



ASSESSING OREGON'S RETAIL ENVIRONMENT

SHINING LIGHT ON TOBACCO INDUSTRY TACTICS

If we thought the tobacco industry didn't advertise anymore, it's time to think again. This assessment shines light on how the industry spends over \$100 million to promote its products in Oregon stores and to hook the next generation.

SMOKEFREE
oregon



DID YOU KNOW THE TOBACCO INDUSTRY SPENDS OVER \$100 MILLION EACH YEAR IN OREGON?^{*1}

Tobacco products are front and center, where people — including kids — will see them every day. To gauge what tobacco retail marketing looks like across the state, local health department staff and volunteers visited nearly **2,000 Oregon tobacco retailers** in 2018. **Data provide striking information about how the tobacco industry pushes its deadly products across Oregon.**

The findings are clear: The tobacco industry is aggressively marketing to people in Oregon, and especially targets **youth, communities of color and people living with lower incomes.** This report outlines findings from the retail assessment and explores ways Oregon communities can reduce tobacco marketing, help people who smoke quit, and keep youth from starting — and **ultimately save thousands of Oregon lives each year.**

* This amount does not include spending on advertising and marketing of e-cigarettes, for which statewide data is not yet available. When added in, this number climbs even higher.

THE TOBACCO INDUSTRY SPENDS BILLIONS TO RECRUIT NEW CUSTOMERS.

Every year, the tobacco industry spends more than \$8.6 billion nationally on tobacco advertising.² When TV and billboard advertising for tobacco was restricted (in 1971 and 1998, respectively),³ the tobacco industry shifted its multibillion-dollar investment into convenience stores, grocery stores, gas stations and other retail locations. This means the tobacco retail environment is packed with sponsorships, discounts, coupons and other promotions.

E-cigarette companies rapidly increased their retail advertising from \$6.4 million to \$115 million nationally between 2011 and 2014 alone.⁴ Advertising restrictions do not apply to e-cigarettes.

This overwhelming amount of advertising — in places people visit every day to purchase food, beverages, medications, health supplies and other necessities — is intentional. It is designed to manipulate consumers, spark nicotine cravings and generate impulse tobacco purchases among people trying to quit. These ads also lure teens and young adults to a deadly product, fulfilling the tobacco industry’s need to recruit new smokers to replace those who either quit or die.⁵

The industry targets locations popular with youth, communities of color and communities with lower incomes.⁶

OREGON TAKING A CLOSER LOOK

THE TOBACCO INDUSTRY SPENDS OVER

\$100 MILLION EACH YEAR

ON CIGARETTE AND SMOKELESS TOBACCO PROMOTIONAL MARKETING AND ADVERTISING IN OREGON.¹

STATE SPENDING ON TOBACCO PREVENTION EFFORTS¹

TOBACCO INDUSTRY'S SPENDING ON MARKETING

MORE THAN **11x**

THE INDUSTRY'S INVESTMENT IS WORKING.

• • • • ➔

1 IN 5

HIGH SCHOOLERS USES TOBACCO; THE MOST COMMONLY USED PRODUCT IS E-CIGARETTES (13%).⁶

MORE THAN

25%

OF ALL OREGON ADULTS USE TOBACCO (26%); THE MOST COMMONLY USED PRODUCT IS CIGARETTES (17%).⁷

TRAINED TEAMS INVESTIGATE INDUSTRY SPENDING.



To understand how much space the tobacco industry occupies in Oregon, the Oregon Health Authority (OHA) Tobacco Prevention and Education Program (TPEP) conducted a statewide assessment of tobacco advertising, marketing and promotion in retail locations.

To collect data in a clear and objective way, TPEP trained and partnered with teams of local health department staff, nonprofit organizations, tribes and community volunteers to use a standard assessment tool. The retail assessment led to new collaborations between OHA/TPEP and OHA Alcohol and Drug Prevention Education Program (ADPEP), as well as prevention coalition members, health department staff, volunteers, and youth.

The retail assessment findings provide a snapshot of the tobacco industry's presence across Oregon. It sheds light on the ways the industry targets people in Oregon, particularly youth.

