

# TOBACCO PROMOTION IN DEVELOPING COUNTRIES



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Tobacco epidemic is being shifted from the north to the south. In the third world tobacco - induced mortality will rise from 1 million a year at present to 7 million by 2025. The causes are weak government policy and action , population growth , low level of awareness of tobacco hazards , rise of personal income , and aggressive promotion by the tobacco industry.

The transnational tobacco companies (TTCs) are building up colossal empire around the world. They are exporting more tobacco products, construction of more factories, and investing in more joint ventures in Eastern Europe and Asia. The American cigarette producers may be having hard times at home with stagnant demand of dwindling market, tougher regulations and laws, huge sum of law suit compensations, and a monumental \$368.5 billion settlement. But they conquer almost the whole of the Third World, and they are doing so with great zest.

Confronting huge tasks the transnationals have used great imagination and cleverness to increase sales. Fighting head winds of protectionism and strong health advocacy the TTCs have led the attack on Asia's multi-billion-dollar cigarette market. From 1985 to 1992 foreign cigarette sale increased 30 folds. Their success has been attributed to the marketing ingenuity created by the world's best brain in the business brought into Asian arena.

### **Direct advertising and promotion**

In much of impoverished Asia, Africa and Eastern Europe cigarettes are still allowed to be advertised in billboards, newspapers and even on television with impunity.

Even in the countries where advertising is banned in the printed media colorful ads can be found in the imported international publications, e.g. TIME, NEWSWEEK, Sport Illustrated, Cycle World, Vogue, Ladies' Home Journal and several others.

Direct advertising in electronic media is still legal in a few countries, especially in television. Tobacco dollars have flowed through this channel.

In the Philippines cigarette advertisements in the television accounts for ten percent of all its advertising revenue. In Japan at the end of the first year of cigarette market opening the air time for tobacco advertising rose from fortieth to second place. American cigarettes logos pop up in Japanese television on an average of 60 spots every day. In Mexico cigarette ads appear in one of five TV commercials.

Giving away cigarettes is a very common practice. American cigarette producers spend more than a quarter of a billion dollars annually for the free distribution. The favourite places for the distribution are discos, night markets, and video-game arcades. In Taipei secondary-school students gather in the Whisky A Go-Go disco in which each table is provided with free packs of Salems. On the streets of Tokyo young beautifully-clad women give away free samples of foreign cigarettes. Five of seven under-18 students at the Beltram High School in Buenos Aires say they have been offered free Camels from a "blond, American-looking girl" handing out cigarettes from the Camel car at the school front gate.

For this type of give-away the tobacco merchants are sure that if they are successful in enticing a young person to initiate smoking he would be a customer for life.

### **Indirect advertising**

Despite bans on advertising in the electronic media in the majority of countries the TTCs cunningly manage to circumvent these restrictions. They use several tactics to have their brandnames heard in the radio and seen in movies and TV.

Radio broadcasts of music programs are heard everywhere - 'The Marlboro Hit Parade' in Budapest, 'Salem Cool Planet' and 'Peter Stuyvesant Breakaway Dance' in Kuala Lumpur, and 'The American Music

Hour' in Shanghai. The latter was sponsored by Marlboro cigarettes every day from noon to 1 P.M. The commercial was repeated every ten minutes. It started with the Marlboro theme song which is taken from the movie "The Magnificent Seven" and was accompanied by the sound of cattle, horse, and yelling cowboys. Then a Chinese voice said " Jump and fly a thousand miles. Raise the whip so the horse will run faster. This is the world of Marlboro. Ride through the rivers and mountains with courage. Be called a hero throughout the thousand miles. This is the world of Marlboro"

Distribution of momento and souvenir is another common practice. They are given on special occasions to guests or retailers. They are sold to the public from booths built within major shopping centers. In Thailand, where cigarette ads are totally banned, at retail stores clocks were given on the New Year and the company representative asked to put them on the wall so the people could see. I had to go around and advised the outlet owners that this was illegal and they all removed them. Also distributed are T-shirts, caps, mugs, umbrellas, lighters, and many other paraphernalias. In the Philippines cigarette producer distributed free wall calendars with a portrait of the Virgin Mary, an image of conspicuous power in a nation that is devoutly Roman Catholic, set above the logos of the company's cigarette brands. They were trying to link the icon motif to tobacco, to make Philippine women comfortable with the idea of smoking.

