

Payment, shipping bans stub out cigarette-selling websites

February 22 2011

Bans on using credit cards to pay for cigarettes bought on Internet sites – combined with bans on commercial shippers delivering the products – appear to have effectively reduced the size and reach of the online cigarette sales industry, a new University of North Carolina at Chapel Hill study shows.

The study, published in the journal *PLoS One*, found that such bans lowered the number of vendors offering cigarettes online and reduced consumer traffic to the most popular cigarette-selling websites.

“Most Internet vendors offer tax-free cigarettes, making them cheaper than those sold at stores,” said Kurt Ribisl, Ph.D., lead author of the study and associate professor of health behavior and health education in the UNC Gillings School of Global Public Health. “This undermines the impact that higher prices have on reducing smoking.”

Ribisl said that aside from violating tax laws, most online cigarette vendors have weak age verification and sell to minors. This led to landmark voluntary agreements in 2005 with major credit card companies and private shippers to ban payment transactions and bar commercial shippers from transporting all Internet cigarette sales.

The study is believed to be the first such research examining the impact of those agreements.

Ribisl and a team of UNC researchers studied the bans’ effectiveness by

examining the sales practices of hundreds of websites one year before and two years after the agreements went into effect. They also compared the number of unique monthly visitors to the 50 most popular cigarette vendor sites to determine whether the bans altered web traffic.

The study found that following the bans, many websites closed down. There also was a 3.5-fold decline in traffic to the 50 most popular vendor sites, resulting in an estimated 1.25 million fewer visits per month before the end of the 2005. And although an influx of new vendors initially saw a net increase in the number of sites, their numbers fell markedly over the following year, resulting in an overall drop in the total number of vendors.

Researchers also found that the proportion of vendors accepting credit cards and PayPal dropped from 99.2 percent to 37.4 percent after the bans, and the proportion offering to ship via UPS, FedEx and other commercial shippers dropped from 32.2 percent to 5.6 percent. However, there was a corresponding increase in vendors offering non-banned payment options (such as personal checks) and shipping options (including the U.S. Postal Service, which did not ban [cigarettes](#)). This indicated that the Internet vendors actively exploited loopholes in the voluntary agreements, the study noted, although a new federal law signed by President Obama last year has strengthened the provisions of the voluntary agreements and made tobacco nonmailable matter through the U.S. Postal Service.

Ribisl said the strategies examined in the study could have wider public health applications.

“This promising approach to controlling the sale of restricted goods online has implications for regulating other products such as alcohol, firearms, quack cures and medicines sold without a prescription,” he said.

More information: www.plosone.org/article/info%3Adoi%2F10.1371%2Fjournal.pone.0016754

Provided by University of North Carolina, Chapel Hill

Citation: Payment, shipping bans stub out cigarette-selling websites (2011, February 22)
retrieved 26 April 2024 from
<https://medicalxpress.com/news/2011-02-payment-shipping-stub-cigarette-selling-websites.html>

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