

EXPERIENTIAL TOBACCO MARKETING

Experiential marketing — the tactic of encouraging consumers to experience or interact with a brand at recreational venues and events, such as concerts, bars or nightclubs — has long been a tobacco industry strategy.¹ Tobacco industry documents show that companies have used this type of marketing for decades to encourage young adults to experiment with tobacco and increase consumption by infiltrating their social activities and normalizing tobacco use.²⁻⁴

Tobacco companies have invested millions annually in experiential marketing, spending almost \$122 million on cigarette and smokeless tobacco experiential marketing in 2016.^{5,6} While it is not the tobacco industry’s biggest marketing spending category — companies spend the most money annually, nearly \$8 billion, on discounting — experiential marketing remains an important tobacco company tactic to reach new customers and retain existing ones.^{7,8}

EXPERIENTIAL MARKETING: VENUES AND THEMES

Tobacco companies use experiential marketing at a variety of venues that attract young people. Bars and nightclubs have been, and continue to be, popular settings for experiential marketing. Before 1998, tobacco companies were also permitted to sponsor events, such as concerts and festivals. While the 1998 Master Settlement Agreement (MSA) prohibited cigarette and smokeless tobacco companies from sponsoring sports, music and cultural events, companies are still legally allowed to have a presence at these events.^{2,9} A tobacco company, for example, might bring a branded “adult-only” smoking lounge truck to a sports event.



Image courtesy of Trinkets and Trash

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The Camel Suite appeared outside of concerts, festivals, rodeos and auto shows to promote the brand’s dissolvable tobacco.

The 2009 Family Smoking Prevention and Tobacco Control Act also placed limits on how tobacco companies can promote products through experiential marketing. The act banned product sampling (except for smokeless tobacco in adult-only facilities) and expanded the limits on tobacco-branded sponsorships and tobacco-branded non-tobacco items by prohibiting free giveaways of sample cigarettes, prohibiting sponsorships of sports, entertainment, social or cultural events and prohibiting brand-name non-tobacco promotional items.

For many years, and throughout changes in the regulatory environment, bars, clubs, concerts and other events have all been popular venues for experiential marketing of tobacco products.

BARS AND CLUBS

A tobacco industry report from 1993 states that “the friendly social ambiance of a pub or social club ‘contributes a great deal to enjoyment of smoking and also encouraging smokers to smoke more heavily than usual.’”² Tobacco companies focus their marketing on bars and nightclubs not only because bargoers tend to have higher rates of smoking, but also because they tend to be social influencers among their peers.³

Several studies have explored the tobacco industry’s efforts to connect tobacco use with alcohol use, and one found that 74.5 percent of all young adult current smokers said they enjoy smoking while drinking.^{4,10-12} Experiential marketing in these venues may also contribute to more social smoking, a practice which helps ease the transition from experimentation to regular smoking among young adults.^{4,10,13-16} Another study found that students who reported exposure to tobacco industry promotions at a bar, nightclub or campus social event were more likely than unexposed students to be current cigarette smokers.¹⁰

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The following examples illustrate how tobacco companies have engaged in experiential marketing at bars and clubs.

- > For one of several tactics to target young adult trendsetters, Camel used luxurious tour buses to create smoking lounges and parked them in front of “hip” bars — often those where indoor smoking was prohibited — to lure those who had to stand outside to smoke.¹⁷ R.J. Reynolds, the owner of Camel, also hired “cigarette fairies” to go to bars and clubs to offer coupons for its latest products as recently as 2008. A report quoted one of the “cigarette fairies” as saying, “I get paid to ... go to free gigs and to smoke. Camel [is] clever about the smoking ban. We’re all over the place ... all over America. It’s a sweet job.”¹⁸
- > When R.J. Reynolds launched a new brand of Camel cigarettes in 2007 to attract female smokers, Camel No. 9, the company marketed these products with event and party promotions at nightclubs and bars. A typical event would have giveaways, such as jeweled lighters, mirror compacts, bracelets and makeup-related accessories. These events, which were heavily branded with Camel No. 9 napkins, coasters and pink lighting, also offered musical entertainment and free facials, massages and t-shirt airbrushing.¹⁹

CONCERTS AND MUSIC

The tobacco industry used concert sponsorship as a way to engage with young adults as far back as 1975, until it became illegal in 1998.²⁰ Nonetheless, manufacturers of all types of tobacco products continue to use experiential marketing through music.

