

## **Tobacco Industry Quotes and Facts**

## **Targeting Youth**

In 1981, a Phillip Morris research report stated: "It is important to know as much as possible about teenage smoking and attitudes. Today's teenager is tomorrow's potential regular customer, and the overwhelming majority of smokers first begin to smoke while still in their teens. ...it is during the teenage years that the initial brand choice is made...the success of Marlboro Red during its most rapid growth period was because it became the brand of choice among teenagers who then stuck with it as they grew older."

A 1974 report entitled "Young Adult Smoker Life Styles and Attitudes" stated: "The purpose of this research was to gain insight into the perceptions, attitudes and behavior of younger, recently-starting smokers regarding initial product usage, current smoking and health concerns."<sup>2</sup>

In 1978, a Lorillard, Inc. (Newport Cigarettes) memo stated: "The success of Newport has been fantastic during the last few years. ...the base of our business is the high school student."<sup>3</sup>

In a 1974 RJ Reynolds marketing memo, it was stated: "In view of the need to reverse the preference of Marlboros among younger smokers, I wonder whether comic strip type copy might get a much higher readership among younger people than any other type of copy."

In 1970, a Lorillard advertising account executive wrote a letter to a marketing professor soliciting help from his students. In the letter he wrote: "We're adults. You've got a group of talented kids. Hence this letter. 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 attempt (obvious) 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 eye of the Federal Government."



A 1995 Washington Post article found that Claude Teague had stated in a 1973 RJ Reynolds (Camel) report: "Realistically, if our company is to survive and prosper over the long term, we must get our share of the youth market. In my opinion, this will require new brands tailored to the youth market."

In 1998, U.S. News and World Report released a 1983 Tobacco Institute memo that stated: "[Brown & Williamson] will not support a youth smoking program which discourages young people from smoking."<sup>7</sup>

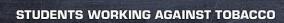
In 1977, a marketing research report indicated that Brown & Williamson, a British American Tobacco company, stated: "The adolescent seeks to display his new urge for independence with a symbol, and cigarettes are such a symbol since they are associated with adulthood and at the same time adults seek to deny them to the young."

A 1973 RJ Reynolds draft paper stated: "The fragile, developing self-image of a young person needs all the support and enhancement it can get. Smoking may appear to enhance that self-image in a variety of ways. If one values, for example, and adventurous, sophisticated, adult image, smoking may enhance ones self-image...This self image enhancement effect has tradition."

A Washington Post article finds that the RJ Reynolds company stated in a 1984 report: "Younger adult smokers are the only source of replacement smokers. . . If younger adults turn away from smoking, the industry must decline, just as a population which does not give birth will eventually dwindle."

The memo also reads: "No more than 5 percent of smokers start after age 24. ...Younger adult smokers are the only source of replacement smokers... If younger adults turn away from smoking, the industry must decline..." 10

In 1957, a Phillip Morris executive wrote: ". . .hitting the youth can be more efficient even though the cost to reach them is higher, because they are willing to experiment, they have more influence over others in their age group than they will later in life, and they are far more loyal to their starting brand."  $^{11}$ 





Bennett LeBow, CEO of Brook Group Ltd. (Liggett Tobacco Company), has stated: "If you are really and truly not going to sell to children, you are going to be out of business in 30 years." 12

A 1973 Brown & Williamson document states: "KOOL has shown little or no growth in share of users in the 26+ age group. Growth is from 16-25 year olds." 13

The American Cancer Society reports that a 1975 Philip Morris document quotes researcher Myron E. Johnston as saying: "Marlboro's phenomenal growth rate in the past has been attributable in large part to our high market penetration among young smoker... 15 to 19 years old... My own data, which includes younger teenagers, shows even higher Marlboro market penetration among 15- to 17-year-olds."

