

POINT-OF-SALE: TOBACCO INDUSTRY'S LAST DOMAIN TO FIGHT BANS ON ADVERTISING AND PROMOTION

INTRODUCTION

With tobacco advertising and promotions being either totally or partially banned in the mass media in almost all countries in Southeast Asia, the industry has shifted its focus to the point-of-sale (POS), the remaining principal avenue for marketing cigarettes, particularly to vulnerable minors. Cigarette displays at POS are aimed at keeping cigarettes visible and normalizing the product in the public's mind. POS outlets are ubiquitous, and there is usually no control over their numbers which gives the tobacco industry an easy way to make cigarettes easily available. Most countries in the region allow cigarette advertising at POS. Currently, Thailand has licensed the POS outlets, and it is the only ASEAN country that has a comprehensive ban of tobacco industry promotions at POS that includes a ban of cigarette pack display.

Country	Current law/regulation on POS	Remarks
Cambodia	No ban	
Indonesia	No ban	
Lao PDR	No ban	
Malaysia	Partial ban	Except pack display
Philippines	Partial ban	Except pack display
Thailand	Total ban	
Vietnam	Partial ban	display of only 1 pack or 1 carton per brand

Marketing channels

Cigarettes are sold in POS such as supermarkets, sundry shops, kiosks, newsstands, mobile vans, street vendors, minimarts and convenience stores. There are about 70,000 POS in the Philippines; 90,000 in Malaysia, 500,000 in Thailand; and 120,000 in Vietnam. POS are usually located in the neighborhood, near factories, close to offices, and near schools. They don't just sell cigarettes; they normally stock and sell a variety of other products from foodies to toiletries and draw customers of all age groups including children. Tobacco companies have been aggressive in launching new cigarette brands and innovative cigarette products. They equip POS with elaborate display shelves and stands to keep cigarettes visible and dispense them easily. Children who frequent these POS are exposed to cigarette advertising and promotions through these displays. And in recent years, sales of cigarettes and their advertising and promotions have extended to gas stations, coffee shops and restaurants, where cigarette brands are even on the menu. Shop owners or retailers become strong allies for the tobacco industry in fighting restrictions.



Mobile POS in Vietnam



Gas station POS in the Philippines with big Marlboro poster advertisement inside



Marlboro billboard on a POS roof

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Highlights of trends and innovations that have emerged in recent years at POS in the region

POS Advertising

- Continued indirect advertising and brand stretching on clocks, umbrellas, hats, coffee mugs, lighters and ash trays. Cigarette brand name, logo and company names are used on non-tobacco functional products but tobacco companies hardly sue the manufacturers of these products for breaching their trademark law.
- Sponsored big tarpaulin and medium-sized billboards with prominent cigarette brand names are erected as part of POS and very visible from the street. In the Philippines outdoor billboard advertising is banned. However, the tobacco industry exploits a loophole and has transferred the billboard into a shop display board inside or on the roof of the POS premises.
- Whole POS painted and illuminated with cigarette brand color
- Tobacco company's promo girls continue to market cigarettes
- Posters and stickers all around POS



Whole store painted in Marlboro brand color & with billboard advertisement in the Philippines

Cigarette packs display

- Pack size vary from single stick, 10's, 12's, 14's, 20's and 25's sticks per pack
- Special display cases are made for popular cigarette brands
- Cigarette kiosks are set up inside malls
- Smuggled, untaxed cigarettes and packs with no health warnings also sold



POS display in Thailand that is supposed to be hidden



Display in Malaysia

Innovative packaging

Cigarette casing and packaging are changing. The pack is still the means to communicate the image of the brand. Smaller, slimmer and geometric packs have emerged to counter graphic health warnings on packs and they distort the warnings on the packs. Kiddie packs are still prominent as well as sachet packs (Philippines, Vietnam) to cater to poorer smokers and attract very young smokers.

- Super slim pack with 20 sticks (Esse)
- Lipstick pack with 16 slim cigarettes (A-volution, Vouge)
- Metal case
- Sachet pack (Marlboro, Philip Morris, Winston, Craven A)
- Flip-top kiddie packs (Marlboro, Fortune)
- Re-sealable plastic pack inside (Dunhill Reloc)

Special Promotions

- Many new and cheap brands (US\$0.12 per pack local brand, US\$0.35 international brand) have emerged in all countries
- Single sticks sales continue in rural stores
- Free gifts offered with purchase of cigarettes
- Promotional discounts
- Prize for a contest, promotional leaflets of lottery distributed
- Lottery inside the packs



Lipstick & geometric cigarette packs that will distort graphic health warnings

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Sachet & kiddie packs



Re-sealable plastic pack inside

Recommendations

- 1) Conduct surveillance and monitoring at POS
- 2) Monitor and document the trends in cigarette pack price, colors, designs, size, flavors and all innovations
- 3) Enact ban on advertising and promotion at POS including pack display
- 4) Retailers should be regulated and licensed to sell tobacco
- 5) Advocate for standardized packaging – ban kiddie packs (not less than 20 sticks)

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Product designs

To circumvent the ban on misleading descriptors as required by FCTC Article 11, tobacco companies are replacing “Light” and “Mild” with other descriptors to make their cigarettes attractive and alluring to targeted customers. These new descriptors still target women and curious youth who are seeking to experiment.

- Use of pack design and color to communicate the impression of lower tar or milder cigarette
- Replace ‘Light’ and ‘Mild’ with cool, finest export quality, exceptional, deluxe, distinctively smooth
- Introduce new taste and flavors such as mint, citrus, strawberry, vanilla, and chocolate
- Introduction of smokeless & electronic cigarettes
- Prominent brand names, some with foreign appeal – Angkor, LA, Kansas, Texas 5, Panda, Liberation, National, Commodore, American Legend, Young Star, Seven Diamonds, Gem, Hero, Luxury and SMS



Smokeless cigarette, lipstick pack, slim pack
Mint & menthol flavors, mild, lights, & ultra mild descriptors