

campaign for a smoke-free alberta

Briefing Paper



Removing Point-of-Sale Tobacco Marketing (Powerwalls) from Retail Stores

Legislation to remove Point-of-Sale (POS) Tobacco Marketing – a powerful form of tobacco advertising and promotion – is required to prevent and reduce tobacco use in Alberta. The following brief outlines the need to remove POS tobacco marketing.

POS DISPLAYS ARE A KEY TOBACCO INDUSTRY MARKETING STRATEGY:

Point-of-sale displays are the most important advertising medium available to the Canadian tobacco industry¹ because they reach all ages. The effectiveness of the POS advertising is substantiated by a large body of evidence from consumer product and tobacco control research, as well as by internal documents of the tobacco manufacturers themselves.² The fact that the Canadian tobacco industry pays retailers \$100 million³ a year for POS advertising confirms the effectiveness of this marketing strategy. Research indicates that POS ads and displays have been found to boost average tobacco sales by 12 to 28 per cent.⁴

YOUTH ARE SATURATED:

Point-of-sale is an effective communications channel because of its capacity to reach youth and its ability to generate tobacco brand awareness and image. Brand awareness is of prime importance to marketers. Research reveals that over 40 per cent of kids from non-smoking households can spontaneously name cigarette brands. Among kids aware of cigarette brands, half can name two or more (and up to seven) brands each. The two brands advertised most in convenience stores dominate kids' unaided awareness.⁵

EVERYONE IS EXPOSED:

Retail promotion works 24/7 – everyone is exposed: smokers and non-smokers; children and adults. Retail promotion is completely inconsistent with the tobacco industry's claim that tobacco promotion only targets adult smokers.

TOBACCO IS "NORMALIZED":

The high visibility and widespread availability of tobacco products contributes to the belief that tobacco use is a socially acceptable behaviour — the norm. The size of the tobacco display in many stores is greatly out of proportion to what is necessary to supply the market and contributes to the belief common among youth that "everyone" smokes. Research shows that the degree to which young people overestimate smoking rates is a predictor of starting smoking.⁶

RETAIL MARKETING CREATES A MISLEADINGLY POSITIVE IMAGE OF TOBACCO PRODUCTS:

This positive image of tobacco use is precisely the perception that people need in order to feel reassured about smoking despite widespread and persistent information about the serious consequences smoking will have on health. Promotion affects tobacco consumption in three interrelated ways: by influencing the smoking decision process among starters through helping to shape and reinforce their predisposition (belief that it's okay) to smoke; by influencing the amount consumed by smokers; and by hindering the quitting decision process among those who are addicted by acting as a reassuring cue to smoke.⁷

APPEAL OF "FORBIDDEN FRUIT":

Tobacco products on display at retail also serve to reinforce their appeal to young people as "forbidden fruit". One of the main development tasks for children and adolescents is to prepare for maturity, and an important element of this task is trying to determine what it means to be an adult and then copying what are perceived to be adult activities.⁸ Particularly attractive are those activities identified as being restricted to adults, such as smoking. As a result, tobacco products attractively displayed and visible to all at retail but only available for sale to adults, take on the heady allure of forbidden fruit and make their purchase even more desirable.⁹

IMPULSE PURCHASES ARE STIMULATED:

The visual cues provided by POS promotions for tobacco products stimulate impulse purchases among recent ex-smokers, occasional smokers, and teenage experimenters.¹⁰ POS promotions weaken the resolve of ex-smokers and those trying to quit. The highly visible presence of cigarettes provides an extremely large temptation for an individual craving nicotine. Visual cues at the point-of-sale remind "them of their favourite brand every time they visit a store".¹¹

As a coalition of Alberta's leading health organizations, the Campaign for a Smoke-free Alberta advocates for a healthier Alberta that is free from tobacco addiction and involuntary exposure to tobacco industry products.

For more information or to contact the Campaign for a Smoke-free Alberta, please visit www.smokefreealberta.com

TOBACCO ADS COMPETE WITH NRTs:

POS advertising undermines the effectiveness of promotion for products that help people quit smoking, such as nicotine gum or the nicotine patch. These nicotine replacement products (NRTs) are often displayed on counter tops in retail stores such as convenience stores and must compete with tobacco products for the attention of the consumer.¹²

ALBERTANS SUPPORT REMOVING POS MARKETING:

Sixty seven per cent of Albertans support banning tobacco powerwalls.¹³ This is particularly high given that most Albertans are not aware of the effectiveness and impact of this marketing strategy.

OTHERS HAVE TAKEN ACTION:

Saskatchewan, Manitoba, Ontario, Quebec, PEI, Northwest Territories and Nunavut have passed legislation to remove point-of-sale marketing. New Brunswick and Nova Scotia have passed partial bans.

LEGISLATIVE ACTION IS REQUIRED:

Legislative action to prohibit tobacco marketing in retail stores is required to reduce tobacco use in Alberta.

