

Plain packaging sparked tobacco price rises, new study finds

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The introduction of plain tobacco packaging led to an increase in the price of leading products, according to new research from the University of Stirling.

The study—funded by the Cancer Policy Research Centre at Cancer Research UK and published in international journal *Addiction* - conflicts with predictions made by [tobacco companies](#), prior to the implementation, that plain packaging would lead to lower prices and greater affordability.

Led by Dr. Nathan Critchlow, of Stirling's Institute for Social Marketing, the research found that the sales price of leading cigarettes increased by almost five percent—equating to an extra 38p on a pack of 20 cigarettes—in the 18 months after the legislation was introduced.

The sales price of hand-rolling [tobacco](#) also increased by approximately eight per cent, which equates to a 91p increase on a 30g pack.

"Tobacco companies were strongly opposed to plain packaging," Dr. Critchlow said. "They appeared adamant that, if the policy was implemented, brands would only be able to compete on price, which would result in lower prices, greater affordability and, consequently, increased consumption.

"Our study, however, provides early evidence that these concerns of lower prices appear to be unfounded.

"We found that, as well as the sale prices, recommended retail prices also increased. This suggests that tobacco companies instigated the price rises—and that their predictions of falling prices and rising affordability were intended to deter the government from implementing the policy."

The UK Government introduced standardised—or plain—packaging for [tobacco products](#) in May 2016 and, after a one-year transition period, the policy became mandatory in May 2017.

Dr. Critchlow's team analysed electronic point of sale data from a

representative sample of 500 small retailers in Scotland, England and Wales over the 12-month transition period and then for six months after the legislation became mandatory. The average price-per-cigarette and price-per-gram—both adjusted for inflation—were examined for 20 of the leading fully-branded tobacco products and their standardised equivalents.

Dr. Critchlow said: "We found that prices increased across the tobacco market, including rises for value cigarettes and hand rolling tobacco, which price-sensitive consumers may have down-traded to. We also found a continued use of higher prices to distinguish the quality of premium cigarette brands.

"The increases were greater than expected, if just moving in line with tobacco duty."

Kruti Shrotri, from Cancer Research UK, said: "Tobacco companies claimed that putting cigarettes in [plain packaging](#) would result in lower prices, make tobacco more affordable, and increase smoking rates. This research gives us an early indication that this isn't true.

"Plain packaging for cigarettes is an effective public health measure to reduce the attractiveness of tobacco to young people. The tobacco industry were clearly saying anything they could to try and undermine this health measure and protect their profits."

More information: Nathan Critchlow et al, Pricing of tobacco products during, and after, the introduction of standardized packaging: an observational study of retail price data from independent and convenience (small) retailers in the United Kingdom, *Addiction* (2018). [DOI: 10.1111/add.14488](https://doi.org/10.1111/add.14488)

Provided by University of Stirling

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