

**CTRC & TCRC**

***Keep Smiling***

**NO ONE'S GOING TO DIE<sup>1</sup>**

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**AN ANALYSIS OF INTERNAL DOCUMENTS FROM THE  
TOBACCO INDUSTRY'S MAIN UK ADVERTISING  
AGENCIES**

## **Foreword**

This report makes shocking reading. It shows how powerful and cynical marketing campaigns have been used by the tobacco industry to encourage people to start and continue smoking. Every possible channel of communication is pressed to the cause, from conventional advertising and sports sponsorship to the internet and innovative shop displays. Other aspects of marketing such as the pack, pricing and even product design itself, are used at every opportunity to enhance the appeal of tobacco. Vulnerable groups such as the young and the poor are favourite targets. Voluntary agreements and government public health policy are treated with equal contempt.

Perhaps most shocking of all is that this damning evidence comes, not from new research by the public health community, but from the industry's own advertising agencies. This report highlights some of the more flagrant marketing activities, revealed when thousands of pages of internal business documents were released at the behest of the United Kingdom Health Committee Inquiry into the Tobacco Industry. And in all these pages there is not one hint of ethical concern or moral doubt. The naked pursuit of profit and market share overrides all qualms.

The policy response must be swift, firm and comprehensive. At a national level, this report underlines the need for a Tobacco Regulatory Authority, as recommended by the Health Committee, which I chair, with the statutory powers and flexibility to control all aspects of tobacco marketing. The Authority will play a leading role in the European arena, where the importance of tobacco control has already recognised.

On a global level, this report provides vital evidence of the pressing need for an international public health treaty to restrict the transnational predations of the tobacco industry. The Committee stressed its support for the proposed World Health Organisation Framework Convention on Tobacco Control, and its concern that the tobacco epidemic is increasingly being exported to the developing world. This report confirms that the tobacco pandemic is being driven by the industry's marketing of this deadly product, that their commercial hunger will always defeat voluntary solutions, and that strictly enforced statutory controls are the only answer in reducing the terrible toll of illness and death caused by tobacco.

**David Hinchcliffe, MP**  
**October 2000**

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## **Introduction**

As part of their investigation into the conduct of the UK tobacco industry, the UK House of Commons Health Select Committee obtained access to the internal documents of the industry's advertising agencies. The Centre for Tobacco Control Research (CTCR), at the University of Strathclyde was asked to analyse these documents and prepare a report for the Committee's investigation. This document presents the key findings from that report.

The Select Committee identified the five main advertising agencies responsible for tobacco advertising activities in the UK: CDP; M&C Saatchi; Mustoe Merriman Herring and Levy; TBWA GCT Simons Palmer Limited; and Lowe Howard-Spink. On the CTCR's advice, the Committee requested the following documents from the advertising agencies: contact reports between client and agency, client briefs, creative briefs, media briefs, media schedules, advertising budgets, market research reports, and other documents which made links to other forms of marketing communication or strategy. This request resulted in 16 large boxes of documents being supplied.

These documents were analysed qualitatively around key recurring themes:

- The impact of advertising on consumption as well as brand share.
- Response to Government policy and regulation.
- Targeting the young and the promotion of brand imagery.
- The role of marketing.
- Sponsorship.
- Offensive practices.
- Health issues.

The findings from this analysis are contained in this report, together with direct quotes taken from the original documents.

## Summary

In April 2000, during the course of their inquiry into the response of the tobacco industry to the health effects of smoking, the Health Select Committee of the United Kingdom parliament obtained a range of documents from five advertising agencies that do business with the UK tobacco industry. The analysis of these documents presented in this report provides a unique glimpse into the mindset and tactics of both tobacco advertisers and their clients.

The title of this report comes from the gung ho signing off in a letter<sup>1</sup> from one of the ad agencies to its client. Its tone perfectly captures that of the documents: a mixture of ebullience and cynicism. Ethical doubts are never even acknowledged; health problems are rarely mentioned, except to determine how consumer concerns can be minimised and sublimated; regulation is seen as providing minimum standards that should be pushed as much as possible and the prime driver for both the industry and the ad agencies is the maximising of commercial success. The enthusiasm for this last goal is palpable and raises serious questions about the acceptability of such activity given the public health consequences of smoking. It certainly discredits any potential for self regulation.

The documents establish the following key points:

1. *The aim is to increase consumption as well as brand share.* The notion, much vaunted by the industry, that their concern is to expand brandshare, rather than a sector of the market - or the market as a whole - is exploded. The documents show how branding and consumption are inextricably linked; that individual brands will gain from market expansion – and therefore deliberate plans are made to encourage it; that efforts are made to enhance the social acceptability of smoking per se, not just particular brands and that the industry is actively involved in increasing per capita consumption, recruiting new smokers and discouraging existing ones from quitting.
2. *Other strategies include undermining Government Policy and Evading Regulation.* It is clear that considerable efforts have been made to undermine tobacco control policy. Serious consideration is given to attacking Tessa Jowell, ideas for resisting and circumventing the adban are explored and campaigns that will undermine budget price rises are developed and run. These latter two activities confirm an interest in expanding consumption as well as brand share.

The black market is a more blatant means of undermining Government policy and there is considerable evidence that the industry is at least happy to benefit from it, if not to actively encourage it.

Voluntary codes are treated with equal cynicism. During the period covered by the documents advertising was controlled by the Advertising Standards Authority through its Committee on Advertising Practice. The documents make it clear that the agencies played cat and mouse with the ASA, pushing the limits and avoiding their rules when possible (eg. by advertising to UK holiday makers in Spain).

3. *The young are a key target, and imagery is the way to reach them.* In many instances care is taken to refer to young *adult* smokers, but there is also an overwhelming recognition that young people and the “youth market” are vital to commercial success. Their lifestyles, motivations and aspirations are all the subject of detailed and continuous market research and everything possible is done to attract and retain them. Specifically, again and again, the conclusion is drawn that young people smoke for emotional reasons and that branding can meet these needs by adding aspiration, coolness and “street cred” to the product. All of this also runs completely contrary to the ASA code<sup>1</sup>, which stipulates that cigarette ads should not suggest that smoking is associated with social success or play on the susceptibilities of those who are emotionally or physically vulnerable, especially the young.

The fact that so many smokers start as children is never overtly acknowledged, but equally there is no concern expressed that their active marketing to sixteen year olds will also attract children. For example, the agencies know 10 packs are bought disproportionately by the young smoker as cheap route to premium or aspirationally branded products, typically from small independent shops. They recommend appropriate packaging and distribution strategies. We know from previous research that children also prefer top brands and buy their tobacco from small independent retailers. The obvious dangers are never even acknowledged

4. *The issue is marketing, not advertising.* Even though the documents come from advertising agencies – and therefore one would expect them to emphasise the role of advertising - it is very apparent that all aspects of marketing play a crucial role in their efforts to increase sales. The documents show how segments of the population are identified and then the product, its price and its distribution are all manipulated to maximise satisfaction (and hence the uptake and continuance of smoking). Advertising is only part of the communications effort that supports this, along with other tools such as the pack, POS (point of sale material) and direct mail.

No cognisance is taken of ethical questions such as target group vulnerability (the poor, students and women, for example are all mooted) or the acceptability of creative ideas or offerings.

5. *Sponsorship and advertising have become one.* Sponsorship and advertising perform the same key task of promoting the all important brand images that appeal to young smokers, they are both used in the same campaigns and companies’ research and adjudicate on their success in exactly the same way. The only distinction between the two that the papers draw, is that sponsorship is more hidden, enabling covert or “subliminal” messages to be used. Given this, it is surprising that regulators continue to treat them differently, and extremely worrying that sponsorship will not disappear until 2006.

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<sup>1</sup> The ASA Code (Advertising Standards Authority) referred to is the ‘Cigarette Code’. The ASA is responsible for the mandatory preclearance of cigarette ads, operated by the Committee of Advertising Practice (CAP). It also deals with complaints about advertising content.

6. *Insult to injury.* Paradoxically, although marketing is supposedly about making the consumer the centre of the company's efforts, and ensuring that their satisfaction is paramount, they are not treated with great respect. Their intelligence is questioned, one segment (which amounts to 27% of their most loyal customers) is referred to as "slobs" and they are actively deceived.
7. *Health issues are avoided.* Far from warning their customers of the hazards of smoking, care is taken to avoid any association with the issue. For example, a New Year campaign for Hamlet had to be toned down to avoid the subject, and an idea for an ad featuring bungee jumping was felt to be 'taboo' for a tobacco manufacturer. Only in the low tar segment is health occasionally addressed, and then the emphasis is on emotional rather than rational communication – vague (and misleading) reassurance, not hard facts.

