



IMPERIAL TOBACCO MARKETING STRATEGIES

What is tobacco advertising?

In order to understand tobacco industry marketing strategies, one must first realize that tobacco advertising is unlike that of any other consumer product. Traditional advertising serves to inform the consumer about the benefits or features of goods and services for sale. This basic concept does not apply to tobacco advertising for the following reasons:¹

- 1) The grave health consequences of smoking and the addictive nature of nicotine mean that almost nothing that is honest, factual and fully disclosing can be constructed into a positive selling message.
- 2) There are no meaningful physical differences between competing brands; any brand difference or “benefit” is largely an illusion created by promotional communication and packaging, having very little to do with the actual product.

“... in the cigarette business there is very little to distinguish [between products], particularly in Canada, because we all use the same tobacco ... So the discrimination in product terms, pure blind product terms, without any packaging or name around it is very limited.”²

Tobacco industry advertising does not sell tobacco

Since it cannot boast about the real characteristics of tobacco, tobacco industry advertising sells “identities.”³ Each brand has its own “personality.” For example, the characteristics of the *Player’s* brand are described as “youthful, masculine, independence, freedom, and self-confidence.”⁴ The *Matinée* brand is more “feminine,” with advertising images of beauty, fashion, and thinness. The attributes of the *du Maurier* brand are described as: “future, career opportunities, success and materialism.”⁵

So instead of providing information about the product and its impact, tobacco advertising puts the emphasis on images that have nothing to do with the reality of tobacco. The industry must sell potential smokers these “identities” because, as was so well put by the Philip Morris company, regular smokers smoke for other reasons:



¹ Richard Pollay, Expert witness before the Supreme Court of Quebec, “How Cigarette Advertising Works: Rich Imagery and Poor Information” (October 2000).

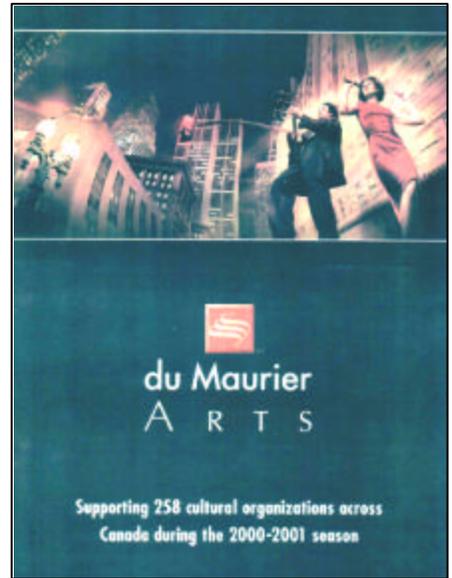
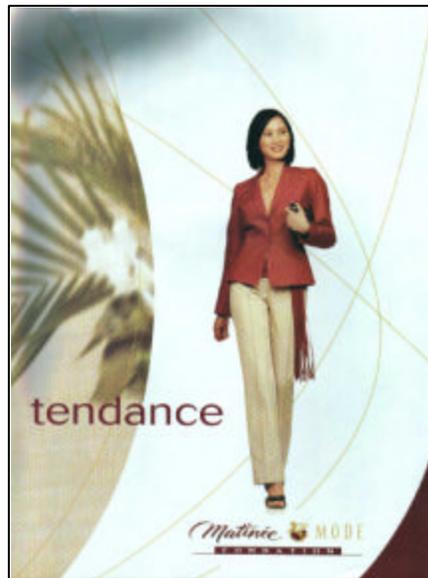
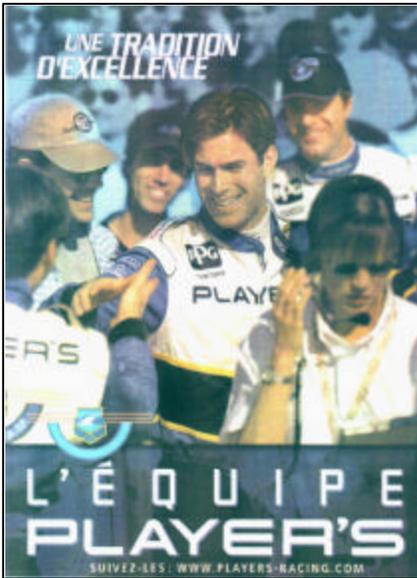
² Don Brown, Vice-President Marketing of Imperial Tobacco (at the time), Court testimony (1989).

