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**State of Maine
Department of Health and Human Services**

**Report to the Joint Standing Committee
On Health and Human Services
Pursuant to
Resolve, Regarding Responsible Management of Point-of-Sale
Marketing
Materials for Tobacco Products**

February 1, 2006

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Introduction

Resolves 2005, Chapter 46, was passed as the result of discussion within the Legislature's Joint Standing Committee on Health and Human Services regarding a bill that sought to ban retail store tobacco advertising and more tightly regulate the display of tobacco products. The bill arose out of a concern about the impact of tobacco advertising on children.

In light of this concern, the legislative committee directed the Department of Health and Human Services, Maine Center for Disease Control and Prevention (ME. CDC) to develop a voluntary education and recognition program for tobacco retailers. The intent of this Resolve was that retail business owners, public health educators, youth access officials, community health coalition members and youth would collaborate to develop a plan that will reduce the tobacco advertising that influences youth to consider using tobacco products and yet respects the right of the retailers to provide tobacco products to adult customers. The project was assigned to the Partnership for A Tobacco-Free Maine (PTM).

The Resolve specifically charges the ME. CDC/PTM with the following work:

- Develop an education and recognition program to encourage tobacco retailers to manage responsibly point-of-sale marketing materials for tobacco products
- Consult with the Office of the Attorney General to ensure that the program is consistent with state and federal law
- Determine if the program may be included in the well-established "NO BUTS!" program
- Distribute educational materials regarding point-of-sale marketing through the Healthy Maine Partnerships to local tobacco retailers
- The program must be:
 - Developed in consultation with interested parties, including, but not limited to, representatives of convenience stores, large and small retailers and other interested parties
 - Voluntary and may not be punitive or interfere with a retailer's right to advertise tobacco products

A workgroup consisting of interested parties was formed in compliance with the charge to the Me. CDC.

Workgroup members:

- John Babb, Convenience store owner
- Mark Cyr, Representative of the Convenience Store Council of Maine
- Patricia Aho, Vice President of Maine Oil Dealers Association
- Amie Joseph, Representative of the Maine Grocers Association
- Jessica Balkan- Bagley, Healthy Maine Partnership project director
- Nicole Ditata and Rick Fortier, Healthy Maine Partnership Youth Advocacy Program (YAP) advisors
- John Archard, Tobacco Enforcement Coordinator, Office of The Attorney General
- Judith Dorsey, Representative of Maine Coalition on Smoking or Health
- MaryBeth Welton, Mary Bourque, and Carol Coles, Michelle Ross Partnership For A Tobacco-Free Maine (PTM), ME. CDC staff
- Kim Stiver, and Karen Barlow, CD& M Communications - Media contractor for PTM

Summary of Plan

The goal of this Resolve is to develop a voluntary education and recognition program to encourage tobacco retailers to responsibly manage point-of-sale marketing materials for tobacco products. Tobacco retailers who do voluntarily reduce their point-of-sale tobacco advertising will be recognized at both the state and community levels as NO BUTS! “Star Stores” and receive other recognition of their “good neighbor” status.

Because tobacco retailers are already familiar with the “NO BUTS! program, and because many have received the “NO BUTS!” retailer training that helps them to comply with the Maine tobacco sale laws to minors, this new program will be developed under the umbrella of the “NO BUTS!” program. It does not replace the “NO BUTS!” training for tobacco retail stores. It is an extension of “NO BUTS!” that encourages retailers to be mindful of advertising that promotes tobacco use to youth. This “Star Store” addition to “NO BUTS!” will educate retailers about the effects of tobacco advertising on youth and encourage retailers to find ways to reduce tobacco ads at point-of-sale.

HMP Training

The 31 Healthy Maine Partnerships throughout the state will be asked to work with Me. CDC/PTM staff to implement this education and recognition program for tobacco retailers within their funded regions.

Youth Involvement

Healthy Maine Partnership/Youth Advocacy Program (YAP) youth and their advisors will be trained to support this initiative through a successful youth advocacy model. The training will be developed and implemented by Partnership For A Tobacco-Free Maine (PTM) staff for YAP youth and their advisors.

Training will include:

- Goals and expectations of this program
- Details of the youth role in the program
- Training in communication and advocacy skills
- Training in proper etiquette to engage retail store owners in this initiative
- Instruction for use of program resources

Recognition

As an additional component of the "NO BUTS!" established brand and program, retail stores participating in this initiative will receive:

- NO BUTS! Star Store status
- Community and state publicity
- Letter recognizing store sent to local schools and youth organizations
- Listing on PTM Web site and other state promotions

Workgroup Meeting – October 28, 2005

The workgroup first met on October 28, 2005. This meeting included a review of the Resolve, a brief review of the national research on the impact that point-of-sale tobacco product advertising has on youth; retailer education; possibilities for changes in tobacco advertising at point-of-sale; introduction of a possible model program, and strategies for retailer recognition and incentives.

Agenda

Introductions

Overview of meeting agenda

Requirement of legislative resolve

Review of research

Retailer Education

The discussion centered on the most effective ways to talk with retailers about the effects of point-of-sale advertising on minors, the number of ads in tobacco retail stores and ways to recognize stores that participate in this program.