However, to return to my initial comments, perhaps the most disturbing aspect of these documents is not that they reveal unprincipled and sharp practice – reprehensible though this is – but their light hearted tone and complete absence of any ethical qualms. One quote from a creative brief epitomises this:

***“What do we want this work to achieve?”***

*We want more 18-34 year old blokes smoking B&H than ever before. We want to see these dudes ripping-up packets of Marlboro and Camel and treating them with the disdain that second rate, American filth deserves. For Christ's sake what the hell are people doing smoking brands that are made to be smoked by 'cowhands' and not by the youth of the trendiest, coolest, most happening country in the world. In many ways this brief is really a charity brief. Trying to help people recognise the error of their ways, thinking they are being cool smoking what Roy bloody Rogers smoked and opening their eyes to the unchallengeable truth that the coolest smoke in the world is a B&H.*

*We want to see Great, British B&H in the Ben Sherman shirt pockets of Brit-popped, dance-crazed, Tequila drinking, Nike kicking, Fast Show watching, Loaded reading, Babe pulling, young gentlemen.*

*So what we need is the coolest, most exciting, white knuckle ride of a campaign ever.”<sup>2</sup>*

One is left with the inescapable conclusion, that given the greatest threat to public health this country has faced since the great plague, these people are having fun, making money and showing absolutely no concern for the consequences of their actions.

## 1. Consumption as Well as Brand Share

Committee of Advertising Practice (CAP) rules state that advertisers should not encourage consumption either by expanding the number of smokers or increasing the amount each individual smokes. In addition the tobacco manufacturers have long claimed that their interest is in brand share and switching, not expanding the market, encouraging uptake, increasing per capita consumption or discouraging cessation. However the documents show these claims to be disingenuous.

First, as detailed elsewhere in this report, the documents make it clear time and again that people, especially young people, smoke for emotional reasons, and that branding is being used to cater for these needs. For example it provides reassurance to the health conscious feeling guilty about their smoking (Section 7) or the poor, anxious about having to trade down to a cheap brand (Section 2). It also adds positive associations to tobacco that are particularly attractive to the young (Section 3).

In each of these instances the effect is not just to increase the appeal of a particular brand, but of smoking per se. It provides the smoker - and would be smoker - with palpable benefits for taking up or continuing with the habit. Put simply, branding increases consumption.

There is also evidence of specific campaigns that are deliberately designed to support the idea of smoking, rather than individual brands.

For example, a document produced for Japan Tobacco regretted the fact that “The smoker is under siege” and suggested a campaign that would promote the idea that:

*“Smoking can be a delight for everyone if it is done right.”<sup>3</sup>*

Their aim was to:

*“...make a statement showing their support for smokers. They want to communicate to both smokers and non smokers alike showing that if sense is allowed to prevail life will be the better for everyone.”<sup>4</sup>*

Similarly, a campaign supporting smokers’ rights and undermining antismoking activity is described.

*“Young adult smokers as a group feel victimised by the anti-smoking lobby - bans in public places and annual price rises are constant complaints. Active support for smokers’ rights is likely to be popular among this group.”<sup>5</sup>*

And the contribution of their other, brand specific, advertising to this defence of smoking is recognised.

*“...as smokers become more and more persecuted, they look to advertising as a friend.”<sup>6</sup>*

This desire for market expansion is overtly acknowledged in some less cautious moments. A report on the cigar market emphasises the need for “...reinvigoration of the cigar market”

It goes on to state that:

*“There needs to be an attitudinal shift towards cigars, from a target group who are otherwise put off by 1. a product that is too difficult to trial and 2. the image baggage that the market has to date.”<sup>7</sup>*

And suggests lessons can be learned from the cognac market where there has been:

*“...a fundamental shift in the gravity of the market and the image of the sector as a whole.”<sup>7</sup>*

The encouraging example of the US is also highlighted:

*“The USA has shown that it is possible in a post-tobacco ban world to reinvigorate a tobacco market.”<sup>7</sup>*

Finally the report concludes:

*“It is clear that there is a requirement for a reinvigoration of the cigar market. To create that we have shown that there must be a fundamental shift in the attitudes of consumers to cigars, plus a move to make the centre of gravity of that market younger.*

*Without this reinvigoration we will continue to see a decline in the size of the cigar market, which will hurt all brands but particularly Hamlet (as the one relying most on the full spectrum of the market). From a selfish point of view we are also exposed to another manufacturer carrying out that reinvigoration and stealing a march on Gallaher.”<sup>7</sup>*

This thinking is transferred to brand strategy. When discussing Hamlet they lament the “disappearance of tobacco culture” and talk about ensuring “that Hamlet remains part of the fabric of every day lives”. This feeds directly into strategy:

- *We have to step up our presence amongst younger and potential cigar smokers*
  - *If we don't do this now, we will probably lose a whole generation of smokers, hastening the decline of the market and our brand*
  - *Cinema offers us a very powerful tool in bringing in new cigar smokers*
  - *It meets our overall brief for Hamlet and it's advertising:*
- ‘Ensure people keep thinking about cigars ..., [creating] advertising that is a talking point’<sup>8</sup>*

Recruiting new smokers is also a key part of Hamlet's strategy, a task made more difficult by the disappearance of cigar advertising from television in 1991:

*"With the lack of tv we haven't been able to keep up the interest in cigar smoking for potential recruits"<sup>8</sup>*

*"Much of Hamlet's success is based on getting people young"<sup>8</sup>*

*"Gaining a disproportionately large share of new recruits to the market is a key element in hamlet's success"<sup>8</sup>*

The documents reveal that the development of Hamlet Extra Mild Cigars was tailored to the needs of cigarette smokers thinking of quitting and health conscious cigar smokers.

*"There is some further evidence that enhances the chance of Hamlet extra mild having specific appeal to these smokers.....These are cigarette smokers looking to move away from cigarettes and considering cigars as an alternative."<sup>9</sup>*

- "• As the majority of cigar smokers previously smoked cigarettes, many will associate extra mild with a step on the way to giving up*
- If you're in this mindset then there is a good chance of you being drawn to Extra Mild."<sup>9</sup>*

It is clear that retaining cigarette smokers who want to quit is considered as commercial success.

- "• Of people trying to give up cigarettes 8.27% smoke cigars*
- Of these people 73.64% smoke Hamlet*
- It's vital for us to maintain this level of success"<sup>9</sup>*

The papers also reveal that active attempts are made to increase the amount each smoker consumes, regretting that "people are missing the triggers to smoke a Hamlet" and emphasising the need "to get people when they might smoke a Hamlet".

*"If the bar only stocks single cigars, the customer only buys one. However, by stocking packs of 5 cigars, there is a chance that he may buy 5. We want them to restart stocking packs of Hamlet, not just individual cigars."<sup>10</sup>*

Turning to cigarettes, clear attempts are also being made both to attract "new entrants" and retain potential quitters. New entrants or starters are seen as a crucial sector and success here is carefully monitored. For example, a drop in their numbers is a threat to Silk Cut, whilst L&B and Marlboro lights are envied for their success amongst this sector.

*"The only economy brand to feature significantly in the list of new starter brands is L&B, which has improved its share of this group by over 2% (to 9.5%) since 1997. If this rate of growth persists, it can be expected that the proportion of new starters smoking an economy brand will show some growth in the future"<sup>11</sup>*

*“43% of new entrants smoke low tar brands compared with 27% of all smokers. Premium brands account for 63% of new entrants compared with just 51% of all smokers, primarily at the expense of the midprice sector.*

*In 1996 Silk Cut KS was the biggest low tar brand among new entrants by a substantial margin. In 1996/7, the brand’s share of new entrants has fallen to almost half its 1996 level - 6.0% from 11.2%. Qualitative research has repeatedly identified Silk Cut KS as dated and with an increasingly unappealing image. The brands decline among new entrants can perhaps be explained by the heavy presence of young adults for whom image is an important consideration. The same rationale can be used to explain the continued strength of Marlboro Lights which is the main brand for 7.3% of new entrants compared with 3.1% of all smokers.”<sup>12</sup>*

*“Marlboro Medium is growing among young adult smokers in terms of main brand and occasional usage as well as first time trial. The challenge is to improve awareness of the variant and therefore drive adoption forward.”<sup>5</sup>*

*“Ultra has yet to demonstrate a consistent ability to attract new smokers. The key question is “can we expect the brand to appeal to new entrants - or is there a positioning that we can adopt that makes the brand more attractive to entrants?”<sup>13</sup>*

*“More people, as a percentage of the population smoke in the north. For people entering the market, it is fairly normal market to be entering - nothing special - and you are likelier to go into the market and adopt the brands that are already prominent. Hence the big brand gets more than it’s fair share of recruitment because people see no problem in adopting it. Where smoking isn’t so prevalent, as in the south, there’s more of a choice to make because people probably aren’t aware which brand is the brand leader. Brand size therefore doesn’t automatically give you a massive share of recruits.”<sup>14</sup>*

At the other end of the smoker’s career the desire is to retain smokers. Cessation is a threat and low tar options backed by reassuring imagery can fend it off:

*“In conclusion, the ‘threat’ to the existing smoker base for the brand seems more likely to come from a desire to give up smoking (which is more strongly held by the SCUL [Silk Cut Ultra Light] smokers than the SCEM [Silk Cut Extra Mild] smokers), rather than from competitor brands.”<sup>15</sup>*

*“Indeed, it is the very low tar level of SCUL and its perceived less harmful affect on health which explains the high opinion held by users of their brand. This is supported by the brand’s imagery with the high association with ‘health conscious people’.”<sup>15</sup>*

*“A minority saw low tar cigarettes as a stage on the way to quitting smoking .... However, more common was a sense that low tar was a way of making quitting less urgent or necessary”<sup>16</sup>*

*“Who are we talking to?*

*Mainly more upmarket women who want to give up and believe they will. But they still enjoy the ritual and the “hit”. ”<sup>17</sup>*

## 2. Undermining Government policy and evading regulation

### The Government

The prospect of a Labour Government, the ad ban and budget increases in tobacco tax are all lamented, and steps are taken to limit their effect.