THE ASSESSMENT INCLUDED
RETAILERS
IN
EVERY
COUNTY



IN TOTAL, TEAMS VISITED NEARLY
2,000
**GROCERY STORES,
CONVENIENCE STORES, GAS
STATIONS, PHARMACIES
AND OTHER RETAILERS**

ALL
**RETAILERS ALLOWED YOUTH
UNDER 18 TO SHOP
IN THEIR STORES**



“

“Recently, a Juul representative had come in and was aggressive in their sales tactics. They said this to the storeowner: ‘I see you aren’t selling Juul — but we bring in the most money. How much do you want to buy today?’ When she said she didn’t want to purchase any Juuls to sell in her store, the representative became aggressive and mean to her. She explained that she had to threaten to call the police and tell this representative never to come back before they finally left her property.”

— Retail staff

THE TOBACCO INDUSTRY CONTROLS THE RETAIL ENVIRONMENT.

Research shows that if people do not start smoking before they turn 19, they are far less likely to ever start, making young people a highly valuable audience. Young people are an ideal target⁹ — and more than half of all teens shop in convenience stores at least once a week.⁶

The tobacco industry surrounds young people with marketing as they walk through the store. Two in three stores assessed advertised a price promotion and more than half advertised flavored tobacco products.

This heavy marketing sends a message to young people that tobacco use is common and cheap and that tobacco products are easily accessible. In Oregon, more than half of high schoolers think that e-cigarettes are easy to get.⁶

The tobacco industry makes it difficult for local tobacco retailers who do not want to promote tobacco products. Industry contracts tell them how to market and give incentives to keep products cheap.

“During a retail assessment, we were approached by the storeowner, who made a comment about how tobacco companies are experts at making money. He said that he sells tobacco products cheaper than what he buys them for. In return, tobacco companies send him checks if he’s keeping their products at the lowest price, filling space with a certain amount of their product and/or selling a certain amount of product.”

— Curry County volunteer

”

THE TOBACCO INDUSTRY PURSUES OREGONIAN AT EACH STEP THROUGH THE STORE.

From the moment a customer approaches a store, to the time they pay at the register, they receive suggestions to buy tobacco. This marketing strategy is intentional. Exposure to tobacco ads has been linked to impulse purchases in adults who are trying to quit and to relapse among people who used to smoke.⁸ More than 60 percent of people in Oregon who smoke want to quit and over half have tried in the past year.⁷



TOBACCO IN OREGON: SWEET, CHEAP AND PLENTIFUL.

SWEET TOBACCO FLAVORS ARE DESIGNED TO HOOK YOUTH

Flavors appeal to underage consumers by masking the natural harshness and true taste of tobacco.¹⁰

A national study of youth and adults that examined flavored tobacco product use found that four out of five youth and young adults who have used tobacco started with a flavored tobacco product.¹¹

In 2017, 13% of Oregon 11th graders used e-cigarettes.⁶

Nearly half of 11th graders in Oregon who currently use tobacco started with e-cigarettes.⁶

9 OUT OF **10**

**TOBACCO RETAILERS SOLD FRUIT &
CANDY-FLAVORED E-CIGARETTES OR
CIGARILLOS**

TOBACCO RETAILERS KEEP TOBACCO CHEAP FOR PEOPLE ON A LIMITED BUDGET

The tobacco industry frequently offers discounts and coupons, as well as “single servings” that can be sold for \$1 or less. These pricing tactics encourage tobacco purchases among youth, people with low incomes and people who use tobacco.¹²

57% of tobacco retailers who sold cigarillos or small cigars advertised them for less than \$1.

34% of retailers in Oregon with pharmacy counters discounted e-cigarettes compared to 23% without pharmacy counters.

NEARLY **2** IN **3**

**TOBACCO RETAILERS DISCOUNTED
AT LEAST ONE TOBACCO PRODUCT**

THE TOBACCO INDUSTRY TARGETS COMMUNITIES OF COLOR

The tobacco industry strategically supplies stores with customized products based on who lives nearby. For example, studies show that menthol products are given more shelf space in African American neighborhoods.¹³

Marketing also tends to be more concentrated in neighborhoods where people have lower incomes and within communities of color.¹⁴ Tactics include marketing menthol heavily in African American communities with themes of Black empowerment and identity.

60% of African American youth prefer Newport (menthol) cigarettes compared to 22% of white youth.¹⁵

96%

**OF TOBACCO RETAILERS
CARRIED MENTHOL PRODUCTS**

WE CAN TURN THIS AROUND: SOLUTIONS TO COUNTER THE TOBACCO INDUSTRY'S PRESENCE IN STORES.