- On-line programs – sometimes effective for communication
- Initial licensing and renewal of licensing – include fact sheet or brochure
- Retailers associations effective for getting key messages to retailers (retailer association newsletters)
- Huge numbers of ads create clutter and are actually counterproductive to the store's overall goal of reaching customers about all of its products, especially in smaller stores
- Need to involve the communities and schools – community recognition of retailers who reduce advertising at point of sale
- "Badge of Honor" recommended as way to reward stores
- Need to recognize that revenue from tobacco sales is a higher percent of income in smaller stores

Possibilities for change

Possible ways to reduce the impact of tobacco product advertising on youth

- Volume seen as counter-productive in management of overall product advertising
- Limit advertising to price points
- Clear demonstrations of what is suggested, clear factual link to research
- Research on clutter-free advertising

Retailer recognition

Introduction of the model program, Graham Alliance on Tobacco Education – well received

- Appealing because it involves youth

Closing comments/next steps

- A great deal of information was shared. Gratitude was expressed for the input of all attending this meeting.
- A proposal will be drafted using the recommendations made at this meeting and presented at the next meeting.
- Next meeting scheduled for December 9, 2005.

Workgroup Meeting – December 9, 2005

Due to difficult traveling conditions because of weather conditions, and other commitments by workgroup members, several people were unable to attend.

Attending: John Babb, John Archard, Judy Dorsey, Mary Bourque, Carol Coles, Michelle Ross.

Kim Stiver participated by conference call.

There was a brief update of the meeting on October 28, 2005 highlighting the discussion and proposed recommendations for an education and recognition plan.

- Recap of last meeting
 - Review of Resolve
 - Workgroup membership
 - Due date – Feb 1, 2006
 - Meeting discussion highlights
 - Initial contact regarding this program through brochure, retailer association newsletters
 - General agreement that too much advertising becomes clutter and is counter-productive for overall store messaging
 - Importance of involving communities and schools in this initiative – recognition in community important to retailers
 - Badge of Honor concept important as recognition
 - 30% of most small retailer revenue comes from tobacco sales
 - Most larger chain stores limit their advertising to price points
 - Education favored over regulation – appeal to self-interest
- Recap of national research
 - Point-of-sale advertising increases youths' perception of product acceptance and use
 - Tobacco industry continues to advertise cigarettes in manner that reaches underage populations
 - Twice as many youth as adults report noticing tobacco advertising
 - Studies of point-of-sale advertising suggest youth are more likely to be influenced by tobacco ads than by their peers

Potential Plan – Presentation

Retailer Education

- Education topics
 - Resolve
 - Why this issue is important
 - Youth advocacy role
 - Recognition of program and value
 - Marketing best practice
- Communication methods
 - Overview brochure
 - Educational kits
 - Web components
 - YAP involvement
 - Promotion of program in local trade publications

- Youth involvement
 - Training/kits
 - Store visitation with permission
 - Surveys
 - Handwritten letter to owner
 - Follow-up visit and thank you

Sample survey questions

- Store type
- Store location within community
- NO BUTS! participation
- Advertising and promotion locations and count
 - Window, doors, trashcans, next to candy etc.

Recognition program

- Part of NO BUTS! established brand and program
- Participants will receive:
 - NO BUTS! Star Store status
 - Community and state publicity
 - Letter sent to local schools and youth organizations
 - Listing on PTM web site and other state promotions
 - Choice of several options: free sponsorship of local event or a celebrity appearance at store

Discussion and next steps

- Flesh out plan/send to retailer associations for input
- Need for proper training of youth visitation of stores – careful approach
- Need clarity regarding “NO BUTS!” established brand
 - Star Store status is in addition to retailer training to prevent illegal tobacco sales
 - Chains will see benefit of promotion from public health community

PTM staff will develop a draft proposal to be sent to workgroup members for comments.

Key Research Findings

Tobacco products are among the most heavily advertised and widely promoted products in America. The 1998 Master Settlement Agreement between the state Attorneys General and the tobacco industry contained a provision banning many forms of tobacco advertising that appeal to children, such as billboards and use of cartoon characters. Price discounts and other price-related activities now make up the lion's share of the tobacco industry's annual marketing budget, and advertising at retail establishments – convenience stores, gas stations, and

pharmacies – is a major way for manufacturers to inform consumers about these discounts. Retailer advertising is also a primary vehicle for ongoing market share battles among manufacturers. Studies summarized in Appendix D, “The Impact and Influence of Point of Sale Tobacco Advertising on Youth” shows that three out of four youth shop at a convenience store at least once a week and that youth are more likely than adults to be influenced by retail store promotions.