One brainstorming session generated the idea of attacking Tessa Jowell and “positioning her as the minister of bans”.

*“Possible Routes*

- 1. Undermine Jowell, position her as the Minister of Bans, undemocratic and rash/ hasty decisions. Undermine other supporters eg. Branson (cite connections with Rizla/Virgin)”<sup>18</sup>*

In the committee sessions the representative from M&C Saatchi dismissed this as part of an agency “brainstorm”, one of “a list of ideas” and none of which “saw the light of day”<sup>19</sup>.

However the papers show that a range of such ideas (see Figure 1) were taken into consumer research and one directly attacking Tessa Jowell was only dropped because it did not work<sup>20</sup>.

**FIGURE 1: Anti Government Advertising Concepts Taken into Consumer Research<sup>21</sup>**

|   |  |
|---|--|
| <p style="text-align: center;"><b>The restrictions on cigarettes is just the beginning</b></p> <hr/> <p>How soon will it be before the government starts to interfere in other areas of our lives?</p> <p>Soon all foods that are potentially ‘dangerous’ (like butter, coffee and sugar) may be restricted in the same way as cigarettes are</p>   | <p style="text-align: center;"><b>Will restrictions on cigarettes be limited to marketing?</b></p> <hr/> <p>Although the government is only talking about restricting marketing on cigarettes at the moment, we may well see other restrictions soon</p> <p>Are smokers going to be forced to buy cigarettes in plain packs, and hide them from view like criminals?</p> |
| <p style="text-align: center;"><b>Smokers are being used as pawns in a political power struggle</b></p> <hr/> <p>Tessa Jowell believes that the tobacco issue is her ticket to the top. She knows that public support is her key to success</p> <p>So far, in her quest for power, she has increased the harshness of any proposed marketing ban at every stage and presented a biased case</p> | <p style="text-align: center;"><b>The Government is restricting our rights to freedom of speech</b></p> <hr/> <p>Any potential marketing ban imposed by the government is a denial of the right to free commercial speech</p> <p>Even extreme political parties are given this basic liberty, which is going to be denied the tobacco industry</p>                       |

In a similar vein, another campaign deliberately set out to attack the Government.

*“The purpose of this advertising is to ensure that people are made aware of the, in effect, closing date for Gratis, and in so doing lay down some ground work deflecting people’s anger towards the Government and not at their brand.”<sup>22</sup>*

Deliberate attempts are also made to minimise the impact of specific policies. A report details techniques used to circumvent bans in other countries:

*“To illustrate how some manufacturers have continued to present brand names to their customers through brand name diversification’s on non-tobacco products, innovative point of sale marketing, and creative sponsorships.”<sup>23</sup>*

*“Manufacturers responded to the ban by reinforcing their relationships with retailers to ensure a competitive edge in product placement, merchandising and point of sale. Retailer contact strategies were reviewed, and salesforces strengthened. Advertising in trade magazines was increased and direct mail to retailers introduced.”<sup>23</sup>*

*“Even in the presence of an advertising ban it is possible, through intensive point of sale efforts, price discounting and use of new communications media (see Appendix), to reinforce the image of existing brands with the consumer and to launch new brands, eg. Price, L&M, Horizon.”<sup>23</sup>*

Efforts are made to maximise activity before the ban takes effect and to ensure marketing communications continue afterwards:

*“On December 10<sup>th</sup> 1999 all cigarette advertising will be banned in the UK. Any plans to launch new brands must be brought forward to beat the deadline. With this in mind Imperial Tobacco are launching a new low price brand called Richmond. Our task is to make a big splash in the last five weeks before the run out.”<sup>24</sup>*

*“Imperial has the machine technology to print high quality images on the cellophane wraps but to date the technology has been under-utilised. We want to look at making the current L & B campaign work using the pack outer as our advertising medium. Yes we have looked at this before but brand advertising on packs was one of a number of requirements and we only came up with a couple of designs. They want to concentrate on this area alone as it will become very important after the ad ban.”<sup>25</sup>*

*“B & H sell over 2 million packets a day ( and there haven’t been 1 million days since Jesus was born...!) Even with a market decline of 2% per year this still means B & H will remain a huge business for at least 260 years....why should they stop marketing their products simply because advertising is banned?”<sup>21</sup>*

*“Agency presented ideas for advertising and non-advertising solutions post ad ban. Client requested that Agency concentrate on non-advertising solutions creating a direct dialogue with Sovereign smokers and smokers of competitive brands, Client agreed to investigate ideas presented and advise Agency if they are required to progress with any thoughts.”<sup>26</sup>*

The budget increases in excise duty are also undermined with carefully timed mail shots and price related advertising:

*“The role of the mailing is to ‘disguise’ the duty increase (15p) on a packet of fags.”<sup>27</sup>*

*“If we do our job properly then Mayfair should be able to attract more smokers in the post-budget period which is when people are most aware of the costs of their smoking.”*

*“It is strongly skewed to C2DEs.”<sup>28</sup>*

*“Many people decide to switch to brands such as Mayfair when the budget puts up the price of cigarettes - Dec, Jan. We wish to advertise before this period, to maximise the numbers who take up Mayfair. This means that the task of the campaign will be to position Mayfair as the best value brand in the market. Being a positioning job means that the advertising will need to be more than simply a packshot and a price flash.”<sup>29</sup>*

Branding is used to make cheap and inferior products more appealing:

*“They are uncomfortable with repeated reminders that they are smoking a cheap cigarette. Almost all would rather be smoking a premium brand, and all know (because it is obvious) that a cheaper product is an inferior product. Thus, anything which implies quality is gratefully received.”<sup>30</sup>*

And this despite their clear admission that higher taxes reduce overall market size:

*“High taxation appears to affect overall market size more seriously than advertising restrictions, and precipitates price discounting among manufacturers.”<sup>23</sup>*

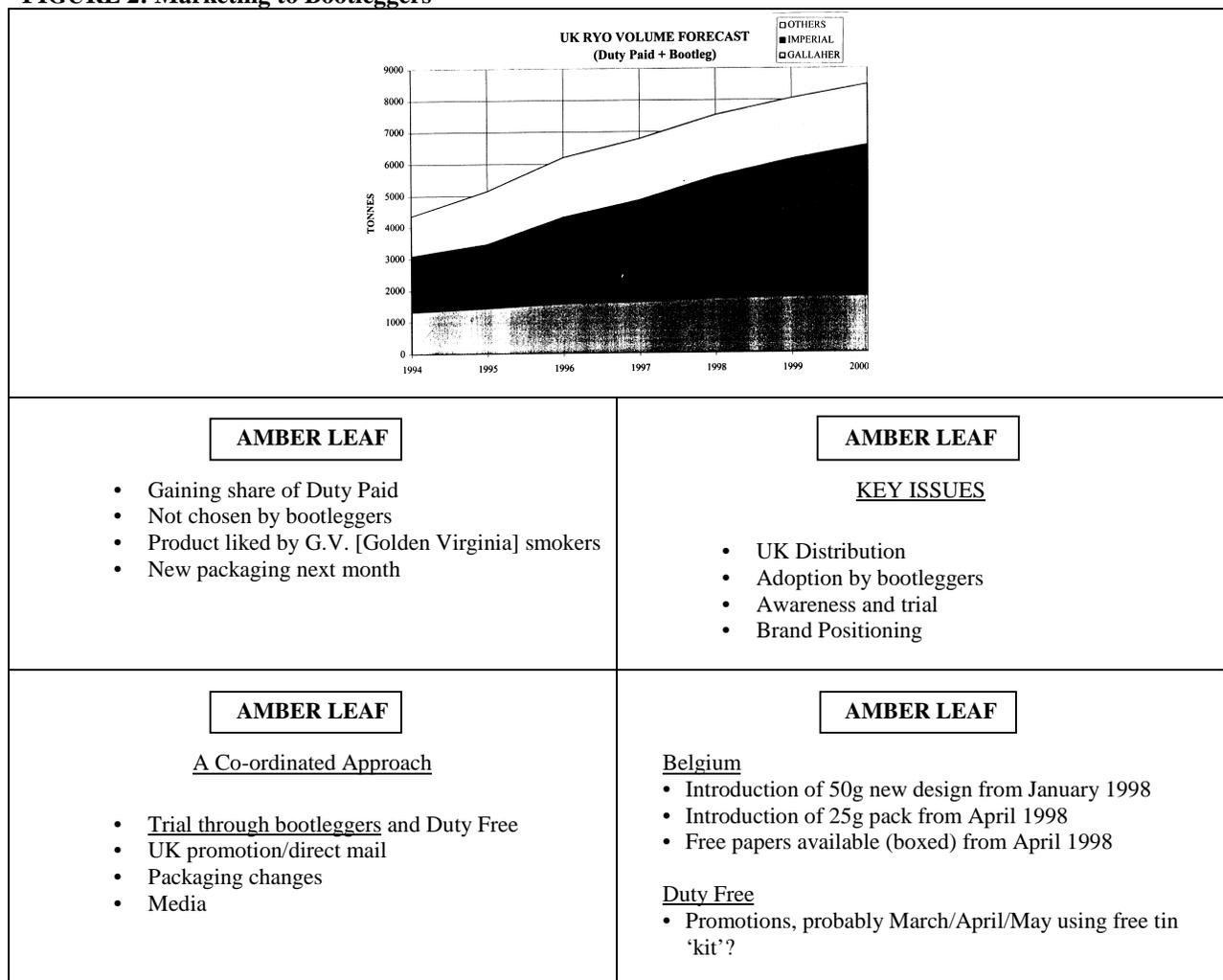
However perhaps more contentious than any of these areas is an apparent willingness to exploit bootlegging as a part of their marketing strategies for ‘roll your own’ (RYO) tobacco. Access to the bootlegger is crucial to sales:

- But many, the majority even, are buying at “Duty Free” prices:
  - often £3 instead of £8 for 50g
  - less than a packet of cigarettes
- A considerable number of respondents had clearly tapped into a regular supplier:
  - this availability seems to benefit Golden Virginia rather than Old Holborn”<sup>31</sup>

“Bootleggers (who account for over 70% of the market in most areas) only bother with big brands - Old Holborn and Golden Virginia. We need to create a demand for Amber Leaf among the newer, younger consumers to encourage both shop purchase and a willingness among bootleggers to sell Amber Leaf.”<sup>32</sup>

This last observation is dramatically born out by a presentation that breaks down smuggled tobacco by tobacco company and clearly identifies bootleggers in Belgium as a route into the UK market (see Figure 2).

**FIGURE 2: Marketing to Bootleggers**<sup>33</sup>



## Voluntary Regulation

Not surprisingly, given this rather cavalier attitude to government policy and statutory regulation, the voluntary codes of the ASA also come in for some cynical treatment. Various references are made to “*stepping close the legal rulings*”, “*pushing the ASA*” and “*sailing very close to the wind*”, and the strategies proposed clearly deserve these labels:

*“Stepping close to the legal rulings this technique has proven to be very successful for Gallagher recently when they have run the attached two ads to generate trial for King Size and Sobrani respectively.”<sup>21</sup>*

Suggestions for Formula 1 try to sneak parts of the ‘B&H Special Filter’ name and logo into camera shot and even the Jordan logo, pushing copyright law as well as tobacco regulations in the process.

*“As you will see we have a couple of thoughts:*

- 1) We feel if we can legally say the words “A Special F1” [as in Special Filter] then we could utilise the area behind the driver’s head – as you see – to attempt to get a little closer to more “overtly” implying the brand on the car. Do you think we could get this past the various legal bodies? If Rothman’s can get away with “racing” in the brand typeface, I think we may have a case.*
- 2) We wonder if you could slightly corrupt the Jordan logo to include a large “ampersand” [from B&H]. I think this will be sailing very close to the wind. Our reasoning for suggesting it is that the ampersand is not actually part of your logo though if it were to appear I believe people would recognise it as being so.”<sup>34</sup>*

*“This is to confirm that we (B&H account team) have asked Noel to come up with some implicit branding options for the Jordan team Formula 1 cars for the French Grand Prix. The reason being that all cigarette branding must be removed to comply with Government Regulations.”<sup>35</sup>*

*“Thought should also be given to style press specific concepts. Gallaher are keen to develop a B&H conversation with this target. Therefore scenarios and people (as young as we can push them with the ASA) to appeal to the 20-25 year olds should be considered.”<sup>36</sup>*

One obvious way to avoid the ASA altogether is to advertise to their customers (and potential customers) when they are outside the UK:

*“Rules and Regs considerably restrict what we can do in the UK – particularly with dialogue and wardrobe but Rules don’t apply outside the UK. There are some very good media opportunities targeting UK consumers abroad, particularly aimed at holiday charter flight traffic. We want some executions using our characters that don’t need to go through CAP’s vigorous approval process that can be tailored to British smokers abroad many of whom will be buying duty free.....”<sup>37</sup>*

*“Because we are advertising outside the UK we don’t have to worry about CAP approval. We can therefore be more flexible with dialogue, props and wardrobe.”<sup>38</sup>*

*“Most of the national dailies have weekly versions, but these are targeted at expatriates rather than holidaymakers. Only The Sun produces a Spanish daily edition, with a circulation of about 30-40,000. They claim that about 75% of British newspapers read in Spain are The Sun and the News of the World.”<sup>39</sup>*

*“Roadside billboards ... It’s not really feasible to cover off all the individual resorts as they are strung out along the entire Mediterranean coast. The following regions could be prioritised”<sup>39</sup>*

However, the most blatant transgressions against ASA guidelines come in their clear desire to expand the market (Section 1), and their use of imagery to target and appeal to the young (Section 3).

### 3. Image and youth

Tobacco advertisers are not allowed to target those under 16, and the tobacco industry loudly protests that their interest is only in adults. In many of the documents, great care is taken to use the phrase ‘young adult smokers’. However, at other times more general terms such as ‘young people’ and the ‘youth market’ are used. Furthermore, there is evidence of market research being done with people as young as 15. Figure 3 shows a reanalysis of ‘TGI’ data (a standard industry resource that is bought on a subscription basis by many advertising agencies) to provide a detailed picture of the values and aspirations silk smokers. The original sample included 15 year olds.

**FIGURE 3: Market research with 15 year olds<sup>40</sup>**

|   |   |
|---|---|
| A reanalysis of TGI data, providing details of the values and aspirations of Silk Cut smokers. The sample included 15 year olds.  |   |
| <p><b>SILK CUT – AGE SPLITS</b></p> <p><b>15-35 YEAR OLDS</b></p> <ul style="list-style-type: none"> <li>• Younger Silk Cut smokers are much more like their peer group than all smokers:</li> <li>• Slightly higher on societies core values – less Inner Directed</li> </ul> <p><b>35-65+ YEAR OLDS</b></p> <ul style="list-style-type: none"> <li>• Again all 35+ year olds who smoke are very Sustenance Driven with a strong Outer Directed pull. This pull will be partly caused by the rejection of core society values embodied by the Belongers.</li> <li>• Silk Cut smokers over 35 are more Sustenance Driven, looking very like their peer group. Androgeny and excitement the only Inner Directed values perhaps link in with older values associated with cigarette smoking.</li> </ul> | <p><b>PORTRAIT OF SILK CUT SMOKERS</b></p> <p><b>15-35 YEAR OLDS</b></p> <ul style="list-style-type: none"> <li>• The are watching a whole host of TV, dipping into a wide variety of types of programmes.             <ul style="list-style-type: none"> <li>- 80% of them watch the news with only the Conspicuous Consumers being under represented in this area.</li> <li>- Sport (General and Specialist), films (recent and old) and detective series are watched by them all. The Sustenance Driven watching more films and drama than the rest.</li> <li>- Soaps and sit coms are also watched especially by the Conspicuous Consumers.</li> <li>- Travel Programme</li> </ul> </li> <li>• As a group they particularly enjoy:             <ul style="list-style-type: none"> <li>- Sport</li> <li>- Soaps</li> <li>- Sit coms and satirical comedy</li> <li>- Films</li> </ul> </li> </ul> |

Whether the industry is deliberately targeting under 16s will remain a matter for dispute. However what the documents do make very clear is that smoking amongst the young is as much about image as it is product attributes. They recognise that smoking is a ‘rite of passage’, with youngsters looking for reassurance and an identity.

