CAMPAIGN for TOBACCO-FREE Kids®

PHILIP MORRIS AND TARGETING KIDS

The Philip Morris cigarette company is trying to persuade the public that it is a good corporate citizen, despite its deadly product. The company is spending $100 million on a campaign to improve its corporate image, and another $100 million on a directly related campaign (including television ads) that purports to combat teen smoking. Philip Morris is also actively seeking new "anti-youth-smoking" partnerships with youth service organizations, state school systems, and major universities. But recent research and internal Philip Morris documents disclosed in the tobacco lawsuits indicate that the company's efforts are designed to generate much-needed positive publicity for the company rather than actually reduce youth smoking.

The Current Situation

Philip Morris' Marlboro brand is the most popular brand among kids, accounting for 60 percent of the underage market (another Philip Morris brand, Parliament, is number four).[1] That means that roughly 2,000 kids become regular Marlboro smokers every day, with more than 600 of them likely to die prematurely because of their smoking.[2] To look at it another way, if current trends continue roughly five million kids alive today will die from smoking -- and about three million of them will have started their smoking habit with Marlboro cigarettes.[3]

The U.S. cigarette companies spend more than $5.6 billion to promote their cigarettes each year.[4] Philip Morris, which controls almost 50 percent of the total U.S. cigarette market, is responsible for the lion's share of that spending. Marlboro is the most heavily advertised brand in the United States.[5]

Philip Morris continues to advertise heavily in magazines with large youth audiences, although it could easily reach adult smokers through ads in publications with far fewer non-adult readers. Philip Morris also opposes measures that would make it much harder for kids to obtain cigarettes but not significantly inconvenience any adult smokers -- such as restricting vending machines to adult-only locations, permanently banning sales of single cigarettes or "kiddie packs" (cigarette packs of fewer than 20 cigarettes), requiring that cigarette packs be placed behind sales counters, or prohibiting cigarette sales by mail or over the Internet.

Philip Morris' Anti-Youth-Smoking Television Ads

A recent study found that Philip Morris' new anti-youth-smoking ads were less effective than those already being used in California, Massachusetts, Arizona and Florida in their statewide tobacco prevention programs. More specifically, the study found that:

- Ads that graphically, dramatically, and emotionally portray the serious negative consequences of smoking were consistently rated highest by respondents in terms of making them "stop and think about not using tobacco." But the Philip Morris ads said little or nothing about negative health consequences from smoking.

- Ads that focused on the "choice" theme (i.e., be yourself, you can choose whether to smoke), such as those run by Philip Morris, were consistently rated lowest.[6]

If Philip Morris really wanted to reduce youth smoking, it is clear that the company could spend the millions of dollars it has allocated to anti-youth-smoking efforts more effectively. But that is

not surprising given Philip Morris' history of marketing to kids and ineffectual "anti-youth-smoking" initiatives.

What Philip Morris Says In Public

We don't want kids to smoke. We're intensifying our efforts that we started a number of years ago by launching this new smoking-intervention initiative, starting with these ads. [Michael E. Szymanczyk, president of Philip Morris USA, *New York Times*, December 3, 1998.]

In all my years at Philip Morris, I've never heard anyone talk about marketing to youth. [Geoffrey Bible, CEO of Philip Morris, *Minneapolis-St. Paul Star Tribune*, March 4, 1998.]

What They Say In Private: Marketing to Kids

Marlboro's phenomenal growth rate in the past has been attributable in large part to our high market penetration among young smokers . . .15 to 19 years old . . . my own data, which includes younger teenagers, shows even higher Marlboro market penetration among 15-17-year-olds. [Philip Morris Document #1000024921/4927, May 21, 1975]

Sales—Outstanding! Outstanding! Outstanding! . . .This account is located 2 blocks from Bellingham High School. Our pre-sell has sold through. The account had reordered and received more product. Sales field report. [PM Doc. #87051949, March 8, 1988]

[To support Marlboro's growth, Marlboro must] *continue growth among new, young smokers…While Marlboro continues to attract increasing shares of young smokers, expected declines in the number of young people restrict future volume gains from this source.* [PM Doc. #2043440057/0112, 1985]

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. [PM Doc. #1000390803/0855, March 31, 1981]

