

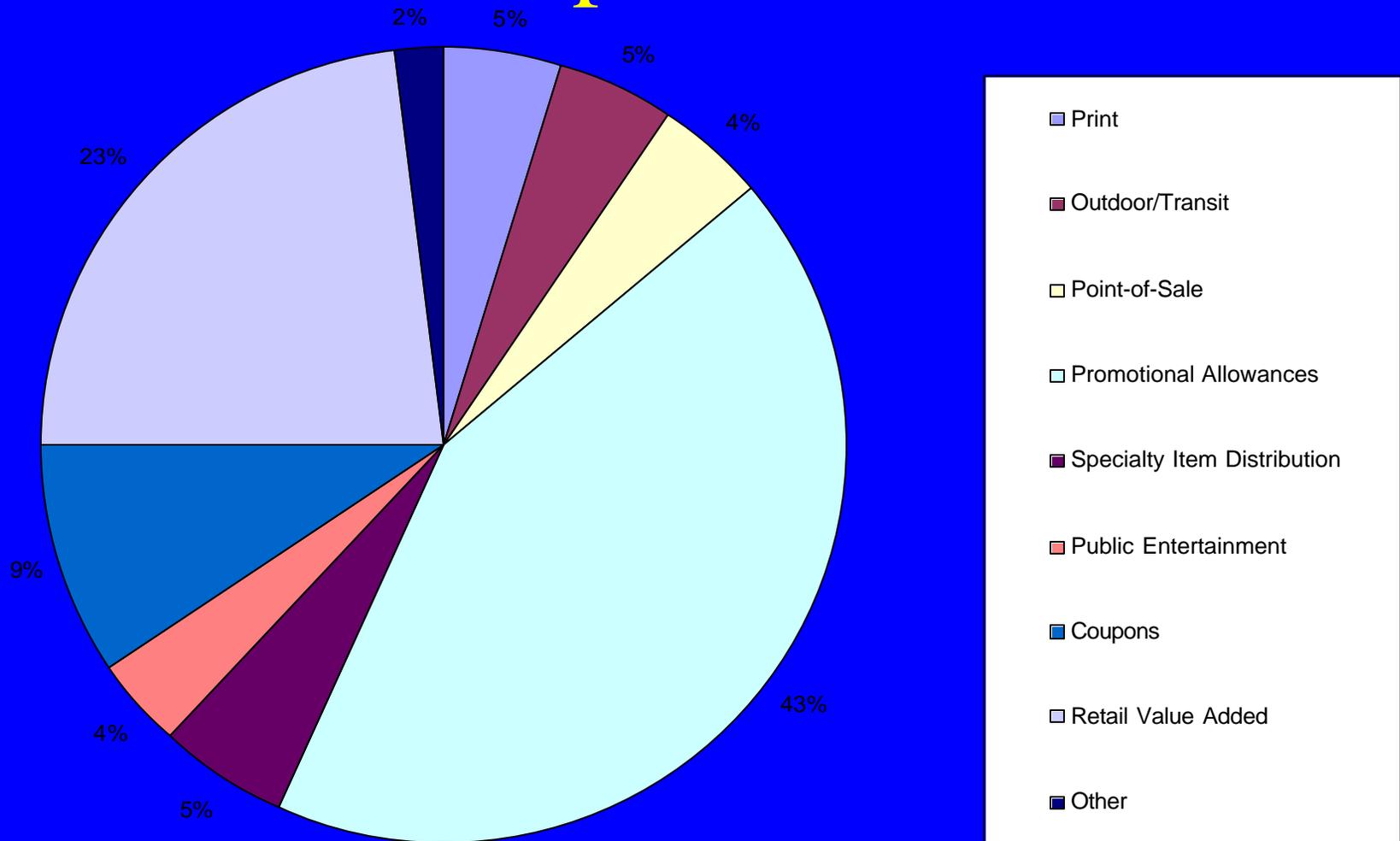
Advertising, Promotion, Countermarketing, and Tobacco Use