*“To smoke Marlboro Lights represents having passed a rite of passage, ie. it is not something done by immature smokers. Neither is it smoked by older people, unlike Silk Cut which is seen as being fit for all. Silk Cut’s universality of appeal is a problem for younger smokers for it means the brand lacks sufficient “street cred”. ”<sup>41</sup>*

*“Young adult smokers are looking for reassurance that they are doing the right thing, and cigarettes is no exception. Any break with a brand’s heritage must be carefully considered in order not to throw doubt into the minds of young adult smokers.”<sup>5</sup>*

*“Young adult smokers are also searching for an identity. Cigarettes have a key role to play as they are an ever-present statement of identity. By inference, if a brand of cigarettes does not convey much in the way of image values, there may well be little reason for a young adult smoker to persist with or adopt the brand. Strong image values can help establish an identity, weak image values are of no use.”<sup>5</sup>*

- *...new smokers...*
- *Smoking for these people is still a badge. A sign of maturity, discernment and independence.”<sup>42</sup>*

*“Younger smokers give more weight to imagery of cigarettes and pay more attention and are open to fashionable brands and up-to-date designs.”<sup>43</sup>*

- “What did 1995 B&H SF advertising need to achieve?*
- *Cement the brand into the repertoire of the experimental smoker”<sup>44</sup>*

*“4. The success of Marlboro Lights derives from its being:  
The aspirational lifestyle brand*

- *“cool”, everybody’s smoking it in bars & clubs image*
- *The Diet Coke of cigarettes”<sup>45</sup>*

Successful brands – most notably Marlboro Lights – exploit these emotional needs and insecurities.

*“To be successful any Gallaher brand will have to tackle Marlboro’s coolness of image - smokers do smoke the image as well as the taste. B&H could try to leverage a more British Street Cool image, whilst Silk Cut could utilise a more European, stylish outlook. What I think would be very important in any further research is that we devote as much time to these questions of potential brand imagery, as to points over product and taste.”<sup>46</sup>*

- *Chic, foreign “Cafe, wine bar, cosmopolitan”*
- *Younger, aspirational, “Much more interesting for the young like Marlboro”*
- *Like Marlboro Lights in particular? (Marlboro “feel” with Lights product values)”<sup>47</sup>*

*“If everyone else is doing it you don’t want to stick out. It’s a fashion thing .... in the pubs you’re all in big groups with your Hooches and Marlboro Lights”<sup>48</sup>*

*“What I would add is that there is a definite sub-culture among younger r.y.o smokers, and I believe their desire to display their exclusivity could be supported by provision of unusually desired “badges” such as (transparent?) Raw lighters and rolling machines. This will enable them to differentiate themselves from uncool, older GV smokers, who I suspect would not be particularly motivated to buy the product by either the advertising or the packaging.”<sup>49</sup>*

*“Mike*

*We have been approached by Branded Youth, a below-the-line agency that specialises in brand development in association with the clubbing culture. We think that they could be quite useful given your promotional efforts within the 18-24 market.*

*A very brief summary of their activities is attached. If you are interested, we would be happy to take this further on your behalf.”<sup>50</sup>*

As one creative brief evocatively put it:

*“....How do we want to change what people think, feel or know?  
We want to engage their aspirations and fantasies - ‘I’d like to be there, do that, own that’.”<sup>51</sup>*

Failure to “engage their aspirations” causes alarm:

*“The imagery surrounding Silk Cut remains unaspirational for the style conscious, and also more mainstream: it is female, glossy, chic and glamorous. User imagery has become the very young (starter cigarette) and middle aged (part time, health freak, not a real smoker).”<sup>52</sup>*

Detailed and typically qualitative market research is therefore conducted:

*“Since 1996, an annual qualitative project has been conducted, looking into the lifestyles, hopes, fears and motivations of young adult smokers. Although all respondents are smokers, the information is much broader than smoking behaviour. The insight it provides into what is important to young adult smokers can be of great value to brand marketers.”<sup>5</sup>*

*“iii) To track the image of Marlboro and key competitors and develop a measure of brand involvement.*

*iv) To evaluate smokers’ relationships with brands.*

*v) To separately identify the effect of Marlboro’s sponsorship of the Ferrari Formula 1 team on the overall effectiveness of Marlboro advertising.”<sup>53</sup>*

*“To track the image of Marlboro against a set of key competitor brands using a number of image statements and a measure of brand involvement.”<sup>54</sup>*

This research guides the development of “image building” campaigns:

*“The other notable increase is for L&B, for which spontaneous advertising awareness increased from 1% in 1996 to 6% in 1997. Again, this will be the result of the heavy ATL (ie. advertising) support the brand has received, particularly since the introduction of the current image building campaign.”<sup>5</sup>*

*“A surreal campaign for the 1990’s. Simple, beautiful images reflecting the aspirational qualities of B&H.”<sup>55</sup>*

*“Position Ultra as a modern, contemporary cigarette for (especially) younger adult smokers”<sup>56</sup>*

These campaigns then provide appropriate psychological support to the young smoker.

*“Historically ‘the’ premium brand was Benson and Hedges  
Losing this badge for 18 - 24 year old smokers, is likely to increase decline  
This brand needs an infusion of style, coolness and aspiration  
Our objective is to produce a piece of communications that will boost B & H’s  
image with style conscious 18 - 24’s”<sup>57</sup>*

*“The client is adamant that she wants the shot to mirror the original, primarily because it researched so well against the younger style press target.”<sup>58</sup>*

*“Overall, 44% of young adult smokers choose one of just three brands - B&H SF, L&B KS and Regal KS - as their most often brand. For each of these brands, their share of young adult smokers is at least 50% more than their share of all smokers.”<sup>5</sup>*

*“So what we need is the coolest, most exciting, white knuckle ride of a campaign ever.”<sup>2</sup>*

Media are carefully selected to ensure that these emotional benefits get through their young target.

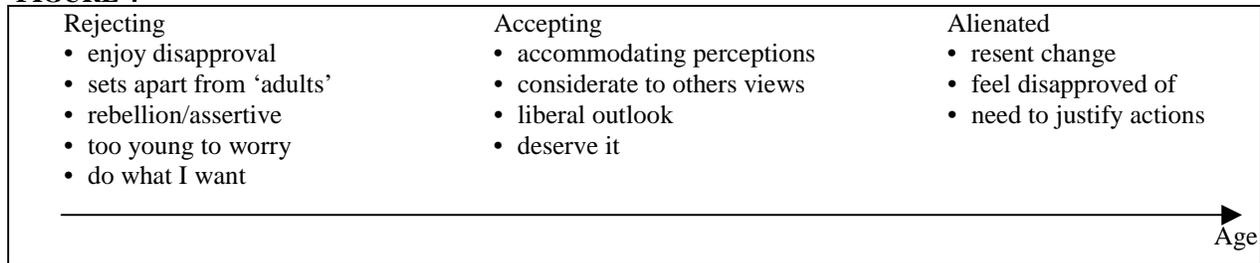
*“The first key observation about spontaneous brand awareness among young adult smokers is that this group is generally better aware of the brands on the market. For example, 77% of all smokers were spontaneously aware of B&H in 1997, compared with 86% of young adult smokers. This can be explained partly by the amount of activity which is targeted at young adult smokers within the industry.”<sup>5</sup>*

*“In this case we would recommend taking space in the mainstream youth titles and running the ‘Celebration’ campaign”<sup>59</sup>*

*“The most likely ATL [advertising] spend will be against the younger smokers ... ie in Young Men’s Style Magazines. There is unlikely to be any money spent on posters in 1998.”<sup>60</sup>*

Furthermore, it is clear that imagery is not just important to young smokers. As noted in Sections 2 and 7 comforting associations are used to provide older smokers with reassurance about both the cost of and the health risk of smoking. Figure 4 shows how these needs are plotted against increasing age.

**FIGURE 4<sup>61</sup>**



Astonishingly, all this goes on despite clear CAP rules prohibiting the association of smoking with social success or any attempts to play on the susceptibilities of those who are emotionally or physically vulnerable, especially the young.

In addition, whether or not children are deliberately targeted, no consideration is given to the danger (and very obvious danger) that marketing aimed at ‘adults’ (ie. those over 16) may actually reach those under 16. This is perhaps most apparent when the documents discuss the issue of 10 packs. There is a clear recognition that these are bought predominantly by young adult smokers:

*“...the key bias is towards the young adult smoker, where we see 1 in 5 young adult smokers buying a 10s pack regularly and, they account for 43% of regular 10s packs buyers.”<sup>62</sup>*

In independent outlets (ie. corner shops):

*“Whilst 10s packs are growing within all the trade sectors of the market, it is within the Independent Sector where we see the highest share of pack sales....79% of 10s pack sales are within the Independent sector.”<sup>62</sup>*

As a cheap route to premium brands:

*“The 10s pack market is dominated by the leading brands; the top 5 brands account for 60% of 10s pack sales.”<sup>62</sup>*

*“The higher penetration of regular 10s buying amongst young adult smokers may be a function of the greater acceptability of 10s packs by this age group of smokers and the fact that they are image conscious. As the laydown prices of cigarettes have increased, the younger adult smokers may have traded down to a 10s pack of a premium brand or, chosen to buy a premium 10s pack when they entered the market, rather than buying into cheaper 20s pack of an economy brand.”<sup>62</sup>*

However, they express no concern that these brands and outlets also appeal to children, though ample independent research has shown this to be the case<sup>63,64,65</sup>. Chillingly, however, they do recognise that ‘new entrants’ to the market are likely to approach through these routes.

