



Point of sale tobacco display bans – myths and realities

“Tobacco PoS (point of sale) benefits the manufacturer far more than the retailer. The principle advantage for retailers from selling tobacco is not the direct profit from the sales, but the increased custom it brings from smokers making other purchases during their frequent and regular visits to buy tobacco. PoS display can have no impact on these visits or these collateral sales as it is only visible from inside the shop. For the retailer, then, it is the stocking of tobacco that matters, not its display”¹

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Introduction

The Scottish Government's publication in May of this year of the Smoking Prevention Action Plan has led to considerable public debate over one of the plan's most controversial elements: a proposal to restrict retail displays of tobacco in order to cut the numbers of young people who become smokers; this proposal was followed by a pledge to bring forward legislation as part of the government's legislative package for the coming year.

Shopkeepers' organisations have expressed concern that such legislation would impose unjustified economic and regulatory impacts upon their members. But in addition to the genuinely held concerns being expressed by membership-led organisations, a range of myths is emerging in the public debate.

In every other country and jurisdiction where point of sale tobacco display bans have been proposed and introduced, similar myths have appeared in campaigns to defeat or water down such proposals. And none of these warnings has been borne out by independent research.

Taking as a case study the point of sale tobacco display ban introduced by the Government of Saskatchewan in 2002, this briefing paper will contrast the disinformation spread at that time by the Canadian tobacco industry with the reality of the situation that has become clear in the months and years since the ban was introduced. It will then analyse a similar campaign that has begun in Scotland and elsewhere in the United Kingdom in recent months, and conclude that there is no more reason to believe in British disinformation than in the Canadian variety.

Canada: Saskatchewan leads the way

The first Canadian province to legislate to remove retail tobacco displays was Saskatchewan. Its Tobacco Control Act was passed in 2001 and came into force in March 2002. But no sooner had the draft law been laid before the provincial legislature in June 2001, than a campaign organised by the Saskatchewan Committee for Responsible Tobacco Retailing began targeting tobacco retailers, calling on them to contact their parliamentary representatives in order to oppose the draft legislation.

The campaign – conducted mainly by fax – contained a number of claims. The following are extracts from a communication² faxed to a large number of Saskatchewan retailers:

- “Hiding cigarettes from public view won't deter youth smoking ... putting cigarettes under the counter sounds good, but it's window dressing. It doesn't get at the root cause of youth smoking.”
- “This legislation could put smaller, independent convenience stores and gas stations – especially in rural Saskatchewan – out of business.”
- “Hiding cigarettes from public view is a safety risk for clerks working in stores. When clerks leave the cash register to retrieve cigarettes, the till is left unattended and that's a recipe for robbery and shoplifting.”

In short, the campaign made three key claims: removing point of sale displays wouldn't affect youth smoking rates, would drive small shops out of business, and would lead to a reduction in safety and an increase in robbery for such businesses. But what is the

Saskatchewan Committee for Responsible Tobacco Retailing? And did their warnings come true in the months and years after the Saskatchewan law came into force?

The Saskatchewan Committee for Responsible Tobacco Retailing is a subcommittee of the wider Canadian Coalition For Responsible Tobacco Retailing, which was itself founded in 1996 by the Canadian tobacco industry together with a number of retail and labour organisations. The Canadian Tobacco Manufacturers Association is a key member of the coalition.³ The tobacco industry has a long history of allying itself with representative groups to achieve its own ends, and these groups have often suffered as a result.

What of the warnings at the heart of the SCRTR's fax campaign? How many of them have come true? Given that these warnings are now re-emerging in Scotland, it is worth looking at them in some depth.

