

December 2009

Highlights from the Retail Advertising Tobacco Survey 2009

Topical Report

Prepared for

Florida Department of Health
Bureau of Tobacco Prevention Program
4052 Bald Cypress Way, Bin C-23
Tallahassee, FL 32399-1743

Prepared by

Kimberly Watson
Annice Kim
James Nonnemaker
RTI International
3040 Cornwallis Road
Research Triangle Park, NC 27709

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1. INTRODUCTION

In 2006, the tobacco industry spent approximately \$10.1 billion, 81% of its \$12.5 billion budget, on point-of-sale advertising. This translates to approximately \$600 million spent on point-of-sale advertising in Florida based on state population.

Signed on June 22, 2009, the Family Smoking Prevention Act (FSPA) gives the Food and Drug Administration (FDA) effective authority over the marketing and sales of tobacco products. The FSPA requires the tobacco industry to provide information to the federal government to better inform consumers; restricts marketing that appeals to youth, misleads adults, or deceptively encourages tobacco use; and strengthens restrictions on sales to youth. Also, the FSPA allows FDA to regulate the contents of the product to protect consumers and expands state authority over tobacco product marketing practices. The FSPA represents an opportunity for Florida State to reduce the place, time, and manner of cigarette advertising and sales.

This report is an initial look at the results of the Retail Advertising Tobacco Survey (RATS). To monitor tobacco advertising and promotions in the retail environment, RTI International and Research Diagnostics Inc. (RDI) implemented an observational survey of licensed tobacco retailers in Florida. Baseline data from this surveillance system provide a snapshot of the retail environment statewide and across four programmatic regions (i.e., Central, Northeast, Northwest, and South). The RATS system captures information on interior and exterior cigarette advertising, cigarette prices and promotions for popular brands, compliance with state youth access laws, and compliance with Master Settlement Agreement restrictions on advertising.

2. DATA AND METHODS

2.1 Licensed Tobacco Retailers

RTI obtained a database of 28,489 registered cigarette tax agents and wholesale and retail dealers that had an active license as of January 2009 from the Florida Department of Health Bureau of Tobacco Prevention Program (BTPP). Using Internet directories and search engines, RTI classified the 28,489 vendors into eight outlet types outlined in Table 2-1. As shown in Figure 2-1, convenience/gas stores dominate outlet types.

Table 2-1. Descriptions of Licensed Tobacco Retailer Outlet Types

Outlet	Description
Convenience	Small store, such as a 7-11, that does not sell gasoline
Convenience/Gas	Small store that sells milk, convenience items, and gasoline
Pharmacy	CVS, Rite Aid, Walgreens, etc.
Large Grocery	Tops, Wilson Farms, A&P, etc.
Small Grocery	Independently owned (e.g., deli, food mart, market, superette)
Mass Merchandiser	K-Mart, Wal-Mart, Costco, BJ's, etc.
Tobacco Specialty	Sells mostly tobacco products
Other	Liquor, stationary, video, candy, diner/restaurant, golf course, bowling alley, theatre, etc.

2.2 Data

2.2.1 Sample Design

The sample design accounted for the national distribution of cigarette sales by outlet type and the distribution of outlets in Florida State. As shown in Table 2-2, relative to national sales averages, pharmacies and small grocery stores were oversampled. A stratified random sample was drawn to match targeted sample sizes by outlet type and by the four BTPP programmatic regions. The random sample of 1,500 stores was composed of a primary sample of 1,250 stores and an additional 250 replacement stores. The replacement stores are selected in anticipation of outlet closures or other reasons to exclude a sampled retailer (e.g., no valid tobacco license) and are matched to the original sample distribution.

Figure 2-1. Number of Licensed Tobacco Retailers in Florida, by Outlet Type, 2009 (N = 28,489)

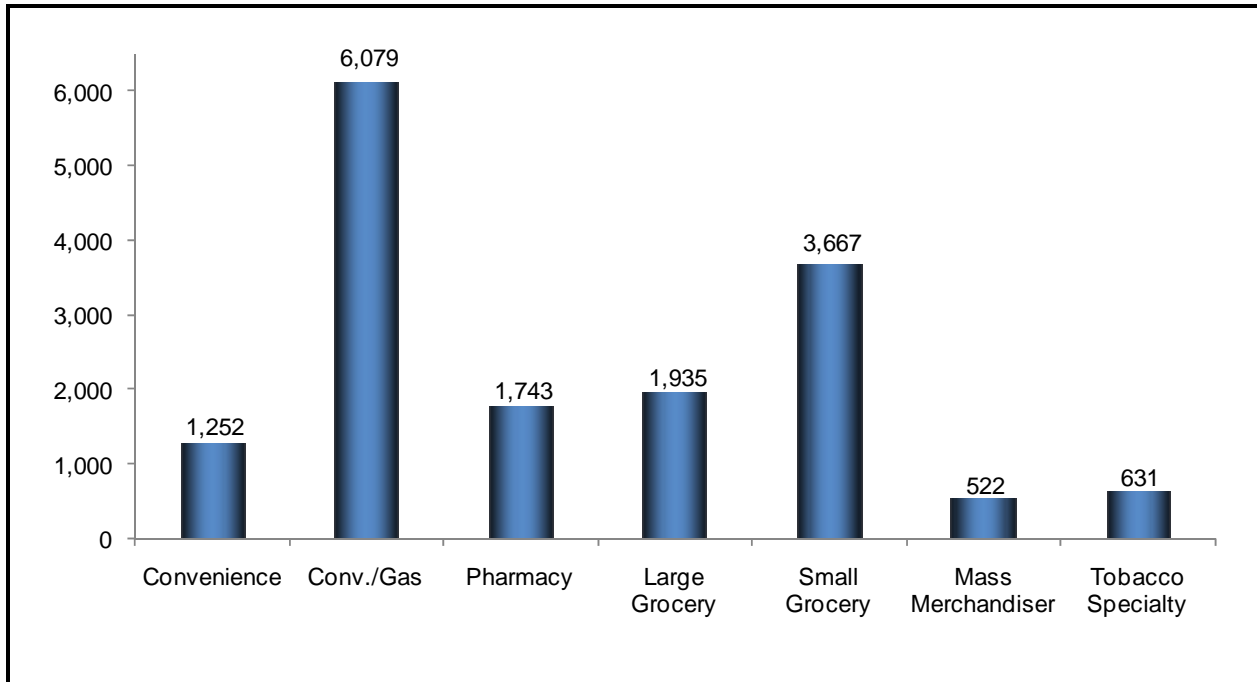


Table 2-2. Target and Actual Sample Sizes, by Outlet Type, 2009

Outlet Type	% of National Sales	Target Sample	% of Target Sample	Actual Sample	% of Actual Sample
Convenience Store	8.9%	100	8.0%	106	8.5%
Convenience Store/Gas	43.9%	500	40.0%	503	40.2%
Pharmacy	3.0%	200	16.0%	200	16.0%
Large Grocery	7.7%	200	8.0%	92	7.4%
Small Grocery	7.7%	100	16.0%	180	14.4%
Mass Merchandiser	12.8%	100	8.0%	96	7.7%
Tobacco Specialty Stores	11.2%	50	4.0%	45	3.6%
Other	4.8%	0	0.0%	27	2.2%
Gas Only	Not Available	0	0.0%	1	0.1%
Total	100%	1,250	100%	1,250	100%

2.2.2 Data Collection

RTI developed RATS measures by adapting from similar established surveys of the retail tobacco environment (i.e., Operation Storefront, STORE Advertising Survey, and New York RATS). RDI surveyors completed training that emphasized the importance of reliable data collection through examples of advertisements, scenarios for unobtrusively collecting data, and an opportunity to go into the field for a period of validation data collection (e.g., a period that allows assessment of surveyor strengths and weaknesses before entering the field for data collection).

2.3 Methods

2.3.1 Measures

Interior and Exterior Advertisements: To measure the pervasiveness of interior and exterior tobacco advertisements, we assessed (a) the presence and number of interior and exterior cigarette advertisements and (b) the percentage of the exterior window covered by any advertisements (i.e., not specifically cigarette-related advertisements).