³ Richard Pollay, Expert witness before the Supreme Court of Quebec, “How Cigarette Advertising Works: Rich Imagery and Poor Information” (October 2000).

⁴ Imperial Tobacco, “Player’s Ltd Racing 1995 Public Relations Program” (February 1995).

⁵ Imperial Tobacco, “Projects Stereo/Phoenix Final Report” (1985).

"Smoking a cigarette for the beginner is a symbolic act. ... "I am no longer my mother's child," "I am tough," "I am an adventurer," "I'm not a square." ... As the force from the psychosocial symbolism subsides, the pharmacological effect takes over to sustain the habit."⁶



PUBLICLY, THE INDUSTRY SAYS:

"Should children smoke? Of course they shouldn't."⁷

The idea of targeting only the "mature market" is untenable when applied to the specific industry of cigarettes, given its dynamics of starting, quitting, and dying. The high rate of quitting and dying means that sales for this industry would plummet if it were not for a continuing influx of new starters.⁸

"PROBLEM'... A projection of current trends and a continuation of current policies by I.T.L., the industry and various anti-smoking forces may, in the short-term, severely jeopardize our profit-making potential and, in the long-term (30-50 years), virtually wipe us off the map."⁹

"Starting rates have declined. Mr. Knox pointed out that the failure to develop new smokers may have more detrimental impact on the industry in future than losses due to quitting."¹⁰

Statistics show that the majority of smokers begin when they are minors. Therefore, the vast majority of "starters" are teenagers.

"I.T.L. has always focused its efforts on new smokers."¹¹

⁶ Philip Morris, Vice-President, Research and Development, "Why One Smokes" preliminary version (1969).

⁷ Robert Bexon, President of Imperial Tobacco, Speech before the *Canadian Club of Montreal* (December 11, 2000).

⁸ Richard Pollay, Expert witness before the Supreme Court of Quebec, "How Cigarette Advertising Works: Rich Imagery and Poor Information" (October 2000).

⁹ Imperial Tobacco, "PROBLEM" (1984).

¹⁰ British American Tobacco (Imperial Tobacco parent company), "Smoking Behaviour Conference – Session 1" (1984).

¹¹ Imperial Tobacco, "The Industry" (1989).

“The strength of I.T.L. lies in its trademarks and its high consumer share among young smokers, which represent the bulk of starters.”¹²

PUBLICLY, THE INDUSTRY SAYS:

“We do not and will not target children.”¹³

The tobacco industry’s exhaustive research examines in great depth the attitudes, perceptions, values and desires of children and teenagers. (This research is certainly not meant to help *prevent* youth smoking...)

“THE 1988 TRACKING STUDY is the second of a planned series of research studies into the lifestyles and value systems of young men and women in the 13 to 24 age range. ... The purpose of the research is to provide marketers and policymakers with an enriched understanding of the mores and motives of this important emerging adult segment which can be applied to better decision making in regard to products and programs designed to compete for brand share.”¹⁴

“YOUTH TARGET 1992 is the sixth of a series of research studies into the lifestyle and value systems of 13 to 24 year old Canadians. ... The purpose of this research is to provide marketers and policy-makers with an enriched understanding of the mores and motives of this important group of emerging adults. The results can be applied to better decision making for products, programs and services directed at youth.”¹⁵

“Advertisers should be mindful of this concern of young people; it gives them considerable creative latitude if they wish to penetrate the younger generation’s realm of concerns. ... That knowledge can help not only in designing effective advertising strategies and focused executions, but also in updating image measurements that are currently being used by the company.”¹⁶

“Since how the beginning smoker feels today has implications for the future of the industry, it follows that a study of this area would be of much interest. Project 16 was designed to do exactly that – learn everything there was to learn about how smoking begins, how high school students feel about being smokers, and how they foresee their use of tobacco in the future.” ... “The adolescent seeks to display his new urge for independence with a symbol, and cigarettes are such a symbol since they are associated with adulthood.”¹⁷

¹² Imperial Tobacco, “Industry Update” (1994).