Trademark diversification program is a vast business the TTCs invest. They produce non-tobacco products and flood the market to carry cigarette brandnames alongwith. This practice of 'brand stretching' involves numerous kinds of goods and services. For clothes there are Marlboro Classics, Winston House, Camel Trophy Adventure Wear, and Salem Attitude. For boots there is Camel boots. For watches they have Camel Trophy watches. For Jewellery there is Benson & Hedge Gallery. For record store they have 'Salem Power station'. For clubs they establish 'Mild Seven Seafarer's Club.' For restaurant they have 'Benson & Hedge Bistro ' in Kuala Lumpur. For holidays & travel they have 'Salem High

Country Holidays', 'Peter Stuyvesant Travels', and 'Rothmans Executive Travel'. In Thailand just before the TTCs' entry into the previously closed Thai market I saw advertisement in an English language newspaper and a Thai newspaper about 'Kent Leisure' Holiday'. I telephoned the advertised number, the company World Travel Service, and asked about the interesting trip. They answered that the yacht, like the one shown in the advertisement, is still in the Caribbean and the holiday would be available in about two and a half year time. Looking at the ads again I found that they had caption 'Now Available in Thailand'. That was only a ploy to 'test' of our outcoming law which would ban advertisement of products that have cigarette logo as a part of the products' name.

Event sponsorship or 'promotion through association' in the fastest growing area of marketing in the world. It links tobacco with health, outdoors, sports, glamour, sophistication and arts. It circumvents bans on direct advertising and builds a relationship with thankful and financially dependent recipients. Statistics show that about only 40 percent of corporate event sponsors even advertise their sponsorship of an event. For every dollar they spend on sponsorship, they'll need to spend another dollar to promote it. Sports have become so overwhelmed by corporate sponsorship that corporations are now moving to the sponsorship of non-sport alternatives.

Tobacco companies are sponsors of several events of arts, e.g. fashion show, music program, painting, and movies. In Taipei 'Virginia Slims flavor of fashion' was held in B.A.M. Disco Pub. It consisted of a parade of Western models circling the dance floor for fifteen minutes. For the two-page color advertisement in the China Times Weekly Philip Morris paid twelve thousand US dollars. This alone costed about a hundred and twenty dollars for each woman at the disco.

In Bangkok a two-days Tony Bennett Concert and McCoy Trio were performed under the sponsorship of Philip Morris and I brought a group of people from the Medical Student Club, the Rural Doctor Group, and

reporteres of a few newspapers to watch the show. On one corner of the tickets there were stubs that the patrons would keep them for rewards. Unfortunately the country manager of Philip Morris accidentally saw me sitting in the hotel lobby and this could be the reason they announced the cancellation of the giveaway for the lucky stubs. In Thailand's law advertising means any act that enable the people to see, hear, or know about, for commerical purpose. Thus giving out items with cigarette brandname is considered illegal. I found out afterwards that this PM sponsored concert would donate its revenue to the Chaipattana Foundation, a charity organisation carrying out the King's agricultural projects to help the poor people. Not long after the show I saw, in the evening TV news, that people from PM had an audience with the King to hand him the donation. I consulted my colleagues what should we do with this very sensitive issue. One in our group wrote to the Director of the Foundation, with one of my articles previously published in a newspapers titled "When the tobacco merchants donate to charity" enclosed, expressing the concern in this type of nicophilantropy. The King's closed aide wrote to my colleague that the King knew very well about that but the Foundation could not refuse any donation and the King had to give a chance to both good and bad people of his. In fact when the PM group was at the royal audience our beloved King gave a serious lecture to them. He said why you people live and flourish on this dangerous products. Could you do something for the better quality of life of our people? The PM group was tense althrough the audience. We asked the King's aide whether this could be revealed to the public and he gave the green light.

