

**Title**

Tobacco packaging as promotion

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## Tobacco packaging as promotion

Almost twenty years ago it was suggested that restrictions in tobacco advertising would only be partly successful as the ‘pack itself is a powerful form of advertising’.<sup>1</sup> These words have proved prescient as the pack has indeed emerged as the primary marketing tool in jurisdictions with tight marketing controls. In the UK, for instance, following the introduction of the Tobacco Advertising and Promotion Act between 2003 and 2005, which banned all forms of tobacco advertising and promotion, the pack has become the main marketing driver.<sup>2</sup> Moodie and Hastings<sup>2</sup> explain how UK tobacco industry marketing documents from between 1995 and 2000 both predicted the increasing importance of the pack in the face of marketing restrictions and highlighted the different ways the pack can be employed to promote the product, via what they refer to as value, image and innovation (or gimmick) packaging. Value packaging is used to communicate value via altered pack size (for instance packs containing 24 cigarettes rather than the standard 20) or price-marking (which displays the price of the cigarettes on the pack), see Figure 1. Both altered pack size and price-marking, most evident for value and economy brands, are used to communicate value to the consumer although they are not necessarily indicative of reduced price relative to other brands. Image packaging helps drive favourable brand imagery through new pack design (see Figure 2) and innovation packaging is used to stimulate consumer interest via pack additions (such as tins) and pack modifications (specifically changes to the shape of the pack or method of opening, for instance, ‘lighter’, ‘wallet’ and ‘slide’ packs), see Figure 3.

Figure 1 here

Figure 2 here

Tobacco packaging from across the globe typically falls into these three categories, and each can have a profound effect on market share, as examples from the UK market show. For value packaging, Gallaher’s price-marked Sterling packs, introduced at the end of 2008, saw market share increase from 5% to 6.1% in just over four months.<sup>3</sup> Similarly, the ‘Celebration’ Lambert and Butler packs launched in 2004, an example of image packaging, increased market share by 0.4% (£60 million) during their four month release. Imperial Tobacco’s Global Brand Director said that ‘Often in marketing, it is difficult to isolate the effects of individual parts of the mix. But in this case, because the UK had become a dark market, the pack design was the only part of the mix that was changed, and therefore we knew the cause and effect’.<sup>4</sup> And finally, in the case of innovation packaging, the Benson and Hedges Silver slide pack, released in 2006, increased sales by £74.5 million in 2007;<sup>5</sup> the biggest growth of any of the top 20 cigarette brands in this year.<sup>6</sup> The company explicitly attributed this rising market share to the slide pack.<sup>6</sup> So the pack has indeed become a potent marketing tool.

Figure 3 here

Another UK example of image packaging shows just how blatant this exploitation has become, turning the pack into a fully-fledged advertising medium despite a supposedly comprehensive advertising ban. Between July and September 2009 Japan Tobacco International (JTI) introduced a redesigned pack for their economy brand Mayfair. Customers were told about the impending new design this July through an insert in the pack announcing “*Important Packaging Information*”; the insert also made overt claims about the quality, taste and value of the product. There is no doubt that this constitutes advertising that both contravenes the Tobacco Advertising and Promotion Act<sup>7</sup> and runs counter to the FTC’s definition of tobacco advertising as ‘any form of commercial communication,

recommendation or action with the aim, effect or likely effect of promoting a tobacco product or tobacco use either directly or indirectly'.<sup>8</sup> Inserts are a standard form of promotion, with agreed rate cards just like press or television, as one major advertising text states: “*package inserts*” are “*a very effective and inexpensive means of advertising*”.<sup>9</sup> The next step of the campaign was to announce the “*new design coming soon*” on the cellophane wrap tear-tape, backed up with price-marking to add value, and this was followed up in mid-August with interim new packs overprinted with a film of the old packs to help customer recognition<sup>10</sup> (see Figure 4). Finally the new packs were launched and include a tear-off tag on the underside of the lid that performed both direct and indirect advertising tasks: it promotes the message “*These cigarettes are produced to the highest standard of quality*”, and it drives traffic to the JTI website. The website extols the virtues of JTI and its brands, as well as promulgating misleading health information - including denials of the serious ill-effects of second hand smoke.

Figure 4 here

Two clear lessons emerge from the Mayfair case. First, the cigarette pack is being used to undermine public policy. In common with administrations around the globe the UK thought it had enacted a comprehensive ban on tobacco promotion; in reality inserts, cellophane wraps, tie-ins to other promotional activity and core pack design are being used to defy this intent. This will only stop when plain (or standardised) packaging is mandated. Second, the case raises serious questions about corporate websites. JTI is clearly using its site as a consumer marketing communication tool and this must contravene legislation prohibiting advertising. The time, therefore, has come to restrict tobacco industry websites to legally required financial and governance information, stripping out all other opinion based content.

#### *What is already known on this subject*

It is well established that the tobacco industry responds to marketing restrictions by exploiting unregulated marketing channels, such as the pack, which is now the key promotional tool in the UK.

#### *What this paper adds*

This paper helps demonstrate how the tobacco industry use all elements of the pack, including the outer film, tear-tape, inner frame and pack inserts to promote the product. The industry openly acknowledges the pack as a potent marketing tool by explicitly attributing increased cigarette market share to novel pack design and innovation. Only standardised packaging will stop the pack being used to promote the product.

**Competing interests:** None declared

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**Figure 1:** Value packaging: Royals 24 pack and JPS price-marked pack



**Figure 2:** Image packaging: Mayfair Smooth limited edition pack and Lambert & Butler holographic pack



**Figure 3:** Innovation packaging: Marlboro Bright Leaf 'lighter' pack, Dunhill 'wallet' pack and Benson & Hedges Silver slide pack



**Figure 4:** Stages of redesign for Mayfair pack, from left to right, tear-tape, overprint and new pack, with insert shown below

