



The “Four P’s” of Marketing in the Tobacco Retail Environment

An Overview

In an effort to reduce tobacco marketing in the retail environment, municipalities, counties and states can address the “four P’s” or marketing – Product, price place and promotion.

- **Product** refers to the physical tobacco product, such as cigarettes, cigarillos, e-cigarettes and other tobacco products.
- **Price** refers to the customer-facing cost of the tobacco products in the retail environment.
- **Promotion** refers to print advertising and promotions used to reduce the price of the products.
- **Placement** refers to the placement of tobacco products in the retail environment.

The following infographic reports highlight the “four P’s” to tell the story of tobacco point-of-sale in St. Louis County, Minnesota.

Product

St. Louis County, Minnesota

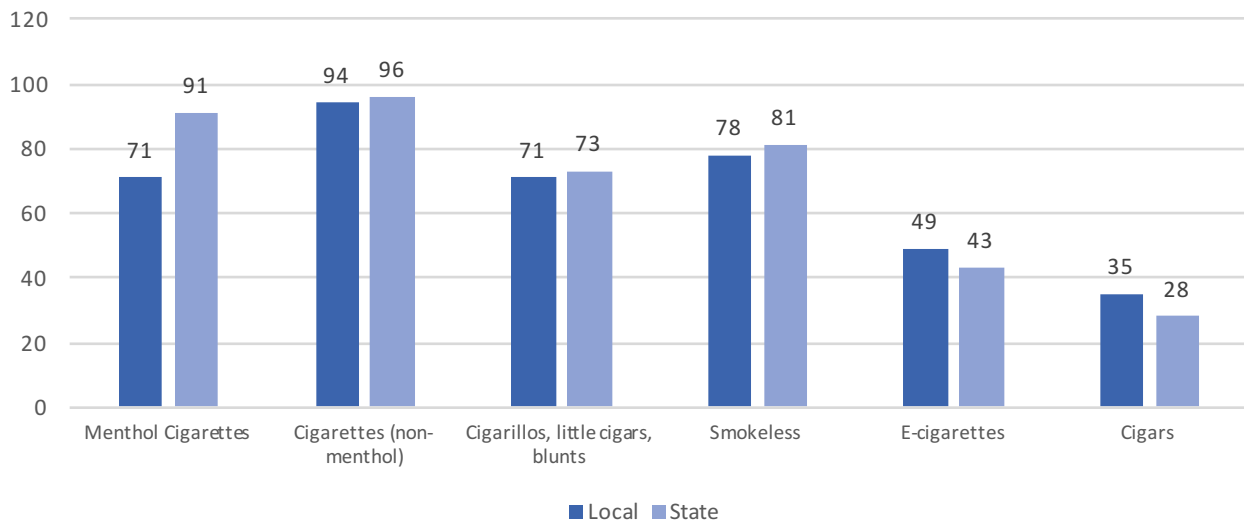
What is it

There are many tobacco products available and advertised in stores, including cigarettes, cigarillos, spit, chew and/or loose tobacco, cigars and e-cigarettes. These products may have special flavorings, and many are available in different package sizes, including singles.

Why does it matter

Point of sale advertising promotes brand recognition in youth and the belief that youth can buy tobacco products without proof of age [1]. Expanding perceived availability of tobacco products encourages impulse purchases, cues cravings, and undermines quit attempts [2, 3, 4].

St. Louis County, MN: Percent of retailers selling...



	Any Flavored Products?	Any Exterior Ads?
Local	77%	28%
State	93.5%	29%

37.5% of stores in St. Louis County surveyed sold JUUL devices.

What can be done

Some jurisdictions restrict where sales can occur. In Minnesota, restricting sales to adult-only establishments has been implemented. For example, the City of Duluth restricts the sale of flavored tobacco products to “adult-only” tobacco retailer establishments.

Price

St. Louis County, Minnesota

What is it

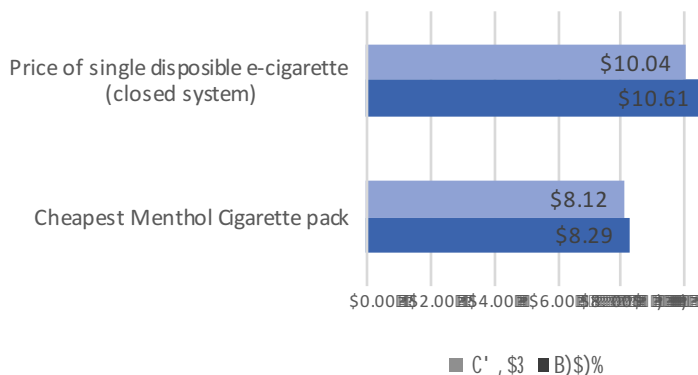
In 2016, the tobacco industry spent over \$7.1 billion marketing and promoting cigarettes and smokeless tobacco at the point of sale. Over 90% of that is spent on strategies to keep tobacco products cheap [5]. The availability of single cigarillos, often advertised for less than \$1, are particularly attractive to youth [6].

