

FOR IMMEDIATE RELEASE: March 5, 2012
CONTACT: Marie Cocco, 202-296-5469

New Report: Tobacco Companies and Convenience Stores Partner to Market Tobacco Products, Fight Life-Saving Policies
Marketing Strategies Entice Kids, Discourage Quitting, Target Minority Communities

WASHINGTON, DC – Tobacco companies have enlisted convenience stores 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, according to a report released today by leading public health organizations.

As other forms of tobacco marketing have been restricted, tobacco companies now spend more than 90 percent of their marketing budget – nearly \$10 billion a year – to saturate convenience stores, gas stations and other retail outlets, the report shows. Tobacco companies pay stores billions to ensure that cigarettes and other tobacco products are advertised heavily, displayed prominently and priced cheaply to appeal to both kids and current tobacco users.

At the same time, convenience stores have become essential partners with – and front groups for – the tobacco industry in fighting higher tobacco taxes and other public policies that reduce tobacco use.

The report, titled “Deadly Alliance: How Tobacco Companies and Convenience Stores Partner to Market Tobacco Products and Fight Life-Saving Policies,” was released by the Campaign for Tobacco-Free Kids, Counter Tobacco (a project that works to counter tobacco product sales and marketing at the point of sale) and the American Heart Association.

“The result of this alliance is more kids smoking, fewer adults quitting, more tobacco-related death and disease, and higher health care costs for everyone,” the report states. “In short, the tobacco industry and its convenience store allies are making a killing by making deadly and addictive tobacco products all too convenient.”

The report’s key findings include:

Convenience stores and other retail outlets have become by far the dominant channel for marketing tobacco products in the United States. Since the November 1998 legal settlement between the states and the tobacco companies restricted some forms of tobacco marketing, tobacco companies have significantly increased both the total amount and the percentage of their marketing budgets spent at the point of sale. In the first 10 years after the settlement (1999 to 2008), tobacco manufacturers spent more than \$110 billion – 92 percent of their total marketing expenditures – to advertise and promote cigarettes and smokeless tobacco products in the retail environment, according to the latest tobacco marketing reports issued by the Federal Trade Commission

Tobacco marketing in stores entices kids to smoke and use other tobacco products, discourages current tobacco users from quitting, targets minority communities and portrays deadly tobacco products as appealing and acceptable, according to the report. It summarizes the extensive scientific evidence on the impact of point-of-sale marketing.

Point-of-sale marketing is very effective at reaching kids and influencing them to smoke. With tobacco ads prohibited on television, radio and billboards and less frequent in magazines, convenience stores remain one place where kids are regularly exposed to tobacco advertising and promotions. More than two-thirds of teenagers visit a convenience store at least once a week. Studies have found that

cigarette marketing is more prevalent in stores where adolescents shop frequently; tobacco advertisements and product displays are often placed at kids' eye level or near candy; and point-of-sale marketing – especially price discounting – increases youth smoking.

“Despite their claims to have changed, tobacco companies continue to bombard kids with messages encouraging them to smoke, and convenience stores have become their most important partner in doing so,” said Matthew L. Myers, President of the Campaign for Tobacco-Free Kids. “It is critical that elected officials reject the influence of these special interests and take action to protect our nation’s children and health instead.”

“This report exposes how tobacco companies enlist retailers to advertise and promote their deadly products. As a result of this alliance, stores are now the major channel where they lure youth with colorful advertisements and entice current smokers with aggressive price promotions. This report is a wakeup call that states need to be focusing on the point of sale to combat these harmful industry practices,” said Kurt M. Ribisl, PhD, Director of the Counter Tobacco project and Associate Professor in the Department of Health Behavior at the University of North Carolina Gillings School of Global Public Health.

Tobacco companies, inhibited by their own negative reputations, have also enlisted convenience stores as front groups to oppose tobacco tax increases and other policies to reduce tobacco use. Convenience stores have fought cigarette tax increases despite considerable evidence that the retail economy does not suffer as a result, including recent studies finding that cigarette tax hikes had little effect on the number of convenience stores or overall retail employment.

Tobacco companies aggressively communicate with retailers, supply them with tools and information to lobby policy makers and provide financial support. Examples include:

- In 2011, the New Hampshire Grocers Association led a successful fight to reduce that state’s cigarette tax by 10 cents, using misleading information produced by tobacco industry allies.
- In Georgia in 2010, a grocery store placed anti-tobacco tax messages on cigarette receipts – with a clear statement that the message was “Paid for by Altria Client Services on behalf of Philip Morris USA.”
- In Washington state, a Philip Morris spokesman was exposed as the ghost writer for pamphlets opposing a 2001 ballot initiative to increase the cigarette tax that ostensibly were written by the Korean Grocers Association and the Washington Association of Neighborhood Stores.

The report calls on elected officials to adopt policies – especially higher tobacco taxes – that reduce tobacco use and counter the influence of point-of-sale marketing. It calls higher tobacco taxes a win-win-win for states – a health win that reduces smoking, especially among kids; a financial win that produces significant new revenue; and a policy win that polls show is strongly supported by voters across the country.

Tobacco use is the leading cause of preventable death in the United States, killing more than 400,000 Americans and costing the nation \$96 billion in health care expenditures each year.

Related materials:

Full report and slideshow of point-of-sale tobacco marketing: <http://tfk.org/deadlyalliance>

###