Frank J. Chaloupka

University of Illinois at Chicago

www.uic.edu/~fjc

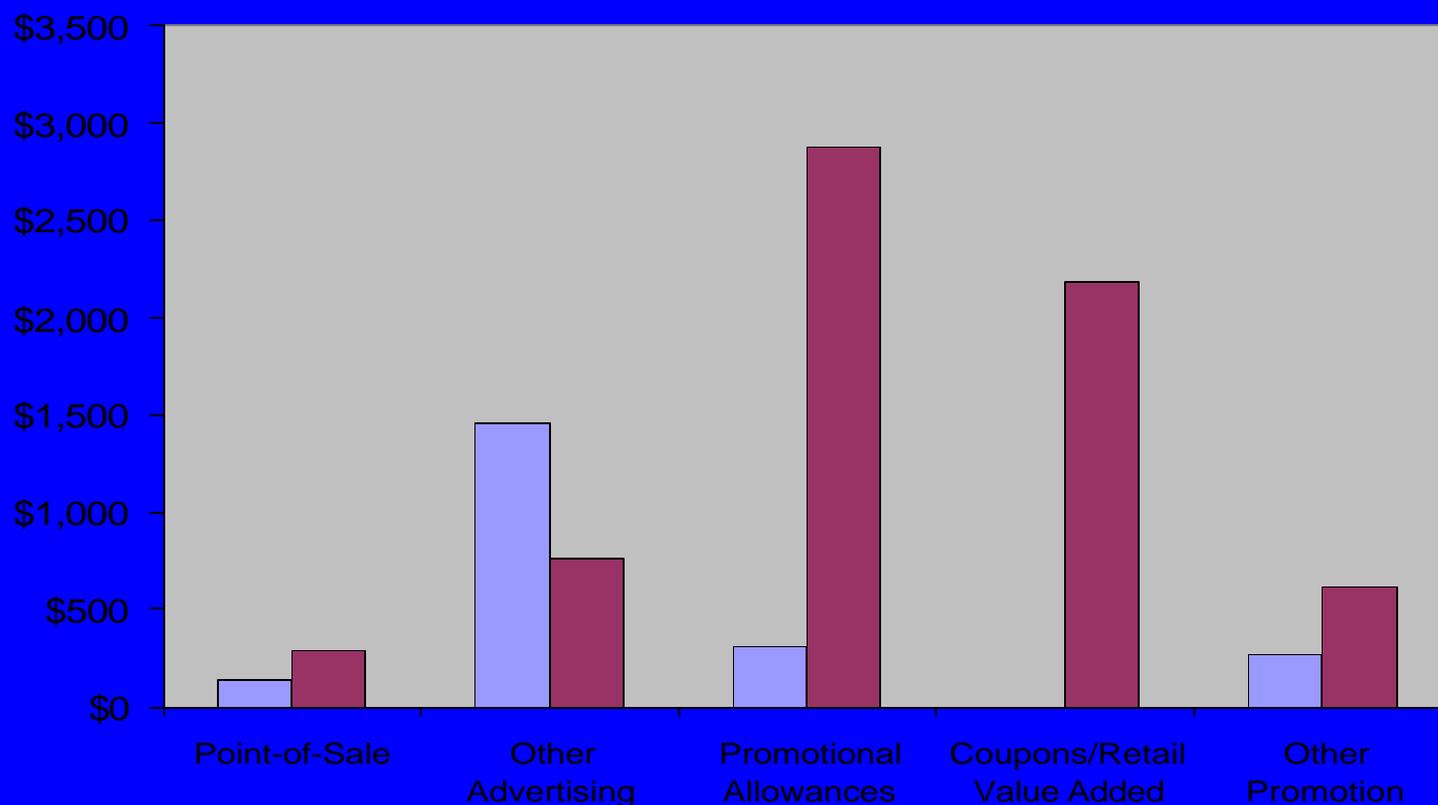
US Cigarette Advertising and Promotional Expenditures, 1998



