

Marketing Strategies Targeted at Young Adults

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A Little Kansas Twist





Why are we Alarmed?

- Tobacco company targeting
- Highest prevalence
- Brain still maturing (risk behavior)
- Potential for huge health care savings

RJR CONFIDENTIAL

DRAFT

I. THE IMPORTANCE OF YOUNGER ADULTS

Within five years, younger adults (18-24) will drop from 18% to 15% of the total adult population (18+). They will continue to decline in numbers until at least 1995, as the crest of the Baby Bubble pushes farther past age 25.

This shift in the population will cause smokers aged 18-24 to fall from 16% to 14% of all smokers by 1988. Even 13% would not be surprising, since smoking incidence has been declining more rapidly among younger adults than any other age group in recent years (see Appendix A).

Why, then, are younger adult smokers important to RJR?

1. VOLUME

Younger adults are the only source of replacement smokers. Repeated government studies (Appendix B) have shown that:

- Less than one-third of smokers (31%) start after age 18.
- Only 5% of smokers start after age 24.

Thus, today's younger adult smoking behavior will largely determine the

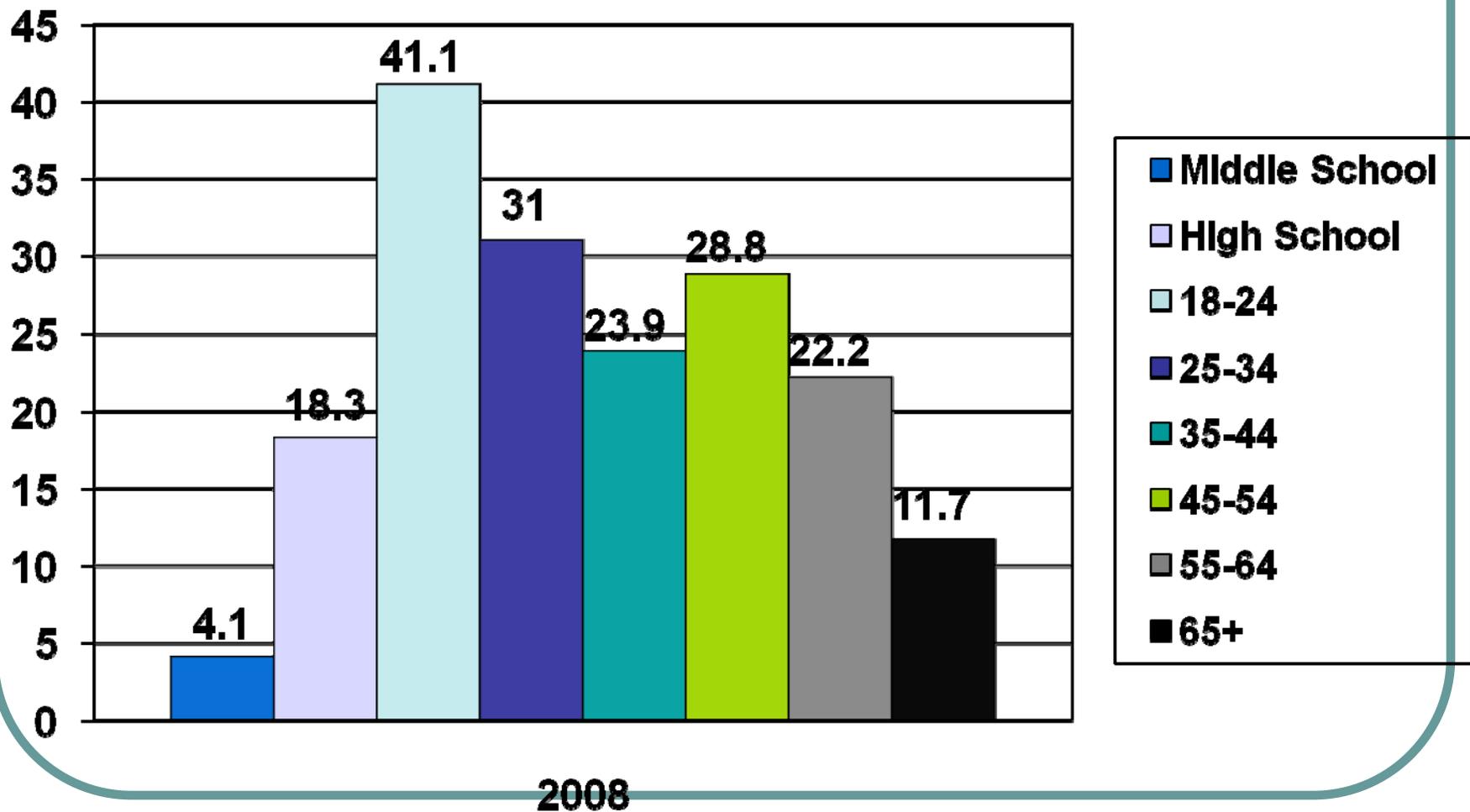
Alarming Trends- 1985-2003

- Smoking rates increased 4.3% for young adults.
- Reduction in smoking initiation for adolescents coupled with increase in smoking initiation among young adults indicates delayed smoking initiation.
- Conclusion: Signifies a moving target for our antismoking campaigns.

Highest for all age groups

- 2006 SAMHSA data
- Young Adults 18-25
- Highest rate of current use of any tobacco product at 44.3%
- At the same time, quit rates have flattened for this age group.

Smoking by age group, 2008



IN is a pilot site for Big Tobacco



2002



2009

Some things never change.

Although this time, the guinea pigs are your children.