Tobacco Branded Functional Items: We also assessed whether stores had any interior or exterior cigarette-branded functional items. Branded functional items include clocks, welcome mats, open/closed door signs, counter-mats, trashcans, coin trays, shopping baskets or stands, check-out lane dividers, calendars, cork or wall boards, thermometers, standing display signs, doorbells, and writing tablets or paper holders.

New Product: Given BTPP's interest in tracking advertising and promotions of new products, we assessed whether retail stores sold Snus, a new smokeless tobacco product.

Presence of Age of Sale Sign and Youth-targeted Placement of Ads/Products: Florida state law requires that each tobacco retailer post an age of sale sign stating that "the sale of tobacco products to persons under the age of 18 is against Florida Law. Proof of age is required for purchase." Florida law does not consider "We Card" sufficient for an age of sale sign. Thus, we monitored the presence of interior and exterior age of sale signs. We also assessed whether cigarette/tobacco advertisements and products were placed near toys or candy or at children's eye level.

Tobacco Promotions: In addition, we measured the presence of point-of-purchase promotions (i.e., buy-one-get-one-free type offers, coupons, mail-in rebates, and gifts with purchase) for Marlboro, Newport, Doral, and the cheapest regular priced brands.

2.3.2 Analysis

We report point estimates with 95% confidence intervals by outlet type for selected key outcomes. Confidence intervals convey the precision and stability of a measurement. We

examine confidence interval overlap as an approximate test of statistical significance. If the confidence intervals for two measures overlap, then the percentage estimates for the two measures are roughly considered not statistically significantly different from each other.

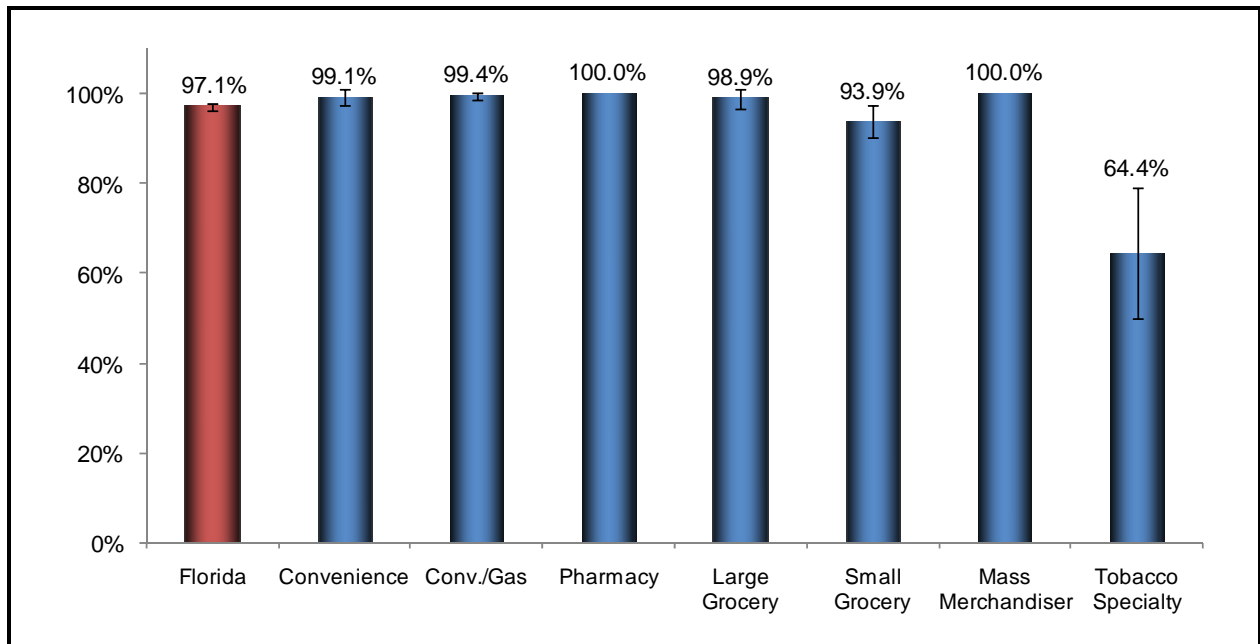
3. RESULTS

Cigarette advertising and promotion in retail stores in Florida is widespread and intensive. However, the statewide trends often conceal large and significant differences in cigarette advertising and promotion across outlet types. Differences across BTPP program areas do exist, but they are often smaller and not statistically significant compared with the differences across outlet types. Therefore, we present results by outlet type in this section and by BTPP region in Appendix A.

3.1 Interior and Exterior Advertisements

Interior tobacco advertising is ubiquitous in Florida. Nearly all (97.1%) tobacco retailers in Florida have interior cigarette advertisements (Figure 3-1). Pharmacies (100%), mass merchandisers (100%), convenience/gas stores (99.4%), convenience stores (99.1%), and small grocery stores (93.9%) have high rates of interior advertising. Surprisingly, tobacco specialty stores (64.4%) have the lowest rate of interior advertising.

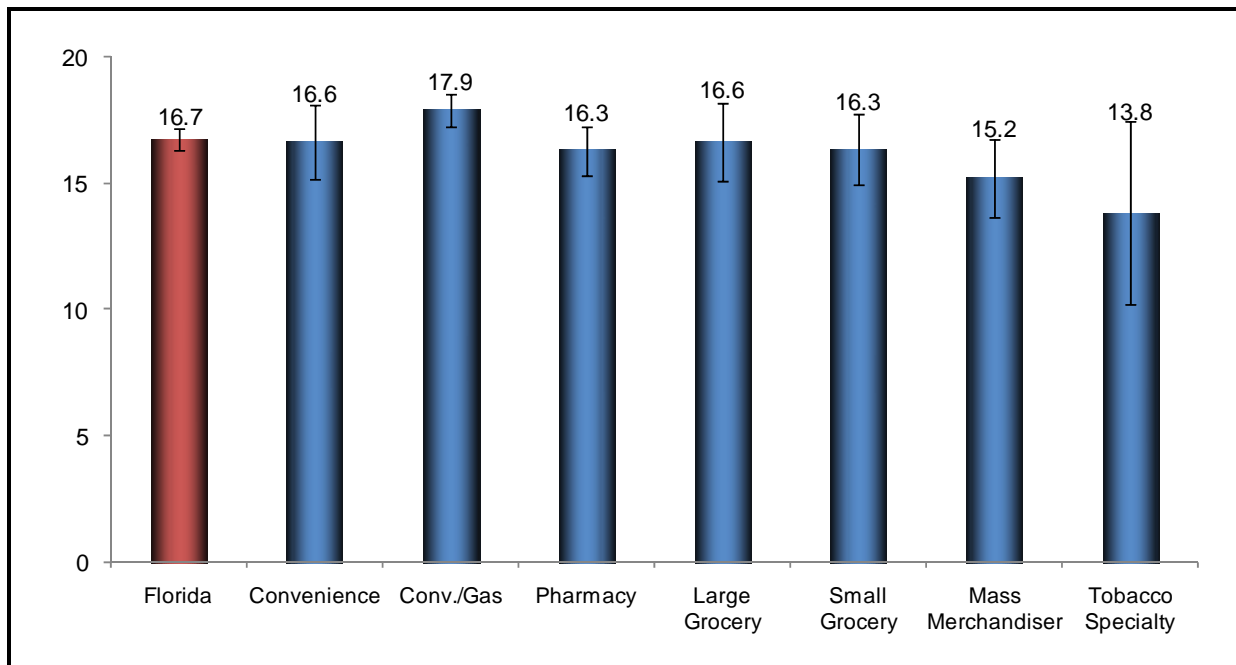
Figure 3-1. Percentage of Licensed Tobacco Retailers with Interior Advertisements, by Outlet Type, 2009



On average, 16.7 cigarette advertisements are posted inside stores that sell tobacco products (Figure 3-2). Convenience/gas stores (17.9 ads) have the greatest concentration of interior cigarette advertisements. Convenience stores (16.6), large grocery stores (16.6), small grocery stores (16.3), pharmacies (16.3), and mass merchandisers (15.2) have

similar levels to convenience/gas stores. Tobacco specialty stores (13.8) report the lowest average number of interior advertisements.

