

# POINT OF SALE ADVERTISING

Point of sale (POS) advertising and promotion is sometimes exempted or not included in laws banning tobacco advertising, promotion and sponsorship, despite the fact that the World Health Organization (WHO) Framework Convention on Tobacco Control (FCTC) requires a comprehensive ban of all tobacco advertising, promotion and sponsorship.<sup>1</sup> POS advertising weakens the effectiveness of tobacco control laws, and exposes the population to tobacco advertising, promotion, and sponsorship. Youth are particularly vulnerable to POS advertising and promotion.

## POS Advertising Exposes Youth to Pro-Smoking Messages and Creates Positive Attitudes Toward Tobacco Products and Brands.<sup>2,3</sup>

- Tobacco products and advertisements are often placed near candy and children's items at the front of the store and on counter tops, encouraging children to see them as harmless everyday items.<sup>4-6</sup>
- Studies in Brazil and California found that stores visited frequently by adolescents have more tobacco advertising than stores less popular with adolescents.<sup>7,8</sup>
- Youth exposed to stores with a high prevalence of tobacco advertisement believe that tobacco is easier to buy and overestimate the percentage of teens and adults that smoke.<sup>9,10</sup>
- A United States study estimates that banning POS advertising and requiring cigarette packs to be kept out of sight can reduce adolescents' exposure to cigarette brand impressions by as much as 83%.<sup>7</sup>

## POS Advertising Increases Youth Experimentation and Initiation.<sup>11,12</sup>

- Studies have consistently found significant associations between exposure to POS tobacco promotions and smoking initiation or susceptibility to smoking.<sup>13</sup>
- Adolescents who frequent stores where cigarettes are widely advertised are twice as likely to start smoking.<sup>3,12</sup>
- Higher levels of advertising, lower cigarette prices, and greater availability of cigarette promotions in stores predict smoking initiation among youth.<sup>11</sup>
- The availability of sales promotions increases the likelihood that youth will move from experimentation to regular use.<sup>11</sup>
- Adolescent exposure to pack displays is associated with increased intentions to smoke.<sup>3,9</sup>

**Exposure to POS tobacco advertising, including product displays, influences youth smoking, increases impulse tobacco purchases and undermines quitting attempts.**



*Cigarettes displayed with children's items in California, USA<sup>25</sup>*



*Color branding for Dunhill cigarettes, New Zealand<sup>26</sup>*

### POS Advertising Encourages Impulse Buying and Makes it Harder for Users to Quit.<sup>14-15</sup>

- An Australian study found that nearly 40% of individuals trying to quit smoking experience urges to smoke when they see cigarette advertisements, more than 60% impulsively buy cigarettes as a result, and 20% avoid stores where they normally buy cigarettes to avoid the temptation.<sup>15</sup>
- Interviews with former smokers in New Zealand found that tobacco displays cause them “physical and emotional cravings” that make quitting smoking more difficult.<sup>16</sup>

### Tobacco Companies Win When POS Is Not Banned

- When one type of advertising is banned, tobacco companies increase other types of advertising.<sup>17</sup>
- The tobacco industry uses contracts and monetary incentives with retailers to ensure prime placement of their products and advertisements.<sup>18-19</sup>
- In 2006, the five major cigarette manufacturers in the US spent \$12.49 billion on all types of advertising and promotion. More than \$10 billion, or 85%, was spent on point of sale advertising and promotional allowances.<sup>20</sup>

### Comprehensive Bans Are More Effective Than Partial Bans in Reducing Consumption

- A study of 30 developing countries found partial bans were associated with a 13.6% reduction in per capita consumption, compared to 23.5% in countries with comprehensive bans.<sup>23</sup>
- When only partial measures are in place, tobacco companies use creative tactics to circumvent partial measures. According to a British American Tobacco internal document: “The creation of advertising within regulatory restraints can serve as a goad to creativity. Prohibitions and limitations should not be allowed to discourage the cigarette advertiser, but rather exhilarate him. To be able to meet the new confining conditions... more effectively than one’s competitors is a challenge to creativity and ingenuity”.<sup>24</sup>

### Key Messages

- Point of sale advertising is a powerful form of advertising used by the tobacco industry to sell its products and is especially effective with youth and smokers trying to quit.
- Comprehensive bans of tobacco advertising, promotion and sponsorship are essential to reduce tobacco use.
- Tobacco advertising, promotion, and sponsorship bans **must** include point of sale.

### IN THEIR OWN WORDS

**We should have Marlboro (and other PM brands) positioned in the store to take advantage of the impulse shopper... Where are the best spots for promotional offers, POS, etc.? We are after intrusive visibility.”**

– Phillip Morris<sup>14</sup>

**Simply stated, the point-of-purchase is where the action is—it’s the retail environment. It’s a specific location in a store, it’s product display, and it’s in-store advertising. Importantly, and perhaps not so obviously, the POP is also in the mind of the prospective consumer.”**

– RJ Reynolds<sup>21</sup>

**In summary, the spend focus [for advertising] has shifted from Media, Outdoor and Consumer Promotions to in-store [POS advertising], contracting for display space, partnerships with retailers to build business, and international sponsorships.**