*“Whilst this data is not completely reliable it does reinforce the picture from old BJM data in highlighting the role of the 10s pack amongst young adult smokers and potentially new entrants to the market.”<sup>62</sup>*

*“If 10s packs are used as a trial pack and possibly, increasingly used as a trial pack as prices increase, then 10s packs will become a more important mechanic in the market. This may be especially true for brands targeted at the young adult smoker.”<sup>62</sup>*

The documents demonstrate very clearly the deficiencies of voluntary agreements about tobacco marketing. The tobacco industry is too strongly motivated to bend or circumvent them, and the documents provide many examples of this mindset and the innovative solutions it produces. In addition, the subtlety and complexity of much marketing – and especially branding - simply defy regulation. For instance, the gold colour used in so much Benson and Hedges communication is frequently acknowledged in the documents to be aspirational, and yet no restrictions have ever been placed on its use.

#### 4. Marketing not advertising

Even though the documents come from advertising agencies – and therefore one would expect them to place particular emphasis on advertising - it is very apparent that all aspects of marketing play a crucial role in their efforts to increase sales. The documents reveal a text book approach to the challenge. First, the population as a whole is divided into smaller, more homogenous segments. The viability of each group is then analysed to determine if they are suitable for targeting. Finally, customised marketing strategies are devised for those groups that hold most promise.

However, unlike text book marketing, no reference is made anywhere to the ethics of targeting particular groups or using particular strategies. This is of particular concern, as the poor, women and students all emerge as front runners.

The poor can be reached by a combination of price offerings, gift schemes and reassuring branding to make inferior products feel better:

*“Typically you should aim at the downmarket smoker both male and female who will be affected most by recent price increases.”<sup>66</sup>*

*“Who are we talking to:*

*Glasgow’s smokers - they smoke because they enjoy it. They also love the gift scheme with over 50% of the Club franchise unemployed this probably explains its popularity.”<sup>67</sup>*

*“They are uncomfortable with repeated reminders that they are smoking a cheap cigarette. Almost all would rather be smoking a premium brand, and all know (because it is obvious) that a cheaper product is an inferior product. Thus, anything which implies quality is gratefully received.”<sup>30</sup>*

Women might be susceptible to their own brand:

*“Smoking remains marginally female in profile, a bias which is slightly increasing ... Women are heavier smokers of certain niche brands, but there are none which are overtly female in attitude and approach .... Opportunity possibly exists for overtly female targeted cigarette, (perhaps tapping into female cigar smoking trend?)”<sup>68</sup>*

Students appeal because they are image conscious, young and readily accessed through student unions and college campuses.

*“Students form an important part of the Marlboro target market, particularly the Lights variant, which is claimed as the main brand by 15% of those in full time higher education (1996 data).”<sup>21</sup>*

*“Imperial have booked space for Lambert and Butler in the National Union of Students show guide. They want an L & B execution that will particularly appeal to students.”<sup>21</sup>*

*“18-24s are a key target and a problem area for Gallaher  
Several areas of potential could be investigated for students*

- commodity, no frills brand (discussed above)*
- brand available only on campus*
- retro, kitsch styling, tapping into 60s/70s/80s style nostalgia (Abba, Jo Bogie etc)”<sup>68</sup>*

Having identified their target market, all forms of communication, not just advertising, are used to approach them. A list from one of the agencies gives some idea of the range of alternatives:

- Quality and stylish packaging.*
- Strong PR coverage (a more difficult medium to achieve control in with cigars, than other products).*
- Controlled editorial coverage - ie. advertorials.*
- Product placement at relevant events etc (consider relevant associations where appropriate).*
- Peer group endorsement - controlled at first (hopefully spontaneous in time).*
- Investment in distribution (the right outlet as a marketing exercise).*
- Premium pricing.”<sup>69</sup>*

PR and sponsorship are obvious alternatives, and the similarities between sponsorship and advertising are highlighted in Section 6. At this point it perhaps just worth noting how innovative some of the ideas are.

*“The ‘pink pound’ is very important to Benson & Hedges, loads of affluent adults with a generally high levels of disposable income, which is why B&H will this year be one of the principle sponsors of ‘Pride ‘98’.”<sup>60</sup>*

*“Subsequently, I thought there may be an opportunity for Gallaher - Silk Cut, B&H and Hamlet - to be exclusive cigarette and cigar suppliers to the K Group. In return the K Group would require Gallaher to pay for the 2 cigarette “girls” in the Wardour Street flagship which could be dressed in the B&H Gold colours for the year, and obviously provide a competitive price on the supply of cigarettes and cigars across all the bars. The cost to pay for these girls would be in the region of £30,000 per annum.”<sup>70</sup>*

And why is the K Group so attractive?

*“Without doubt it’s set to become one of the trendiest and most sought after bars in Soho. This concept is a being rolled out throughout the country and there are already K Bar’s in Putney and Wimbledon and Kartouche in Chelsea, with further K-Bars planned in Chelsea and Bournemouth later in the year.”<sup>70</sup>*

Point of sale promotions are also important:

*“Sovereign could offer to tile retailer’s floors in black and white. As cigarette smokers will tend to purchase a newspaper, Sovereign could take the opportunity to place branding around the paper stand or paper gantry. There could be a tie up with a newspaper or magazine.”<sup>71</sup>*

Databases are actively being developed:

*“Preparing for a post - advertising world*  
*• Launched ‘Focus’ in 1987?*  
*• Database of 7,000,000+ names”<sup>72</sup>*

*“...they will receive a pack of Hamlet Extra Mild and Gallagher will have captured their name for their database.”<sup>73</sup>*

and the potential of the internet is beginning to be exploited:

*“Silk Cut have sponsored the Rugby League Challenge Cup since 198? ... This year it has been decided to develop an internet site which will provide a news and results service for the Challenge Cup.”<sup>74</sup>*

*“Current perceptions*  
*Silk Cut sponsor the Challenge Cup*  
*Silk Cut is rather feminine, a bit old fashioned and dull.”<sup>74</sup>*

*“Desired perception*  
*Silk Cut must be smart, modern, high tech and fun if they can come up with a site like this.”<sup>74</sup>*

But perhaps the most important additional form of marketing communication is the pack itself. Its immense value as both a communication tool and a ‘badge’ is readily acknowledged and great care is taken to ensure that it continues to communicate the correct image.

*“This brand will succeed or fail by its image, which is largely dictated by the advertising we have generated. The pack is pivotal to this - the pack, and in particular its bright yellow colour, is the distinguishing element of the new brand - therefore our current advertising combines a dramatisation of the pack with an appropriate attitude.”<sup>75</sup>*

*“Remember this campaign has its origins in a very simple truth, the smokers of B&H when they put their pack on the pub table, will always have it noticed by their friends. It is their badge and all we are trying to do is celebrate it.”<sup>76</sup>*

*“...the easiest way to communicate with current smokers is through the pack and through our extensive direct communications activities...”<sup>77</sup>*

*“Utilise modern printing techniques to the full by coming up with ways to use the pack out as an advertising medium for Lambert and Butler. Make the L& B pack really stand out at point of sale against the competition.”<sup>25</sup>*

*“Reactions to alternative label designs*

- *Coloured labels tend to be seen as younger, for kids, like sweetie labels, cheap; comparisons made with alcopop brands (Hooch)*
- *rolit like a pack of condoms or a “lite” chocolate/Options drink*
- *rolit branding looked young*
  - *like sweets, Love Hearts, Refreshers*
  - *similar approach to some of alcopop drinks”<sup>31</sup>*

*“Cigarette packs are still considered to be badges, albeit that the cigarettes themselves seem to be losing a large amount of the glamour and aspiration that used to be associated with them.”<sup>78</sup>*

When the pack shows signs of weakness, redesign is quick to follow:

*“Club is loosing share, primarily to Lambert & Butler. These losses are most apparent amongst 18-44 year olds. Research identified that this group found the packaging old and boring - so the pack has been redesigned, (see attached) on top of this Gallaher have decided to (in effect) drop the RRP, by swallowing the Governments 21p duty increase.”<sup>60</sup>*

However, efforts to meet the needs of these groups do not stop at communication. Pricing, distribution and the product design itself all do their bit. Cheap products are offered to low income smokers (see above) and the impact of price on brand perception is recognised.