Also cited in the article, a Jul 1974 Roper Organization report for Philip Morris states: "We are not sure that anything can be done to halt a major exodus if one gets going among the young." <sup>14</sup>

A 1981 Philip Morris market research report states: "Because of our high share of the market among the youngest smokers, Philip Morris will suffer more than the other companies from the decline in the number of teenage smokers." 15

In 1973, an RJ Reynolds draft paper used the term "pre-smokers" to describe youth smokers who are just trying cigarettes.

The document also states: "...we are presently, and I believe unfairly, constrained from directly promoting cigarettes to the youth market; ... there is certainly nothing immoral or unethical about our Company attempting to attract those (youth) smokers to our products. ...Realistically, if our Company is to survive and prosper, over the long term we must get our share of the youth market." <sup>16</sup>

A 1976 RJ Reynolds document states: "Evidence is now available to indicate that the 14-to-18- year-old group is an increasing segment of the smoking population." <sup>17</sup>

While under oath and in a videotaped testimony, former Philip Morris president and CEO James Morgan stated: "We did not look at the underage market even though I am holding a document in my hand that says we did." 18



A 1986 letter, entitled "Camel New Advertising Campaign Development," stated: "Overall, Camel

advertising will be directed toward using peer acceptance/influence to provide the motivation for target smokers to select Camel."
"[Camel advertising will create] the perception that Camel smokers are non-conformist, self-confident and project a cool attitude, which is admired by their peers
"Aspiration to be perceived as cool/a member of the in-group is one of the strongest influences affecting the behavior of younger adult smokers." <sup>19</sup>
Each day in the United States, approximately 4,000 adolescents aged 12–17 try their first cigarette. 20
The Tobacco Industry's Marketing
Philip Morris (Marlboro, Basic, Virginia Slims) made \$31.1 billion in tobacco revenue in 2011. <sup>21</sup>
RJ Reynolds Tobacco (Camel) made \$8.4 billion in tobacco revenue in 2003. 22
Lorillard, Inc. (Newport) made \$1.12 billion in tobacco revnue in 2011. <sup>23</sup>
When asked how a \$50 billion tax break for tobacco companies was written into the July 1997 tax bill, Kenneth Kies, Staff Director, Joint Committee on Taxation replied, "The industry wrote it and submitted it, and we just used their language." <sup>24</sup>



## STUDENTS WORKING AGAINST TOBACCO

85% of smokers aged 12-18 smoke the most heavily advertised brands.<sup>25</sup>

In a 1998 Tobacco Control study, more than 95% of adolescents had seen an advertisement featuring Joe Camel or the Marlboro Man at least once, and more than 50% had seen these advertisements six or more times. Nearly half believed that the Joe Camel advertisement makes smoking more appealing, and 40% believed that the Marlboro Man advertisement makes smoking more appealing. <sup>26</sup>

In 2006, tobacco companies spent \$12.5 billion nationally on advertising, promotions and price discounts for wholesalers and retailers.<sup>27</sup>

The tobacco industry more than \$1 million an hour in promoting their deadly products. 28

The major tobacco companies now spend more than \$8.4 billion a year – more than \$23 million every day – to promote their products.<sup>29</sup>

In 2010, tobacco companies spent \$444.2 million on smokeless tobacco marketing—more than three times the amount spent in 1998 and an increase of more than 77 percent from 2005, the year before cigarette companies entered the smokeless tobacco market.

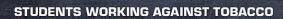
In 2010, the tobacco industry spent about \$516,700,000 marketing its products in Florida.<sup>30</sup>

In 2008, cigarette makers spent nearly \$10 billion to market their products. Much of this spending—\$6 out of every \$7—was used to pay for price cuts through coupons, sales, and giveaways. <sup>31</sup>

In 2008, smokeless tobacco makers spent about \$3 out of every \$4 of their \$547 million marketing budget to keep prices low. <sup>32</sup>

Several studies found that the leading cigarette brands (Philip Morris, RJ Reynolds, Brown & Williamson and Lorillard) all increased their advertising in youth oriented magazines after a 1998 settlement, which indicated an agreement that they would not target youth.

