THE RETAIL ENVIRONMENT IS CRITICAL TO THE TOBACCO INDUSTRY’S BOTTOM LINE

No one knows the importance of the retail environment better than the tobacco industry. The industry has long recognized how critical retail stores, particularly convenience stores, are to growing industry profits by reaching current and potential customers, including kids. Marketing restrictions in the 1998 Master Settlement Agreement (MSA)¹ and the Smokeless Tobacco Master Settlement Agreement, as well as the 2009 Family Smoking Prevention and Tobacco Control Act, have led to the emergence of the retail environment (also called the point of sale) as a critical venue for marketing and promoting tobacco products.

With more than 350,000 tobacco retailers across the U.S.,² the point-of-sale environment is critical for tobacco companies because it allows them to communicate directly with consumers, especially because cigarette and smokeless tobacco ads are prohibited on television, radio, and billboards. The point of sale has also become an important space for e-cigarette manufacturers to promote their products. It is at the point of sale where the tobacco industry’s messages continue to reach and appeal to kids.

The objective of point-of-sale marketing is to promote, place, and price tobacco products to maximize their appeal and boost sales. Point-of-sale marketing builds brand recognition, creates positive feelings towards tobacco products, and gives people of all ages a reason to “buy now.” This encourages tobacco use and undermines quit attempts. The ubiquity of tobacco products and marketing in stores also creates a norm that makes tobacco use seem common, acceptable, and even cool.

Conveniently Aligned

<table>
<thead>
<tr>
<th>Tobacco Industry:</th>
<th>Convenience Store Industry:</th>
</tr>
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<tbody>
<tr>
<td>“Today’s teen-ager is tomorrow’s potential regular customer and the overwhelming majority of smokers first begin to smoke while in their teens.”³</td>
<td>“We chose to focus on teens because of their strategic position as the next generation of shoppers. If the convenience industry can connect with them now, we will be laying a foundation for building lifelong loyalty.”⁴</td>
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</table>
THE TOBACCO INDUSTRY INVESTS BILLIONS OF DOLLARS AT THE POINT OF SALE

The Federal Trade Commission (FTC) has collected data on annual cigarette and smokeless tobacco expenditures since 1996 and e-cigarette expenditures since 2015, based on data from the largest manufacturers. In the last 20 years, the point of sale has been by far the tobacco industry’s dominant marketing channel. In 2021, the top cigarette and smokeless tobacco companies spent $8.3 billion at the point of sale, accounting for 96.8% of total marketing expenditures ($8.6 billion). Similarly, in 2020 (the latest year for which data are available), the top e-cigarette companies spent $423.6 million on point-of-sale marketing (58.8% of total marketing expenditures). These expenditures include:

**Pricing Strategies:** Pricing strategies make up the vast majority of point-of-sale marketing, accounting for 99% of point-of-sale marketing expenditures and 96% of total marketing expenditures by cigarette and smokeless tobacco companies in 2021, and 85% of e-cigarette point-of-sale marketing and 50% of total e-cigarette marketing in 2020. Price promotions keep tobacco prices low through price discounts (e.g., payments to retailers to reduce product prices to consumers), promotional allowances (e.g., volume rebates, payments for stocking certain brands), “retail value added” offers (e.g., buy two packs get one free), and coupons. Each of these promotional strategies makes tobacco products cheaper and more accessible to consumers, especially price-sensitive populations such as kids.

In 2021, the cigarette companies spent $7.8 billion on price promotions, amounting to 73 cents off every pack of cigarettes sold in the U.S. Similarly, smokeless tobacco companies spent $487.3 million (84.8% of total marketing spending), while in 2020, e-cigarette companies spent $361.8 million (50.3% of total marketing spending) on price-related marketing strategies.

Many e-cigarette companies offered products for $1 or less—a clear effort to evade FDA’s ban on free sampling that was meant to limit youth access. Between 2018 and 2020, e-cigarette company spending on sampling (free or deeply discounted) more than doubled to $140.1 million.