Studies also show that:

- The tobacco industry currently spends more on price discounts, advertising and other promotional efforts at retail outlets or point of sale, throughout the United States than any other type of marketing. (Federal Trade Commission, 2005)
- In order to survive, tobacco companies need youth smokers. The majority of all adult smokers started smoking before the age of 18.
- Brand preference is also developed during childhood. The majority of adolescent smokers prefer the most heavily advertised brands, showing that young people are profoundly impacted by frequent exposure to point-of-sale advertising.
- Widespread in-store promotions of tobacco products distort adolescents’ perceptions of tobacco use and acceptance.
- Adolescents are more likely to be influenced to smoke by cigarette advertising than they are by peer pressure
- Cigarette advertising is also capable of undermining authoritative parenting to prevent adolescents from starting to smoke

Begun in 1997, PTM has implemented a comprehensive tobacco use prevention and control program that has had great success in reducing tobacco use by youth. The high school smoking rate has declined from 39.2% in 1997 to 16.2% in 2005. The middle school smoking rate has declined from 21.7% in 1997 to 7.5% in 2005. While these reduced rates are very encouraging, it is important to continue to promote tobacco-free living to Maine children in every environment that they encounter. Heavy advertising and promotion of tobacco products in places youth regularly visit undermine the good work that has been done to protect them from becoming addicted to tobacco.

Public health advocates in several states that have had successful tobacco use prevention and control programs have been aware of increased advertising by the tobacco industry at the retail store level, especially in places frequented by youth – convenience stores, gas stations and pharmacies. (Association of Retail Tobacco Marketing with Adolescent Smoking, Am. Journal of Public Health, Dec. 2004, Vol 94, No 12). Knowing that youth frequent these businesses, the tobacco industry is blatantly disregarding the intent of the Master Settlement and heavily advertising through point-of-sale ads and promotions in these places.

The retailer education and recognition program described in this report is intended to encourage Maine tobacco retailers to voluntarily participate in the successful youth tobacco use prevention work already being done statewide and in communities throughout Maine.

Plan

The plan described below was developed in consultation with interested parties, including representatives of convenience stores, large and small retailers and other interested parties. All aspects of this program are voluntary and are designed to respect both the retailer's schedule and his legal right to advertise tobacco products.

Integration with "NO BUTS!" Program

1. This responsible retailing effort will be developed and implemented under the umbrella of the current "NO BUTS!" program. The reasons for this are:
 - The "NO BUTS!" program is widely recognized by both the public and retailers alike.
 - An extensive investment has been made in promoting and building the strength of the "NO BUTS!" brand, so that the logo itself imparts the message of a cooperative and caring retailer who has committed to not selling tobacco to minors. It is a symbol of training and relays trust to the communities and parents.
 - Although entirely voluntary, the responsible retailing program is a natural fit with the "NO BUTS!" brand image, reputation and mission – to protect minors from tobacco's influence and harmful effects.
 - Launching a new, separately branded program is likely to be frustrating for retailers and could potentially cause some confusion.
 - From a practical perspective, the responsible retailing program will be easier to implement as an upgraded recognition program of "NO BUTS!" because retailers do not have to add yet another sticker decal or other signage to their stores, which are often very crowded with a great deal of signage and messages.
 - Retailers and the representatives of retailers in the workgroup trust the NO BUTS! program. They know the program to be of high quality, and this new program would need that credibility to be executed with broad acceptance.
2. PTM will develop and launch the responsible retailing program as an "upgraded" recognition component of the NO BUTS! program. It will offer community recognition and publicity to the retailers who go above and beyond the original NO BUTS! requirements and willingly cooperate with the request to reduce, change or remove some of their tobacco advertising. This higher level of commitment and concern for minors will be rewarded with a "badge of honor," which will be called "Star Store." The Star Store status will be integrated with the

NO BUTS! brand elements (logo, visuals, type style, etc.) to look like an upgraded and more premium level of achievement. Retailers who participate can remove their original NO BUTS! decals / signage and replace them with the upgraded emblem.

3. The Star Store program will be fully integrated with the training and communication components of "NO BUTS!". This will happen on two levels: with the HMP communities and organizations who will be working with retailers, and with the retailers themselves. When trainings occur for the standard NO BUTS! programs, retailers will also receive education and materials on the Star Store program. It will be emphasized that this is a voluntary component of the NO BUTS! program, but comes with significant publicity in the community about the store's elevated status.

4. For retailers who have not yet become an original NO BUTS! participant and are approached by youth and the communities about becoming a Star Store (see items listed later in this plan), they will be required to enroll in the original NO BUTS! program. In other words, a retailer cannot become a Star Store without completing the requirements of the original NO BUTS! program.

5. All aspects of the program will be directed to the store owners or managers, not clerks or other employees.

Education of Retailers

6. Education and awareness among retailers about the Star Store program are critical for its success. In addition to being told about it during NO BUTS! trainings, the HMP communities, along with youth organizations, will be informing retailers about the program through store visits, community events and other communication opportunities. Therefore, it is important that retailers have early notification of the program's creation, followed by access to materials explaining the program. The following educational topics will be covered in the educational outreach to retailers:

- Description of and details associated with the Resolve
- A discussion of why the Resolve was passed, including a summary of the research available concerning the influence of the tobacco advertising on minors' perceptions and attitudes.
- Professional advice from a respected retail marketing organization to educate retailers on best practices for advertising placement in a retail environment. Practical tips will be included to help the retailer "de-clutter" his store and create an environment more appealing to customers.
- Explanation of why youth are involved in the Star Store program and what retailers should expect in terms of youth store visits, surveys and general involvement.

