



Canadian Société
Cancer canadienne
Society du cancer

What the Tobacco Industry Says Versus The Facts

THE TOBACCO INDUSTRY: Point-of-Sale (POS) advertising does not increase the overall quantity of tobacco sold, but rather it encourages brand switching and loyalty.

FACT: This statement is completely contrary to all theories of marketing. A study with K-mart found that POS merchandising displays increased sales of coffee by 567% and paper towels by 773%.¹ Although tobacco is a highly addictive, deadly consumer product, it is reasonable to believe that some customers would respond in a similar manner to POS tobacco displays.

FACT: This is still in conflict with the objectives of the Government of New Brunswick “to protect the health of New Brunswickers in the light of conclusive evidence implicating tobacco use in the incidence of numerous debilitating and fatal diseases.”² To accomplish this objective we need to reduce tobacco use, not sustain it through promotion.

FACT: The significance of POS advertising is underscored by the fact that the tobacco industry in Canada pays \$88 million annually to have their product displayed in prime locations in stores. Further, if POS advertising did not impact consumption it would not make sense for the tobacco industry to spend large amounts of money to hire lawyers to support it in court.

THE TOBACCO INDUSTRY: Retailers will incur significant costs implementing the new legislation, such as through building new cabinets, retrofitting existing displays, etc..

FACT: In Saskatchewan, Nunavut and Manitoba retailers have found cost effective ways to comply: using a curtain, placing sliding doors in front of shelves, putting cigarettes under the counter or in drawers.

THE TOBACCO INDUSTRY: Retailers will suffer serious economic loss once the tobacco display ban is in place. They rely on payments from tobacco companies for their displays to offset general expenditures.

¹ W. Lane & J. Russell, “Advertising: A Framework” 2000.

² New Brunswick Tobacco Sales Act
Taken from: <http://www.gnb.ca/0062/acts/acts/t-06-1.htm>

FACT: Tobacco industry payments to retailers work out to less than 5 cents per pack. Retailers can recover any loss of revenue from tobacco manufacturers by simply increasing cigarette prices by a mere \$0.05 per pack.³ This would be less than 1% of retail price.

FACT: When pharmacies were forced to remove tobacco products from their stores other companies quickly came forward eager to have the premium space at the counter.

THE TOBACCO INDUSTRY: A complete ban on tobacco displays and promotion is an infringement on the Chartered rights and freedoms of the tobacco companies.

FACT: Eliminating product displays at retail is fully consistent with the freedom of expression provisions in the Canadian Charter of Rights and Freedoms. In a case involving the unlawful exposing of T-shirts for sale on a street corner, the Ontario Court of Appeal unanimously stated: “I do not think the display of goods and wares for sale, in this case T-shirts, is a form of expression contemplated by s.2(b) of the Charter.”⁴

THE TOBACCO INDUSTRY: Removing tobacco products from sight creates store security problems as the clerk must turn his/her back on the customer to retrieve tobacco products.

FACT: Clerks often have had to turn around anyhow to obtain cigarettes, often reaching down to ground level. There is no evidence from Saskatchewan or Iceland to show that the ban has caused an increase in theft. In fact, some retailers in Saskatchewan have noticed a reduction in after-hours break and enters since the display ban was imposed.⁵

THE TOBACCO INDUSTRY: Convenience stores, especially small family-owned businesses, will suffer from a loss of tobacco sales. Not to mention decreased sales of all the items often purchased with cigarettes, such as gum and lotto tickets.

FACT: Even if it were the case that there would be some economic impact, implementation of the proposed legislation should still proceed. Health must come before profit. Each year 1300 New Brunswickers die from smoking related illnesses. No one would argue that drinking and driving laws should not be implemented because of potential job loss in car repair shops.

³ This is calculated by dividing the \$88 million in payments to retailers during 2003 by the estimated 1.9 billion packs of cigarettes sold that same year.

⁴ R. v. Greenbaum (1991), 77 D.L.R. (4th) 334 (Ont. C.A.), rev'd but not on these grounds [1993] 1 S.C.R. 674, p 342.

⁵ Personal communication with Donna Pasiechnik, Tobacco Control Coordinator, Canadian Cancer Society Saskatchewan Division, March 2005.