According to the FTC, retail store cigarette marketing increased by 65% since 1998 to a total of \$7.8 billion in 2000, which accounts for 81% of all cigarette marketing.<sup>33</sup>

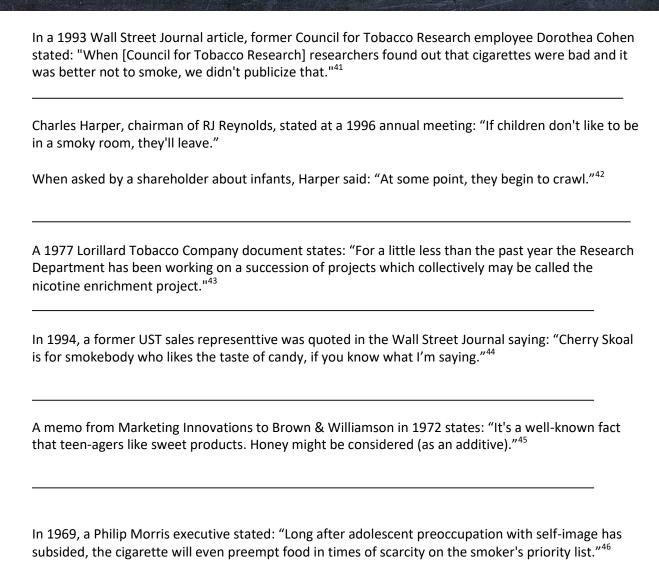




Tobacco companies place most of their advertising where young people shop – in convenience stores, where 75% of teens shop at least once per week. <sup>34</sup>
Young people are almost twice as likely as adults to recall tobacco advertising. <sup>35</sup>
Advertising of the youth preferred brands: Marlboro, Kool and Winston reached at least 89% of the 12-17 year old market in 1999. <sup>36</sup>
Deadly Products
A Phillip Morris report finds that in 1963, Addison Yeaman of Brown & Williamson stated: " nicotine is addictive. We are, then, in the business of selling nicotine, an addictive drug." <sup>37</sup>
In 1994, Former chief executive of RJ Reynolds Tobacco, Ross Johnson, stated in a Wall Street Journal article: "Of course it's addictive. That's why you smoke the stuff."   188
When asked why he didn't smoke, an R.J. Reynolds executive replied: "We don't smoke that sh**; we just sell it. We reserve that for the young, the black, the poor and the stupid," according to Dave Goerlitz, lead Winston model for seven years. <sup>39</sup>
According to a 1989 Brown & Williamson document: "The secret of Marlboro is Ammonia." 40



## STUDENTS WORKING AGAINST TOBACCO



www.swatflorida.com



<sup>1</sup> "Young Smokers Prevalence, Trends, Implications And Related Demographic Trends." PM USA Research Center. March 31, 1981. Bates No. 2077864711/4712.

<sup>2</sup> "Young Adult Smoker Life Styles and Attitudes." U.S. Department of Justice, 1974. Bates No. USX003929-USX003953.

<sup>3</sup> Achey, Ted L. "First with the finest cigarettes through Lorillard research." *Lorillard, Inc.* August 30, 1978. Bates No. USX0201991-USX0201992.

4 "The following are the principle thoughts which I had after our review of cigarette product formulation and cigarette marketing in Winston-Salem on April 12, 1973." RJ Reynolds. April 12, 1973. Bates No. 500165434-5439.

Gaberman, Philip. "RE: Package Design to Attract Kids." Robert Brian Associates, Inc. August 13, 1970. Bates No. 6610. Guderman, Timp. 187. Takange 2013 to Nation 187. Schwartz, John. "1973 Cigarette Company Memo Proposed New Brands for Teens; RJR Official Cited Need for 'Share of the Youth Market." *The Washington Post*. October 4, 1995. Bates No. 528342440/2441.

7 "BAT's Tobacco Control Campaign." *U.S. News & World Report.* May 4, 1998. Bates No. 190209156/9158.
8 "International Policy Conference on Children & Tobacco: Brown & Williamson's Reasons Why Children Start Smoking." PR Newswire. March 17, 1999. Bates No. 689932010/2013.