- Program details and information about the Star Store program itself, including its benefits, recognition program, and youth involvement.
7. Retailer education will occur through the distribution of the following materials.
- Brief, three-panel overview brochure – The initial brochure will be delivered first, in advance of any visits from youth or the communities. Distribution would likely have to occur via a mass mailing.
 - Education kits – Retailers will receive a kit with comprehensive details and suggested action steps about the Star Store program. The kits will also have valuable tips and information to help them improve their store environment. The kits will be distributed by mail when requested (after the retailer reads the overview brochure), during NO BUTS! trainings, or by hand by an HMP community contact or youth during a store visit.
 - Web site – An interactive site will be developed mirroring the content of the kits. Additional features will include links to professional retailer marketing information.
 - Public relations – Feature news stories about the program will be developed and placed in both large and small media outlets, paying special attention to the organizations with publications most likely to be read by retailers, including chambers of commerce, retail associations, and small community newsletters.

Youth Involvement

8. Youth involvement will be the central component to the program, for two reasons:
- In states where similar programs have been tried, youth involvement helps foster participation in the program. In our discussion groups, retailers and representatives of retailers responded very positively to this idea.
 - Youth have the opportunity to learn about marketing and advertising practices, as well as the influences it has on their perceptions and attitudes. They will not only gain a better understanding of the tobacco industry and business, but they will also have the opportunity to participate in an advocacy program. Youth will be able to help their communities and other youth, in addition to learning about being good citizens, tracking a work project, and committing themselves to a task.
9. Youth will participate in the program in the following manner:
- Youth will visit stores and leave a calling card for the owner or manager asking if they may set up an appointment to come in to talk to the owner or manager about the program. In some cases, they may talk to the owner or manager without an appointment.
 - Once an appointment is made, the youth will explain why he/she has made the appointment and details about the program, and then ask the

owner or manager for permission to conduct a survey of the tobacco advertising displayed in the store.

- Youth conduct the survey and return to review the results with their YAP or HMP coordinator.
- Youth then draft a handwritten letter to the store's owner or manager and ask them to remove, change or reduce the amount of advertising where appropriate and information on why it should be done. Note: The types of advertising that will be targeted for change or removal are: (a) those placed below four feet or in areas that children are most likely to frequent, for example the candy aisle; (b) those anywhere in the store or on the premises that feature any kind of graphics, images and illustrations with slogans, taglines and other messages. Price-focused and sale signage will not be targeted for change or removal as long as it features nothing more than the price and the tobacco company's logo – regardless of size. However, all types of advertising and tobacco promotion signage will be included in the survey.
- Once the letter is mailed or delivered, youth then follow up with the owner or manager using a calling card for an appointment or by stopping by as appropriate. They review their letter and make a visual inspection to see if the owner or manager implemented the suggestions. They use a provided assessment form to do this.
- Youth thank the owner or manager verbally and then mail a thank-you card.
- After review of the results with a YAP or HMP coordinator, a decision is made whether or not to recognize the store as a "Star Store." A thank-you card, either way, is mailed with the notification of the store's status.

10. HMP communities in conjunction with YAP coordinators and other youth organizations train youth groups of both middle school and high school age. Training will include the development of information kits that will include training materials, survey forms, letter templates, thank-you notes, and all other materials required to visit, survey and follow up with store owners or managers. The following topic areas will be included in the training:

- a. Summary of research and reasons why this program is important. Youth-friendly information on the influence of tobacco advertising and why their involvement is vital, particularly for their schools and neighborhoods.
- b. Summary of basic marketing and retailing, background info, etc.
- c. General educational information about the harmful effects of smoking. Social norm messaging about smoking not being "cool" and related materials will be included. (Some previously produced anti-smoking materials designed for youth will be used in addition to new materials that relate specifically to the Star Store program.)
- d. In-store advertising survey training, including how to fill out the survey forms, how to request and set up appointments with owners/managers, what to look for, etc. Youth will be reviewing all

- tobacco advertising on any object, structure, wall, counter tops, gas pump areas, ceilings, etc. See appendices for sample survey form.
- e. Tabulation and assessment training, including how to interpret the results of the survey. The youth will then be taught how to line the results up with the appropriate recommendations.
 - f. Letter-writing training on how to make the recommendations to the store owner/manager.
 - g. Follow-up and thank-you process for going back and reviewing the store and the letter with the owner. Training on how to know if the results were implemented.
 - h. Reporting training to submit reports to the HMP or YAP coordinator on the success of the surveys and recommendations.

Recognition Program

11. The recognition for the Star Store participants involves the distribution of decals and other promotional items as appropriate for displaying in their stores. These “badges of honor” can be prominently displayed to alert the community of their commitment.

12. Public relations efforts in the community where the store is located, as well as inclusion in a statewide promotion of the program, will be provided to each Star Store participant. This will include press releases and community awareness initiatives through the HMP communities, schools, and other organizations.

13. Star Stores will be listed and will have the opportunity to be featured on the PTM web site and other links where appropriate.

14. Media promotion for the program, including newspaper and radio, may be used to build public awareness, brand recognition and community support.