**Product Placement:** Tobacco retailers enter into contracts with tobacco companies that provide financial incentives to retailers in return for tobacco companies’ control over where tobacco products are placed, how they are displayed, what advertising can be shown and where, and the prices of products.
Mandated product and marketing placement include places in stores that are highly visible to customers, including kids. Tobacco companies know that "eye level is buy level," so they pay retailers large sums of money (slotting allowances) to put their tobacco products on ‘good' shelving space. Displaying multiple shelves of cigarettes is also often done to create a “powerwall’ of branded imagery that makes tobacco products more visible, more attractive and more enticing. Consistent with research on marketing of other tobacco products, studies have found that e-cigarettes are often stocked near kid-friendly products like candy. A national study found that in 2015, 20% of e-cigarette retailers had e-cigarettes displayed near candy, gum, soda, or ice cream.

Point-of-Sale Advertising Materials: The general point-of-sale advertising category refers to any type of marketing piece found inside the store, such as signs, mats at the counter, or counter display pieces. In 2021, cigarette companies spent $49.1 million and smokeless tobacco companies spent $18.8 million on point-of-sale advertising materials, while e-cigarette companies spent $61.8 million in 2020.

THE TOBACCO INDUSTRY TARGETS YOUTH WITH POINT-OF-SALE MARKETING

The tobacco industry counts on underage smokers to replace the hundreds of thousands of adult smokers who die each year. Each day, over 1,100 kids try smoking for the first time and about 100 additional kids become regular daily smokers, largely due to tobacco company marketing efforts. Nearly 90% of all regular smokers begin smoking at or before age 18. What better way to capture this market than to target youth where they shop?

Tobacco company documents show that tobacco companies have targeted convenience stores, grocery stores and other tobacco retailers near schools and playgrounds in an effort to attract young smokers.

Many schoolchildren have easy access to tobacco retailers, including convenience stores, which means they are easily exposed to point-of-sale marketing:

- In 30 large U.S. cities, an average of 62.6% of public schools are within 1,000 feet (about 2 city blocks) of a tobacco retailer (ranging from 32.8% in Sacramento to 94.1% in New York City). On average, 70% of city residents live within a half mile (about a 10-minute walk) from a tobacco retailer.
- Nearly half of adolescents visit a convenience store at least once a week, and Black youth are twice as likely as their non-Black peers to visit a convenience store every week.
- An assessment of vape shops in six cities across the US found that one-third of vape shops were within two blocks of schools. E-cigarettes are also widely available in other retailers, including convenience stores. In 2015, 80% of tobacco retailers sold e-cigarettes and e-cigarette sales and use data suggest availability has likely continued to increase in recent years.
Unfortunately, convenience stores are also where kids meet tobacco. Data from the National Youth Tobacco Survey (NYTS) show that 6 out of 10 middle school students and 7 out of 10 high school students were exposed to tobacco advertisements in stores in 2021. The volume of tobacco brand imagery and product placement in convenience stores normalizes tobacco to kids and makes the products look enticing.

**AGE RESTRICTIONS ALONE WILL NOT REDUCE YOUTH ACCESS TO TOBACCO PRODUCTS**

While raising the tobacco sale age to 21 is a significant milestone, age restrictions alone are insufficient to reduce youth access. Despite their claims of being responsible, many tobacco retailers continue to violate the law by selling tobacco products to youth:

- In 2022, nearly half (47.5%) of tenth graders reported that they thought cigarettes would be easy to get and 51.9% reported that vaping devices would be easy for them to get.
- E-cigarettes are significantly easier for underage youth to purchase than cigarettes. Underage purchase attempts of vaping products are 35% less likely to trigger an ID request and 42% more likely to result in a sales violation, compared to purchase attempts for cigarettes.
- According to the 2021 NYTS, 17.7% of youth cigarette smokers and 34.1% of youth cigar smokers reported buying these products from a gas station or convenience store in the last month. Among youth e-cigarette users, 22.2% reported obtaining e-cigarettes from a vape shop or tobacco shop in the past month and 17.7% from a gas station or convenience store.