- > Brown & Williamson, a tobacco company now owned by Reynolds American, used music to help consumers identify with its Kool brand.²⁰ In 2004, the “Kool Mixx” campaign featured hip-hop artists and prizes, a themed CD, limited-edition cigarette packs with hip-hop branding and additional gifts with purchase. African-American community advocates called out the targeted marketing and attorneys general of several states successfully sued to end the campaign, arguing that it violated the MSA, which prohibits marketing to youth, branded merchandise and sponsorship of events.²⁰



Image courtesy of Trinkets and Trash

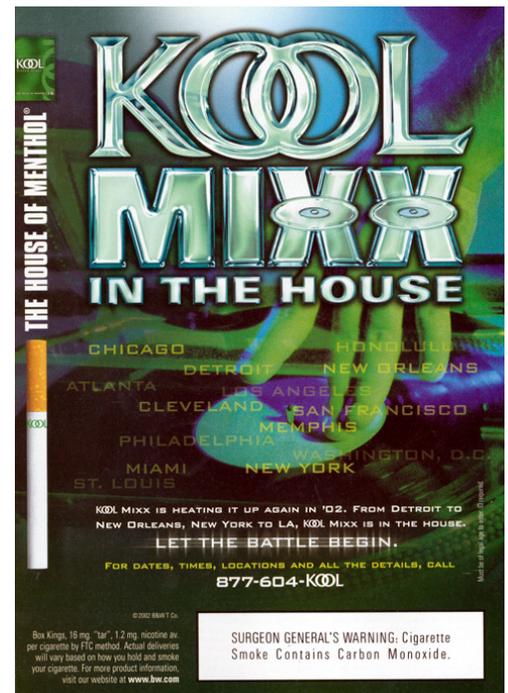


Image courtesy of Trinkets and Trash

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- Camel launched a “Camel Speakeasy Tour” in 2004 featuring music performers, burlesque performers and illusionists. The brand continued to use experiential marketing in 2006 with “Camel Signature Events” and in 2007 with a “Farm Free Range Music” campaign that associated the brand with indie rock bands.¹⁷ Shortly after an ad in Rolling Stone appeared for the “Farm Free Range Music” campaign, several state attorneys general sued for violations of the MSA because the ad used a cartoon and promoted branded merchandise. As a result, R.J. Reynolds, which owned Camel, canceled the campaign.¹⁷

FESTIVALS AND OTHER EVENTS

Tobacco companies avoid the prohibition of event sponsorship by simply replacing sponsorship with an adult-only lounge, such as a tent or a truck, that they bring to events. Some tobacco companies also mix point-of-sale and experiential marketing by creating “pop-up” retail spaces. Although recent regulation prohibits companies from distributing free samples of cigarettes, coupons for heavily discounted cigarettes have taken their place.²¹

While many of these experiences are technically “adults-only,” therefore complying with regulation, they often take place at events popular with teens. This type of marketing exposes young attendees to tobacco marketing that can glamorize smoking.



Image courtesy of Trinkets and Trash

Youth exposure to “adult-only” experiential marketing

Regulation on the marketing of tobacco products left open an “adult-only loophole,” an exemption on some tobacco marketing practices that take place in adult-only spaces.

While the restriction was designed to limit youth exposure to tobacco marketing, many questions remain about its effectiveness. How many young people gain access to these adult-only venues? Does restricting access increase the allure of the products they are promoting? How much does the mere presence of this type of marketing normalize tobacco use, whether youth gain access or not?

