

# Covert tobacco industry marketing tactics exposed by former employees

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To circumvent current tobacco advertising, promotion and sponsorship (TAPS) laws in Australia, tobacco companies are incentivising retailers with cash payments, all-expenses paid holidays, exclusive parties and tickets to sporting events to drive tobacco sales.

Published today in *Global Public Health*, this is the first study to use interviews with former [tobacco](#) industry employees as key informants to understand the tactics that tobacco companies use to exploit gaps in the Australian legislation.

"Direct advertising of tobacco to consumers has long been banned, however this study exposes that tobacco companies continue to market their products through thousands of tobacco retailers," said lead author Christina Watts from University of Sydney and Tobacco Control Policy at Cancer Council NSW.

"Tobacco companies have focused their [marketing budget](#) on retailers as they are one of the only

remaining avenues to communicate directly with consumers.

Under Australian legislation, incentives and benefits connected to the sale of tobacco cannot be provided to consumers, however, such laws do not explicitly apply to tobacco retailers. A recent sample survey of Australian tobacco retailers found that one-third had received a benefit or incentive from a [tobacco company](#) in return for doing something for the [company](#).

In the study, former tobacco industry employees described covert tobacco marketing and promotion strategies to retailers including:

- Providing financial incentives such as price promotions, cash payments and rebates
- Providing experiential incentives such as all-expenses paid holidays, exclusive parties and events, tickets to international sporting events (with events used to indirectly promote products)
- Incentivising retail staff to reach sales targets and upskilling them to be effective tobacco brand ambassadors.

These strategies had the ultimate objective of increasing market share and driving sales through increased retailer loyalty and rapport.

"Despite the tobacco industry's repeated argument that such promotional activities are only to increase their individual [market share](#), rather than drive new sales, our research shows that incentives were provided to encourage retailers to reach or exceed sales targets and to push products directly to consumers," said Ms Watts.

Study supervisor Dr. Becky Freeman from the University of Sydney's Faculty of Medicine and Health said that changes to the current tobacco advertising, promotion and sponsorship laws are urgently needed in Australia.

"The [tobacco industry](#) continues to market its deadly products, while pretending to be a "reformed" company that supports public health.

"Tobacco companies appear to be exploiting current laws by using the retail environment as an indirect channel to reach consumers.

"By only restricting tobacco marketing practices aimed directly at consumers, Australian legislation has failed to respond to the importance of retail marketing in the promotion of tobacco. This has enabled tobacco companies to funnel resources into this 'last line of marketing' of their products.

"We're calling for Australian laws to be strengthened to prohibit all marketing of tobacco products—with no contributions allowed of any kind to any event, activity, or individual.

"Restrictions must address direct product advertising to tobacco retailers, in order to prevent any ongoing and future covert promotion of tobacco," she said.

Australia is considered to be a global leader in tobacco control with a suite of measures to restrict tobacco marketing activities such as:

- bans on tobacco advertising, promotion and sponsorship
- plain packaging with graphic health warnings—removal of visible displays of tobacco products at point-of-sale.

These measures have contributed to daily smoking rates declining in Australia from 24 percent of adults in 1991 to 11 percent in 2019.

**More information:** Christina Watts et al, 'The last line of marketing': Covert tobacco marketing tactics as revealed by former tobacco industry employees, *Global Public Health* (2020). [DOI: 10.1080/17441692.2020.1824005](#)

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