15. In addition to the recognition by the community, all participating retailers will be offered the choice of several valuable incentives for becoming a Star Store. Possible choices include a free sponsorship of local HMP or youth-related community event or a local celebrity appearance at their store to promote the program (where available).

Appendix A

**CHAPTER 46
H.P. 408 - L.D. 553**

**Resolve, Regarding Responsible Management of Point-of-sale
Marketing Materials for Tobacco Products**

CHAPTER 46
H.P. 408 - L.D. 553

**Resolve, Regarding Responsible Management of Point-of-sale
Marketing Materials for Tobacco Products**

Sec. 1. Responsible management of point-of-sale marketing materials for tobacco products. Resolved: That the Department of Health and Human Services, Bureau of Health shall develop an education and recognition program to encourage tobacco retailers to manage responsibly point-of-sale marketing materials for tobacco products. The bureau shall consult with the Office of the Attorney General to ensure that the program is consistent with state and federal law and to determine whether the program may be included in the "NO BUTS!" program. The bureau shall develop educational materials regarding point-of-sale marketing that can be disseminated through the Healthy Maine Partnerships to local tobacco retailers. The education and recognition program must be developed in consultation with interested parties, including, but not limited to, representatives of convenience stores, large and small retailers and other interested parties. The education and recognition program must be voluntary and may not be punitive or interfere with a retailer's legal right to advertise tobacco products. By February 1, 2006, the bureau shall report to the Joint Standing Committee on Health and Human Services on its plans to implement the education and recognition program.

Effective September 17, 2005.

Appendix B

NO BUTS! for Kids Here/Blocking Underage Tobacco Sales

NO BUTS! for Kids Here/Blocking Underage Tobacco Sales

NO BUTS! was established by Partnership For A Tobacco-Free Maine and the Maine State Attorney General's Office as part of Maine's comprehensive tobacco awareness effort to stem our state's underage tobacco use.

Owners of retail stores that sell tobacco products are invited to participate in the NO BUTS! program designed to train retail employees on how to block underage tobacco sales. Retailers who participate in this program receive:

- Step by step Employer Guide and video to train sales clerks to block underage tobacco sales
- NO BUTS! window poster, door decal and counter mat for the store
- Counter calendar that makes it easy for employees to quickly calculate a customer's age
- Informational handouts for customers

Information about this program can be obtained by contacting Partnership For A Tobacco-Free Maine or the Maine State Attorney General's Office.

Appendix C

The Graham Alliance on Tobacco Education

Case Study:

The Graham Alliance on Tobacco Education

Since the Store Alert project is only just beginning, our first success story comes from a very similar project that's also doing great work, the Graham Alliance on Tobacco Education in Safford, Arizona. The Graham Alliance is operated out of the Mt. Graham Regional Medical Center and its Program Coordinator is Karen Doty.

The Graham Alliance program focuses on youth access to tobacco products and tobacco advertising in retail stores. One of the cool things about the program is that kids are actually the ones who do the survey. When they survey a store, they work in teams of four to six, and this both eases their workload and increases the reliability of the data they collect.

Each kid has unique responsibilities - some will note the location of the tobacco advertising, others will look for the actual tobacco placement, and some will chat with the store manager about youth access laws. The kids pay particular attention to tobacco products and advertising that are at child's eye level and/or near candy and toys. The Graham Alliance maintains a database of its survey results and sends letters to the merchants whose stores have been surveyed with information about the findings.

According to the Graham Alliance folks, here are some of the lessons they've learned:

1. Kids can have a much greater impact than adults when speaking with merchants around the issue of youth access to tobacco
2. Positive reinforcement can go a long way with merchants
3. It's helpful to maintain a database over a period of time to track changes in tobacco placement and marketing.

The Graham Alliance has been doing its surveys for more than three years now. And the good news is that during that time, their program documented a decline in the number of self service displays, tobacco ads at child's eye level and tobacco displays near candy. We congratulate them on their good work and extend our thanks to them for sharing their story with us.



Adapted from StoreAlert.org, 01/26/06

Appendix D

Excutive Summary:
The Impact and Influence of
Point of Sale Tobacco
Advertising on Youth



CRITICAL INSIGHTS
RESEARCH FOR PRECISE PRAGMATIC DIRECTION

**EXECUTIVE SUMMARY:
THE IMPACT AND INFLUENCE OF
POINT OF SALE TOBACCO
ADVERTISING ON YOUTH**

Prepared for:
CD&M Communications

October 2005

Focus Groups • Surveys • Public Opinion Polling

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Executive Summary:
The Impact and Influence of Point of Sale Tobacco Advertising on Youth

Background "The Big Picture"

Tobacco products are among the most heavily advertised and widely promoted products in America. Although tobacco advertising has been banned from television since 1971, the tobacco industry continues to attract and keep customers through alternative media sources such as magazines, newspapers, outdoor and in-store advertising, point-of-purchase, direct mail, and brand-identified non-tobacco items.