References

- ¹ The Influence of Tobacco Powerwall Advertising on Children, J. Gottheil Marketing Communications Inc., March 2005
- ² Restrictions on the Retail Display of Tobacco Products, Policy Analysis, Tilson Consulting, August 2004
- ³ Canadian Cancer Society 2006
- ⁴ Point of Purchase Advertising Institute. The point-of-purchase advertising industry fact book. Englewood, New Jersey: The Point of Purchase Advertising Institute, 1992.
- ⁵ The Influence of Tobacco Powerwall Advertising on Children
- ⁶ Restrictions on the Retail Display of Tobacco Products
- ⁷ Health Canada. The Smoking Decision Process and Tobacco Product Promotion 1996/1996
- ⁸ Chandler MJ. A Report of the Special Vulnerabilities of Children and Adolescents, August 1989, Attorney General of Canada document AG-241, RJR-MacDonald Inc. v. Attorney General of Canada and Imperial Tobacco Limited v. Attorney General of Canada, Superior Court, Province of Québec, 1991.
- ⁹ Kwechansky Marketing Research Inc. Project 16. Marketing report on Canadian teenagers and smoking habits for Imperial Tobacco Limited. October 1977. (Bates numbers 56627826 to 56627922)
- ¹⁰ Restrictions on the Retail Display of Tobacco Products
- ¹¹ Cigarette advertising and promotional strategies in retail outlets. Feighery, Ellen et.al, 2001
- ¹² Respecting the Discussion Paper Concerning Tobacco Promotion at Point of Purchase, Canadian Cancer Society Sept.2004
- ¹³ Ipsos Reid January 2007

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Behind the Smokescreen:

Removal of tobacco marketing from retail stores

A ban on tobacco Point-of-Sale (POS) advertising is not a prohibition on the sale of tobacco products.

Tobacco is addictive. There will still be addicted smokers wanting to buy the product, with or without powerwalls and other tobacco displays. However, removing point-of-sale advertising from retail stores will help reduce the number of young people that become addicted.

Banning tobacco product displays will reduce tobacco consumption.

There is substantial evidence that tobacco advertising and promotion increase tobacco use. If such advertising did not work, the tobacco industry wouldn't spend millions of dollars on it.

Tobacco displays and advertising do contribute to smoking rates.

Clearly a single tobacco display or an individual tobacco ad does not cause anyone to take up smoking. Research shows that there are many factors that contribute to an individual's decision to start smoking, and prevalent "always on" tobacco product marketing plays an important role in that process of smoking for youth, for occasional smokers and those trying to quit.¹⁴

Retailers can adjust with little, if any, economic impact.

In Canada, tobacco is an industry in decline. And while tobacco is an extremely profitable business for the industry, the margin of profit for those in Alberta – the retailers – is quite low. Tobacco industry payments to retailers work out to less than 5 cents per package. Retailers can simply increase their price by a few pennies to make up for tobacco industry payments. While retailers may lose tobacco listing allowances in the short term, other companies and products will compete for the prime real estate behind the cash register.

Concealing tobacco products doesn't have to be costly.

There are many options available to retailers for storage units. Also, retailers can ask the extremely profitable tobacco industry to provide storage units for its products.

POS bans may reduce theft.

There is no evidence that display bans result in increased theft. In fact, a ban on retail displays would minimize the risk of theft of cigarettes. Prominent displays encourage breaking and entering by drawing attention to the quantity of cigarettes readily available. With existing retail displays, retailers have to turn around to access the product. Without a retail display tobacco products would be stored out-of-sight in drawers under the counter or in an overhead bin.

Retailers will comply with the removal of tobacco POS advertising.

The Saskatchewan law achieved a high level of compliance – 98 per cent within six months to a year after its proclamation.¹⁵

Other legal products cannot be advertised at the POS.

The legal status of tobacco products does not mean that governments cannot impose stringent restrictions on how the product is manufactured, distributed, marketed and sold. Prescription drugs are a case in point. They provide immeasurable benefits to the public, and yet they are sold from behind the counter only in licensed pharmacies and only through the intermediary of a doctor and a pharmacist. In contrast, tobacco products cause the death of 47,000 Canadians every year when used exactly as intended by the manufacturer and yet they are prominently displayed in virtually every grocery store, convenience store and gas station¹⁶ in Alberta.

"the store environment, especially displays inside stores, is the biggest source of advertising awareness for all cigarette trademarks".

Brown & Williamson – sister corporation to Imperial Tobacco Canada

References

¹⁴ Background, Point-of-Sale Promotion of Tobacco Products, Ontario Tobacco Control Network, May 2004

¹⁵ Health Canada Tobacco Enforcement

¹⁶ Background, Point-of-Sale Promotion of Tobacco Products, Ontario Tobacco Control Network, May 2004



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