Why does it matter

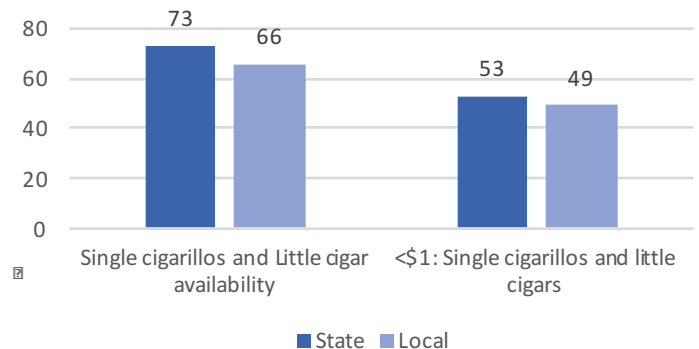
Increasing the price of tobacco products is the number one way to reduce tobacco consumption. It is associated with lower initiation, higher cessation and lower overall consumption [7].

What is happening in St. Louis County, MN:

Average Price of Tobacco Products



Percent of stores: Cigarillos and Little Cigars



What can be done



Raising the price is the gold standard of point-of-sale strategies. A growing number of Minnesota communities have adopted laws that require a minimum price and/or a package size for cigars. For example, the City of St. Paul requires a minimum per pack price of \$10.40 for four or more cigars, with a minimum per cigar price of \$2.60 for smaller quantities.

Placement

St. Louis County, Minnesota

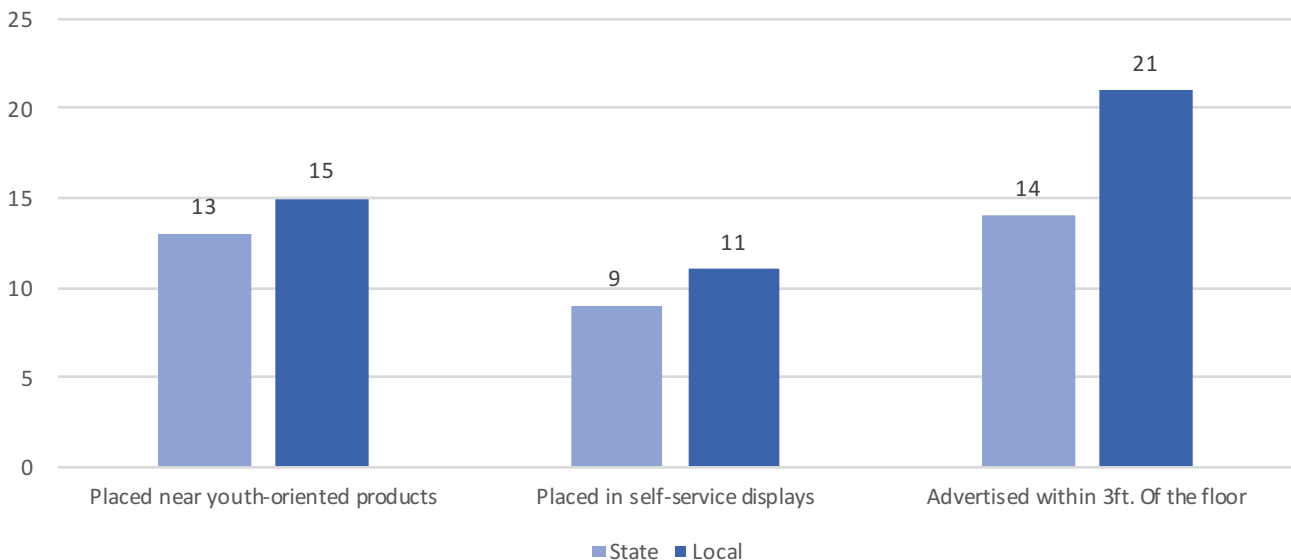
What is it

The Federal Trade Commission reported that in 2016, the tobacco industry spent about \$228 million on promotional allowances paid to cigarette retailers and about \$29 million paid to smokeless tobacco retailers to control the strategic shelving and placement of tobacco products [8]. Retailers may place tobacco at eye level of children or near candy, or in special vendor-assisted displays.

Why does it matter

Tobacco product displays increase brand recognition, especially among youth [9]. Tobacco product displays also foil quit attempts among those attempting to quit smoking [10].

What is happening in St. Louis County, MN: Percent of stores with tobacco...



What can be done

Local jurisdictions can advocate for local ordinances requiring product displays to be behind the counter, effectively separating it from candy, snacks and youth products.

Note: Cigarettes are not included in "self-service displays" evaluation due to question not being asked for that product.