- *“Hiding cigarettes from public view won't deter youth smoking ... putting cigarettes under the counter sounds good, but it's window dressing. It doesn't get at the root cause of youth smoking.”*

The Saskatchewan law was introduced in 2002, and, apart from a 15 month break resulting from a legal challenge, has been in force ever since. When the law came into force, the prevalence of smoking among Saskatchewan's 15 to 19 year olds was 29%. The latest smoking rate for 15 to 19 year olds in Saskatchewan was just 22%, a reduction of almost one quarter in five years.⁴

While it's very hard to prove conclusively that the reduction in youth smoking rates occurred as a direct result of the point of sale ban, the fact remains that an impressive fall in youth smoking prevalence coincided with a period during which Saskatchewan's youth was – for the first time – not exposed to a wall of cigarette marketing in virtually every convenience shop and supermarket.

Nor is Saskatchewan's the only tobacco display ban to be strongly correlated with a reduction in youth smoking rates. Iceland passed a similar law in 2001, and official Icelandic government statistics indicate that over the next five years the prevalence of smoking among 16 year olds fell from 17% to 10%.⁵

Furthermore, these reductions are wholly consistent with a number of academic studies showing that young people are disproportionately influenced by tobacco marketing activities, including in-shop displays. Among the documents cited by the Scottish Ministerial Smoking Prevention Working Group in their report *Towards a Future Without Tobacco*⁶, a number of peer-reviewed papers all came to the same conclusion: visible displays of tobacco lead to an increased chance of smoking initiation among young people.

- One study demonstrated that shops frequented by teenagers had over three times more in-store tobacco marketing of cigarette brands popular with adolescents than other shops in the same communities.⁷
- Studies indicate that adolescent smokers were found to prefer whichever brand of cigarettes was advertised most heavily in the convenience shop closest to their school.⁸
- A study carried out in the USA showed that the three most heavily marketed brands of cigarettes have an adolescent market share of 86%; these brands constitute only around one third of the adult cigarette market.⁹

- There is strong evidence that perception of advertising is higher among young smokers and that changes in market share resulting from advertising occur mainly in younger smokers.¹⁰

It is important to recognise that the visibility of cigarettes at the point of sale is not the only factor that leads many young people to begin smoking; other factors include age, social class and the prevalence of smoking among family and friends. But studies^{11 12} have demonstrated that even when these factors are allowed for, the odds of a child professing an intention to smoke increased by 35% with every brand that they could name as having seen advertised at the point of sale. Studies such as these are reinforced by the empirical data from Saskatchewan and Iceland.

- *“This legislation could put smaller, independent convenience stores and gas stations – especially in rural Saskatchewan – out of business.”*

There is no evidence from Saskatchewan – or from any jurisdiction that has outlawed retail tobacco displays – that any shops have gone out of business as a result of this policy. Indeed, enforcement officers in Saskatchewan report that a 98% compliance level was achieved at minimal cost to retailers. They have not observed stores closing or staff being laid off.¹³

Four years after the Saskatchewan law came into force, the association representing Canadian convenience stores accepted that overall tobacco sales had not been adversely affected: “Current carton shipments from wholesalers to retail are flat, so I would say the display ban has had little or no negative effect.”¹⁴

- *“Hiding cigarettes from public view is a safety risk for clerks working in stores. When clerks leave the cash register to retrieve cigarettes, the till is left unattended and that’s a recipe for robbery and shoplifting.”*

Again, there is no evidence of increased theft from shops that have removed their tobacco displays. Indeed, there is evidence to the contrary: the law banning retail tobacco displays in Saskatchewan was suspended for 15 months due to a legal challenge; during that time, up to 40% of retailers continued to keep their tobacco out of sight, with many citing *increased* security as a reason for doing so.¹⁵

So the three warnings contained in the Saskatchewan retailers’ fax campaign have failed to materialise. Youth smoking rates are down, there have been no reports of retailers driven out of business as a result of the ban, and no reported increase in thefts.

Scottish and UK proposals, and the tobacco industry’s response

The Scottish Health Minister, Shona Robison, made a Ministerial Statement¹⁶ on the Smoking Prevention Action Plan on the 21st May 2008. During the statement, the Minister announced that:

“... we propose to reduce the attractiveness of cigarettes through measures that will counter positive images of cigarettes in the media and at points of sale, which will reduce the opportunities for children and young people to be exposed to smoking. All such measures are important, but the one that I expect to have the greatest impact is our proposal to introduce legislative controls to further restrict the display of tobacco products at points of sale ...