**TOBACCO COMPANIES TARGET COMMUNITIES OF COLOR WITH POINT-OF-SALE MARKETING, ESPECIALLY FOR MENTHOL CIGARETTES AND FLAVORED CIGARS**

For decades, tobacco companies have specifically targeted communities of color, particularly Black Americans, with intense advertising and promotional efforts. The tobacco companies developed specific strategies and specially designed product displays to adapt their point-of-sale marketing to smaller retailers that were more common in urban areas. For example, Phillip Morris implemented promotion programs and paid retailers to exhibit product displays and grow their inventory. Brown & Williamson launched its Kool Inner City Point of Purchase Program, later the Kool Inner City Family Program, with the explicit goal, “to reach the core of Kool’s franchise (young, black, relatively low income and education),” with both retailer and consumer promotions.

Today, menthol cigarettes continue to be heavily advertised, widely available, and priced cheaper in Black communities, making them more appealing, particularly to price-sensitive youth. A wealth of research indicates that Black neighborhoods have a disproportionate number of tobacco retailers, pervasive tobacco marketing, and in particular, more marketing of menthol products. These tobacco
marketing strategies in these disproportionately targeted neighborhoods include higher odds of tobacco price promotions and lower prices for cigarettes, including menthol cigarettes.\textsuperscript{28} Nationwide, areas with a greater proportion of Black residents have higher tobacco retailer density and greater odds of advertisements for price promotions on tobacco products.\textsuperscript{29}

The tobacco industry’s “investment” in the Black community has had a devastating impact. While in the 1950s, fewer than 10\% of Black smokers used menthol cigarettes, today 85\% of Black smokers use menthols, compared to just 29\% of White smokers.\textsuperscript{30} Because menthol cigarettes are more addictive and harder to quit, Black Americans suffer disproportionately from the health harms of smoking. From 1980 to 2018, menthol cigarettes were responsible for over 150,000 premature deaths among Black Americans.\textsuperscript{31}

As with menthol cigarettes, years of research have documented greater cigar availability and more cigar marketing, including flavored cigars and price promotions, in Black neighborhoods.\textsuperscript{32} Not surprisingly, youth use of cigars is highest among Black youth.\textsuperscript{33}

**POINT-OF-SALE MARKETING IMPACTS TOBACCO USE, PARTICULARLY AMONG YOUTH**

The evidence is clear that point-of-sale marketing and price promotions influence youth initiation, experimentation, and progression to regular smoking. It is clear that such displays and promotions have an especially powerful impact on kids. Decades of research show that:

- Greater exposure to tobacco promotions at the point of sale increases youth smoking susceptibility, smoking initiation, progression to regular smoking.\textsuperscript{34}
- A greater density of tobacco retailers, which both increases exposure to marketing and access to tobacco products, is associated with more smoking experimentation and higher smoking rates among youth.\textsuperscript{35}
- Price promotions increase youth initiation, experimentation, and progression to regular smoking.\textsuperscript{36}
In addition to increasing youth initiation, point-of-sale marketing also makes it harder for current users to quit. Nearly 70% of people who smoke want to quit, but point-of-sale marketing makes it harder for them to do so. The advertisements and display of tobacco products cues cravings and prompts impulse purchases. Point-of-sale marketing increases average retail tobacco product sales by as much as 12 to 28%.

KID-FRIENDLY FLAVORED TOBACCO PRODUCTS ARE WIDELY AVAILABLE AT THE POINT OF SALE

A 2009 federal law, the Family Smoking Prevention and Tobacco Control Act, prohibited the sale of cigarettes with characterizing flavors other than menthol or tobacco, including candy and fruit flavors. However, this prohibition did not extend to other tobacco products. In recent years, tobacco companies have significantly stepped up the introduction and marketing of flavored non-cigarette tobacco products, especially e-cigarettes and cigars, that appeal explicitly to new users. Flavored tobacco products are just as addictive as regular tobacco products. These flavored products are undermining the nation’s overall efforts to reduce youth tobacco use and putting a new generation of kids at risk of nicotine addiction and the serious health harms that result from tobacco use.

Tobacco products are now available in a wide assortment of flavors that seem like they belong in a candy store or ice cream parlor – like mango, blue razz and pink punch for e-cigarettes and chocolate, watermelon, and cherry dynamite for cigars. With their colorful packaging and sweet flavors, flavored tobacco products are often hard to distinguish from the candy displays near which they are frequently placed in retail outlets.

