Point of Sale Tobacco Marketing

Disproportionately Targeting Vulnerable Populations

Point of Sale (POS) tobacco marketing disproportionately affects specific demographic groups such as youth, racial and ethnic minorities and those of low income or education. This marketing includes advertisements, price promotions and product displays and is largely controlled by tobacco manufacturers through coercive contractual agreements with retailers. The manufacturers’ marketing scheme is purposely designed to recruit replacement smokers (i.e., youth) and retain current users – disproportionately representing low-socioeconomic (SES) communities.

Manufacturers know who to target and how to reach that audience:

- Youth, African-Americans, and low-SES consumers tend to be price-sensitive and are more likely to take advantage of price promotions.
- Tobacco companies increasingly use point of sale price promotions (e.g. special prices or offers, cents off discounts, or multi-pack sales) to recruit new (i.e., youth) consumers, and retain their African-American and low-SES consumers.
- Retailers located in minority and low-income neighborhoods contain substantially more storefront advertising and offer more price promotions compared with retailers located in more affluent, non-minority neighborhoods.
- Tobacco retailers are more highly concentrated in areas with a high proportion of youth. Stores located near schools or in which adolescents frequently shop display nearly three times the amount of tobacco advertisements and promotional materials and tend to offer significantly lower cigarette prices than other stores in the community.
- Retailers located in minority communities tend to market cheaper cigarettes or provide more “buy-one, get-one” deals than those in more affluent, non-minority communities.

Marketing of menthol products illustrates the industry’s strategy:

- Menthol cigarettes (popular among youth and African American smokers) are promoted more aggressively in low-income, minority communities and communities with high proportions of youth.
- Tobacco industry documents reveal the industry developed specific marketing strategies for small, inner city stores to incentivize those retailers to promote menthol cigarettes to young, black smokers and smokers of low-SES.
- Two to three times more cigarette advertisements, particularly those for menthol products, are found in minority and low-SES communities than in more affluent, non-minority communities.

The industry controls the retail environment:

- Most (about two-thirds) tobacco retailers participate in some type of incentive program offered by tobacco manufacturers.
- The majority of retailers participate in multi-pack discount promotions (when available through the manufacturers).
- Cigarette companies spend about 50 cents per pack on price promotions (i.e., discounts).
- Seventy percent of stores in New York were found to offer at least one price promotion in 2009, averaging 4.4 promotions per store.
where adolescents shop frequently are within 1000 feet of schools). Playgrounds
Prevention and Tobacco Control Act: Banning Outdoor Tobacco Advertising Near Schools and
al,
schools and more likely to be frequented by Seidenberg et al.,
concentrated in areas where a large proportion of residents were younger than 18 years.”). See also Seidenberg et al., suptra note 6, at e29 (study found that advertisements were twice as likely to be found within 1000 feet of a school in minority neighborhoods than in non-minority neighborhoods); ANDREA LICHT ET AL., TOBACCO RETAIL OUTLET DENSITY BY PROXIMITY TO SCHOOLS AND LOW INCOME AREAS IN TWO CITIES IN WESTERN NEW YORK (2011) (finding that tobacco retail outlets were more concentrated around schools and more likely to be frequented by youth and other disadvantaged populations); Henriksen et al, supra note 6 at 118 (finding a disproportionate amount of menthol cigarette advertising and promotions near California high schools with more Black students); Douglas A. Luke et al., Family Smoking Prevention and Tobacco Control Act: Banning Outdoor Tobacco Advertising Near Schools and Playgrounds, 40 AM. J. PREV. MED. 295, 300 (2011) (stating 51% of tobacco retailers in New York State are within 1000 feet of schools).

8 L. Henriksen et al., Reaching youth at the point of sale: Cigarette marketing is more prevalent in stores where adolescents shop frequently, 13 TOB. Control 315, 316 (2004).
9 Office on Smoking and Health, supra note 1, at 436-7.
10 See, e.g., L. Henricksen et al., supra note 6, at 118.
11 DEADLY ALLIANCE, supra note 5, at 10; see also M.B. Laws et al., supra note 6, at ii73; S. Pucci et al., Outdoor Tobacco Advertising in Six Boston Neighborhoods: Evaluating Youth Exposure, 15(2) AM. J. OF Prev. MED. 155 (1998).
14 Seidenberg et al., supra note 6, at e29 (study found that advertisements were twice as likely to be found within 1000 feet of a school in minority neighborhoods than in non-minority neighborhoods and that the surveyed minority neighborhood had a larger population of residents under 18 years old compared to the non-minority neighborhood); Henricksen et al., supra note 6, at 118-9 (study in California showing that, despite cigarette manufacturer assertions that availability of price promotions is not based on ethnicity, as the proportion of African-American high school students increased, the proportion of menthol cigarette advertising rose, promotion of Newport brand cigarettes (the most popular brand among youth and African Americans) increased, and the price of Newports decreased at tobacco retailers in these neighborhoods). See also OFFICE ON SMOKING AND HEALTH, supra note 1, at 519 (Internal Lorillard documents describe marketing strategies to “generate interest and trial [in Newport menthol cigarettes] among entry level [i.e. youth] smokers”).
15 OFFICE ON SMOKING AND HEALTH, supra note 1, at 542; see Henriksen et al., supra note 6, at 116 (internal tobacco industry documents describe marketing more aggressively in “focus” communities with predominately low-income, Black residents).
16 MASSACHUSETTS DEPT. OF PUBLIC HEALTH, MASSACHUSETTS OPERATION STOREFRONT – 1998, at 3 (1998), available at http://www.mass.gov/eohhs/docs/dph/tobacco-control/operation-storefront.rtf (last visited July 11, 2013). See also DEADLY ALLIANCE, supra note 5, at 10 (literature review found 2.6 times more tobacco ads per person in areas with African-American majority compared to white-majority areas); Laws et al., supra note 6, at ii73 (survey in Massachusetts found that communities with high poverty rates had a higher average number of storefront ads per tobacco vendor, and that mentholated brands were advertised more heavily in predominantly minority communities).
17 DEADLY ALLIANCE, supra note 5, at 11 (citing Seidenberg et al., supra note 6, at e26); Henricksen et al., supra note 6, at 118.
18 Id. at 10. See also Laws et al., supra note 6, at ii73; Pucci et al., supra note 11, at 155.
19 FEIGHERY & RIBISL, supra note 5, at 11.
20 Id.
21 DEADLY ALLIANCE, supra note 5, at 8.