Communities across Oregon can come together to make a change in the retail environment. Despite the tobacco industry's marketing might, communities across Oregon are already working on changing the retail environment to protect kids and help people to quit.



HERE'S WHAT WORKS:



TOBACCO RETAIL LICENSURE

Tobacco retail licensure requires tobacco retailers to get a license to sell tobacco products. This makes it easier to enforce laws prohibiting sales to people under age 21. It also creates opportunities to limit density of tobacco retailers, including locations near schools, and provides an opportunity to pursue other prevention policies.¹⁶

Licensing tobacco retailers is a local action that is being implemented in several Oregon communities. Tobacco retail license policies could reduce the number of Oregon youth and young adults who become addicted to tobacco, help people who use tobacco quit and reduce health care costs.¹⁶

Nearly 3 in 4 Oregon adults support requiring stores that sell tobacco to get a license — and 66 percent are not aware that Oregon does not require a state tobacco license. Oregon is one of only nine states without retail licensure.¹⁷



RAISING THE PRICE OF TOBACCO PRODUCTS

Across the country, communities are raising the price of tobacco, a strategy proven to help people quit and keep youth from starting.¹³ Raising the price of tobacco products can happen through tax increases or through other options that directly address industry tactics to keep prices low. Common non-tax strategies include prohibiting the distribution and use of coupons (e.g., buy one get one free), implementing a tobacco minimum price and requiring a minimum pack size for products like cigarillos. Federal law already prohibits most promotional samples.¹³

In Oregon, both local and state governments have the authority to raise taxes on e-cigarettes. Only the state government has the authority to raise cigarette and smokeless tobacco taxes.

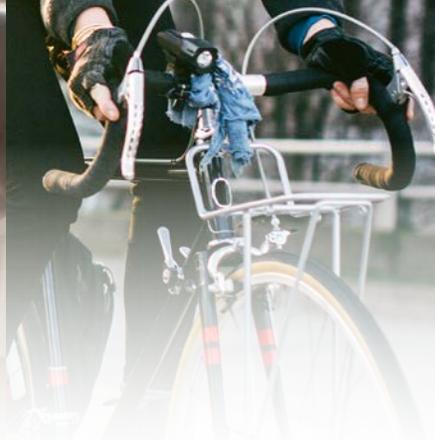
Half of Oregon adults support prohibiting the use of tobacco coupons or discounts.¹⁷



REGULATING FLAVORED TOBACCO PRODUCTS

In the United States, it is against the law to manufacture or distribute flavored cigarettes, excluding menthol. Yet other flavored tobacco and nicotine products, including e-cigarettes, remain legal and easily accessible — and are designed to appeal to youth. Policies that restrict flavors could prohibit the sale of these tobacco products, including fruit and candy flavors as well as menthol.¹⁶

Fifty-four percent of Oregon adults support prohibiting the sale of flavored products, and nearly half don't know that Oregon could pass a law that would prohibit stores from selling flavored tobacco.¹⁷



PROXIMITY AND DENSITY POLICIES

Research shows that the more exposure children have to tobacco products and advertising, the more likely they are to try tobacco.⁵ In neighborhoods with more tobacco retail locations and advertising, children smoke at higher rates.¹⁸

Most communities can pass policies to address this problem. Tobacco retail licensure and zoning restrictions can cap the number of retailers in a geographic area or the number of retailers relative to population size. Cities and counties may also require a minimum distance between retailers or prohibit retail locations near schools or other areas youth frequent.¹³

Sixty-six percent of Oregon adults support setting limits on how close tobacco stores can be to schools.¹⁷



TOBACCO-FREE PHARMACIES

Nationally, there is a growing movement to prohibit the sale of tobacco products in pharmacies, where people go for medicine, flu shots and health care advice. In 2014, CVS Pharmacy made the decision to remove tobacco products from all stores nationwide. The chain's continued success demonstrates that pharmacies can flourish without selling tobacco products.¹⁶

21+

RAISE THE MINIMUM AGE OF LEGAL ACCESS TO TOBACCO PRODUCTS

In Oregon, we have made important progress by raising the minimum legal sale age for tobacco products, including e-cigarettes, to 21. By implementing this law, Oregon decision-makers showed their support for an important step in helping the next generation to live tobacco free.