Figure 3-2. Average Number of Interior Advertisements per Licensed Tobacco Retailer, by Outlet Type, 2009



Exterior cigarette advertising is not as prevalent as interior advertising. On average, 54.3% of stores have exterior advertising (Figure 3-3). Convenience stores (83.0%), convenience/gas stores (82.7%), tobacco specialty stores (68.9%), and small grocery stores (66.7%) have the highest rates of exterior advertising. In contrast, large grocery stores (10.9%), mass merchandisers (2.1%), and pharmacies (0.0%)—which depend less on tobacco sales for overall revenue—have much lower rates of exterior cigarette advertising.

Licensed tobacco retailers in Florida display an average of 3.3 exterior ads (Figure 3-4). Tobacco specialty stores (5.7 ads), convenience/gas stores (5.0 ads), convenience stores (4.5 ads), and small grocery stores (3.9 ads) have the highest average number of exterior advertisements. Pharmacies (0.0 ads), large grocery stores (1.0 ads), and mass merchandisers (0.1 ads) have lower average numbers of exterior advertisements.

Figure 3-3. Percentage of Licensed Tobacco Retailers with Exterior Advertisements, by Outlet Type, 2009

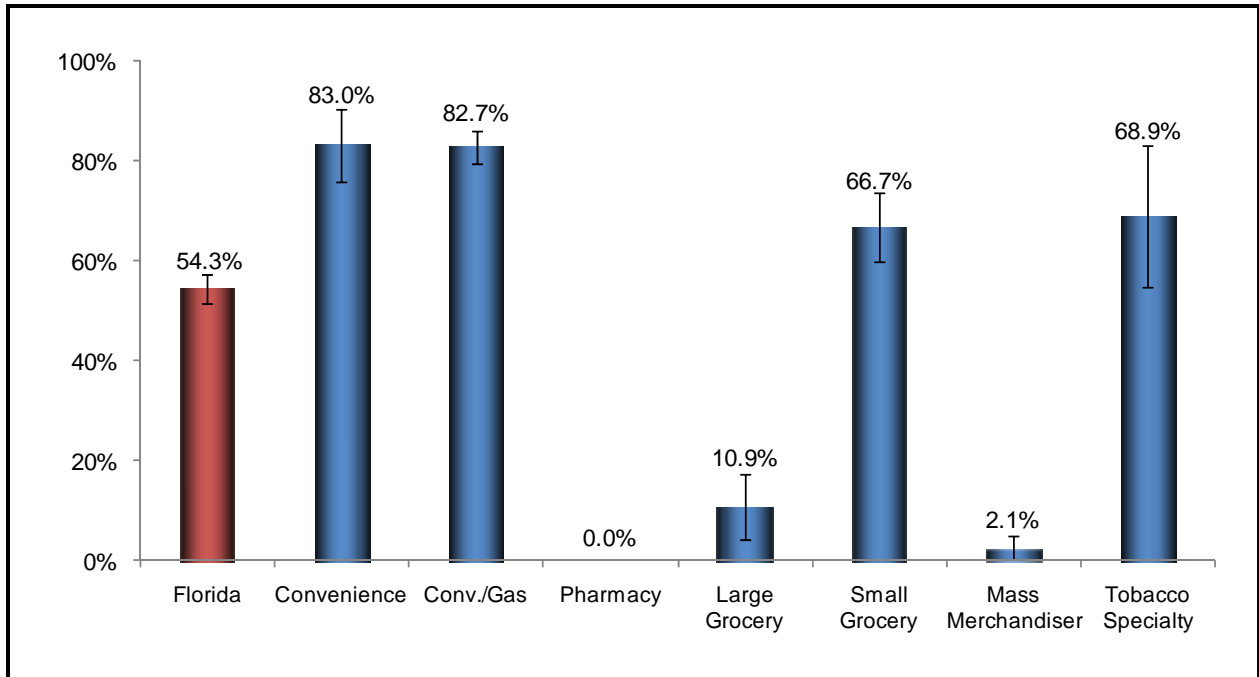
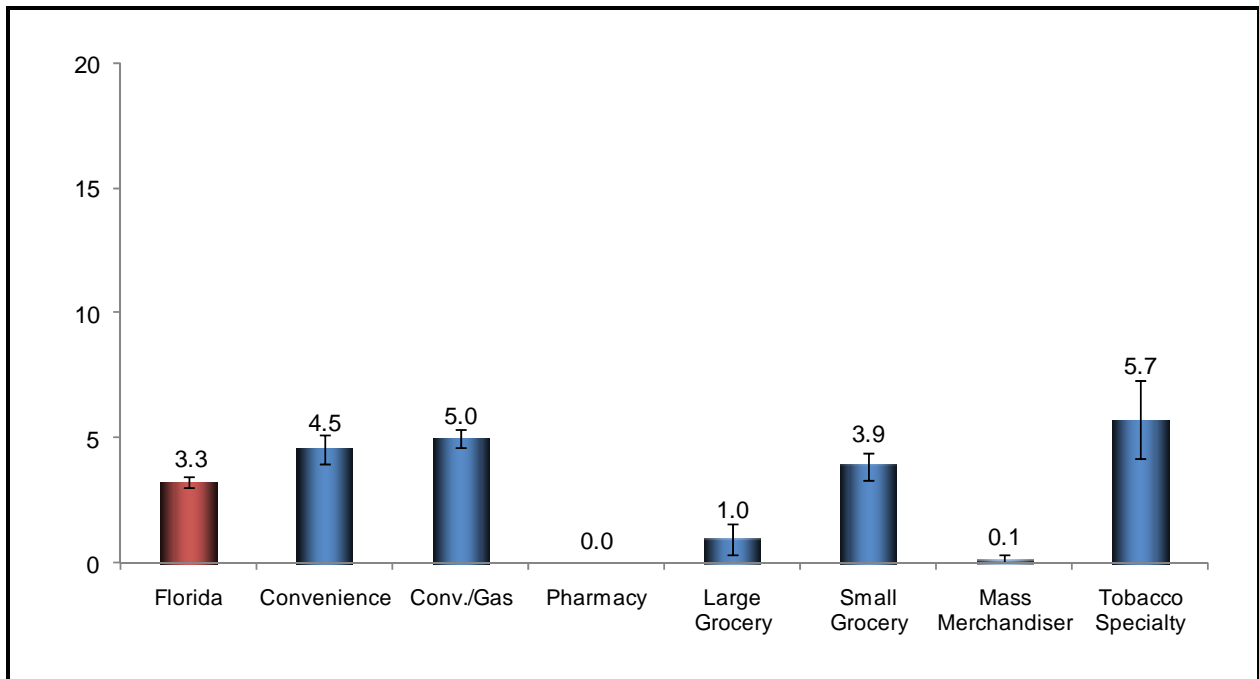