¹³ Imperial Tobacco web site (February 2003).

¹⁴ Creative Research Groups Limited, “Tracking Study: 1988,” Study prepared for Imperial Tobacco (1988).

¹⁵ Creative Research Groups Limited, “ITL – Study 3N 1992 (Youth Target 92),” Study prepared for Imperial Tobacco (1992).

¹⁶ Imperial Tobacco, “Projects Stereo/Phoenix” (1985).

¹⁷ “Project 16,” marketing report for Imperial Tobacco (1977).

**“‘DEFINE THE TARGET GROUP’ ... PLAYER’S FILTER ... FRENCH:
This brand will continue to be the number one thrust brand in French
language advertising. Advertising emphasis will be strong throughout the
year and directed at young males with the emphasis on male teens.”¹⁸**

The industry seeks to camouflage the fact that it is targeting youth. Since the 1970s, industry marketing documents refer less and less to “youth” or “teenagers” and more and more to “young adult smokers.” This change in terminology might be explained by the following directive, which came from the firm Brown & Williamson, sister company to Imperial Tobacco:

“From time to time when describing market categories and target audiences we use references such as ‘young smokers,’ ‘youth market,’ etc. ... In the future when describing the low-age end of the cigarette business please use the term ‘young adult smoker’ or ‘young adult smoking market.’”¹⁹

PUBLICLY, THE INDUSTRY SAYS:

Question: Does a target market ever include a non-smoker?

Answer: **“Never... Target markets are always represented in terms of adult smokers.”²⁰**

A primary goal of tobacco advertising is to promote the necessary awareness, perceptions and attitudes to recruit new young “starters”...²¹

“Since our future business depends on the size of this starter population set, it was considered important that we know why people start to smoke and this may be more important that why they continue to smoke.”²²

...by converting non-smokers to smokers, to replace those who quit or die:

“POTENTIAL AREAS OF INVESTIGATION/ACTIVITY ...

GROUP

Starters/potential starters

“OBJECTIVES”

- expand industry volume via maximization of starting – attitude change.”²³

The argument that advertising does not affect non-smokers is absurd from the viewpoint of marketing specialists. As one marketing expert who worked for the tobacco industry said: *“I am always amused by the suggestion that advertising, a function that has been shown to increase consumption of virtually every other product, somehow miraculously fails to work for tobacco products.”²⁴*

¹⁸ Imperial Tobacco, “Fiscal ‘81 National Media Plans” (1981).

¹⁹ Brown & Williamson, Memorandum (January 24, 1975).

²⁰ Ed Ricard, Imperial Tobacco Marketing Director, court trial: the Canadian tobacco industry vs. the Government of Canada (January 2002).

²¹ Richard Pollay, Expert witness before the Supreme Court of Quebec, “How Cigarette Advertising Works: Rich Imagery and Poor Information” (October 2000).

²² British American Tobacco (Imperial Tobacco parent company), “Smoking Behaviour/Marketing conference” (Montreal: July 9-12, 1984).

²³ Imperial Tobacco, “New Market Development Mandate” (1984).

²⁴ Emerson Foote, former President of McCaam-Erickson, a company that holds a \$20 million US contract for the tobacco industry, quoted in “Tobacco Explained: Action on Smoking and Health” (London UK: June 1998).

A second goal is to reassure smokers, many of whom have health concerns, by shaping their attitudes and perceptions in order for the industry to maintain its clientele.²⁵ The industry attempts to do this by, among other things, increasing the social acceptability of smoking...