*“As laydown price becomes more of an issue, Royals cannot rely on its ’24 for price of 20’ position among young adult smokers. There is a real danger that the brand will miss out on the transfer to the economy sector unless the 20s format can be built into a credible proposition. Awareness and availability are also key issues.”<sup>5</sup>*

Effective distribution delivers convenience, and good relationships with retailers ensure that their brands are pushed.

*“Research over recent years has shown that one of the values most important to young adult smokers is ‘convenience’. This means that young adult smokers find it much more important than the smoking population as a whole that things are easy to do, or buy. They want (and feel entitled to get) what they want, where they want it, when they want it .... From a R(UK) perspective, it is clearly important to maintain as much range-stocking as possible to retain these young adult smokers who find another variant acceptable on an occasional basis.”<sup>5</sup>*

*“Against this backdrop, Cognition has conducted research amongst independent retailers in order to inform the development of Gallaher’s communications with independent retailers. The global objective of this research is to aid the optimisation of these communications, as a step towards maximising sell through the independent sector.”<sup>79</sup>*

*“To identify perceptions of Gallaher in terms of broad corporate profile and how this is communicated/reflected through direct marketing, specifically with the aim of enhancing brand advocacy.”<sup>79</sup>*

Finally, the product itself has a powerful marketing function:

*“Smokers buy cigarettes frequently. They carry their brand around with them and see other brands constantly. The product is the **prime** means of communicating a change.*

*The position that Berkeley finds itself in makes looking at the product, as a means of communication, we believe, an important area, certainly worth consideration.”<sup>80</sup>*

And new product development ideas ensure that it will evolve, and so continue to provide appropriate aspirational and pharmacological benefits. Witness, for example the development of Hamlet Extra Mild to target quitters discussed in Section 1. Other ideas include an ‘Expresso’ cigarette to fit new ‘café culture’, a lads cigarette (complete with page 3 imagery) and Scottish and Welsh cigarettes to exploit devolution.

*“EXPRESSO*

- Pressure on smokers (allowable smoking areas, perceived antisociability of the ritual etc.) leads to need for concentrated “hit” - quick and unobtrusive cigarette..*
- Need for credible urban, urbane cigarette brand in tune with 90s smoking-friendly arenas e.g. Cafes, Bars, Street .....*
- Express: concentrated quick hit (caffeine/nicotine) with young, streetwise imagery (full strength Marlboro Lights)”<sup>81</sup>*

*“Opportunity exists, therefore, for a male targeted brand, perhaps co-branded with Loaded or with scantily clad women on the cigarette paper!”<sup>68</sup>*

*“Both Scotland (index 90 despite Kensitas) and Wales (87) are slightly weak areas for Gallaher*

*Current movement towards devolution provokes strong nationalistic sentiment  
Opportunity for nationalistic (but not jingoistic) cigarette seems to exist)”<sup>68</sup>*

The fact that some of these suggestions may not make it to market – or indeed may be technically impossible – is beside the point. What emerges is a world in which every idea, every device is harnessed to meet company needs: more smoking by more people. Removing advertising only scratches the surface of this activity.

## 5. Sponsorship

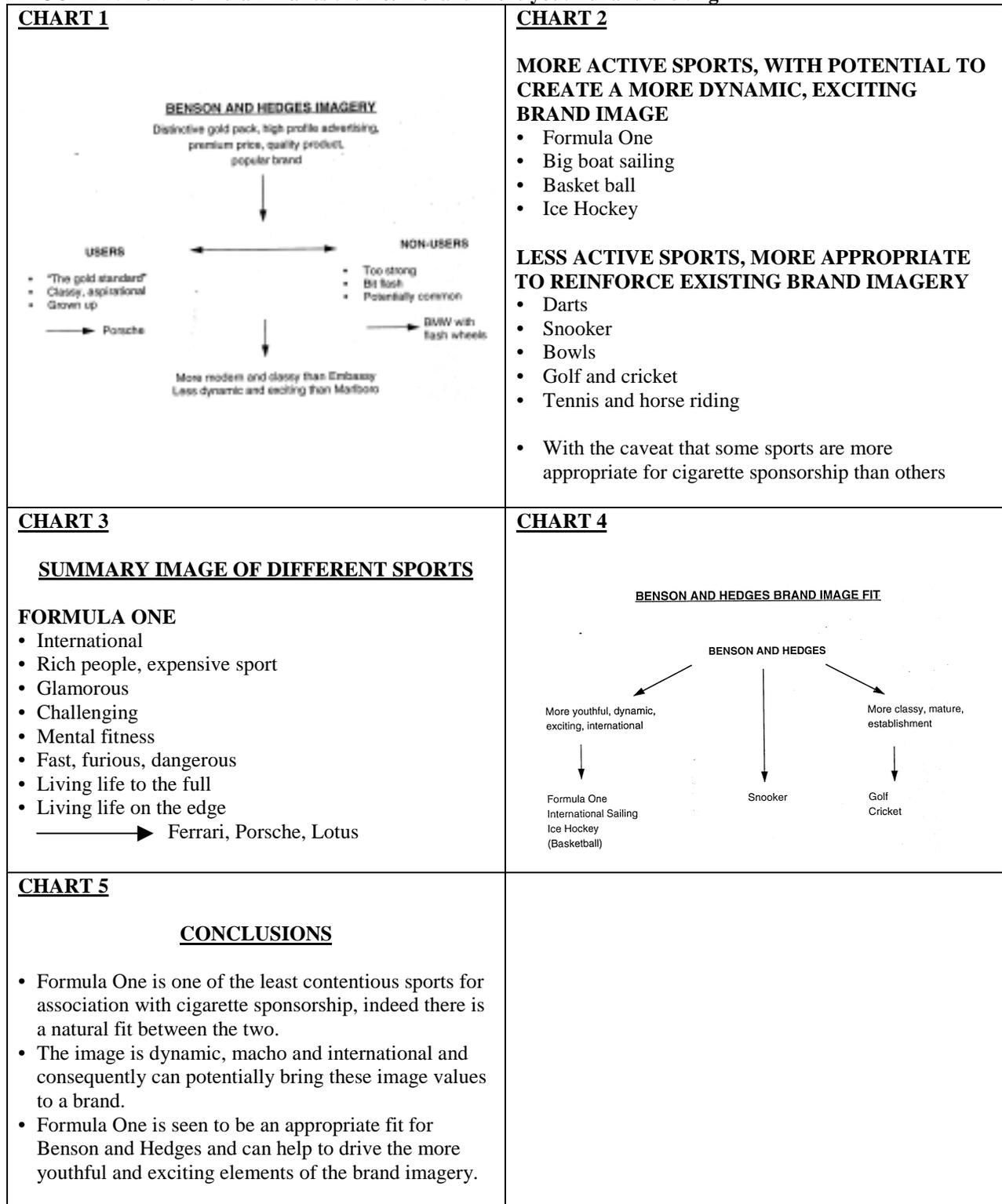
Sponsorship, whether of sporting or other events, is treated differently from advertising in the White Paper. However, the documents show the two have in fact become indistinguishable.

The prime purpose of sponsorship, like advertising, is to create and bolster the all important brand images that are used to meet the emotional needs, especially of young smokers. Events are chosen first and foremost for their potential in this area. Careful consumer research is done to examine the image of particular sports, and the most appropriate and influential ones are then selected.

Perhaps the most blatant example of this (and worrying one, given that it is due to remain until 2006) is Formula 1. Research conducted for Gallaher's identifies "*Formula One, Big boat sailing, Basket ball, Ice Hockey*" as "*More active sports, with potential to create a more dynamic, exciting brand image*" (see Figure 5, Chart 2). The image of Formula 1 is then described in more detail as "*international, glamorous, challenging, fast, furious, dangerous, living life to the full and living life on the edge*" (Figure 5, Chart 3).

The document concludes that Formula 1 can make the B&H brand more "*dynamic*", "*macho*" and "*youthful*" (Chart 5) - flagrantly disregarding the spirit of the voluntary agreement.

**FIGURE 5: How Formula 1 makes the B&H brand more youthful and exciting<sup>82</sup>**



A further market research report concludes, in similar vein, that F1 sponsorship makes the brand “very powerful” and lends “associations with, young fast, racy, adult, exciting, aspirational, but ultimately attainable environments”.

*“Benson & Hedges sponsorship of Formula One is entirely coherent with expectations and offers the brand many opportunities to capitalise on positive associations. For instance, by sponsoring Formula One respondents claimed it made them believe that Benson & Hedges was a big, major league, very powerful brand with plenty of money. It also lent associations to the brand with young, fast, racy, adult, exciting, aspirational but attainable environments. It was coherent with all that respondents knew of the brand but also extended associative territory to make the brand more youthful, more dynamic and more exiting.”<sup>83</sup>*

The similarities between F1 sponsorship and advertising planning are overtly recognised:

*“If we assume an advertising ban in 1998 we should begin to think differently. What image do we want to leave out consumer with?*

- *Gold*
- *Gold pack*
- *Quality*
- *Aspiration*
- *Class*

*The premium cigarette*

*... The same logic that led us to Formula One sponsorship”<sup>84</sup>*

Other sponsorship deals are selected with equal rigour. Rugby league and the Whitbread Round the World Yacht Race make Silk Cut more adventurous and masculine.