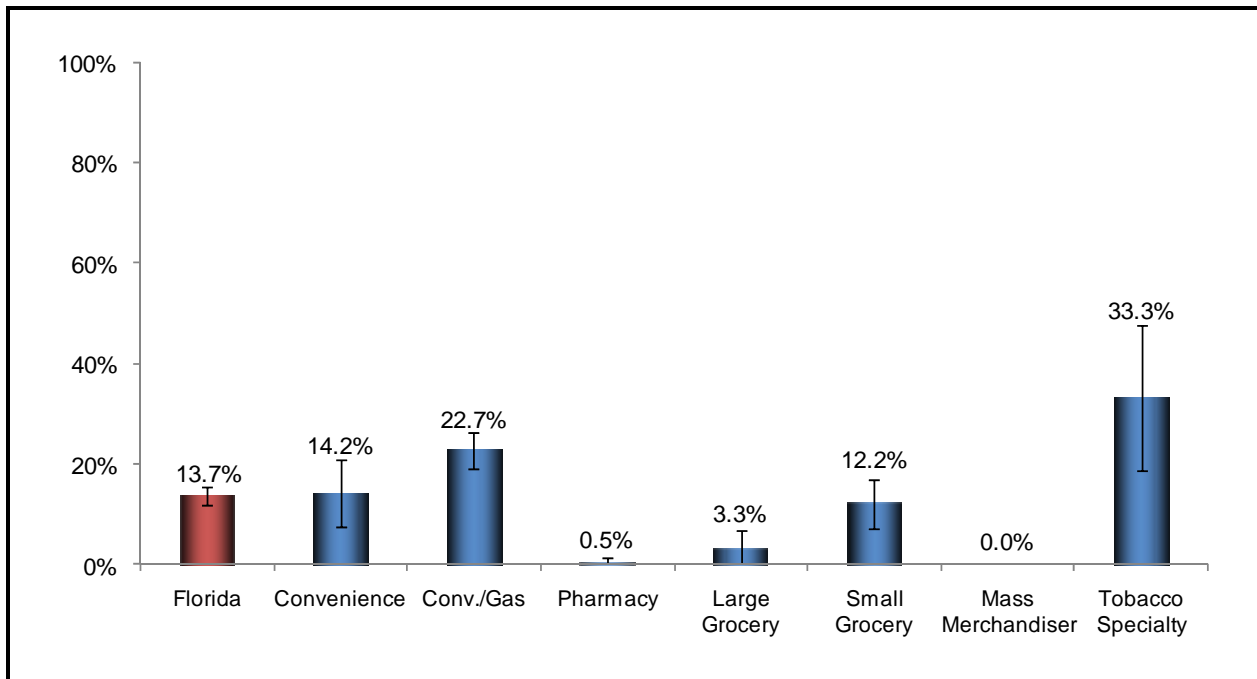
Figure 3-4. Average Number of Exterior Advertisements per Licensed Tobacco Retailer, by Outlet Type, 2009



3.2 Tobacco Branded Functional Items

As shown in Figure 3-5, the prevalence of branded functional items varies across outlets with a statewide prevalence of 13.7%. Tobacco specialty stores (33.3%), convenience/gas stores (22.7%), convenience stores (14.2%), and small grocery stores (12.2%) have higher prevalence of branded functional items than large grocery stores (3.3%), pharmacies (0.5%), and mass merchandisers (0.0%).

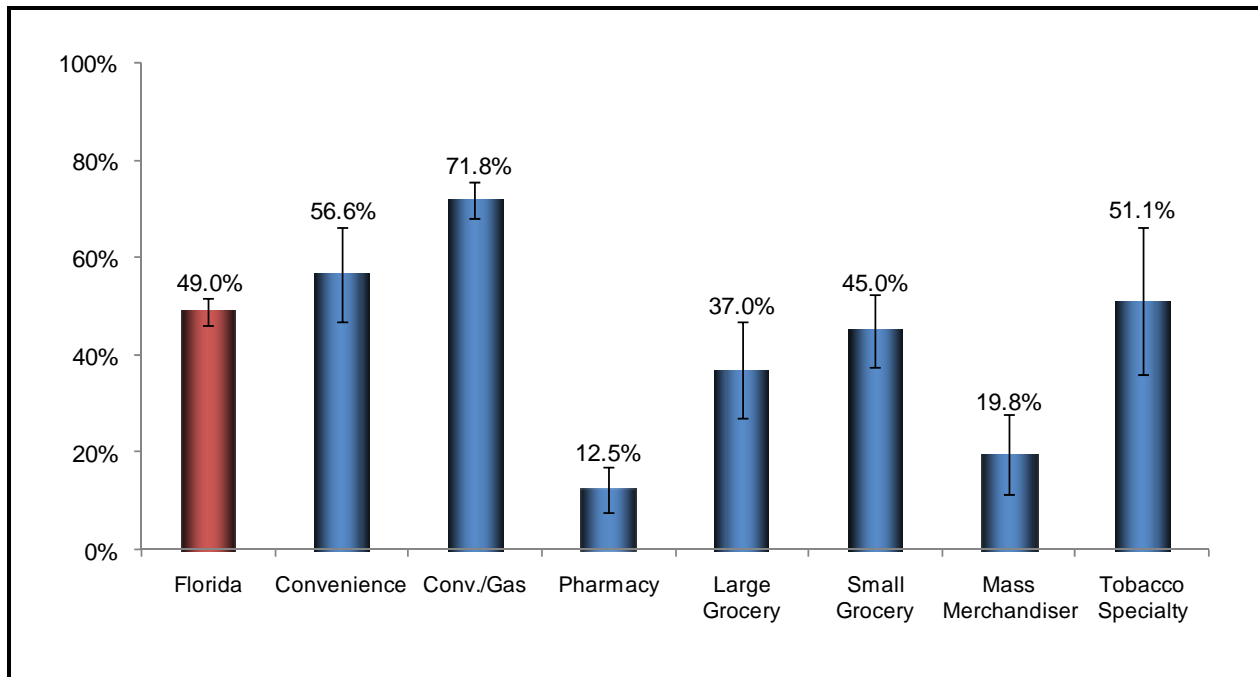
Figure 3-5. Percentage of Licensed Tobacco Retailers with Branded Functional Items, by Outlet Type, 2009



3.3 New Product: Snus

Snus, a smokeless tobacco product, was only recently introduced to American consumers. Given its recent introduction to American markets, the prevalence of Snus is moderately widespread, at nearly 50% of retailers statewide. Convenience/gas stores (71.8%), convenience stores (56.6%), tobacco specialty stores (51.1%), small grocery stores (45.0%), and large grocery stores (37.0%) have higher prevalence of Snus than mass merchandisers (19.8%) and pharmacies (12.5%) (Figure 3-6).

Figure 3-6. Percentage of Licensed Tobacco Retailers with Snus Available for Purchase, by Outlet Type, 2009



3.4 Presence of Age of Sale Signs and Youth-Targeted Placement of Ads/Products

Across the state, 77.1% of retailers have an approved age of sale sign. Large grocery stores (83.7%), mass merchandisers (80.2%), and pharmacies (79.5%) have the highest rates of posting age of sale signs (Figure 3-7).

In an effort to monitor tobacco advertising directed toward youth, RATS includes questions regarding the presence of cigarette advertisements, other tobacco advertisements, and tobacco products at child's eye-level or near candy or toys. As shown in Figure 3-8, overall 8.6% of licensed tobacco retailers have tobacco advertisements or products at child's eye-level or near candy or toys, with tobacco specialty stores (22.2%) having the highest rate. The remaining outlet types—small grocery stores (9.4%), mass merchandisers (9.4%), convenience/gas stores (8.5%), pharmacies (8.5%), convenience stores (6.6%), and large grocery stores (4.3%)—have similar rates of placing ads/products at child's eye-level or near candy or toys.

Figure 3-7. Percentage of Licensed Tobacco Retailers with an Approved Interior or Exterior Age of Sale Sign, by Outlet Type, 2009