“I know that sections of the retail sector will be concerned about restrictions on displays, which it fears will impact adversely on businesses. However, it is clear that point-of-sale display is being used as a promotional tool. Protecting children and young people from the impact of tobacco must be paramount. There are occasions when benefiting the public health of the nation must take precedence, and this is such an occasion.”

The First Minister of Scotland, Alex Salmond, confirmed this proposal when he laid out the government’s legislative programme¹⁷ for 2008-09:

“In the coming year, we will introduce a health bill ... by controlling tobacco’s availability and promotion and by introducing a tobacco sales registration scheme and restricting display of tobacco products in shops, the bill will take aim at the problems that are caused by a major factor in health inequality in Scotland and a major cause of the big three killers: cancer, coronary heart disease and strokes.”

Publication of the Scottish Government’s action plan was followed a few days later by a consultation from the Department of Health on the Future of Tobacco Control.¹⁸ This consultation document, which applies mainly to England, Wales and Northern Ireland, also proposed to restrict point of sale tobacco displays in an attempt to prevent youth smoking.

Forest, the Freedom Organisation for the Right to Enjoy Smoking Tobacco¹⁹, which is largely funded by the UK tobacco industry²⁰, was quick to criticise the proposed restrictions on point of sale displays.²¹

FOREST’s attempts to counter the Scottish Government’s proposals have been followed by other campaigns of disinformation that can be traced back to the tobacco industry. One of the highest profile organisations campaigning against further regulation of retail tobacco sales is Responsible Retailers, an initiative of the Tobacco Retailers Alliance²² (formerly known as the Tobacco Alliance). The Tobacco Retailers Alliance is funded by the Tobacco Manufacturers’ Association²³, an industry body representing British American Tobacco UK Ltd, Gallaher Ltd and Imperial Tobacco Ltd.

Responsible Retailers, an organisation that claims to represent independent retailers while being almost wholly funded by the tobacco industry, recently posted a petition²⁴ on the Prime Minister’s website calling for him to reconsider proposals to ban point of sale displays.

The rationale for the petition is laid out on the Number 10 website. The petition claims that not only will the proposed restrictions not meet government objectives to prevent underage smoking, they will also:

- Seriously affect the livelihoods of independent retailers and force some out of business
- Cause retailers substantial unnecessary expense to pay for shop redesigns
- Allow unfair competitive advantage to supermarkets who can more easily absorb refits both logistically and financially
- Risk causing small shops to lose customers to supermarkets where they expect to find a full range of tobacco products at lower prices (small shops need to be able to display available products and prices to compete with supermarkets)

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- Cause longer serving times which will lead to lost footfall and sales of non-tobacco items with customers (including non-smokers) buying goods at bigger retail outlets;
 - Risk resulting in increased health and safety risks for shopkeepers as they bend to retrieve product from under the counter
 - Increase the possibility of theft as retailers are distracted from viewing the shopfloor;
 - Risk facilitating, encourage and increase the trade in illegal products.

A number of these arguments are familiar to us from the campaigns that were orchestrated by the Canadian tobacco industry and its front groups. The British tobacco industry and its representatives should have been aware that there is no evidence of economic hardship or increased theft as a result of the Canadian display ban. In addition, there is abundant evidence in the public domain showing that youth smoking rates fell dramatically after Saskatchewan's tobacco displays were removed.