- **E-cigarettes**: As of 2017, there were more than 15,500 unique e-cigarette flavors available, such as cotton candy, pink lemonade, mango and mint. In February 2020, the FDA restricted some flavors in cartridge-based e-cigarettes but exempted menthol-flavored e-cigarettes and left flavored e-liquids and disposable e-cigarettes widely available in every imaginable flavor. Since then, sales of flavored e-cigarettes have continued to grow, increasing by 55.4% from February 2020 to October 2022.
• **Cigars:** Flavored cigars are widely available and often at low prices. Researchers have identified 250 unique cigar flavor names. The share of flavored cigars sold in convenience stores rose from 45% in 2009 to 53.3% in 2020. Among flavored cigars sold in these stores in 2020, the most popular flavors were sweet or candy (30.6%), fruit (29.5%), concept (21.4%), and wine (9.0%). The top five most popular cigar brands among youth – Swisher Sweets, Black & Mild, Backwoods, White Owl, and Dutch Masters – all come in flavor varieties.

• **Cigarettes:** While overall cigarette sales have been declining, the proportion of smokers using menthol cigarettes (the only remaining flavored cigarette) has been increasing. Menthol cigarettes comprised 37% of the market share in 2020, the highest proportion on record since the Federal Trade Commission began collecting this data in 1963. A 2014 study of point-of-sale marketing in over 2,000 stores nationwide found that almost half of all stores (48%) had some outdoor marketing materials specific to menthols.

Research shows that flavored products – no matter what the tobacco product – appeal to youth and young adults. In fact, eight out of ten youth who have ever used a tobacco product started with a flavored product.

• **E-cigarettes:** 85% of youth e-cigarette users—2.1 million youth—use flavored e-cigarettes. Among youth users of flavored e-cigarettes, the most commonly used flavor types were fruit (69.1%), candy/desserts/other sweets (38.3%), mint (29.4%) and menthol (26.6%). 70.3% of current youth (ages 12-17) e-cigarette users say they use e-cigarettes “because they come in flavors I like.”

• **Cigars:** 44.4% of current youth cigar smokers use flavored cigars. Among current youth users of flavored cigars, the most popular flavor type is fruit (65%). 73.8% of youth cigar smokers smoked cigars “because they come in flavors I like.”

• **Cigarettes:** Half of youth who have ever smoked initiated with menthol cigarettes. Menthol cools and numbs the throat, reducing the harshness of cigarette smoke, thereby making menthol cigarettes more appealing to youth who are initiating tobacco use.

**TOBACCO COMPANIES ENLIST CONVENIENCE STORES AND OTHER TOBACCO RETAILERS TO OPPOSE TOBACCO CONTROL POLICIES**

The tobacco industry not only uses convenience stores to promote and sell their deadly products, but also to oppose policies like prohibiting the sale of flavored tobacco products. Because of their negative reputation, tobacco companies know that policymakers don’t want to be seen as doing their bidding. Therefore they enlist neighborhood convenience stores and retailer associations to oppose policy.
change, even if it has minimum impact on the retailers’ business. This relationship is the result of a carefully orchestrated strategy developed by the tobacco industry.56

Tobacco companies communicate aggressively with retailers, urging them to become more involved in the legislative process. In addition to financial support, tobacco companies supply retailers with the tools and information to lobby effectively.

By using convenience stores as front groups and allies, the tobacco industry has been able to mask its real intentions – thwarting policies that reduce their profits – behind false ones such as supporting small businesses. If the tobacco industry truly sought to boost small business, it wouldn’t lock retailers into promotional contracts that limit their autonomy.

The tobacco industry has invested in retailer groups to help preserve its ability to reach young people by thwarting policy efforts to prevent young people from starting to smoke and help smokers quit. Under the guise of protecting local business, front groups supported by the tobacco industry, like the National Association of Tobacco Outlets (NATO), NACS (The Association for

We strongly suggest that retailers remain diligent in monitoring their local governments and ensure that their voices are heard.