In 2002, we ran an ad expressing outrage that leading tobacco companies constantly use Indianapolis residents as guinea pigs to test their new tobacco products. My, how times haven't changed. Indianapolis continues to be a laboratory for big tobacco's experiments. Now, it's happening again. In the coming months, a leading tobacco company will be using Indianapolis residents as guinea pigs to test their new dissolvable tobacco products – strips, sticks and orbs that are virtually undetectable when used in the workplace or the classroom. What's horrifying is that, with sleek candy-like packaging and cool flavors, they're targeting your kids! As a parent who loves your kids, let your voice be heard. Visit www.voice.tv to find out more about how your kids are being used as guinea pigs – and how to tell them enough is enough. **LEAVE US ALONE!**



www.voice.tv

Indianapolis

Advance (BW)

Taboka (PM)

Camel Snus (RJR)

Marlboro Snus (PM)

Camel Orbs (RJR)

Philip Morris Tobacco Document

- 1993
- Predicted most snuff market growth particularly with white collar and urban users, could potentially increase the social acceptability of using snuff.
- “younger, better educated, less rural, higher income than traditional smokeless users”

Introducing Products to the Market

- Stakeholder Letters
- Point of Purchase Ads – It's Coming!
- On-Set Pack Advertising
- Direct Mail
- Website



Camel Snus

- Central Indiana
- Test Market Dates
- Mar 2007-Dec 2008



Tobacco Industry Document

- RJR studied most snuff use among younger adult users (18-24 year olds)
- “largest and fast growing age segment in the most snuff category”

CAMEL SNUS



How to Snus

The ridiculously **easy** instructions



Snus is refrigerated so it's fresh when you buy it. (But once you open it, you don't need to keep it in the fridge.)



- 1** Place a pouch between your upper lip and gum. (Don't suck, chew or swallow it.)
- 2** Wait five minutes for the full pleasure of Snus.
- 3** Each pouch lasts up to 30 minutes.

[Continue](#) ▶

A different way to enjoy tobacco. Pleasure for wherever!

This is the official website for Camel Snus.

R.J. Reynolds Tobacco Company only markets its tobacco products to legal age tobacco consumers. In order to be eligible to receive mailings from us, you must certify that you are a legal age tobacco consumer and want information and promotions concerning our products. We will also verify that you are of legal age to use tobacco products.