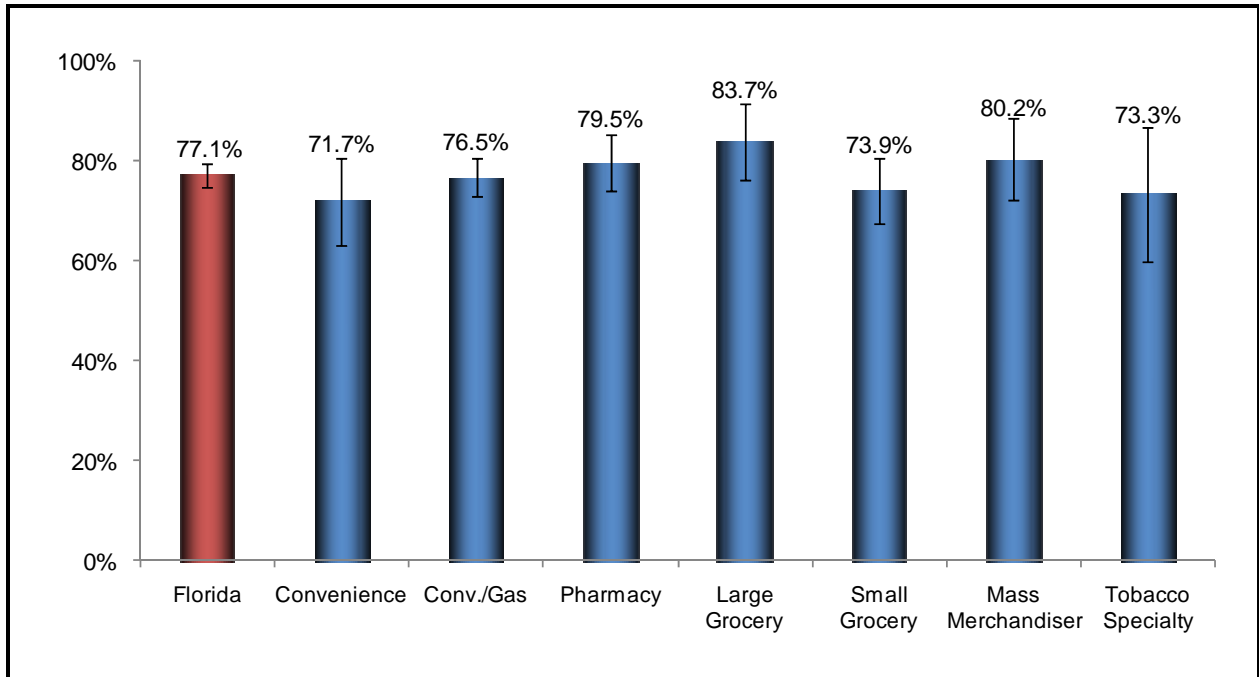
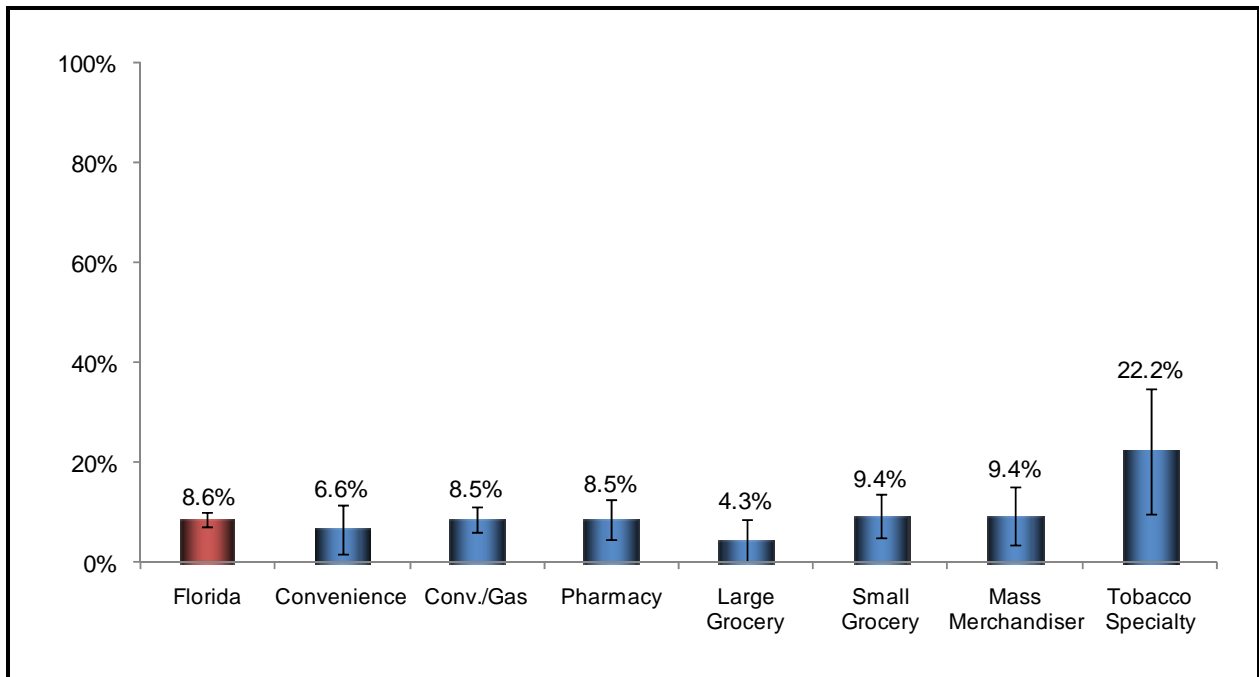


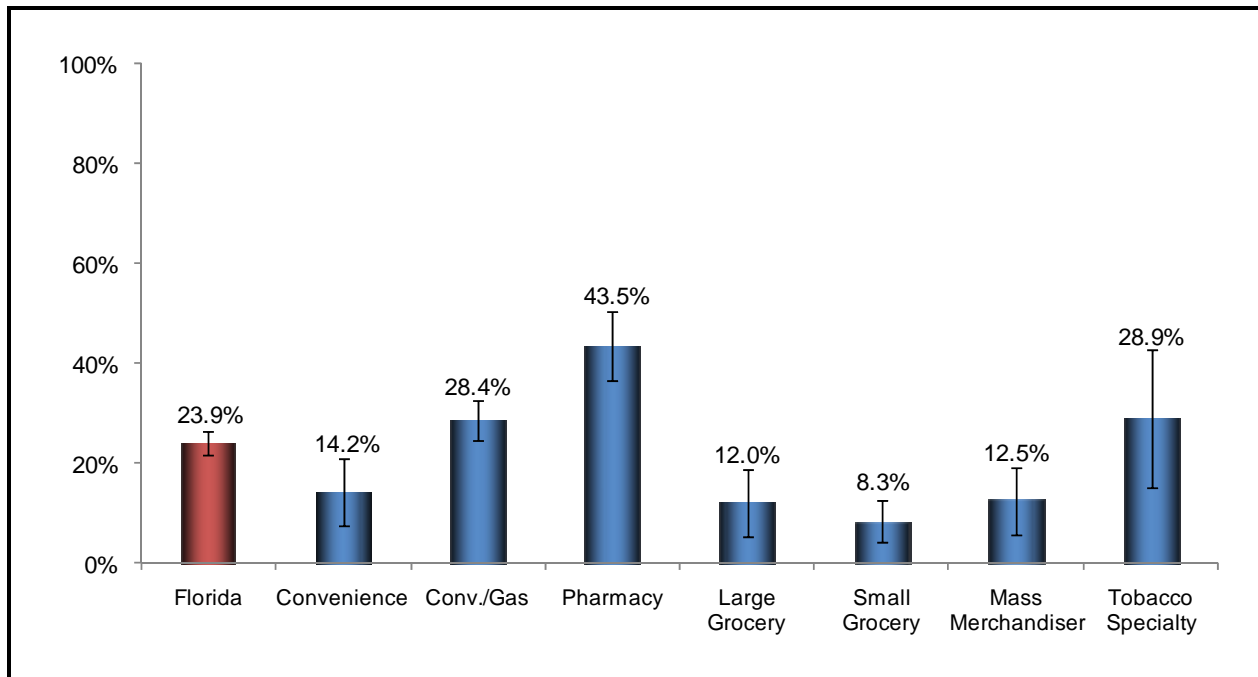
Figure 3-8. Percentage of Licensed Tobacco Retailers with Tobacco Advertisements or Products at Child's Eye-Level or Near Candy or Toys, by Outlet Type, 2009



3.5 Tobacco Promotions

Almost 25% of licensed tobacco retailers offer at least one point-of-purchase promotion, although the percentage varies across outlets (Figure 3-9). Pharmacies have the highest rate of offering cigarette promotions (43.5%) followed by tobacco specialty stores (28.9%) and convenience/gas stores (28.4%). Fewer convenience stores (14.2%), mass merchandisers (12.5%), large grocery stores (12.0%), and small grocery stores (8.3%) offer cigarette promotions.

Figure 3-9. Percentage of Licensed Tobacco Retailers with Price Promotions, by Outlet Type, 2009



Note: Price promotions include buy-one-get-one and bundles, coupons, mail-in rebates, and gifts with purchase among Marlboro, Newport, Doral, or cheapest packs and cartons.