— Elke Tsougr, Vice President of Sales and Marketing
Chesapeake International
NACS Magazine, December 2022

We recommend that retailers get engaged with their legislators and governors—and stay engaged.

— Bruce Gates, Senior Vice President
Altria Client Services
CSP Magazine, July 2011

Retailers should be very concerned... (They should) reach out to their state elected officials to explain their business model and what the loss of being able to sell flavored tobacco products would mean to their business and their employees' jobs.

— Thomas Briant, Executive Director
National Association of Tobacco Outlets (NATO)
CSP Magazine, August 2021

Call your elected officials and attend hearings to defend your business and your family. ... Engage with your customers and ask them to contact elected officials to express displeasure with the policies. Talk about the benefits of a legal, licensed, regulated and enforced framework and, while you don’t have to like tobacco products, you must acknowledge they are safest when sold through this framework. It is hard to argue with that logic.

— Jonathan Sherr, Executive Director
New England Convenience Store and Energy Marketers Association (NECSMA)
CSP Magazine, August 2021

It is very important for retailers, their employees and even their customers to submit comments to the FDA to oppose this legislation. The time is now to let your voice be heard by the FDA...

— Thomas Briant, Executive Director
National Association of Tobacco Outlets (NATO)
CStore Decisions Magazine, June 2022
Convenience & Fuel Retailing), and other retailer groups, provide retailers with the tobacco industry’s talking points to block legislation that will reduce tobacco use and save lives. NATO, for example, has been supported by a virtual “Who’s Who” of tobacco manufacturing, covering the full range of tobacco products including cigarettes, cigars, smokeless tobacco, and e-cigarettes. NATO’s Board of Directors has included membership from the major tobacco manufacturers, such as Altria, R.J. Reynolds (RJR), ITG Brands, Swedish Match, and Swisher International. Working with NATO allows the tobacco industry to put a local business face on its efforts to protect its bottom line at the expense of our kids’ well-being.

An article from a convenience store trade publication laid out how tobacco companies encourage and help tobacco retailers to interact with legislators:

*Altria offers retailers “analysis of the proposed legislation or regulation, talking with elected officials, speaking with their local media,” says Sutton [spokesperson for Altria].*

*Like Altria, McConnico [spokesperson for Reynolds American] says Reynolds “works hand in hand with retailers and trade associations” on local regulations, from its local government affairs team and Transform Tobacco website to grassroots consultants and resources deployed to build retailer and consumer awareness of proposed restrictions.*

*Logic and Cheyenne have taken a similar stance: Logic now has its own government-affairs division to aid retailers on regulatory battles big and small, and Brown [vice president of governmental affairs for Cheyenne International] and his team at Cheyenne remain very active on all levels of legislation, from calling and educating retailers to partnering with state and national trade associations.*

Here are some examples of retailer groups working with tobacco companies or receiving funding from them to oppose health policies:

- In 2020, along with a representative for Reynolds American, Inc., a local consultant for NATO spent over $20 million to file a referendum challenging the California law to prohibit the sale of all flavored tobacco products, which had passed the legislature and had been signed by the Governor, thereby delaying the implementation of the law by nearly two years. Convenience stores and gas stations subsequently posted signs to encourage customers to vote no on the referendum (Prop 31). In November 2022, California voters overwhelmingly defeated the industry’s referendum, with 63% voting to uphold the flavor law.

[Sign at a gas station in CA, 2022. Disclosure states that the sign was sponsored by Philip Morris USA and its affiliates and R.J. Reynolds Tobacco Company and its affiliates.]
From 2020 to 2022, proposals to prohibit the sale of flavored tobacco products appeared in many states and localities. Tobacco company-sponsored signage encouraging customers to voice opposition for the proposals appeared in tobacco retail outlets throughout the country.

In 2021, the Washington, DC City Council passed a ban on the sales of flavored tobacco products. Take Action emails from Altria’s TobaccoIssues.com encouraged tobacco retailers to contact Mayor Bowser to veto the legislation.