The Snus Guide to Bars

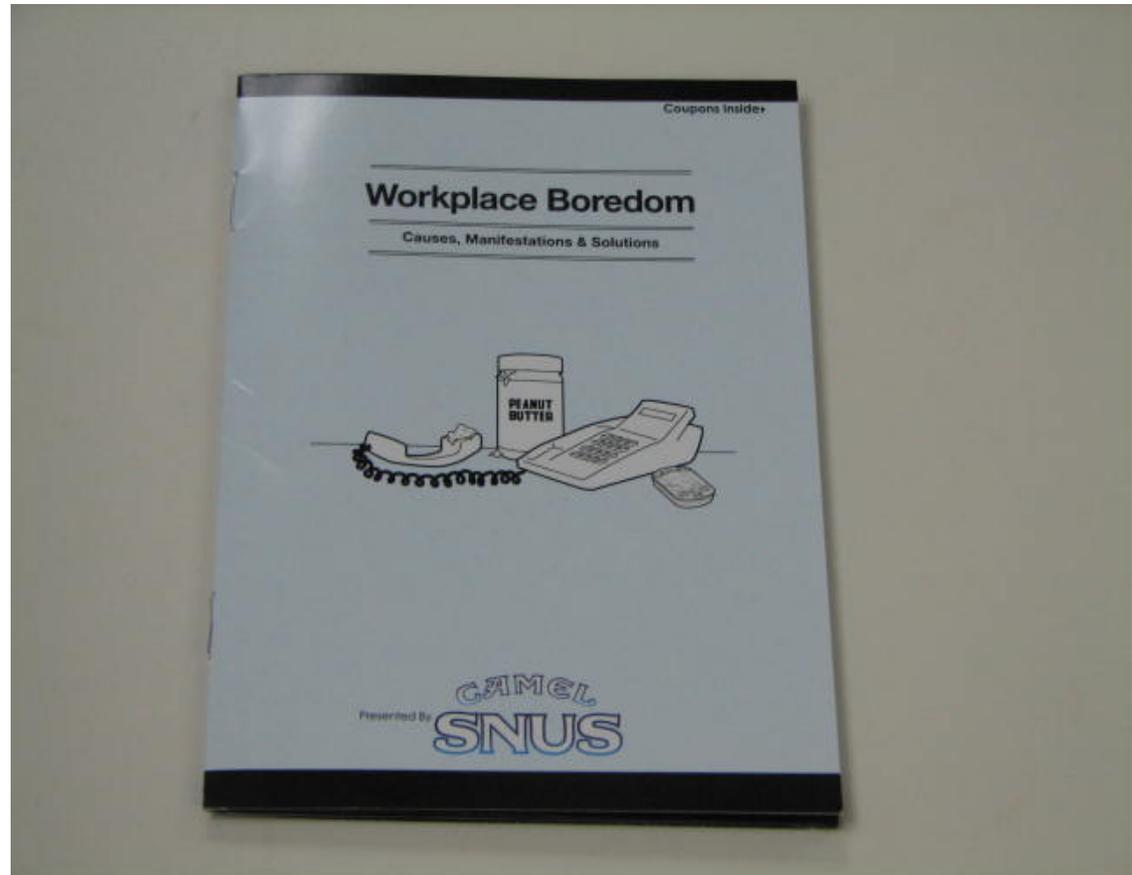


Currently 4 Camel Snus Guides

Workplace

Boredom:

Causes,
Manifestations &
Solutions
Includes 8
Pranks to Play in
the Workplace

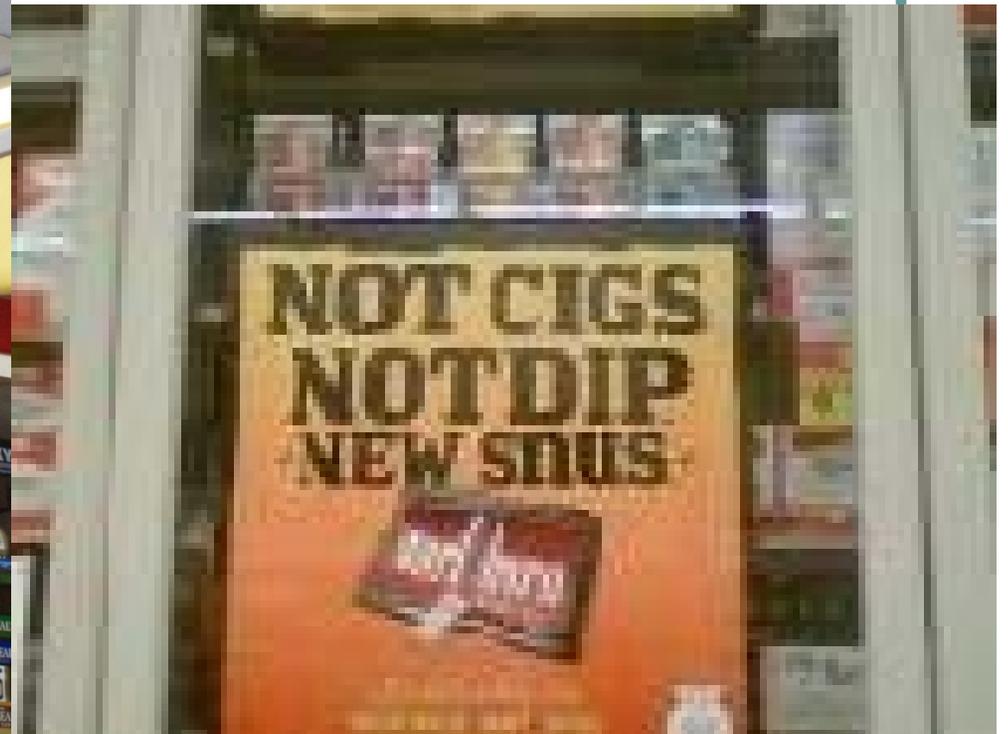


Marlboro Snus

- Central Indiana
- Test Market Dates
- March 2008- Now



Point of Purchase



Camel Orbs

- **Columbus, OH**
- **Portland, OR**
- **Indianapolis, IN**
- **Test Market Dates**
- **January 09- Now**
- **Sticks and Strips- Available NOW**



***“Best tobacco you
never smoked”
Camel Orb Website***



**dissolvable
TOBACCO**



**STRIPS
FRESH**

**STICKS
MELLOW**

**ORBS
MELLOW**

**ORBS
FRESH**

introducing
dissolvable tobacco



the best tobacco you never smoked

camaldissolvables.com

THIS PRODUCT
MAY CAUSE
MOUTH CANCER

April 20-25, 2009

**NUVO
Newspaper**

**Entertainment
Today**

**Sports
Illustrated**

Rolling Stone

Where Else?

Appealing and Potentially LETHAL for Children and Adolescents



Social Marketing? YouTube Videos...



“I wonder how many it takes to overdose.”

“All I’m saying is that if you’re going to have a nicotine habit, smokeless is better.”

“You can keep them hidden and they’re great for school. Sometimes I need more than one for a buzz.”

Media Market Research

- 74% of people ages 18 to 29 use the Internet every day
- 62% of this group spend more than an hour on the Internet every day
- Only 3% never use the Internet.
- *Opportunities abound to reach this group on the Internet.*

Media Market Research

In February 2009

- U.S. Internet users viewed 13.1 billion online videos
- YouTube.com
 - Nearly 100 million unique
 - Representing 69% who watched video.

YouTube

- *Viable method for getting a message out*
- *But message must be unique and impactful enough to gather attention*
- *Putting the message on YouTube gets it into a highly viewed medium*
- *Attracting viewers to your video is the challenge (or opportunity).*

Media Market Research

Of college students-

- 83% use Facebook
- 65% use MySpace
- 21% use LinkedIn.

Preferred means of communication for college students –

- Text messaging (37%)
- Email (26%)
- Social networking IM (15%).

Young Adults and Online Ads

- Relevant to me 48%
- Useful to me 43%
- Gives me money off 40%
- Entertaining 26%
- Gives me new and/or exclusive information 20%
- Adds something to my online experience 12%

Save Money? Young Adults?

- 51% of 18 to 24 year olds indicate they would be very likely to use coupons presented to them online
- 68% of this group would use coupons in newspapers.

WARNING:

The U.S. Surgeon General has determined that smokeless tobacco products are addictive and cause serious diseases. For more information visit pmusa.com or call 1-800-985-9889.

**THIS PRODUCT
MAY CAUSE
MOUTH CANCER**

- ★ The Big Idea
- ★ Good Times to Snus
- ★ Snus Speak
- ★ Save on Snus

New
Marlboro snus
★ **FLAVOR ANYTIME** ★

Request a
FREE PACK >>>
coupon now.



