

## TOBACCO ADVERTISING AND PROMOTION

Each year, the tobacco industry spends billions of dollars around the globe on advertising, marketing and promotion. In the United States alone, with less than 5 percent of the world's smokers, tobacco companies spent over \$5.66 billion on advertising and promotional expenditures in 1997.<sup>1</sup> Tobacco companies promote cigarettes through every conceivable medium, including radio, television, magazines and newspapers, billboards and the internet. Recently disclosed industry documents reveal that the companies have carefully studied the habits, tastes and desires of their potential customers -- including, children, women and other historically low-smoking groups -- and then used that research to develop products and marketing campaigns aimed at them.

### **Studies Show that Advertising Increases Consumption & Appeals to Children**

The overwhelming majority of independent, peer-reviewed studies show that tobacco advertising leads to an increase in consumption.<sup>2</sup> In addition, with millions of their customers either dying from tobacco-related illnesses or quitting each year, it is crucial for the financial success of the tobacco industry to keep recruiting new smokers. Since studies show that the majority of smokers begin in their youth, the logic of the industry dictates that it must somehow reach young people. Advertising and promotion is their main vehicle to accomplish this.

Cigarette advertising has a powerful effect among young people. Studies have shown tobacco promotional activities are causally related to the onset of smoking in adolescents and that exposure to cigarette advertising is predictive of smoking among that age group. Research has also shown that following the introduction of brand advertisements that appeal to young people, use of the advertised brands increases as does overall smoking.<sup>3</sup>

As more and more countries impose total or partial bans on tobacco advertising, the industry has been adept at finding creative new ways to publicize their brands, especially with young people. Such "indirect advertising" methods include sponsoring sporting events and teams; promoting rock concerts and discos; placing their brand logos on t-shirts, backpacks and other merchandise popular with children; branding non-tobacco items with tobacco brands and logos such as clothing, holidays and contests; and giving away free cigarettes and brand merchandise in areas where young people gather, such as at rock concerts, discos and shopping malls.

To undercut political support for strong marketing restrictions, tobacco companies will often offer to adopt voluntary codes of conduct, which appear to offer significant concessions. However, these proposals are usually designed for public relations purposes, and, once political pressure is reduced, are typically not followed.

## Advertising Bans Work

A 1999 study published by the U.S. National Bureau for Economic Research examined data from 102 countries and found that partial bans were ineffective in reducing tobacco consumption. It found that per-capita cigarette consumption in countries with comprehensive bans declined by about 8 percent. Furthermore, the rate of decline in smoking was much steeper in those countries with relatively comprehensive bans.<sup>4</sup> Based on the strength of current studies, the World Bank recently concluded that “bans on advertising and promotion prove effective, but only if they are comprehensive, covering all media and all uses of brand names and logos.” Such bans, if adopted globally, could reduce worldwide demand by around 7 percent and thus avert five million tobacco-related deaths. However if governments only ban tobacco advertising in one or two media, the industry will simply shift its advertising expenditures, with no effect on overall consumption.<sup>5</sup>

Tobacco companies consistently predict that ad bans will have severe economic impacts on advertisers, the media and the economy as a whole. In most cases, however, tobacco advertising constitutes a small percentage of total advertising revenue, minimizing the economic impact on media outlets currently accepting tobacco ads. The tobacco industry also often invokes its right to “freedom of speech”, arguing that any product that is legal to sell should be legal to advertise. Yet in most countries there are numerous precedents for prohibiting the promotion of certain harmful products. Around the world, governments have regularly banned or restricted marketing for other legal products, such as pharmaceuticals or alcohol.

Even those countries which have completely banned tobacco advertising and promotion find themselves bombarded with tobacco advertising from foreign publications, broadcasts of sporting events from other countries on satellite and cable television, and, recently, through advertising on the internet. Only a worldwide ban on tobacco advertising and sponsorship can end these types of practices. The proposed Framework Convention on Tobacco Control (FCTC) is the best vehicle to accomplish this. Whether as a separate protocol or an integral part of the Convention itself, such a ban could help governments come to grips with an issue that simply cannot be solved at the national level alone.

### Policy Recommendations:

- Bans on tobacco advertising and promotion should cover both direct and indirect advertising and include all types of media. Given the proven ability of the tobacco industry to find loopholes in complex legislation, such regulations should specify only what is permitted. Every other commercial communication whose aim or effect is to promote tobacco products should be banned.<sup>6</sup>
- Partial bans or restrictions have been found to be ineffective and easily subverted. Therefore, the FCTC should require all parties to restrict all forms of tobacco advertising, promotion, and marketing and sponsorship to the maximum extent permitted by their constitutions.
- In order to make informed judgements about the practices of the industry and to ensure that government restrictions are sufficiently comprehensive, the FCTC should require that nations mandate that tobacco companies report all expenditures on advertising, promotion and public relations and make this information widely available.
- In order to guard against companies front-loading their advertising in anticipation of stringent advertising restrictions, the FCTC should require that parties remove all taxpayer subsidies for advertising and promotional expenses by tobacco companies.

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<sup>1</sup> Federal Trade Commission Press Release, 28 July 1999. These figures do not reflect money spent by the industry on lobbying and some forms of public relations, some of which is also intended to promote their brands.

<sup>2</sup> For example, U.K. Department of Health, *Effect of Tobacco Advertising on Tobacco Consumption: A Discussion Document Reviewing the Evidence*, (London: Economics and Operational Research Division, Department of Health, October 1992) and Toxic Substances Board, *Health OR Tobacco: An End to Tobacco Advertising and Promotion*, (Wellington, New Zealand: Department of Health, May 1989).

<sup>3</sup> Nicola Evans, Arthur Farkas, et al., "Influence of Tobacco Marketing and Exposure to Smokers on Adolescent Susceptibility to Smoking," *Journal of the National Cancer Institute*, Vol. 87 No. 20, October 1995; Richard W. Pollay, S. Siddarth, et al., "The Last Straw? Cigarette Advertising and Realized Market Shares Among Youth and Young Adults," *Journal of Marketing*, Vol. 60, No. 2, April 1996; U.S. Centers for Disease Control, "Changes in the Cigarette Brand Preference of Adolescent Smokers, U.S. 1989-1993," *Morbidity and Mortality Weekly Report*, August, 1994.

<sup>4</sup> Henry Saffer (forthcoming), "Tobacco Advertising and Promotion," in *Tobacco Control Policies in Developing Countries*, Frank J. Chaloupka and Prabhat Jha eds., (Oxford: Oxford University Press, 2000).

<sup>5</sup> World Bank, *Curbing the Epidemic: Governments and the Economics of Tobacco Control* (Washington: World Bank, 1999).

<sup>6</sup> Clive Bates and Luk Joossens, "Implementing the EU Tobacco Advertising Directive 98/43/EC: A Guide to Best Practice," ASH UK, June 1999; (<http://www.ash.org.uk/papers/dir9843ec.html>).