In 2017, Altria and R.J. Reynolds spent several hundred thousand dollars to defeat a proposed tax increase in Montana. They coached tobacco retailers, including vape store owners, to testify before legislative committees, and littered tobacco retailers with signage to contact legislators: “Altria spent $31,000 on advertising and communications in March, according to the disclosure reports. Posters and handbills appeared in convenience stores, gas stations and vape shops — urging tobacco buyers to reach to their legislators and complain about the tax increase.”62

In November 2016, California voters approved a ballot initiative to raise the tobacco tax in California by $2.00, despite the tobacco industry contributing more than $70 million to defeat it. The opposition committee claimed to be comprised of a broad “Coalition of Taxpayers, Educators, Healthcare Professionals, Law Enforcement, Labor, and Small Businesses,” but in reality was funded almost entirely (more than 99%) by tobacco companies, primarily Altria and Reynolds American.63 NATO also urged its California retail members to oppose this ballot initiative.64 While NATO and convenience stores aligned with Big Tobacco, more than twenty business organizations and local chambers of commerce openly supported the tax increase.65

Altria and Reynolds American are members of the North Dakota Petroleum Marketers Association (NDPMA), which helped to defeat a November 2016 ballot initiative to raise tobacco taxes in the state.66 Mike Rud, president of the NDPMA, chaired the North Dakotans Against the 400% Tax Increase committee to oppose the ballot initiative. The NDPMA itself contributed over $33,000 and
independent convenience and gas stores contributed another $40,000, but the vast majority of the funding – $3.8 million of the total $4 million in contributions – came from Altria Client Services and R.J. Reynolds Tobacco Company. The NDPMA opposed the initiative under the guise of government overreach into small business while overtly claiming that it “does not support or promote the use of tobacco.” Both stances help Big Tobacco hide behind the “small business” image of the NDPMA to oppose a tax that will cut into its profits.

• Altria also helped to defeat a November 2016 ballot initiative to raise the cigarette tax in Colorado by $1.75 per pack. Although convenience stores did not contribute financially to the committee opposing the initiative (which was funded by more than $17 million from Altria), materials opposing the tax were distributed at convenience stores and posted on gas station pumps, targeting consumers and voters right at the point of sale and clearly demonstrating a tie between Altria and retailers.

POLICY SOLUTIONS

Restrictions on the Sale of Flavored Tobacco Products

Prohibiting the sale of flavored tobacco products removes the products that are most attractive to young people and the products that young people use most often, which may prevent youth from ever trying tobacco. Restricting the sale of flavored tobacco products will prevent young people from using tobacco, lead more users to quit, improve health, save lives, enhance health equity, and reduce health care spending. A 2020 Surgeon General report concluded that, “Prohibiting flavors, including menthol, in tobacco products can benefit public health by reducing initiation among young people and promoting cessation among adults.” Additionally, restricting the sale of tobacco products ends one of the most pernicious strategies the tobacco industry has used to target communities of color, helping everyone to live longer, healthier lives.
In November 2019, Massachusetts became the first state to restrict the sale of all flavored tobacco products, including menthol cigarettes, followed by California in 2022, when voters upheld the state’s law from a tobacco industry-funded ballot challenge. In 2020, New Jersey, New York and Rhode Island also passed bans on the sale of flavored e-cigarettes. In addition, over 360 localities across the U.S. have enacted restrictions on the sale of flavored tobacco products, although laws differ in their application to specific products and store types. Over 170 of these communities restrict the sale of menthol cigarettes, in addition to other flavored tobacco products.\(^7\)

Comprehensive restrictions on the sale of flavored tobacco products are the most effective since product and retailer exemptions create loopholes for the tobacco industry to continue to target youth, communities of color, and other populations. A report from the Johns Hopkins University concluded that, "A comprehensive flavor ban without product, flavor, and retailer exemptions may maximize public health benefits and minimize the opportunity for unintended consequences."\(^7\)

**Other Tobacco Control Policies to Consider**

Additional policies can counter the marketing and promotion of tobacco products at the point of sale to reduce tobacco use:

- The evidence is overwhelming that tobacco tax increases reduce tobacco use, particularly among price-sensitive youth. Studies have shown that nationally, for every 10% increase in the price of cigarettes, youth smoking declines by approximately 7% and overall consumption declines by about 4%.\(^7\)

