

Complex price relationships influence nicotine product purchases

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Credit: Georgia State University

Changes in pricing of tobacco products affect sales of those products at varying rates, with demand for little cigars, cigarillos, loose "roll your

own" tobacco, pipe tobacco and e-cigarettes more sensitive to price change than that of some other products, according to a study led by a researcher from the School of Public Health at Georgia State University.

Researchers also found that sales of [nicotine replacement therapy](#) products (NRT), such as nicotine patches, gum and lozenges, drop when prices of those items rise, noting that this category of Food and Drug Administration-approved smoking cessation products are "highly sensitive" to price changes. The authors suggested that policies to reduce the cost of the NRT products could help more smokers quit cigarettes.

The results are published in *Preventive Medicine* in the article "A comprehensive examination of own- and cross-price elasticities of [tobacco](#) and [nicotine replacement products](#) in the U.S." The study's lead author was Dr. Jidong Huang, associate professor of health management and policy at Georgia State.

To examine the relationship between the change in pricing of various tobacco and nicotine replacement products, the researchers analyzed retail sales data collected in food, drug and mass merchandise stores in 44 states and the District of Columbia, as well as in convenience stores in a subset of states.

The researchers found that each 10 percent increase in retail prices results in about 13 percent decrease in sales for cigarillos, 17 percent decrease in sales for little cigars, 14 percent decrease in sales for loose "roll your own" tobacco, 26 percent decrease in sales for pipe tobacco and about 15 percent decrease in sales for e-cigarettes.

Analysis of how price changes for some [tobacco products](#) affected sales of other types of nicotine products found that for some users a rise in cigarette [prices](#) may lead to increased purchase of little cigars, loose "roll your own" tobacco and other products.

More information: Jidong Huang et al. A comprehensive examination of own- and cross-price elasticities of tobacco and nicotine replacement products in the U.S., *Preventive Medicine* (2018). [DOI: 10.1016/j.ypmed.2018.04.024](https://doi.org/10.1016/j.ypmed.2018.04.024)

Provided by Georgia State University

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