The tobacco industry loses close to 5,000 customers every day in the United States, including approximately 3,500 individuals who quit and about 1,500 who die from smoking-related illnesses. Each year, tobacco use contributes to nearly half a million deaths in the United States. This number is greater than the deaths attributed to AIDS, alcohol, murder, suicide, car accidents, and illegal drugs combined (Campaign for Tobacco-Free Kids). According to industry documents, the most promising replacements for these lost smokers are young people. It is estimated that every day, 4,000 youth experiment with smoking for the first time. In addition, existing research reveals that nine out of ten adult smokers started smoking at or before the age of eighteen, and six out of ten adult smokers started before the age of fourteen. Of the approximately 750,000 youth who become new daily smokers per year in the United States, close to one third will ultimately die from tobacco use (Campaign for Tobacco-Free Kids).

According to the annual Federal Trade Commission Report on cigarette marketing and sales, tobacco companies in the United States spend approximately \$26 million a day to advertise and promote cigarettes. Placed in perspective, the amount the tobacco industry spends daily to attract new customers is more than the United States Federal Office on Smoking and Health allocates to smoking prevention efforts for an entire year (Wakefield, 2000).

The 1998 Master Settlement Agreement between the state attorneys general and the tobacco industry contained a provision banning billboard advertising of tobacco products. As part of the settlement, the tobacco companies promised not to "take any action, directly or indirectly, to target youth." Unfortunately, there is extensive evidence demonstrating that the tobacco companies have not kept their promise to stop marketing to children. The tobacco companies have simply shifted their resources and increased spending in other ways that appeal to youth. Specifically, reports estimate that 85% of the tobacco industry's annual marketing budget is now spent on ads and promotions in retail stores, such as gas stations, convenience stores, and pharmacies. Studies show that three out of four youth shop at a convenience store at least once a week, and they are more likely than adults to be influenced by retail store promotions. Retail store advertising is proving to be an even more effective means for tobacco companies to reach children than billboards.



CRITICAL INSIGHTS

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The purpose of this executive summary is to describe the specific ways in which the tobacco industry directly markets their products to youth at the retail level. In addition, this paper will review the available literature on the impact tobacco advertising has had on youth. Specifically, this executive summary will address how youth are attracted to tobacco advertising in stores, and how this advertising distorts their perceptions of the availability, acceptability, social value, and relationship that tobacco has on their own identities and decisions. The overarching goal of this report is to demonstrate that studies conducted in places like California, Illinois, and Massachusetts are relevant to Maine, and that the youth in our state are likely to have the same views and reactions toward in-store tobacco advertising as reflected by this age group in other parts of the country.

Proliferation of Tobacco Advertising in Retail Stores

The tobacco industry currently spends more on advertising, discounts, and promotional efforts at retail outlets, or "point of sale" (POS), throughout the United States than any other type of marketing (Federal Trade Commission, 2005). A 1999 survey found that roughly nine out of every ten stores in 42 states had some form of tobacco point of purchase marketing materials (Feighery, 2003).

Point of sale tobacco advertising consists of cigarette and spit tobacco advertisements and functional items that are located inside, outside, and on the property of retail outlets such as convenience stores, gas stations, and pharmacies. Cigarette companies provide stores with branded signs and advertisements to place inside and outside retail outlets. The types of advertising materials supplied by the tobacco industry include shelving units, branded display racks, and functional items such as clocks, door signs, change cups, and floor mats with a tobacco company brand name or logo. These functional items deliver a subtle branded marketing message to the customer each time they see or use them (Bloom, 2001).

Recent studies suggest that the promotion of tobacco in stores is widespread; eight in ten retail outlets currently have interior tobacco advertising, 60 percent have exterior advertising, and over 70 percent have tobacco functional items (Feighery, 2003). A study of retail outlets in California found that 94 percent featured some form of tobacco advertising, and on average, featured 17 distinct pieces of tobacco advertising material per store. These findings are consistent with national research endeavors that have found 92 percent of retail stores have at least one tobacco branded marketing item, while the typical store has more than 12 tobacco promotional items on display (Feighery, 2001).

In addition to advertising, the tobacco industry also markets cigarettes through point of sale promotional efforts. These point of sale promotional expenditures and "retail value added" expenditures include coupons, multi-pack discounts, free gifts with purchase, and other discounts and merchandise given to customers at retail outlets. Included in point of sale promotional expenditures are tobacco company payments to store owners to prominently display the company's brands, ads, and related materials in specific locations throughout stores. Retailers are often paid to keep self-serve tobacco display racks on or in front of the counter, and paid to put tobacco products on "good" shelving space (slotting allowances). Tobacco companies realize that by demanding "good" shelving



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space, their products are nearly impossible for young shoppers to avoid. An inventory of California stores found that one out of every two retail outlets had signage at or below three feet in height, and that 90 percent of all cigarette signs and displays were located within four feet of the counter area (Feighery, 2001). In addition, researchers at the University of Illinois at Chicago conducted a study of nearly 3,500 retail stores in 191 communities across the country, and found that a significant number of stores placed cigarettes and other tobacco products near candy displays. The researchers concluded that these self-service displays make purchase and theft by youth easier (Wakefield, 2000). Concerning slotting payments, a 1999 study in California found that six out of every ten stores had received display allowances from tobacco companies. This is higher than allowances received for candy, snack foods, and soft drinks. The study concluded that when tobacco companies paid these incentives, the participating retailers were more motivated to display, promote, and advertise tobacco products in their stores (Bloom, 2001). In an effort to increase revenue, cigarette companies will often compete with each other for lower prices. These price wars result in stores that are overloaded with tobacco marketing items for numerous different brands of cigarettes.