4. CONCLUSIONS

This report summarizes Florida's tobacco retail environment. The results suggest the following:

- Cigarette advertisements in Florida are ubiquitous across outlet types. This is particularly true for interior advertising.
- There are more interior cigarette advertisements than exterior advertisements. However, there is limited use of tobacco branded functional items.
- Snus is available in nearly half of all retail stores that sell tobacco products, but availability varies by outlet type.
- Approximately 1 out of 4 retailers does not post the legally required age of sale sign, which states the following: "The sale of tobacco products to persons under the age of 18 is against Florida Law. Proof of age is required for purchase."
- Most retailers do not have tobacco advertisements or products near children's eye-level or near candy or toys.
- Approximately 1 out of 4 retailers offers a point-of-sale promotion. The presence of promotions varies by outlet type. Interestingly, in Florida, pharmacies have the highest rates of tobacco price promotions, whereas in other states, considerably more convenience stores offer price promotions than pharmacies. Further exploration is warranted.

This report is intended as a first look at the Florida tobacco retail environment. We will continue monitoring the retail environment annually and welcome feedback from BTPP on how the RATS system can be optimized to help inform BTPP's programmatic needs.

APPENDIX A: KEY OUTCOMES BY REGION

Figure A-1. Percentage of Licensed Tobacco Retailers with Interior Cigarette Advertising by BTTP Region, Florida RATS 2009

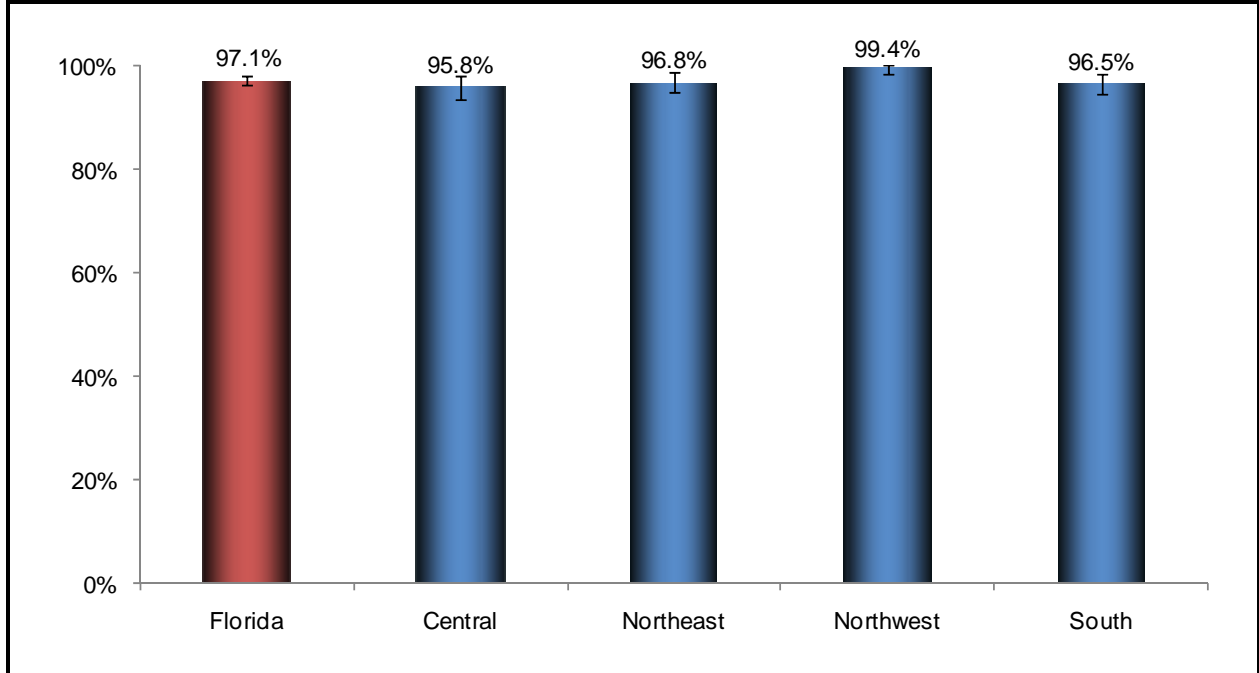


Figure A-2. Average Number of Interior Cigarette Advertisements by BTTP Region, Florida RATS 2009

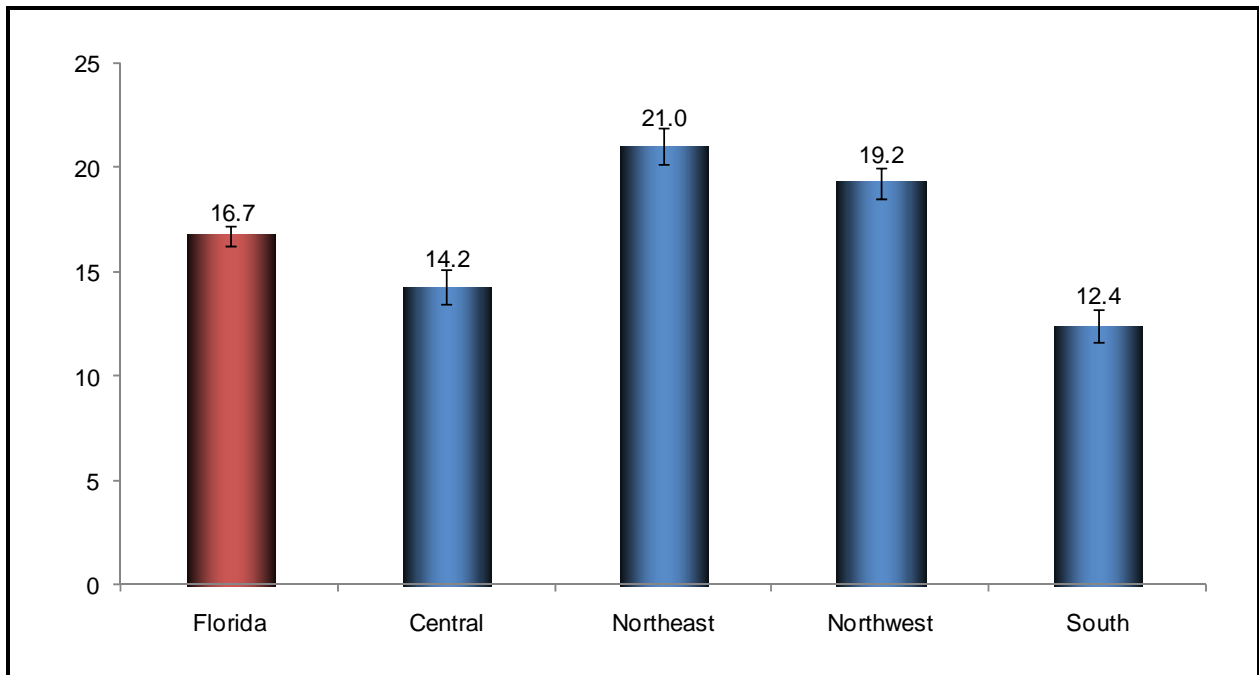


Figure A-3. Percentage of Licensed Tobacco Retailers with Exterior Cigarette Advertising by BTPP Region, Florida RATS 2009