“The following philosophies have effectively governed ITL’s marketing planning and activities. They remain valid. ... Support the continued social acceptability of smoking through industry and/or corporate actions (e.g. product quality, positive lifestyle advertising, selective field activities and marketing public relations programs).”²⁶

...and by easing smokers’ concerns about the effects of tobacco on their health, through the invention and marketing of “light” cigarettes, which in reality are just as dangerous as “regular” cigarettes:

“Overall, due to the sensitivity and awareness about the “health” issues surrounding smokers, they believe that a move down the scale to a lower tar and nicotine cigarette will be healthier.”²⁷

“These concerned consumers had a limited range of options open to them – essentially quit or cut down. ... Fortunately for the tobacco industry, neither of these two approaches proved very successful for smokers. ... It is useful to consider lights more as a third alternative to quitting and cutting down – a branded hybrid of smokers’ unsuccessful attempts to modify their habit on their own. ... In order that we may remain competitive, we will have to conceive and market an increasing array of products that are credibly and relevantly ‘reduced.’”²⁸

“Manufacturers use descriptors such as mild, light, extra light, ultra light, etc. as they decide, usually for brand positioning reasons.”²⁹

“The question as to whether such cigarettes are really safer does not matter.”³⁰

PUBLICLY, THE INDUSTRY SAYS:

“Brand-switching is a significant phenomenon among smokers that affords our company an opportunity to build market share. ... [Our] marketing is directed toward influencing adult smokers to choose our brands over the competitors’.”³¹

The truth is that smokers are extremely loyal to their brands. In fact, the cigarette industry is renowned for its phenomenally high brand loyalty: the highest among all consumer products.³²

²⁵ Richard Pollay, Expert witness before the Supreme Court of Quebec, “How Cigarette Advertising Works: Rich Imagery and Poor Information” (October 2000).

²⁶ Imperial Tobacco, “Marketing Plan” (1989).

²⁷ Imperial Tobacco, “Re: Apollo Forecast Information” (1990).

²⁸ Robert Bexon, Imperial Tobacco, “R&D/Marketing Structures Creativity Conference” (1984).

²⁹ Don Brown, President, Imperial Tobacco, Letter entitled “Re: ‘Tar’ Levels – Canadian Market” (July 6, 1993).

³⁰ Dr. Robert Gibb, Imperial Tobacco, Letter to British American Tobacco (1975).

³¹ Imperial Tobacco web site (February 2003).

³² Richard Pollay, Expert witness before the Supreme Court of Quebec, “How Cigarette Advertising Works: Rich Imagery and Poor Information” (October 2000).

"...loyalty to cigarette brands remains very strong. ... Only 3% of all smokers are considered 'convertible.'"³³

Industry marketing documents often talk of attracting potential brand "switchers", but Imperial Tobacco's definition of "switchers" includes those who have never smoked! So when the company quotes percentages of switchers, it is also including beginners.

"When we talk about a switcher we are talking about someone who has been smoking his usual brand for less than 12 months. This definition includes starters (did not smoke before)..."³⁴

In fact, the industry seeks to expand the whole of the market, which necessarily means attracting new smokers.

"Although we have historically done things which have had an influence on the size of the total industry, these efforts have not been co-ordinated, planned and fully integrated into our 'normal' activities. ... Something's got to change!"³⁵

PUBLICLY, THE INDUSTRY SAYS:

The incriminating documents of other tobacco companies have nothing to do with the Canadian tobacco industry.

The reality is that the structure of British American Tobacco (BAT), Imperial Tobacco's parent company, is designed to further reinforce teamwork between the companies belonging to BAT family.³⁶ There is constant sharing of information, directives, and advice.

"Imperial Tobacco and the company I worked for are sister companies [Brown & Williamson] in the British-based BAT Group. As extensive documents obtained through litigation in the United States confirm, we had a co-ordinated research program throughout the Group. We shared reports on nicotine technology, cigarette design and development, and smoking and health issues. Internal documents confirm how BAT companies set joint strategies."³⁷

³³ Richard Pollay, Expert witness before the Supreme Court of Quebec, "How Cigarette Advertising Works: Rich Imagery and Poor Information" (October 2000).

³⁴ Imperial Tobacco, Market Analysis Group, "Switching Analysis - STRICTLY CONFIDENTIAL" (August 1991).