– Phillip Morris Australia<sup>22</sup>



*POS advertising in Brazil implying sexuality and femininity<sup>27</sup>*

## References

- 1 World Health Organization. Framework Convention on Tobacco Control, Art. 13, para. 2. Geneva: 2003.
- 2 Henriksen L, Feighery E, Schleicher N, Cowling D, Kline R, Fortmann S. Is adolescent smoking related to the density and proximity of tobacco outlets and retail cigarette advertising near schools? *Preventive Medicine*. 2008;5.
- 3 Paynter J, Edwards R, Schluter PJ, McDuff I. Point of sale tobacco displays and smoking among 14-15 year olds in New Zealand: A cross-sectional study. *Tobacco Control*. 2009 Aug;18(4):268-74.
- 4 Barnoya J, Mejia R, Szeinman D, Kummerfeldt CE. Tobacco point-of-sale advertising in Guatemala City, Guatemala and Buenos Aires, Argentina. *Tobacco Control*. 2010 Aug;19(4):338-41.
- 5 Feighery EC, Ribisl KM, Schleicher N, Lee RE, Halvorson S. Cigarette advertising and promotional strategies in retail outlets: Results of a statewide survey in California. *Tobacco Control*. 2001 June;10(2):184-8.
- 6 Quedley M, Ng B, Sapre N, Blakiston M, Crawford A, Devadas R, et al. In sight, in mind: Retailer compliance with legislation on limiting retail tobacco displays. *Nicotine & Tobacco Research*. 2008 Aug;10(8):1347-54.
- 7 Henriksen L, Feighery EC, Schleicher NC, Haladjian HH, Fortmann SP. Reaching youth at the point of sale: Cigarette marketing is more prevalent in stores where adolescents shop frequently. *Tobacco Control*. 2004 September;13(3):315-8.
- 8 *Aliança de Controle do Tabagismo. Pesquisa ACT/ Datafolha mostra como companhias de cigarros investem na publicidade em pontos de venda*. 2010. 4.
- 9 Wakefield M, D. Germain, Durkin S, Henriksen L. An experimental study of effects on school children of exposure to point-of-sale cigarette advertising and pack displays. *Health Education Research*. 2006;21(3):338-47.
- 10 Henriksen L, Flora J, Feighery E, Fortmann S. Effects on youth of exposure to retail tobacco advertising. *Journal of Applied Social Psychology*. 2002;32(9):19.
- 11 Slater SJ, Chaloupka FJ, Wakefield M, Johnston LD, O'Malley PM. The impact of retail cigarette marketing practices on youth smoking uptake. *Archives of Pediatric and Adolescent Medicine*. 2007 May;161(5):440-5.
- 12 Henriksen L, Schleicher N, Feighery E, Fortmann S. A longitudinal study of exposure to retail cigarette advertising and smoking initiation. *Pediatrics*. 2010 July 19;103:7.
- 13 Paynter J, Edwards R. The impact of tobacco promotion at the point of sale: A systematic review. *Nicotine & Tobacco Research*. 2009 Jan;11(1):25-35.
- 14 Phillip Morris USA. Marlboro medium reference guide (internal industry document.) 1991. Bates No. <http://tobaccodocuments.org/rjr/507795050-5124.html>.
- 15 Wakefield M, Germain D, Henriksen L. The effect of retail cigarette pack displays on impulse purchase. *Addiction*. 2008 February;103(2):322-8.
- 16 Hoek J, Gifford H, Pirikahu G, Thomson G, Edwards R. How do tobacco retail displays affect cessation attempts? Findings from a qualitative study. *Tobacco Control*. 2010 Aug;19(4):334-7.
- 17 Wakefield M, Terry YM, Chaloupka F, Barker DC, Slater SJ, Clark PI, et al. Changes at the point of purchase for tobacco following the 1999 tobacco billboard advertising ban. University of Illinois at Chicago 2000. Available from: <http://repositories.cdlib.org/context/tc/article/1069/type/pdf/viewcontent/>.
- 18 Feighery EC, Ribisl KM, Clark PI, Haladjian HH. How tobacco companies ensure prime placement of their advertising and products in stores: Interviews with retailers about tobacco company incentive programmes. *Tobacco Control*. 2003 Jun;12(2):184-8.
- 19 Bloom PN. Role of slotting fees and trade promotions in shaping how tobacco is marketed in retail stores. *Tobacco Control*. 2001 Dec;10(4):340-4.
- 20 U.S. Federal Trade Commission. Cigarette Report for 2006. 2009. 27 Available from: <http://www.ftc.gov/os/2009/08/090812cigarettereport.pdf>.
- 21 R.J. Reynolds. New product introduction through point-of-purchase (internal industry document.) 1978. Bates No. <http://tobaccodocuments.org/youth/AmCgRJR19780323.Pr.html>.
- 22 Phillip Morris Australia. Marketing activities (internal industry document.) 1995. Bates No. 2071284487/4490. <http://legacy.library.ucsf.edu/tid/nkq08d00>.
- 23 Blecher E. The impact of tobacco advertising bans on consumption in developing countries. *Journal of Health Economics*. 2008 July;27(4):930-42.
- 24 British American Tobacco. International marketing conference (internal industry document.) 1972. Bates No. <http://www.library.ucsf.edu/tobacco/batco/html/13700/13710>.
- 25 Stanford University School of Medicine.
- 26 Fraser T. Phasing out of point-of-sale tobacco advertising in New Zealand. *Tob Control*. 1998;7:82-4.
- 27 *Aliança de Controle do Tabagismo*.