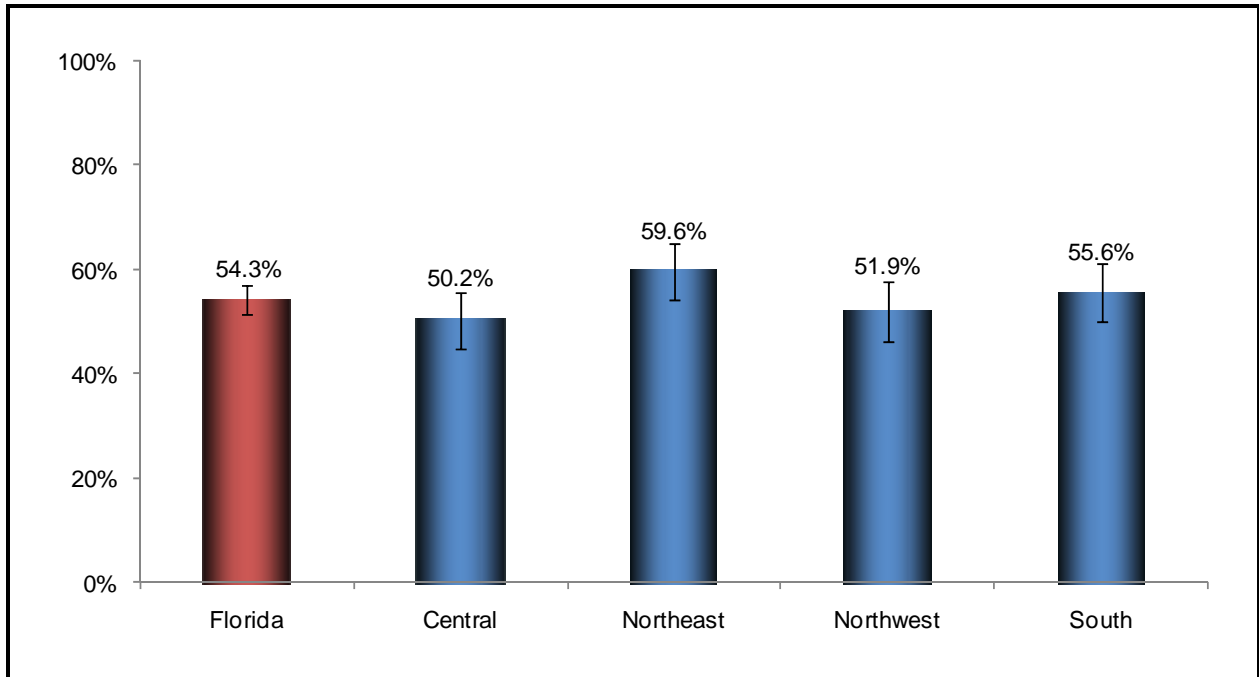


Figure A-4. Average Number of Exterior Cigarette Advertisements by BTPP Region, Florida RATS 2009

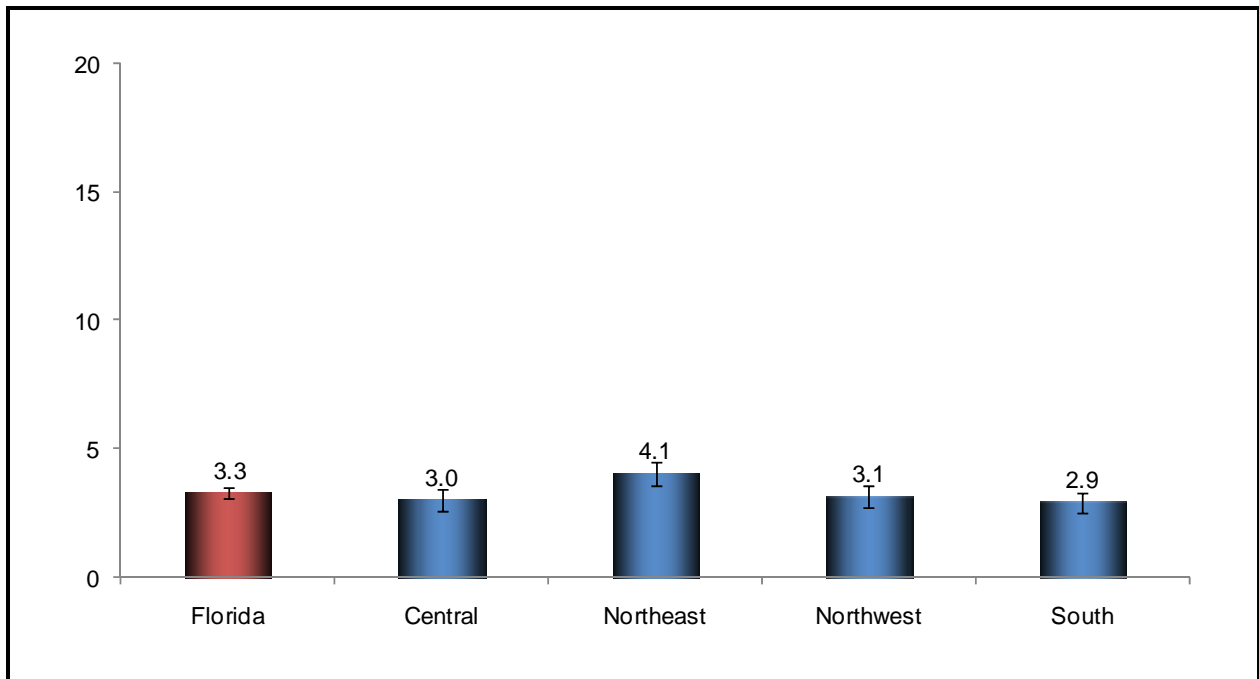


Figure A-5. Percentage of Licensed Tobacco Retailers with Branded Functional Items by BTPP Region, Florida RATS 2009

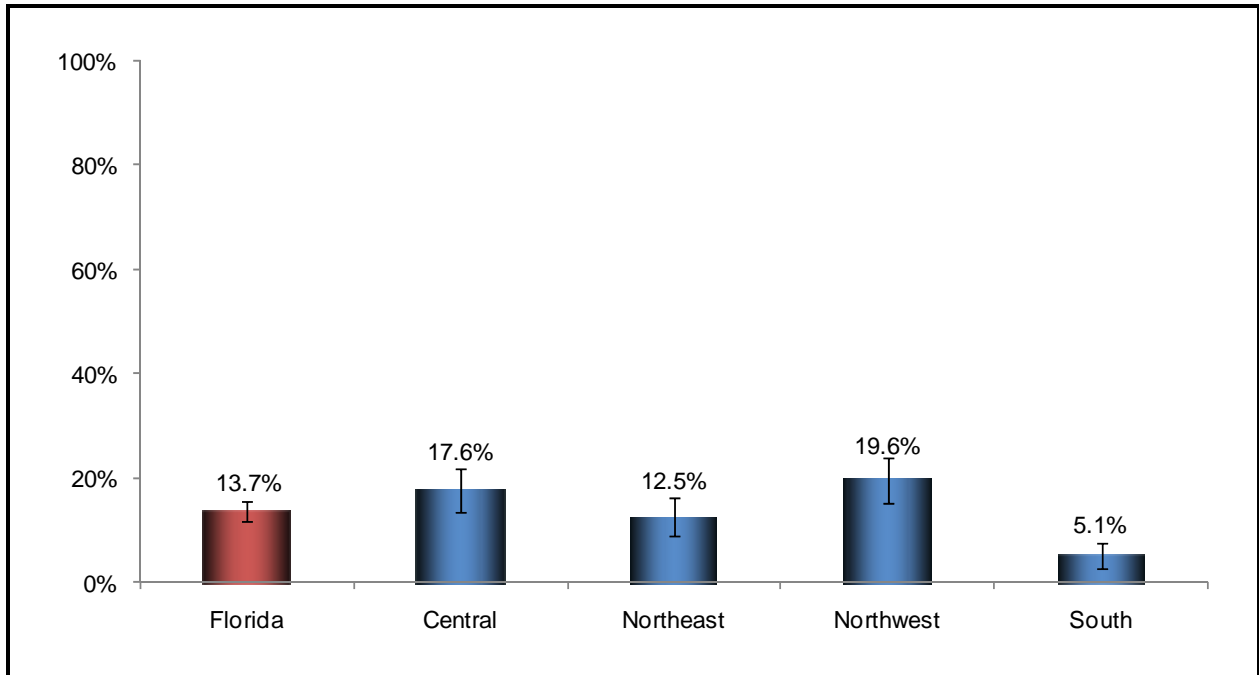


Figure A-6. Percentage of Licensed Tobacco Retailers with Snus Available for Purchase by BTPP Region, Florida RATS 2009