³⁵ British American Tobacco (Imperial Tobacco parent company), Document entitled "PROBLEM" (year unknown).

³⁶ Doctors for a Smoke-Free Canada, "Manipulation: The Story of Imperial Tobacco and its Cigarettes" (October 1999).

³⁷ Jeffrey Wigand, former Vice-President and Director of Research for Brown & Williamson, quoted in "Imperial Tobacco is Part of the Cigarettes Industry's Global Web of Destruction," Press release from the Non-Smokers' Rights Association (November 22, 1999).

PUBLICLY, THE INDUSTRY SAYS:

[Concerning Imperial Tobacco marketing documents that discuss targeting youth] *“That’s in the past.”*³⁸

Marketing strategies described in “old” Imperial Tobacco documents, those that specifically targeted youth, are still evident in the industry’s present-day advertising. For example, here is the *Player’s* brand marketing plan for the 1980s:

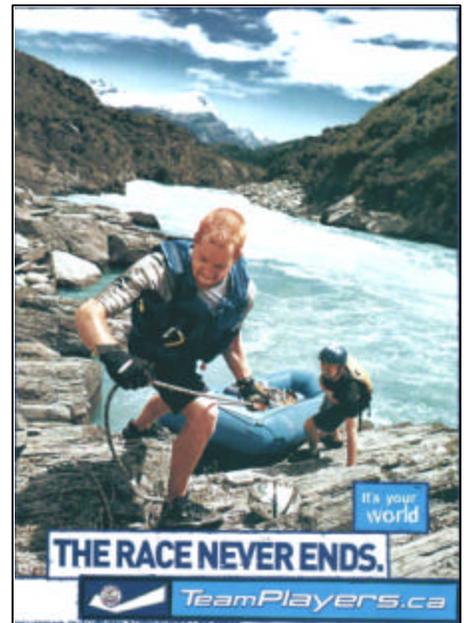
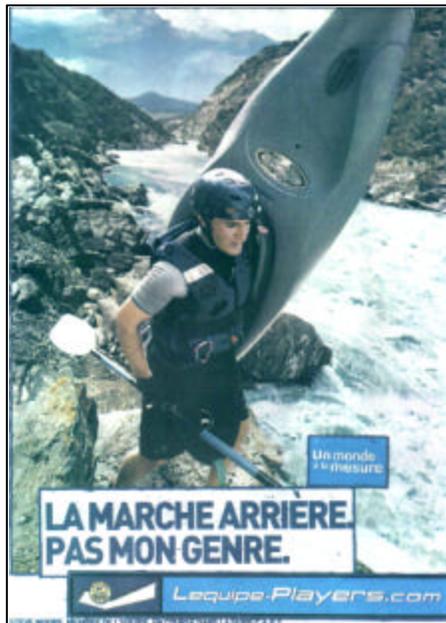
**“‘DEFINE THE TARGET GROUP’ ... PLAYER’S FILTER ... FRENCH:
... Advertising emphasis will be strong throughout the year and directed at
young males with an emphasis on male teens.”³⁹**

**“The illustration will visualise attractive young people engaged in leisure
activities in the great Canadian/Quebecois outdoors, accessible in all
respects, to those people we identify as target consumers.”⁴⁰**

**“STRATEGIES
Creative**

**1. ...The desired parameters are youthful, masculine self-expression of
freedom and independence characterized by outdoor activities suggesting
▪ a sense of physical activity ▪ a sense of slight adventure/challenge.”⁴¹**

↘ Samples of
Imperial Tobacco
advertisements for
the Player’s brand:
1- January 2003
2- December 2002
3- January 2003



-- Translation provided by the Canadian Council for Tobacco Control --

³⁸ Robert Bexon, President and Chief Executive Officer of Imperial Tobacco, Press Conference (Montreal: March 4, 2003).

³⁹ Imperial Tobacco, “Fiscal ‘81 National Media Plans” (1981).

⁴⁰ Imperial Tobacco, “Player’s Filter ‘81 – Creative Guidelines” (1980).

⁴¹ Imperial Tobacco, “F‘85 Marketing Plans for Player’s” (1985).