Source: Federal Trade Commission (2000), *Report to Congress Pursuant to the Federal Cigarette Label and Advertising Act, 1998*

Cigarette Advertising and Promotion, 1978-1998

(millions of 1998 dollars)



Source: Federal Trade Commission (2000), *Report to Congress Pursuant to the Federal Cigarette Label and Advertising Act, 1998*, and author's calculations

Direct Effects of Tobacco Advertising and Promotion

- Attracts new users to the market (increased initiation)
- Reduces current users' willingness to leave market (reduced cessation)
- Stimulates use among current users (increased consumption by smokers)
- Induces former users to resume use (increased re-initiation)

Source: Warner (1986) *Selling Smoking: Cigarette Advertising and Public Health*

Indirect Effects of Tobacco Advertising and Promotion

- Discourages full discussion of the health consequences of tobacco in media dependent on tobacco advertising
- Contributes to an environment where tobacco use is perceived to be more socially acceptable and less hazardous
- Creates political opposition to strong tobacco control policies among institutions receiving tobacco industry marketing dollars
- Increases market segmentation/brand proliferation

Sources: Warner (1986); US Department of Health and Human Services (1989) *Reducing the Health Consequences of Smoking: 25 Years of Progress. A Report of the Surgeon General* ; Saffer (2000) "Tobacco Advertising and Promotion"

Advertising and Tobacco Use

- “Logical Arguments” imply that increased advertising increases tobacco use
- Substantial evidence from survey research and experiments concludes that:
 - cigarette advertising captures attention and is recalled
 - strength of interest is correlated with current or anticipated smoking behavior and initiation

Sources: Warner (1986); USDHHS (1989); USDHHS (1994) *Preventing Tobacco Use Among Young People. A Report of the Surgeon General*; Chaloupka and Warner (2000) “The Economics of Smoking”; USDHHS (2000) *Reducing Tobacco Use*; and studies cited within

Advertising and Tobacco Use

- Other Empirical Research:
 - Youth who own tobacco company promotional items more likely to become smokers (Pierce, et al. 1998; Biener & Siegel 2000; Sargent et al. 2000)
 - Youth smoking much more responsive to advertising than adult smoking (Pollay, et al. 1996)
 - Econometric studies generally find small or negligible impact of advertising on overall cigarette sales (Chaloupka and Warner 2000; Saffer 2000)
 - Econometric methods poorly suited for detecting impact of advertising on demand

Restrictions on Advertising and Tobacco Use

- Relatively comprehensive restrictions on advertising and promotion significantly reduce cigarette consumption
 - estimate more than a 6 percent reduction in consumption in response to comprehensive ban

Sources: Saffer (2000); Chaloupka and Warner (2000); Saffer and Chaloupka (2000)