- With the tobacco industry’s capability of manipulating prices of tobacco products at various levels of sale, it is important to implement non-tax approaches as well, including prohibiting tobacco product price discounts, multipack offers, and redemption of coupons, setting a minimum price for tobacco products, setting minimum package sizes for certain cigars and little cigars, and enhancing tobacco tax enforcement efforts to reduce tax evasion by retailers.\(^7\)

- Tobacco retail licensing policies can address where tobacco products are sold through the number, type, location (e.g., near schools or parks), and density of tobacco retailers. In addition to providing local and state governments with a mechanism for effective policy enforcement, they can work to effectively reduce the availability and exposure to tobacco among youth, discourage tobacco use generally, and protect their citizens from the harmful effects of tobacco.\(^7\) These types of policies can also help to reduce neighborhood disparities in tobacco retailer density and marketing volume.\(^7\)

**EFFECT OF TOBACCO CONTROL POLICIES ON CONVENIENCE STORES**

Convenience stores and other retailers often exaggerate the impact of tobacco control policies, like flavored tobacco restrictions, on business and jobs.

- A report by Johns Hopkins University examined the economic impact of flavor bans for all tobacco products on tobacco retailers, finding that a flavor ban would have minimal impact on retailers and any store employee that may lose their job should be able to find a comparable job in the retail sector with little trouble.\(^7\) This is because the money spent on tobacco products in retail stores does not disappear when users quit or cut back. For example, a pack-a-day smoker who quits can save the more than $3,100 per year that they no longer spent on cigarettes to spend on other goods and services, including other products sold in convenience stores.
• Measures to restrict the sale of flavored tobacco products still allow the sale of tobacco-flavored products, which have less appeal to youth users, so not all tobacco product sales in stores will be eliminated. Most retailers do not rely on flavored tobacco products for their primary source of revenue and will still be able to sell regular cigarettes and other tobacco-flavored products.

• Tobacco products now generate less revenue for convenience stores than they have in the past. Data from 2019 show that convenience stores and gas stations do not generate as much gross profit from tobacco as from food service, and tobacco makes up a decreasing share of sales in top-grossing convenience stores.79

• Research shows that reductions in tobacco product consumption does not significantly affect retail businesses. Between 2000 and 2017, the number of tobacco retailers increased by 12%, despite declines in smoking.80

THE MASSACHUSETTS EXPERIENCE

Massachusetts' comprehensive law to restrict the sales of all flavored tobacco products went into effect in June 2020. Contrary to claims by the tobacco industry and its allies that the law would put stores out of business, data from the state Department of Public Health shows that the number of tobacco retailers did not decrease as a result of the law. In February 2020 (prior to COVID-19 restrictions), there were 6,258 tobacco retailers (of which 3,767 were convenience stores), and as of April 2022, there were 6,491 tobacco retailers (including 3,994 convenience stores).81

CONCLUSION

Tobacco companies have enlisted convenience stores and other retailers as their most important partners in marketing tobacco products and fighting policies that reduce tobacco use, thereby enticing kids to use tobacco and harming the nation’s health.

Tobacco companies spend billions in concert with convenience stores and other retailers to make tobacco attractive, accessible, and affordable – resulting in more kids starting and fewer adults quitting. It is essential for elected officials to adopt policies to reduce tobacco use and counter the influence of point-of-sale marketing, such as restricting sales of kid-friendly flavored products, higher taxes on tobacco products, and requiring tobacco retail licenses.

Policy makers need to decide whose side they are on: Our kids OR Big Tobacco and their allies.
47 Center for Public Health Systems Science. Point-of-Sale Smoke Report to the Nation: Realizing the Power of States and Communities to Change the Tobacco Retail and Policy Landscape. St. Louis, MO: Center for Public Health Systems Science at the Brown School at Washington University in St. Louis and the National Cancer Institute, State and Community Tobacco Control Research Initiative, 2016.
58 NATO’s list of Board of Directors is no longer available on the NATO website, as of December 16, 2022. An older list was accessed from http://natocentral.org/about/board-of-directors on August 10, 2016.
60 NATO Staff, accessed December 16, 2022, from http://www.natocentral.org/about/staff.