Tobacco Industry Statements and Actions Concerning Marketing to Youth

Regardless of what the tobacco companies say or do, they cannot survive without youth smokers. The tobacco industry knows that the majority of all adult smokers develop the habit before the age of 18, and that very few individuals try smoking for the first time after becoming legally of age to purchase tobacco products (Jensen, 1998). In addition, research shows that smokers develop strong brand preferences during their childhood years, with roughly 40 percent of regular adult smokers becoming loyal to a specific brand by age 18 (Massachusetts Department of Public Health, 1998). If significant numbers of youth did not experiment with tobacco, and were not addicted to smoking upon reaching adulthood, the tobacco industry would eventually not have enough customers to remain in business.

The 1998 Master Settle Agreement and various tobacco lawsuits have revealed that tobacco companies have historically viewed children as young as 13 years old as a key market. Based on numerous internal tobacco industry documents that have since been made public, tobacco companies have been studying the smoking habits of children for decades and have developed products and targeted their marketing to attract this demographic (Cummings, 2002). The following are samples of internal company quotes concerning marketing to youth:

- *"Young adult smokers are the only source of replacement smokers...if younger adults turn away from smoking, the industry must decline, just as a population which does not give birth will eventually dwindle." (RJ Reynolds, referenced by Massachusetts Operation Storefront, 1998)*
- *"Today's teenager is tomorrow's potential regular customer, and the overwhelming majority of smokers first begin to smoke while in their teens...it is*



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during the teenage years that the initial brand choice is made...the success of Marlboro Red during its most rapid growth period was because it became the brand of choice among teenagers who then stuck with it as they grew older." (Phillip Morris, referenced by Campaign for Tobacco-Free Kids, 1981)

- *"Evidence is now available to indicate that the 14-18 year old group is an increasing segment of the smoking population. RJR-T must soon establish a successful new brand in this market if our position in the industry is to be maintained in the long term."* (RJ Reynolds, referenced by Campaign for Tobacco-Free Kids, 1976)
- *"Kool's stake in the 16 to 25 year old population segment is such that the value of this audience should be accurately weighted and reflected in current media programs...all magazines will be reviewed to see how efficiently they reach this group."* (Brown & Williamson, referenced by Campaign for Tobacco-Free Kids, 1973)
- *"The base of our business is the high school student."* (Lorillard Tobacco, referenced by Campaign for Tobacco-Free Kids, 1978)
- *"Cherry Skoal is for somebody who likes the taste of candy, if you know what I'm saying."* (U.S. Tobacco, referenced by Campaign for Tobacco-Free Kids, 1994)

Recent statements and public relations campaigns initiated by the big tobacco companies express that they have intentionally stopped directing their marketing toward youth. Contrary to these claims are numerous studies documenting that the industry continues to advertise cigarettes in a manner that effectively reaches underage populations. For example, the cigarette and spit-tobacco companies continue to advertise heavily at retail outlets near schools and playgrounds, with large ads and signs that are clearly visible from outside the stores (Henriksen, 2002). In a census of stores that sold cigarettes in California, researchers found that cigarette marketing was more prevalent in stores where adolescents shop frequently. The researchers in this study trained young adults to count and categorize tobacco marketing materials in stores. Young adults were also queried as to which stores they frequented most often, and which stores were among their favorites. The researchers found 3.4 times as many ads for cigarettes on windows of stores that were rated as being most popular with the youth surveyed than other stores in the same community. In addition, the stores that displayed the most tobacco ads displayed fewer signs warning of illegal purchases by minors (Henriksen, 2004).

Point of Sale Tobacco Advertising and Promotions Affect Kids



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Young people are attracted to tobacco advertising and promotions. According to a recent poll conducted by the Campaign for Tobacco-Free Kids, nearly two-thirds of youth aged 12 to 17 reported having seen advertising for cigarettes or spit tobacco products in the previous two weeks, compared to only 27 percent of adults who claim to have seen such marketing materials. The same study also found that more than half of the youth participating in the poll were influenced by in-store displays, 47 percent were influenced by banners or window signs, and 44 percent were influenced by in-store promotional signage. A 2004 study published in the American Journal of Public Health went a step further by seeking to examine exposure to tobacco marketing in stores and its correlation with self-reported smoking among youth. The study controlled for such confounding variables as risk taking, maternal supervision, and self-reported grades in school. The study found that the association between adolescent store visits and their smoking behavior appears to be more likely an affect of advertising. Considering that three out of every four children shop at a retail outlet every week, and that the majority of tobacco advertising can be found at or below three feet, within four feet of the counter, and in close proximity to candy, it is no wonder that youth have such high rates of recall for tobacco advertisements.