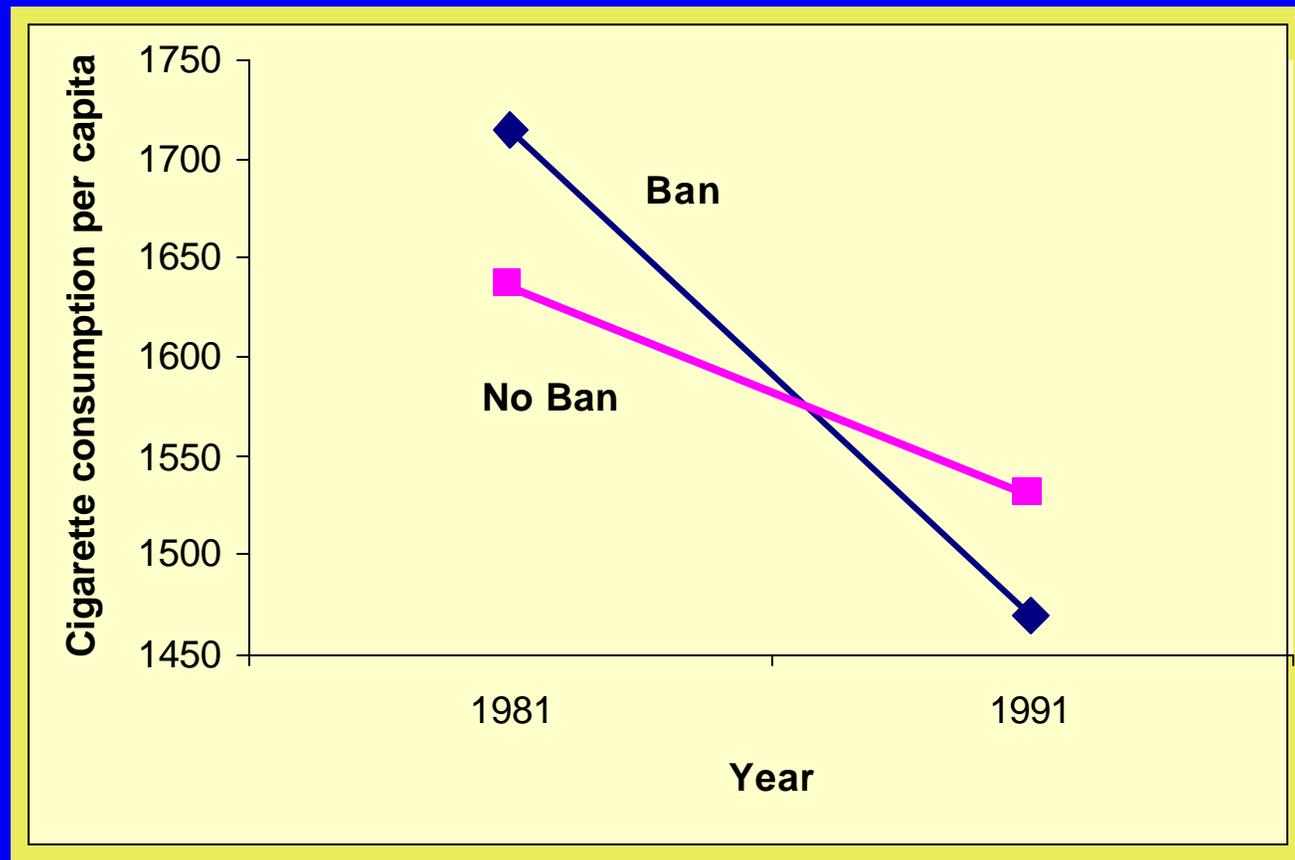
Restrictions on Advertising and Tobacco Use

- Limited/partial restrictions on advertising and promotion have little or no impact on cigarette consumption
 - induce substitution to other media and new promotional efforts

Sources: Saffer (2000); Chaloupka and Warner (2000); Saffer and Chaloupka (2000) “Tobacco Advertising: Economic Theory and International Evidence”; Wakefield, et al. (2000) *Changes at the Point-of-Sale for Tobacco Following the 1999 Tobacco Billboard Ban*

Comprehensive advertising bans reduce cigarette consumption

Consumption trends in countries with such bans vs. those with no bans
(n=102 countries)



Source: Saffer, 2000, in *Tobacco Control in Developing Countries*

Countermarketing and Tobacco Use

- Evidence from Fairness Doctrine campaign, school and community intervention studies, large state mass media campaigns, and national campaigns in several countries shows that countermarketing reduces youth and adult tobacco use
 - success depends on reach, frequency, and duration of countermarketing campaign

Sources: USDHHS (2000); Saffer (2000); Wakefield and Chaloupka (2000) “Effectiveness of Comprehensive Tobacco Control Programs in Reducing Teenage Smoking in the United States”; and studies cited within

Conclusions

- Tobacco advertising and promotion in the US is substantial and increasing
- Tobacco advertising increases consumption of tobacco products, particularly by youth
- Comprehensive bans on tobacco advertising and promotion would lead to significant reductions in tobacco use
- Countermarketing reduces tobacco use and is an essential component of a comprehensive tobacco control program