Blogging...Wave of Future

- 67% of people between the ages of 18 and 24 are “very likely” or “somewhat likely” to read and act up on Internet **article-based** advertising
- 69% of this age group likely to conduct a search for products or services based on an article
- Pop-up ads were least likely to be read or acted upon.

But Wait!

Average per month viewership -18 to 24 yr olds:

- TV (118 hrs, 28 min)
- Internet (13 hrs)
- Video on Internet (5 hrs, 3 min)
- Video on mobile phone (2 hrs, 53 min).

- *TV still dominates, although Internet usage is significant. If you have enough money for reach and frequency, TV will make an impact.*

And there's more...

- Net recall of **TV ads almost twice** that of magazine ads.
- **Magazine ads** recall almost **three times** that of Internet banner ads.
- Among web users, **63% of banner ads** were not seen. Respondents' eyes passed over 37% of the Internet ads and stopped on slightly less than a third.
- Internet video ads appear much less frequently than banner ads; however, when they did appear, they were twice as likely to be seen as banner ads.
- A typical Internet banner ad had **16% of the value of a 30-second television commercial.**

Tobacco Document Research

- FUBYAS- First Usual Brand Young Adults
- Tobacco Industry Term
- Still time of transition and experimentation
- **BOTTOM LINE:** New smokers stay with the brand they first use regularly.

Tobacco Industry Documents

- Reveal the important environments for young adults
 - Music
 - Sports
 - Social activities
- Association smoking with fun, normal adult life

Real World

- 43.9% of young adults who are college age but do not attend college smoke.
- Promotions in bars, free sampling, sweepstakes, music events, contests and other marketing initiatives aimed squarely at this audience.
- Young, chic Camel representatives circulate in bars and dance clubs with bags of goodies.
- Bar staff get free cigarettes, tee shirts, hats and lighters, while the owners sign exclusive agreements to receive cash and free advertising for selling only Camels in attractive displays.
- Other brands are equally aggressive, with Salem parties, B'Kool concerts and Marlboro theme nights.
- The industry openly talks about all this in trade publications.

Tobacco Document Research

Tobacco Advertising Young Adults

- Aimed at “tunnels of influence” that young adults travel frequently
 - Colleges
 - Fraternities
 - Bars
 - The Military

Tunnels of Influence- Bars

- Study from 119 nationally representative 4-yr colleges/universities
- 8.5% had attended a bar, nightclub, or campus social event where free cigarettes distributed

Tunnels of Influence- Bars

- Using bars for variety of promotions
- 1st 6 months of 2004, more than 10,000 tobacco-sponsored bar nights announced in California.
- Some promotion methods are used surreptitiously (buzz marketing, undercover marketing)

New Spin on Old Brands



“focus on products that are ‘wow,’ ” and “that add fun and excitement to the category.”

- Cressida Lozano, Vice President for Marketing of the Camel brand

Tunnels of Influence- Movies

- Researchers found young adults aged 18-25 who watched the most movies with smoking stars were 77% more likely to have smoked recently and 86% more likely to become regular smokers than those who rarely watched movies with smoking.

Tunnels of Influence- Events



- Sponsored Events like Motorsports Racing
- Hand out samples to “adults”
- Usually large adult populations at these types of events

So What Do We Do?

- Stay focused on evidence-based policy approaches to change social norms
- Continue to use hard-hitting media messages to change social norms
- Increase outreach to young adults through emerging on-line technology and media strategies

The Next Frontier- The Bad Guys

- New products
- Circumventing current policies
- New technology
- Just a few BIG tobacco companies
- Cigarette companies control smokeless, cigars and new products
- Global focus

The Next Frontier- The Good Guys

- FDA Opportunities
- State Opportunties
- License tobacco manufacturers and impose performance standards- impose fines when they do not meet standards
- Equalize taxes and regulations on other tobacco products (cigars, snus, other)

Warning Labels



Repeal of FCLAA- We can ACT



Don't stop us now!
We have the power!



For More Information on ITPC

- Visit our four (4) websites:
- www.itpc.in.gov
- www.whitelies.tv
- www.voice.tv
- www.takenote.tv

- Contact Indiana Tobacco Prevention and Cessation- 317.234.1787
- ksneegas@itpc.in.gov