9 "Research Planning Memorandum on Some Thoughts About New Brands of Cigarettes for the Youth Market." RJ Reynolds.

February 3, 1973. Bates No. 502987357-7368.

10 "Memos Highlight the Importance of 'Younger Adult Smokers." Washington Post. January 15, 1998. Bates No.

522873226/3230. <sup>11</sup> "Tobacco Explained. The Truth about the Tobacco Industry in its Own Words." *Acting on Smoking and Health*. June 25, 1998. Bates No. 525410763/0838.

<sup>12</sup> "Re: Tobacco Industry Youth Marketing." September 17, 2009. Bates No. AMYONON00000000.LB.

<sup>13</sup> "Demographics and Recommendations for Marketing Kool." *Brown & Williamson*. February 21, 1973. Bates No. 680135996-680136002.

<sup>14</sup> "There they go again...': Marketing to Children in the Industry's Own Words." American Cancer Society. 1998. Bates No.

<sup>15</sup> "Transcript NBC-TV NBC Nightly News." NBC-TV. November 19, 1996. Bates No. 2074211069/1070.

16 "Research Planning Memorandum on Some Thoughts About New Brands of Cigarettes for the Youth Market." RJ Reynolds. February 2, 1973. Bates No. 502987357-502987368.

"Planning Assumptions and Forecast for the Period 770000 to 860000 for RJR." RJ Reynolds. March 15,1976. Bates No. 2077864724.

<sup>18</sup> Van Voris, Bob. "Philip Morris' CEO Tries to Have it Both Ways." *The National Law Journal*. June 27, 1997. Bates No. TI13661501.

<sup>19</sup> Caulfield, R.T. "Camel New Advertising Campaign Development." RJ Reynolds.March 12, 1986. Bates No. 503969238-

<sup>20</sup> "Results from the 2005 National Survey on Drug Use and Health." Substance Abuse and Mental Health Services Administration, Office of Applied Studies. 2005. Publication no. SMA 054061. Available at: http://oas.samhsa.gov/nsduh/2k5nsduh/2k5results.pdf.

<sup>21</sup> "Philip Morris International (PMI) Reports 2011 Results: Provides 2012 Earnings Per Share Forecast." Philip Morris International. 2012.

<sup>22</sup> "A Look Into Our Past. RJ Reynolds." Web. Accessed on November 5, 2012. Available at: http://www.rjrt.com/history.aspx. <sup>23</sup> "Lorillard 2011 Annual Report." *Lorillard Tobacco Company*. 2011. Available at: http://www.lorillard.com/wp-

content/uploads/2012/04/Lorillard\_AR\_Final\_forWEB.pdf. <sup>24</sup> "Return on Investment: The Hidden Story of Soft Money, Corporate Welfare and the 1997 Budget & Tax Deal." Roswell

Park Cancer Institute. February 27, 1998. Bates No. TI36241005-TI36241007.

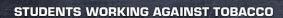
25 "The National Survey on Drug Use and Health: 2004 Detailed Tables, Tobacco Brands." Substance Abuse and Mental Health Services Administration, Office of Applied Studies. 2005. Available at: http://oas.samhsa.gov/nsduh/2k4nsduh/ 2k4tabs/Sect7peTabs60to69.pdf.

Arnett, Jeffrey Jensen and Tehranian, George. "Adolescents' responses to cigarette advertisements: links between exposure, liking, and the appeal of smoking." Tobacco Control. 1998. Available at: http://www.jeffreyarnett.com/articles/ARNETT\_ Adolescents\_Responses\_to\_Cigarette\_Advertisements.pdf.

<sup>27</sup> "Cigarette Report for 2006." U.S. Federal Trade Commission. 2006.