The fact that the vast majority of adolescent smokers prefer the most heavily advertised brands is strong supporting evidence that young people are profoundly impacted by frequent exposure to point of sale advertisements. According to findings released by the 1998 Massachusetts Operation Storefront, the four most heavily advertised brands (Marlboro, Newport, Winston, Camel) accounted for 93 percent of youth smoking. By contrast, the most commonly smoked cigarettes nationwide among adult smokers are brand-less or generic cigarettes. Philip Morris' Marlboro is by far the brand whose advertising most often leaves a mark on kids. The Campaign for Tobacco-Free Kids report that among polled individuals who recalled tobacco advertising, 61 percent of youth, compared to 49 percent of adults, recalled advertising for Marlboro. In addition to being the most advertised brand, Marlboro is also the brand of cigarettes smoked most among youth. More youth smokers smoke Marlboro than all other brands combined (Slater, 2001).

Attractive Icons

Before the 1998 Master Settlement Agreement, the use of cartoon characters in advertisements proved to be an effective avenue for reaching the youth market. RJ Reynold's Joe Camel adverting campaign is one example of the tobacco industries use of child-friendly figures to attract young smokers. One study conducted by Impact Teen, a policy research partnership to reduce youth substance use, showed that nearly one-third of three-year-olds matched Joe Camel to cigarettes. By age six, children were as familiar with Joe Camel as with Mickey Mouse. Within three years of the introduction of the cartoon, Camel cigarettes went from the brand smoked by less than one percent of young smokers, to the brand that had one-third of the share of the youth market. During this same period of time there was no change in Camel's share of the adult market. It has been reported that smoking among youth in the United States increased by 10 percent after the Joe Camel campaign was launched (Wayne, 2002). In conjunction with the use of the cartoon character Joe Camel, RJ Reynolds ran their "Camel Cash" promotion. With the sale of each pack of Camel cigarettes, customers received a coupon resembling



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a one-dollar bill with a picture of Joe Camel, dressed as George Washington, and wearing sunglasses and smoking. These "Camel C-notes" could be redeemed for items RJ Reynolds marketed as "smooth stuff". The prize products consisted of such promotional items as jackets, towels, t-shirts, and hats that all featured Joe Camel. To further promote the campaign that had obvious appeal to children, RJ Reynolds filled retail outlets across the nation with signage and colorful displays, all of which incorporated the character of Joe Camel.

Skewing Perspective

According to a 2002 study published in the Journal of Applied Social Psychology, the widespread promotion of in-store tobacco products distorts adolescents' perceptions of the product's availability, use and acceptance. Under the guise of testing teen-interest news stories, the study involved 8th and 9th graders who viewed pictures of convenience stores either dominated by, or devoid of, tobacco advertisements while listening to a story about a proposed tobacco control law or one about food purchases. The data showed that regardless of the news story that the youth heard, adolescents exposed to the tobacco-saturated store perceived significantly easier access to cigarettes, believed more peers tried and approved of smoking, and expressed weaker support for tobacco-control policies than did the comparison group who viewed pictures of stores completely devoid of tobacco advertisements (Henriksen, 2002). In a similar research effort conducted by the Campaign for Tobacco-Free Kids, tobacco marketing is cited as creating an environment in which youth think smoking is much more common, and ultimately acceptable, than it actually is. The survey reported that youth believed that 6 out of 10 high school students are current smokers, when, in fact about 22 percent smoke. Similarly, the surveyed youth believed that 6 out of 10 adults smoke, when national surveys report an adult smoking rate of 23 percent.

Additional research investigating the impact of point of sale tobacco advertising on youth suggests that adolescents are more likely to be influenced to smoke by cigarette advertising than they are by peer pressure. In reference to the influence of point of sale tobacco advertising, a study reported in the Advertising Age trade journal stated that, "Cigarette people maintain peer pressure is the culprit in getting kids to start smoking and that advertising has little effect. That's like saying cosmetic ads have no effect on girls too young to put on lipstick." In addition to peer pressure, the tobacco industry contends that parenting practices, not marketing practices, are critical to youth smoking. A 2002 study published in the American Journal of Preventive Medicine challenged the notion that parents play the paramount role in preventing their children from smoking. The study found that the promotion of smoking by the tobacco industry appears to undermine the capability of authoritative parenting to prevent adolescents from starting to smoke. The researchers hypothesize that children of authoritative parents interpret the messages presented in tobacco advertisements differently than children of less controlling parents. Surveyed youth who typically received more parental monitoring reported believing that tobacco advertisements present smoking as a way for children to exert their independence and to be perceived as grown up (Pierce, 2002).



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Summary

Given the high level of exposure to tobacco marketing by youth, it is not surprising that a poll completed by the Campaign for Tobacco-Free Kids found that seven of out ten youth felt that tobacco companies want kids to smoke and believed that tobacco companies target teens with their marketing. The available research on tobacco advertising strongly suggests that the tobacco companies will stop marketing to youth only if and when they are forced to change. To limit the impact of point of sale tobacco advertising on youth, it is strongly suggested that Maine community members, in particular young people, work cooperatively with retailers who are willing to reduce or entirely remove point of sale advertisements from their stores.



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