase Advertising Institute, *The Point-Of-Purchase Advertising Industry Fact Book*, 1992.

<sup>10</sup> "Study Finds C-Store Promotions Lacking," *U.S. Distribution Journal* 226(3):12, May 1999. Altman, D, et al., "Tobacco Promotion and Susceptibility to Tobacco Use among Adolescents Aged 12 through 17 years in a Nationally Representative Sample," *American Journal of Public Health* 86:1590-1593, November 1996.

<sup>11</sup> Slater, SJ, et al., "The Impact of Retail Cigarette Marketing Practices on Youth Smoking Uptake," *Archives of Pediatrics and Adolescent Medicine* 161:440-445, May 2007.

<sup>12</sup> Henriksen, L, et al., "Reaching youth at the point of sale: Cigarette marketing is more prevalent in stores where adolescents shop frequently," *Tobacco Control* 13:315-318, 2004. Substance Abuse and Mental Health Services Administration, *Results from the 2005 National Survey on Drug Use and Health: National Findings*, Office of Applied Studies, NSDUH Series H-30, DHHS Publication No. SMA 06-4194, Rockville, MD, 2006.