<sup>28</sup> "New Surgeon General Report Highlights Alarming Tobacco Use Rates Among Youth." *CADCA*. March 8, 2012. Avaliable at: http://www.cadca.org/resources/detail/new-surgeon-general-report-highlights-alarming-tobacco-use-rates-among-youth. <sup>9</sup> U.S. Federal Trade Commission (FTC), Cigarette Report for 2009 and 2010, 2012.

http://ftc.gov/os/2012/09/120921cigarettereport.pdf. See also, FTC, Smokeless Tobacco Report for 2009 and 2010, 2012. http://ftc.gov/os/2012/09/120921tobaccoreport.pdf.[Data for top 5 manufacturers only.]





<sup>30</sup> U.S. Federal Trade Commission (FTC), Cigarette Report for 2009 and 2010, 2012,

http://ftc.gov/os/2012/09/120921cigarettereport.pdf. FTC, Smokeless Tobacco Report for 2009 and 2010, 2012. http://ftc.gov/os/2012/09/120921tobaccoreport.pdf. Data for top 5 manufacturers only

<sup>31</sup> US Department of Health & Human Services. Preventing Tobacco Use Among Youth and Young Adults. A Report of the Surgeon General. 2012.

US Department of Health & Human Services. Preventing Tobacco Use Among Youth and Young Adults. A Report of the Surgeon General. 2012.

<sup>33</sup> Myers, M.L. "Philip Morris Changes its Name, but not its Harmful Practices." *Tobacco Control*. 2002. Available at http://tobaccocontrol.bmj.com/content/11/3/169.full.pdf.

<sup>34</sup> Feighery et al. "The 1999 Annual Report of the Promotion Industry, a PROMO Magazine Special Report." PROMO Magazine. 1999.

35 "National Telephone Survey of Teens Aged 12 to 17." International Communications Research. 2007.

<sup>36</sup> Arnett, J.J. "Adolescents' Responses to Cigarette Advertisements for Five 'Youth Brands' and One 'Adult Brand.'" Society for Research on Adolescence. 2001. Available at: http://jeffreyarnett.com/articles/ARNETT\_Adolescents\_Responses\_ to\_Cig\_Adv\_Youth\_Brand\_Adult\_Brand.pdf.

37 "Tobacco Industry is Aware of Addictive Quality of Cigarettes 'In Their Own Words.'" *Phillip Morris*. February 15, 1998.

Bates No. 2073862804.

Shapiro, Eben. "Big Spender Finds a New Place to Spend." Wall Street Journal. October 6, 1994. Bates No. 9449.

<sup>39</sup> "State of Missouri, Plaintiffs / Respondents v. American Tobacco Company, Inc. v. Margie D. Coleman." *Missouri Court of* Appeals, Eastern District. October 27, 1999. Bates No. 82395063/5083.

40 "Ammonia Boosted Nicotine, Experts Say." Chicago Tribune. February 9, 1998. Bates No. 2072389330B/9331.

<sup>41</sup> Freedman, A.M. and Cohen, L.P. "Smoke and Mirrors: How Cigarette Makers Keep Health Question 'Open' Year After Year." Wall Street Journal. February 11, 1993. Bates No. TI10441486-TI10441519.

<sup>42</sup> "RJR Nabisco 960000 Annual Meeting." *RJ Reynolds*. April 18, 1996. Bates No. 2047848490/8499.

<sup>43</sup> Minnemayer, H.J. "Present Status of the Nicotine Enrichment Project." *Lorillard, Inc.* April 13, 1977. Bates No. 00050417/00050429.

<sup>44</sup> Freedman, A, "Juiced up: How a tobacco giant doctors snuff brands to boost their 'kick,'" Wall Street Journal, October 26, 1994 [quoting former UST sales representative].

<sup>45</sup> Superville, Darlene. "Files: Tobacco Targeted Blacks." Associated Press. February 5, 1998. Bates No. 83632057.

46 "Tobacco and America's Youth Chronology of Philip Morris Research on Nicotine." Tobacco and America's Youth. July 24, 1995. Bates No. 2048228029/8030.