One 2006 study published in *Nicotine and Tobacco Research* found that about half of all Massachusetts youth between 12 and 17 years old reported seeing cigarettes advertised at events, concerts, bars or clubs in the past year, and that about 5 percent said they were present at a venue where free samples of cigarettes were being distributed. (Free samples of cigarettes were permitted in adult-only venues until 2009.)²⁵

- Marlboro, owned by Philip Morris, hosted a **“SXSW Marlboro Lounge”** for adult conferencegoers at the popular technology and music conference, South by Southwest, in 2011. One Foursquare user commented “Free charging stations! Smokes for a buck!”²² In 2015, the company hosted a “Marlboro Black Lounge” at the same event.
- In 2016, Reynolds American marketed its Newport cigarettes with a tour featuring mobile Newport **“pleasure lounges”** at events and places popular with young adults, such as musical festivals, bars and convenience stores. Newport staff members handed out coupons in mobile, air-conditioned trailers and trucks where consumers played virtual games and received coupons for Newport cigarettes at a nearly free price of only \$1 per pack.²³ In summer 2017, the “Newport Tour” appeared at music festivals in Ohio, Virginia, Missouri, Georgia and Kentucky.²⁴



Image courtesy of Trinkets and Trash

Cultural infiltration

Tobacco companies have used experiential marketing to specifically target certain populations, including LGBTQ, African-American and other minority communities.^{17,20,26}

The tobacco industry has accomplished this targeting in several ways, including sponsoring activities linked with cultural traditions, such as Mexican rodeos, American Indian powwows, Chinese New Year, Cinco de Mayo festivities and events related to Black History Month, Asian/Pacific American Heritage month and Hispanic Heritage Month.

The LGBTQ community, which smokes at rates two to three times higher than the general population, has been targeted with experiential marketing at bars and events. One survey found that 32 percent of LGBTQ people associated their nicotine addiction with bar culture.^{27,28} Before the 2009 ban on distributing free cigarette samples, tobacco companies gave away free cigarettes at bars.²⁶ The tobacco industry has also sponsored gay pride events, including several events at the 2000 San Francisco pride parade.²⁹

NON-CIGARETTE EXPERIENTIAL MARKETING

Non-cigarette tobacco products face fewer restrictions related to experiential marketing. For example, there are currently no restrictions on sponsorships of sporting, musical or cultural events for non-cigarette tobacco products such as cigars, e-cigarettes and hookah. Additionally, providing free samples of these products was not prohibited until 2016, while free samples of traditional smokeless tobacco in adult-only venues remains legal.

Here are some examples of how companies use experiential marketing to promote non-cigarette tobacco products.

CIGARS

Cigar company Swisher Sweets organizes events as part of its **Swisher Sweets Artist Project**, a marketing campaign that holds music events with emerging artists, including pop-up performances in convenience stores — **“Convenience Store Sessions”** — and concerts in select cities called “Swisher Sweets Pack Nights.” These events are hosted across the country and are set against the backdrop of Swisher Sweets ads, displays and clothes. Tickets for some pack nights locations included a voucher for packs of certain Swisher Sweets cigars and cigarillos. At other pack night locations, attendees could get special gear and giveaways.^{31, 32}



Image credit: www.swishersweets.com



Image credit: Swedish Match

SNUS

In 2016 and 2017, Swedish Match opened **“pop-up” shops** to promote its snus products — moist finely ground tobacco — in Chicago, Illinois; Los Angeles, California; Venice Beach, California; New York City; and at the Sundance Film Festival in Utah. The company calls these **“public hangout spaces, shared workplaces and communal relaxation and inspiration hubs”** where guests can purchase snus and enjoy free Wi-Fi, device charging, coffee, water and snacks. Some locations even showcase local music artists.^{33, 34}