Sponsorship of sport can be both sponsorship of sport telecast and sponsorship of the competitions In developing countries sport telecasts sponsored by domestic cigarette manufacturers are very popular, e.g., basketball game by Peter Stuyvesant, English Premier League football by Dunhill, and the Atlanta Olympic Game by Peter Stuyvesant.

Sponsorship of sports may be both domestic and international. With wide coverage by satellite television world and regional sport are paid with hefty sum of money by big tobacco. They include several spectator sports e.g. bicycle 'Marlboro Tour' in the Philippines; 'The Marlboro Soccer League' in China; the 'Dunhill Cups' soccer in Vietnam; 'London Myanmar Open' golf, sponsored by Rothmans, in Yangon; 'Benson & Hedge Malaysia Open' golf in Malaysia; 'Outdoor Quest', sponsored by the Japanese' Mild Seven, in China; '555 Subaru Rally' in several countries in Asia Pacific region; Salem Open Tennis in several cities of the Orient; and Marlboro Tennis Championship in Hong Kong. Ironically these two tennis matches took place at the same time in 1993 and they had to compete to get Michael Chang to participate. The world-ranked Chinese-American was looked upon by the cigarette companies as a potential Pied Piper and he was the main draw in Salem Tennis Championship for several years.

F1 racing is the biggest and most dangerous of all. It is the 3<sup>rd</sup> most watched sporting event after the Olympics and the World Cup. An internal document of the F1 ruling body reported that the total audience was 60 million per race. Of this 32 million were in Europe, 18 in Brazil and Argentina, 2 in Japan, and 3 in Asia . This year the F1 teams are sponsored by tobacco companies carrying 8 brandnames i.e., Benson & Hedges 555, Gauloises, Lucky Strike, Marlboro, Mild Seven, West, and Winfield

Nicophilantropy is a tactic that the TTCs use to portray themselves as a sociable and caring one. In Malaysia they sponsor public service messages on road safety along highways. In Thailand the owner of importer of RJR cigarettes has been the chairman of the Foundation for the Blind for several years. PM(Thailand) importer has donated a big sum of money to community development programs of a reputable foundation.

The tobacco industry's newest battleground is the point of sale. This includes better displays, packaging and product lineup. It also means defeating competitors with what an American tobacco executive

calls 'margin incentives and sweeteners.' In most countries ads ban does not include point of purchase promotions. In Taipei the whole side a multistory building was painted with Winston brandname. When asked, the answer was that it was just a point-of –sale promotion on the wall of a retail outlet. In Thailand the law bans ads of all kinds and in all media, Yet when foreign cigarettes were legally allowed for the first time in 1990 they immediately arranged a kalidoscopic point of purchases – with mobiles hanging from the ceilings, big dispenser boxes with colorful cigarette logos, and arrangement of several rows and stacks of empty cartons. I came out giving interview with color pictures in just 2 newspapers – the English language Bangkok Post and a Thai language business daily, asserting that this practice was illegal and if retailers were arrested who, the cigarette importer or the outlet owners, would pay for a hefty fine of 200,000 Baht (approx. US\$8000)? Within a week the point of sale practices were all withdrawn. In a confidential industry document they emphasize the extreme importance of what they called 'shelf space' as this would help them out from not being able to promote in the face of strict ads ban.

At present the TTCs are using a superb tactics that even total ads ban cannot deal with. They are using point of sale promotion without showing cigarette brandnames. At the Marlboro shelves they have colorful picture of the popular cowboys in different seasons. On the Lucky Strike retail cabinet they put on a picture of people with only a short word 'get lucky' On the 555 cigarette boxes they just show a sign dash-dash-dash which used to be 'Subaru 555'

With these tactics the law, that we have been proud of, become so tame that I have to admit being greatly tiresome of fighting the merchant of death.

But, Ladies and gentlemen, the fight must go on as long as we are alive in this world.

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