[T]he success of Marlboro Red during its most rapid growth period was because it became <u>the</u> brand of choice among teenagers who then stuck with it as they grew older. [Special Report, "Young Smokers: Prevalence, Trends, Implications, and Related Demographic Trends," PM Doc. #1000390803/55, March 31, 1981]

Thus, the ability to attract new smokers and develop them into a young adult franchise is key to brand development. [PM Doc. #2044895379/484, 1992]

What They Say In Private: Behavioral Research About Kids

It is important to know as much as possible about teenage smoking patterns and attitudes. Today's teenager is tomorrow's potential regular customer, and the overwhelming majority of smokers first begin to smoke while in their teens . . . it is during the teenage years that the initial brand choice is made. [Special Report, "Young Smokers: Prevalence, Trends, Implications, and Related Demographic Trends," PM Document #1000390803/55, March 31, 1981]

We wonder whether such children may not eventually become cigarette smokers in their teenage years as they discover the advantage of self-stimulation via nicotine. We have already collaborated with a local school system in identifying some such children in the third grade. . . Report on study of hyperactive children. [PM Doc. #1003288122, June 10, 1974]

A Philip Morris Marketing Research Department document highlights that within a *"probability sample of 452 teen-agers ages 12-17"* 13 percent smoke an average of 10.6 cigarettes per day and that *"the data from the study are consonant with the findings of other such studies, both at Philip Morris and without."* [PM Doc. #2041761791, May 18, 1973]

As the preceding quotes demonstrate, Philip Morris has targeted kids as customers and done extensive research on youth smoking and related behaviors. In fact, Philip Morris' Senior Vice President of Youth Smoking Prevention who is in charge of the company's $100 million anti-youth smoking campaign, Dr. Carolyn Levy, previously worked in the Philip Morris research department on studies on nicotine effects and smoking behaviors.[7] Dr. Levy was also one of two Philip Morris researchers who formally approved the previously quoted special report that stated "Today's teenager is tomorrow's potential regular customer."

What They Say In Private: Anti-Youth Smoking As A Public Relations Ploy

If we don't do something fast to project the sense of industry responsibility regarding the youth access issue, we are going to be looking at severe marketing restrictions in a very short time. Those restrictions will pave the way for equally severe legislation or regulation on where adults are allowed to smoke. [Philip Morris Senior Vice President Ellen Merlo, 1995]

The youth [anti-smoking] program and its individual parts support The [Tobacco] Institute's objective of discouraging . . . federal, state, and local restrictions on cigarette advertising. [Tobacco Institute "Discussion Paper," Doc. #TIMN0164422/4424, January 29, 1991]

[If Philip Morris took] a more progressive position on tobacco, it would enable the company to move onto a higher moral playing field, to neutralize the tobacco issue and to focus attention on other, more appealing products. [PM Doc. #2023586677, December 3, 1992]

It seems to me our objective is . . . a 'media event' which in itself promises a lot but produces little. [Tobacco Institute memo from Executive Vice President Franklin Dryden recommending a "pre-adult education" program, 1979]

The National Center For Tobacco Free Kids, October 8, 1999

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[1] Johnson, L. D., et al., Institute for Social Research, University of Michigan, *Cigarette Brand Preferences Among Adolescents*, Monitoring the Future Occasional Paper 45 (1999).

[2] U.S. Centers for Disease Control and Prevention (CDC), "Incidence of Initiation of Cigarette Smoking – United States 1965-1996," *Morbidity and Mortality Weekly Report* (*MMWR*) 47(39): 837-40 (October 9, 1998).

[3] CDC, "Projected Smoking-Related Deaths Among Youths – USA, *MMWR* 45(44): 971-974 (November 8, 1996).

[4] Federal Trade Commission (FTC), *Report to Congress for 1997 Pursuant to the Federal Cigarette Labeling and Advertising Act* (1999).

[5] "Leading National Advertisers," *Advertising Age* (September 28, 1998).

[6] Teenage Research Unlimited, *Counter-Tobacco Advertising Exploratory Summary Report January – March, 1999* (March 1999).

[7] See, e.g., Philip Morris Memorandum, "Smoker Psychology" (PM Doc. #1003293097).