











"The ability to attract new smokers and develop them into a young adult franchise is key top brand development."

999 Philip Morris report, "Five-Year Trends 1988-1992." Bates 2044895378-484

Did you know?

- 9 out of 10 people who currently smoke cigarettes, started smoking before they were old enough to buy them.
- 80% of underage smokers purchase the top 3 heavily advertised brands....because of this tobacco companies focus their advertising on recruiting the next generation of smokers.

How Old do you have to be to Purchase Tobacco in the US?

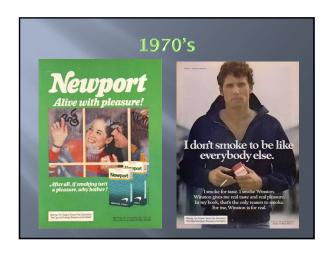
- In 46 out of the 50 states in the United States plus the District of Columbia, a person must be 18 years old to legally purchase tobacco products. In Alabama, Alaska, New Jersey, and Utah, a person must be 19 years old to purchase tobacco
- Several cities in New Jersey and three counties in New York have raised the legal age to purchase tobacco products to 21.
- New York state is considering changing the state law to raise the legal age to purchase tobacco

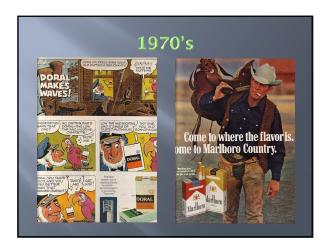
"We have been asked by our client to come up with a package design...a design that is attractive to kids... ..While this cigarette is geared to the youth market, no (obvious) attempt can be made to encourage persons under twenty-one to smoke. The package design should be geared to attract the youthful eye...not the ever-watchful Federal Government."

August 1970 letter from Lorillard advertising account executive to a marketing professor soliciting help from his students with advertising design.

Bates No 92352889

TOBACCO ADVERTISING THROUGH THE DECADES











The Master Settlement Agreement...what is it?

- In 1998, after Florida, Minnesota, Texas, and Mississippi settled separate lawsuits with tobacco companies, an agreement was entered into between the attorneys general of the remaining 46 states and the 5 major tobacco companies:

 - Phillip Morris-Marlboro, Virginia Slims, Lark, Chesterfield, and others.
 RJ Reynolds-Camel, Pall Mall, Winston, Salem, Doral, Kool, Misty, and SNUS
 Brown and Williamson-subsidiary of British American Tobacco

 - The American Tobacco Company

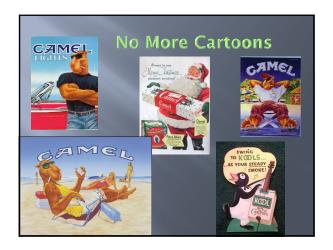
The Master Settlement Agreement

- Settled ongoing Medicaid lawsuits to recover tobacco-related healthcare costs
- Required tobacco companies to make yearly payments to the States...a total of \$195.5 billion by 2025
- Ordered tobacco companies to publish internal documents
- Created and funded the American Legacy Foundation, a public education program to prevent and discourage underage tobacco use....the TRUTH Campaign
- Placed major restrictions on tobacco product advertising

MSA Advertising Restrictions

- Eliminated billboard advertising
 Prohibited the use of cartoon characters (ex. Joe Camel)
 Prohibited sale of brand name merchandise
 Prohibited brand-name sponsorships for concerts, or events in which any contestants are under 18
 Limited event sponsorships to one in a series annually (racing series)
 Limited free product distribution to locations where children are not allowed
 Restricted non-tobacco gifts with tobacco purchase to adults
 Prohibited por take and

- Prohibited non-tobacco brand names (ex. Harley Davidson Cigarettes) Reaffirmed prohibition of tobacco product placement in movies and on TV









The Family Smoking Prevention and Tobacco Control Act

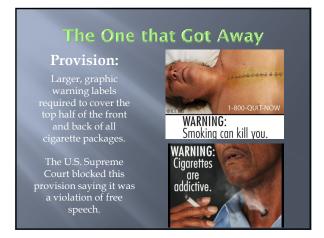
- Signed into law on June 22, 2009
- Gave the Food and Drug Administration regulatory authority over the content, marketing, and sale of tobacco products in the United States
- Required tobacco companies to disclose all ingredients in their products
- Further limited tobacco advertising

Advertising/Packaging Provisions

- Tobacco companies can no longer claim "reduced risk" in advertising any product
- Tobacco products can no longer be classified as "light," "low," or "mild"
- Prohibition of flavored cigarettes, besides
- No branded tie-ins with product purchase

Advertising/Packaging Provisions

- No free samples of cigarettes
- No outdoor cigarette advertising within 1,000 feet of schools, parks, or daycares
- No sponsorships of sporting or cultural events
- FDA determines if a tobacco product can be marketed to promote public health (ex. nicotine gum, nicotine patches, etc.)









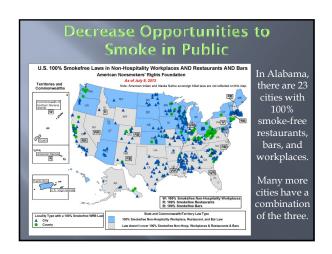












Decrease Point of Sale Advertising

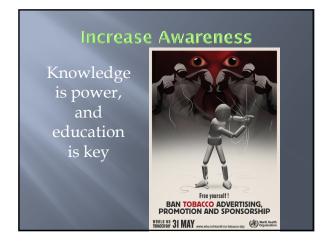
- Point of Sale Advertising refers to advertisements that are found on, near, or next to the checkout counter. They are used by companies to entice customers and result in impulse purchases by customers.
- Studies have shown that decreasing the amount of tobacco advertising customers see will decrease the chances of them purchasing tobacco products.





Increase Cigarette Excise Tax

- The federal cigarette excise tax is \$1 per pack.
- The average state cigarette excise tax in the United States is \$1.51 per pack.
- Alabama's is \$.425 per pack (47th lowest).
- Every \$.10 increase in cigarette excise tax, results in a 1 percentage point decrease in youth smoking prevalence rates.



The more you know...

- 50 years ago people didn't know that secondhand smoke contained over 7,000 chemicals, that 250 of those were harmful chemicals, and that 69 of those chemicals are known to cause cancer.
- This explains why 54% of adult males smoked regularly in the mid-1960's, compared to 22% currently.
- Social norms have changed and smoking is no longer seen as acceptable behavior in most public places.











References Campaign for Tobacco Free Kids www.tobaccofreekth.org Legacy Tobacco Documents Library, University of California, San Francisco http://lewacy.library.ucsf.gdt U.S. Food and Drug Administration, Center for Tobacco Products www.tda.gdy/ubaccoproducts American Lung Association www.htmy.org Americans for Non-Smokers' Rights www.htmy.org World Health Organization www.htmy.org