VICTORY FOR OREGON

IN 2017, THE OREGON LEGISLATURE RAISED THE REQUIRED MINIMUM AGE FROM

~~18~~ TO 21

FOR A PERSON TO BE ABLE TO LEGALLY BUY OR OBTAIN TOBACCO PRODUCTS AND INHALANT DELIVERY SYSTEMS, LIKE E-CIGARETTES.

HELP KEEP THE TOBACCO INDUSTRY AWAY FROM OREGON YOUTH AND COMMUNITIES. TO FIND OUT MORE, CHECK OUT THE RESOURCES BELOW.

¹ Campaign for Tobacco-Free Kids. "The Toll of Tobacco in Oregon," n.d. www.tobaccofreekids.org/problem/toll-us/oregon.

² U.S. Federal Trade Commission (FTC). Cigarette Report for 2017, 2019, See also, FTC, Smokeless Tobacco Report for 2017, 2019, state total is a prorated estimate based on cigarette pack sales in the state.

³ What do tobacco advertising restrictions look like today? truthinitiative.org/news/what-do-tobacco-advertising-restrictions-look-today.

⁴ Vital Signs Issue details: Exposure to Electronic Cigarette Advertising Among Middle School and High School Students — United States, 2014, Morbidity and Mortality Weekly Report (MMWR). www.cdc.gov/vitalsigns/ecigarette-ads/index.html.

⁵ Centers for Disease Control and Prevention. "Preventing Tobacco Use Among Youth and Adults: A Report of the Surgeon General." 2012. pg. 2. www.cdc.gov/tobacco/data_statistics/sgr/2012/consumer_booklet/pdfs/consumer.pdf.

⁶ Oregon Health Authority. Behavioral Risk Factor Surveillance System (2017).

⁷ Oregon Health Authority. Oregon Healthy Teens (2017).

⁸ U.S. Department of Health and Human Services. The Health Consequences of Smoking: 50 Years of Progress. A Report of the Surgeon General. Atlanta, GA: U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, National Center for Chronic Disease Prevention and Health Promotion, Office on Smoking and Health, 2014.

⁹ Counter Tobacco. FTC Reports Show Tobacco Companies Spent \$7.3 Billion at the POS in 2017. countertobacco.org/new-ftc-reports-show-tobacco-companies-spent-over-7-3-billion-at-the-point-of-sale-in-2017/.

¹⁰ Centers for Disease Control and Prevention. 2012. www.cdc.gov/tobacco/data_statistics/sgr/2012/consumer_booklet/pdfs/consumer.pdf.

¹¹ Villanti, A. C., Johnson, A. L., Ambrose, B. K., Cummings, K. M., Stanton, C. A., Rose, S. W., Hyland, A. (2017). Flavored Tobacco Product Use in Youth and Adults: Findings From the First Wave of the PATH Study (2013-2014). *American Journal of Preventative Medicine*, 53(2), 139-151. doi:10.1016/j.amepre.2017.01.026.

¹² Centers for Disease Control and Prevention. 2012. www.cdc.gov/tobacco/data_statistics/sgr/2012/consumer_booklet/pdfs/consumer.pdf.

¹³ Center for Public Health Systems Science. Point-of-Sale Strategies: A Tobacco Control Guide CDC-pdf[PDF-15.6 MB] External. St. Louis: Center for Public Health Systems Science, George Warren Brown School of Social Work at Washington University in St. Louis and the Tobacco Control Legal Consortium, 2014.

¹⁴ Achieving Health Equity in Tobacco Control. 2015. truthinitiative.org/news/achieving-health-equity-tobacco-control.

¹⁵ Lee, J. G., Henriksen, L., Rose, S. W., Moreland-Russell, S., & Ribisl, K. M. (2015). A Systematic Review of Neighborhood Disparities in Point-of-Sale Tobacco Marketing. *American Journal of Public Health*, 105(9), e8-18. doi:10.2105/AJPH.2015.302777.

¹⁶ Oregon Health Authority. Tobacco Retail Environment.

¹⁷ Oregon Health Authority. Smokefree Oregon Ad Recall Survey. November 2018. Unpublished data.

¹⁸ Oregon Health Authority, HPCDP Connection. Tobacco Retail Environment. www.oregon.gov/oha/PH/DISEASES/CONDITIONS/CHRONICDISEASE/HPCDPCONNECTION/TOBACCO/Pages/RetailLicensing.aspx.



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Oregon Tobacco and Alcohol Retail Assessment, 2018.

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