E-CIGARETTES

Some e-cigarette companies use experiential marketing to target public places — including busy street corners, shopping centers, parks and beaches — to interact directly with consumers.^{35, 36} In 2013, blu eCigs® sponsored the Sasquatch! Music Festival in Washington, featuring a **vapor lounge with surprise guest appearances from top performers**, device charging stations, an interactive social media photo booth and samples of blu eCigs.³⁷ It also sponsored a similar **“Electric Lounge”** the same year at the SXSW Music Festival in Austin, Texas.³⁸



Image credit: blu eCigs

Image credit: <https://geometria.ru>



Image credit: <http://thelinkpaper.ca>

The heat-not-burn experience

A new heat-not-burn tobacco product from Philip Morris International, IQOS, may be sold in the U.S. soon. IQOS is an electronic device that heats tobacco (sold as Marlboro branded “HeatSticks”) and produces an inhalable aerosol. Philip Morris has been using experiential marketing tactics in other countries, such as Japan and Italy, which do not have the same regulations as the U.S. These experiential marketing tactics include glamorous launch parties and galas featuring dinner, open bars, free tobacco sticks and discounted devices. IQOS stores, designed to present IQOS as a high-tech experience similar to a smartphone, are a standard part of the product’s launch plan.^{39,40}

Philip Morris already takes a more aggressive approach to experiential marketing with its other Marlboro products in non-U.S. markets. The company started a “Be Marlboro” campaign exploiting themes of freedom and defiance of authority. In addition to traditional advertising, the campaign involves sponsorships of music events and beach tours featuring contests, concerts and parties. For example, the campaign sponsored a hip-hop themed party in Saudi Arabia and hosted booths at shopping malls in Ukraine.⁴¹

ACTION NEEDED: EXPERIENTIAL TOBACCO MARKETING

Truth Initiative’s mission is to achieve a culture where all youth and young adults reject tobacco. That includes rejecting the tobacco industry’s infiltration of experiences that are popular with young people. Truth Initiative encourages states to enforce the law established by the MSA and to work with the Food and Drug Administration to enforce the Tobacco Control Act. Examples include enforcing prohibitions on:

- **Cigarette and smokeless tobacco sponsorship of sporting or other cultural events**
- **Underage attendees from attending events that are supposed to be “adult-only”**
Further, ensure that “adult-only” venues meet the physical requirements for such facilities as set out in the MSA and the Tobacco Control Act.
- **Free sample distribution at these marketing events**
Truth Initiative notes that smokeless tobacco samples are currently allowed by the Tobacco Control Act at “adult-only” facilities.

Truth Initiative strongly supports other policy options regarding this kind of marketing at the federal, state and local level, including:

- > **Encouraging organizers of these events to strongly consider whether it is appropriate to have tobacco industry activities present at their event**

For example, in May 2018, the Milwaukee Pride board rejected Big Tobacco funding for its PrideFest celebration in order to promote the health of its LGBT attendees.⁴²

- > **Extending the restrictions on youth marketing — such as prohibiting sponsorships, restricting branded giveaways and other measures that apply to cigarettes and smokeless tobacco — to additional products such as cigars and hookah, and to new products like e-cigarettes and heat-not-burn products**

- > **Prohibiting free samples of any kind of tobacco product**

Other policies that contribute to protecting communities from this kind of marketing include:

- > **Raising the minimum legal age to purchase tobacco products to 21, which is an effective way to reduce young adult exposure to tobacco and tobacco marketing**

It would also prevent those aged 18-20 from entering tobacco industry “adult-only” facilities.*

- > **Prohibiting coupon redemption**

Often at experiential marketing events, attendees will receive coupons that significantly discount the price of tobacco products.

- > **Setting price floors for tobacco products to prevent industry discounts for tobacco products****

***Truth Initiative strongly supports raising the minimum age of sale to 21 for all tobacco products as part of a strong tobacco control policy program.**

****For more information on point-of-sale policies, see the Truth Initiative point-of-sale policy resource.**

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