Promotions

St Louis County, Minnesota

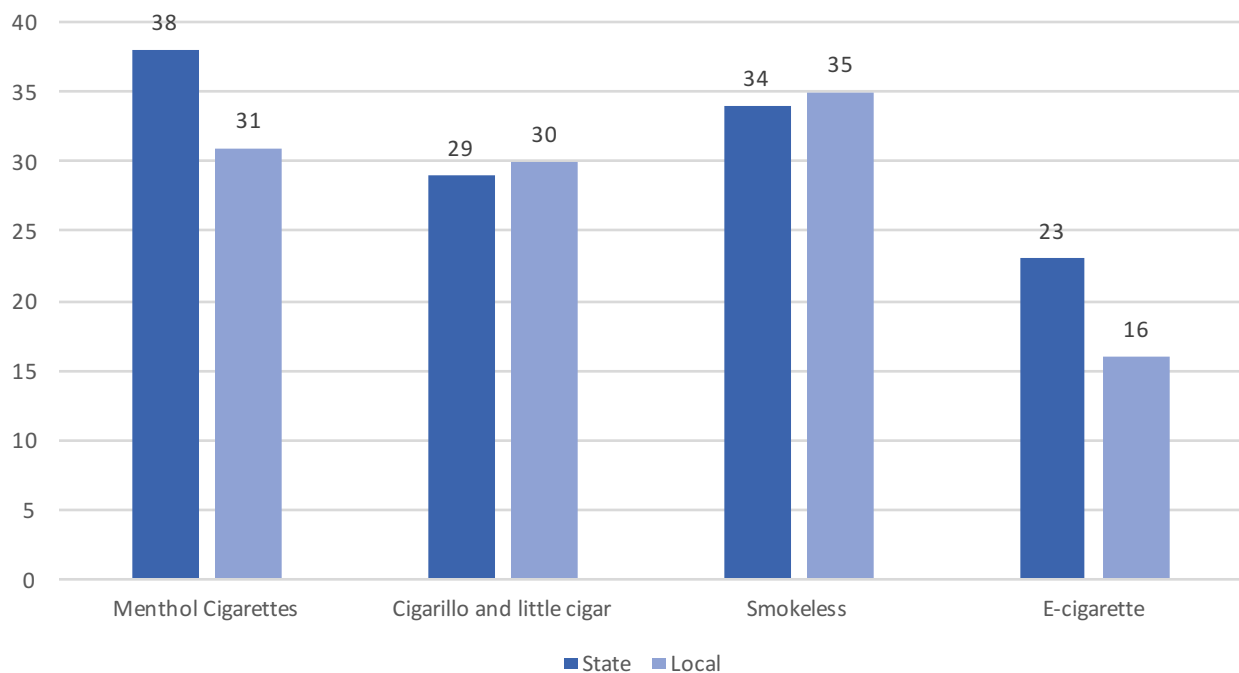
What is it

Price promotions reduce the sale price of tobacco products to entice customers. These may include multi-pack discounts (ex. buy two products, get one free) or dollars or cents off when a higher quantity of tobacco products are purchased. Youth are especially price-sensitive consumers, and reductions in price increase the likelihood that they will experiment with tobacco [12].

Why does it matter

Prohibiting price promotions reduces consumption, reduces initiation, and increases cessation efforts [12].

What is happening in St Louis County, MN: Percent of retailers with price promotions on...



What can be done

In 2013, New York City passed a comprehensive point-of-sale policy that restricted price discounts by prohibiting retailers from redeeming any coupons [13]. Providence, Rhode Island was the first to ban coupon redemption and multi-pack discounts in 2012 [14].

References

Data came from 148 surveys completed in St. Louis County, Minnesota in 2018. Numbers have been rounded to the nearest whole number when possible and all applicable data points have been utilized when possible.

- 1) Wakefield, et al. 2006. *An experimental study of effects on schoolchildren of exposure to point-of-sale cigarette advertising and pack displays.*
- 2) Wakefield M., Germain, Henriksen. 2008. *The effect of retail cigarette pack displays on impulse purchase.*
- 3) Carter OB, Mills and Donovan. 2009. *The effect of retail cigarette pack displays on unplanned purchases.*
- 4) Siahpush, et al. 2015. *The association of point-of-sale cigarette marketing with cravings to smoke.*
- 5) Federal Trade Commission. *Report on 2016 Cigarette and Smokeless Tobacco Sales and Marketing Expenditures*
- 6) CDC. *2012 Surgeon General's Report – Preventing Tobacco use Among Youth and Young Adults*
- 7) Campaign for Tobacco-Free Kids. *Raising Tobacco Taxes: A Win-Win-Win.*
- 8) Federal Trade Commission. *Report on 2016 Cigarette and Smokeless Tobacco Sales and Marketing Expenditures.*
- 9) Wakefield, et al. 2006. *An experimental study of effects on schoolchildren of exposure to point-of-sale cigarette advertising and pack displays.*
- 10) Wakefield M., Germain, Henriksen. 2008. *The effect of retail cigarette pack displays on impulse purchase.*
- 11) Change Lab Solutions. *Self Service Display of Tobacco Products: A Model Ordinance.*
- 12) CDC. *2012 Surgeon General's Report – Preventing Tobacco use Among Youth and Young Adults*
- 13) *Reducing Cheap Tobacco & Youth Access: New York City. State and Community Tobacco Control Research.*
- 14) *Regulating Price Discounting in Providence, RI. State and Community Tobacco Control Research.*