*“By celebrating Silk Cut’s involvement in the Rugby League, people should think that Silk Cut is an exciting dynamic and less pretentious brand.”<sup>85</sup>*

*“What should they think after seeing the advertising?*

*That Silk Cut is sponsoring a boat in the Whitbread yacht race and, therefore, is actually quite a masculine, adventurous brand.”<sup>86</sup>*

The Renaissance Silk Grand Tour (a sponsored series of night club style parties) and the mooted deal with K bars (see Section 4), offer modernity and youth.

And Hamlet’s connections with Rugby...

*“...exploit Hamlet smokers affinity with sport in general  
And rugby in particular”<sup>87</sup>*

The links between sponsorship and advertising are not simply that both are trying to get across the same image based messages. In addition, the two mediums are deliberately used to support each other:

*“What should they think after seeing the advertising?  
That Silk Cut is actually a cool brand to be seen smoking because it is enabling more Renaissance club nights .... Therefore the sponsorship advertising will need to communicate the relationship between Silk Cut and Renaissance by featuring the extensive list of gigs and by appealing to their self-image to give them some defensive ammunition.”<sup>88</sup>*

*“Why are we advertising?  
Silk Cut are sponsoring a boat, captained by Laurie Smith, in the next Whitbread Round the World Yacht race. In order to get maximum publicity from this event they want to place ‘announcement’ ads in all national newspapers that run editorial on the race - to appear next to, or near, the editorial.”<sup>88</sup>*

Furthermore, the advertisers themselves find it difficult to disentangle the effects of their sponsorship from their advertising....

*“To identify separately the impact of Marlboro’s sponsorship of the Ferrari team on the overall effectiveness of Marlboro advertising.”<sup>54</sup>*

... not least, because the criteria for success are identical:

*“Barry  
As I’m sure you are aware there was excellent coverage of the new Jordan car last night on both the 9 O’Clock News and the News at Ten. The respective All Men TVRs for the bulletins were 11.8 and 14.4.  
If we assume that the coverage equated to a 60” commercial on each station, I’ve estimated the equivalent advertising value to be £185,000. When the value of additional news slots on Channel 4, Channel 5 and Sky are added in, I expect the figure would exceed £250,000.  
Not bad to start off with!”<sup>89</sup>*

The only significant difference between sponsorship and advertising that the papers acknowledge, is a disturbing one: the sales pitch in sponsorship is more hidden, enabling covert or “subliminal” messages that can get round the defences of their “wary” and media literate young targets:

*“At each event the level of Silk Cut branding is intended to be subliminal, with no direct reference to Silk Cut cigarettes. However, a strong visual clue is given to the sponsor’s identity by the night clubs (in which the events are staged) being ‘clothed’ in large areas of purple silk.”<sup>90</sup>*

*“Who are we talking to?*

*Urban Venturers: Aged between 18-30, students/graduates just out of university, short of money but spend all they have on good nights out. They are very advertising literate, and consequently very wary of big brands latching on to aspects of their lifestyle and exploiting them. To this end Silk Cut needs to compliment the Renaissance imagery in an intriguing and stylish way.”<sup>88</sup>*

In summary, the documents show that sponsorship and advertising do virtually identical jobs. Of the two sponsorship is perhaps of greater concern: it is particularly well suited to the communication of brand imagery; it is easily used to sidestep controls on advertising and it lends itself readily to covert communication. Despite all this, it is currently treated more leniently than advertising by the regulators and, in the case of Formula 1, will remain in place for another six years.

## 6. Insult to injury: “These people are not rocket scientists”

Paradoxically, although marketing is supposedly about making the consumer the centre of the company’s efforts, and ensuring that their satisfaction is paramount, the documents show that they are not always treated with great respect.

A number of cluster analyses have been conducted, dividing the market into homogenous groups preparatory to identifying target markets, as described in Section 4. The resulting groups include:

- One dubbed “slobs”, who amount to 27% of the market.

*“CLUSTER 1 - ‘Slobs’*

*27% of cigarette smokers, aged 18-24 years, are represented by this cluster with 71% of them being C2DEs .... Describing members of this cluster as ‘Slobs’ may seem unkind, but this title is particularly earned by their low concern with their appearance and the little effort they make to keep themselves informed.”<sup>91</sup>*

*“Slobs ... downmarket ... less likely to have gone on to further education ... particularly found in Scotland and Midlands/Anglia. Special Filter and Club perform best ... committed smokers ... show commitment or concern about little else, eg. health, diet, appearance, promotions.”<sup>92</sup>*

- A group of “Nottingham females” who were characterised as “rough, unfocused, insecure, brazen, inarticulate”<sup>93</sup>.

and others whose intelligence is questioned:

*“These people are not rocket scientists. They get frustrated by advertising that goes over their heads.”<sup>94</sup>*

*“NB L&B smokers are pretty down market - anything too clever will go over their heads. The advertising needs to be kept fairly easy.”<sup>95</sup>*

*“Primarily we are talking to existing B&H smokers, who are 20-45, mass market with a male bias. They currently see smoking B&H as slightly indulgent because they know it is now considerably more expensive than other brands. What helps to keep them loyal is an irrational belief that in some way B&H is better than other brands.”<sup>96</sup>*

Furthermore, on occasion outright deception is sanctioned:

*“The attached ad is a trial generating ad for the launch of Hamlet Extra Mild. The idea is to trick Castella Classic smokers into applying for a free pack under the belief they will receive Classic back. In fact they will receive a pack of Hamlet Extra Mild and Gallagher will have captured their name for their database.”<sup>74</sup>*

*“Gratis Sales Promotional Advertising:*

- *Present gifts and scheme as more desirable than it really is”<sup>84</sup>*

*“To try and stem this flow away from B&H and regain share, we now have Gratis. This is providing people with a sense of value and should help convince people to stay with the brand.”<sup>97</sup>*

## 7. Avoiding the issue of health

Far from warning their customers of the hazards of smoking, care is taken to avoid any association with the issue. For example a New Year campaign for Hamlet had to be toned down to avoid the subject:

*“Gallaher do not feel that they can make overt references to health/getting healthy in their advertising for cigars.*

*This means that the two New Year ads presented to date need to be amended.*

*The press idea - Work-out calendar - focuses on health and health resolutions.*

*We need to move the focus away from health: making it around an alternative single resolution or about resolutions in general.*

*The radio ad had the same problem, being based in the thought of improving health in the New Year. Again we could look to go back with this ad if we moved the focus away from health.”<sup>60</sup>*

and an idea to feature bungee jumping was felt to raise associations with death which would be taboo for a tobacco manufacturer

*“The difficulty with bungee Jumper from the client’s point of view was that if the public followed through the logic of the execution, they would assume that a bungee jumper landing in concrete would most likely result in fatality. This as you can imagine is something of a taboo area with a tobacco manufacturer.”<sup>98</sup>*

Similarly, efforts are made to avoid ads appearing near health related editorial:

*“Agency to speak to CDP in order to ensure that Sovereign does not appear opposite health section of The Mirror in the future.”<sup>99</sup>*

The topic of health is important, especially in the low tar sector, but reference to it is very indirect and vague – emotional rather than rational. Branding, names and liveries are used to create reassuring images and associations, but hard facts are avoided.

*“Indeed, it is the very low tar level of SCUL and its perceived less harmful affect on health which explains the high opinion held by users of their brand. This is supported by the brand’s imagery with the high association with ‘health conscious people’.”<sup>15</sup>*

*“Use of white on the pack*

- *White signals the low tar category*
- *Correlation between amount of white, and the tar/nicotine levels of the cigarette*

*“The whiter the pack, the healthier they are”*

*“Looks less harmful than other brands””<sup>100</sup>*

- *Critical to retain key elements of Silk Cut communication:*
  - *low tar (“healthy”), quality and distinctiveness (combination of gold and purple)”<sup>100</sup>*

*“As a rational proposition 1mg is vulnerable to competitive parity claims, whereas the emotional territory of “very low” is ownable as a higher-level benefit which cannot be usurped by rivals.”<sup>56</sup>*

Low tar brands are used to retain and reassure smokers concerned of the health effects of smoking.

*“Who are we talking to?*

*The core low tar (and Silk Cut) smoker is female (though males are by no means to be ignored), upmarket, aged 25 plus, a smart health conscious professional who feels guilty about smoking but either doesn’t want to give up or can’t. Although racked with guilt they feel reassured that in smoking low tar they are making a smart choice and will jump at any chance to make themselves feel better about their habit.”<sup>101</sup>*

*“Less harmful low tar cigarettes hence can be associated with higher self-esteem”<sup>16</sup>*

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