The other claims made on the petition website should also be treated with caution:

- *Retailers will face substantial unnecessary expense to pay for shop redesigns.*

Maintaining shop fittings is an ongoing expense. While alterations to existing displays will impose a cost on retailers, there is evidence from Canada that tobacco companies are prepared to contribute to such expenses. In fact, a recent Canadian article described how tobacco industry payments to retailers had dramatically increased over the past few years, a period when the majority of Canadian provinces have legislated to remove point of sale displays. Between 2001 and 2007, payments to retailers increased by 46%, with the average convenience store receiving C\$3,500 last year.²⁵

To put this figure into context, reports from Manitoba in Canada, where retail displays were outlawed in 2005, indicate that retailers paid an average of C\$1700 (£850) to adapt their shops; this figure represents 0.06% - just over one-twentieth of one percent - of average annual turnover.²⁶ So the average tobacco industry payment to a convenience store in one year was more than double the average one-off cost of alterations required to comply with the display ban legislation.

- *Display restrictions will give an unfair competitive advantage to supermarkets who can more easily absorb refits both logistically and financially.*

Small retailers already operate in a different marketplace from supermarkets. While it may be true that larger retailers will be more able to absorb alterations costs than their smaller counterparts, it could equally be argued that the display restrictions will result in a playing field that is more, not less, level than before.

- *Small shops will risk losing customers to supermarkets where they expect to find a full range of tobacco products at lower prices (small shops need to be able to display available products and prices to compete with supermarkets).*

Legislation to restrict tobacco displays will not restrict the range of products that may be stocked and offered for sale. All retailers will be able to display a list of brands stocked, along with their prices. Again, the same restrictions will apply equally to both large and small retailers.

- *Customers will face longer serving times which will lead to lost footfall and sales of non-tobacco items with customers (including non-smokers) buying goods at bigger retail outlets.*

There is no evidence that customers in jurisdictions that have restricted or banned tobacco displays have encountered longer serving times. Tobacco can be stored very close to existing displays, either in overhead containers or in drawers under the counter. Accessing such containers can be achieved just as quickly as is currently the case with existing gantries.

- *Removing tobacco displays could result in increased health and safety risks for shopkeepers as they bend to retrieve product from under the counter.*

It is entirely feasible to store tobacco in containers close to the serving position; removing packets of cigarettes from such containers need not involve any uncomfortable or awkward contortions.

- *Restrictions on the retail environment risk facilitating, encouraging and increasing the trade in illegal products.*

Since retailers will be able to stock, sell and provide information on the same brands as before, it is not clear why placing restrictions on point of sale displays should encourage the supply of illicit tobacco products.

While the trade in illicit tobacco products – both duty unpaid and counterfeit – does present a serious problem, not only to responsible shopkeepers but also to the wider aims of public health policy, such issues should be dealt with directly by tackling the source of the problem. ASH Scotland has consistently called for greater efforts by all agencies to combat the supply in illicit tobacco. Tobacco smuggling should not be used as justification to oppose action to prevent youth smoking.

Conclusion

Prior to the point of sale ban being introduced in Saskatchewan, the Canadian tobacco industry and groups allied to it opposed the law, and called on retailers to contact their parliamentarians arguing that the law would not only be ineffective, but would also cause them hardship and other problems.

These arguments have not been substantiated; implementation of the law has seen a dramatic reduction in youth smoking rates, and has not led to economic hardship for Canadian shopkeepers. Indeed, tobacco industry payments to retailers have *increased* significantly during the same period, and have more than compensated retailers for any costs involved in refitting their shops.

Since the Scottish and UK Governments published proposals to restrict the display of tobacco at the point of sale, groups acting on behalf of UK tobacco companies have been active in campaigning against point of sale bans. Many of the arguments being made are exactly the same arguments that have not been substantiated in Canada. Yet the tobacco industry and its representatives persist in making unnecessarily alarming statements, causing anxiety and concern to shopkeepers and confusing the general public.

Tobacco retailers, legislators and the public have the right to accurate information about proposed tobacco control measures. And that is exactly what they are *not* getting from

the tobacco industry and its allies. Instead, an industry that is primarily concerned about maintaining the visibility of its product at the point of sale, one of the last remaining marketing opportunities available to it, is exploiting the natural concerns of retailers by spreading information that has been discredited.

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