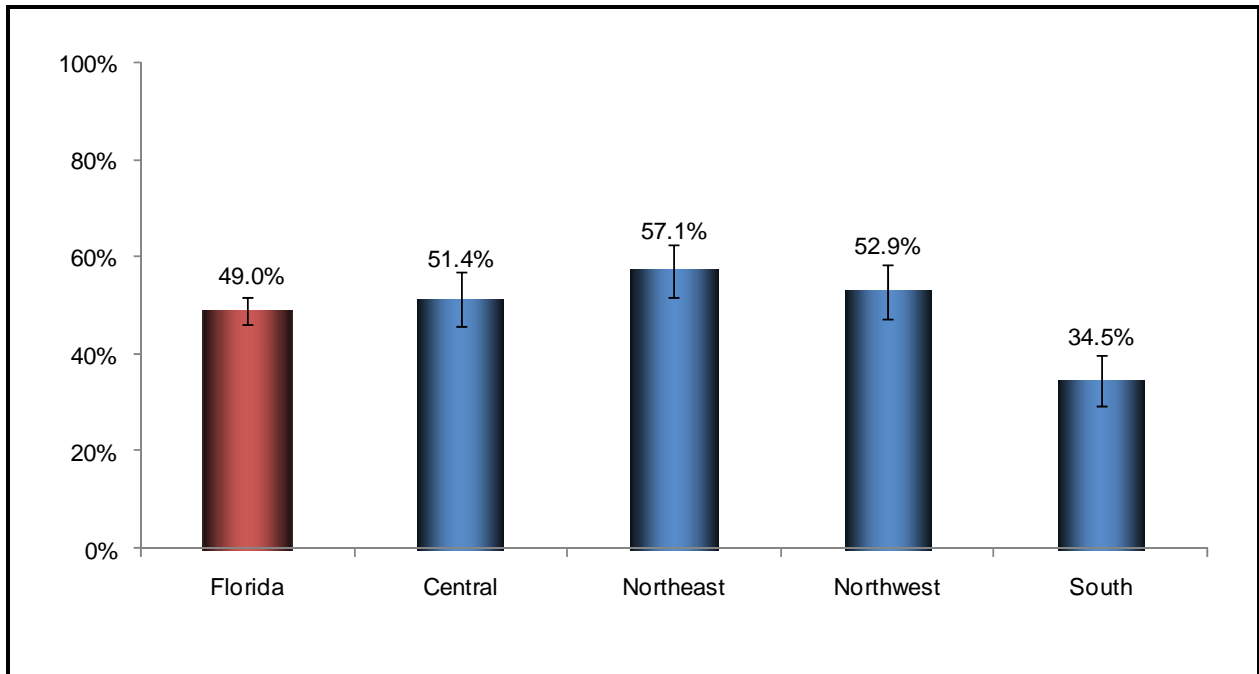


Figure A-7. Percentage of Licensed Tobacco Retailers with an Approved Interior or Exterior Age of Sale Sign by Region, Florida RATS 2009

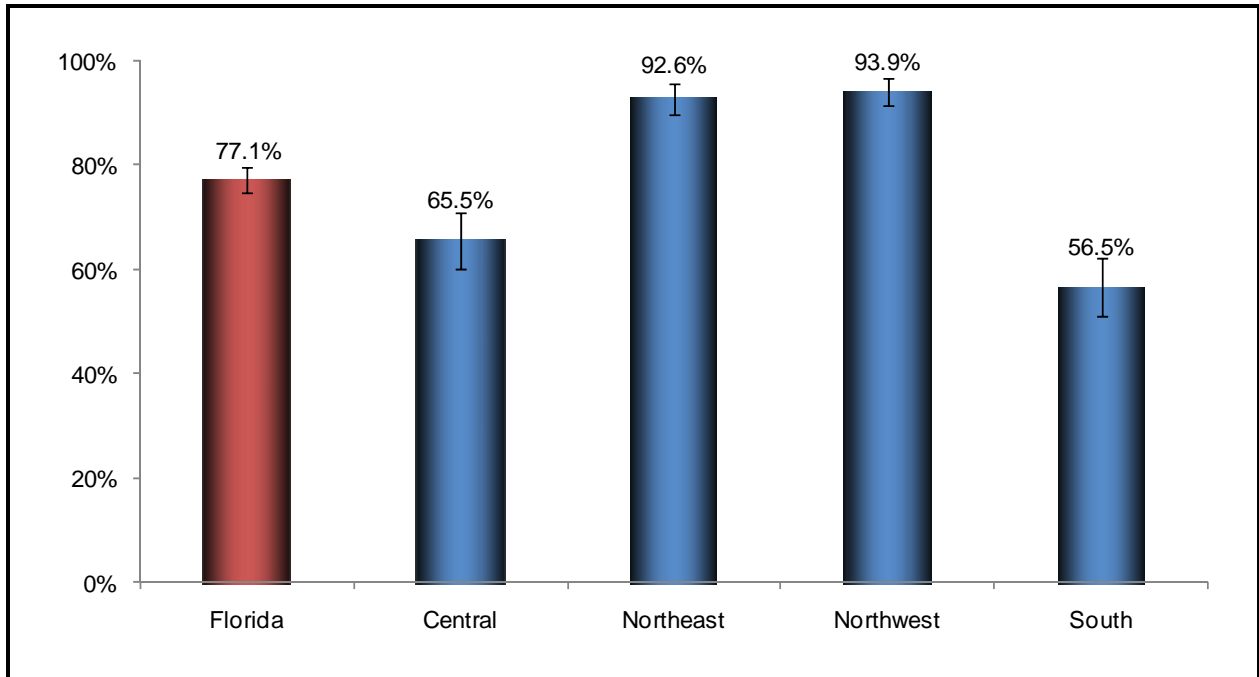


Figure A-8. Percentage of Licensed Tobacco Retailers with Tobacco Advertisements or Products at Child's Eye-Level or Near Candy or Toys by BTPP Region, Florida RATS 2009

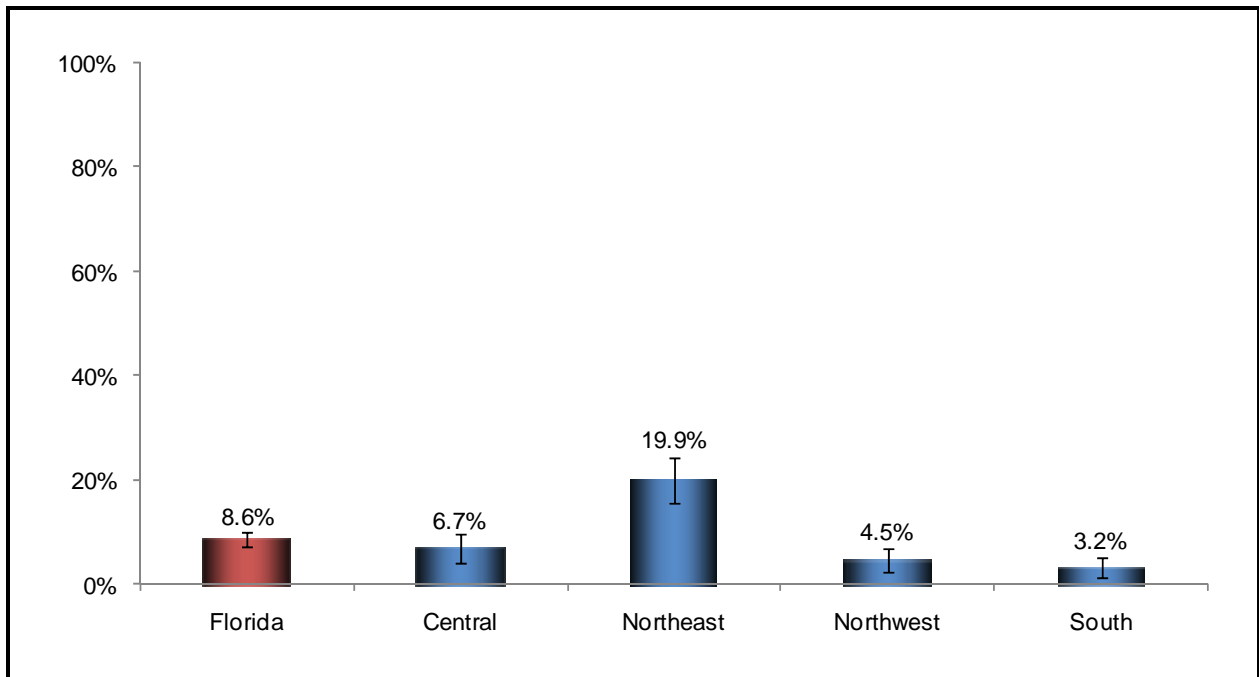


Figure A-9. Percentage of Licensed Tobacco Retailers with Any Cigarette Pack Purchase Promotions by BTPP Region, Florida RATS 2009

