

**TOBACCO INDUSTRY
ADVERTISING EXPENDITURES
IN CANADA
1987 – 2000**



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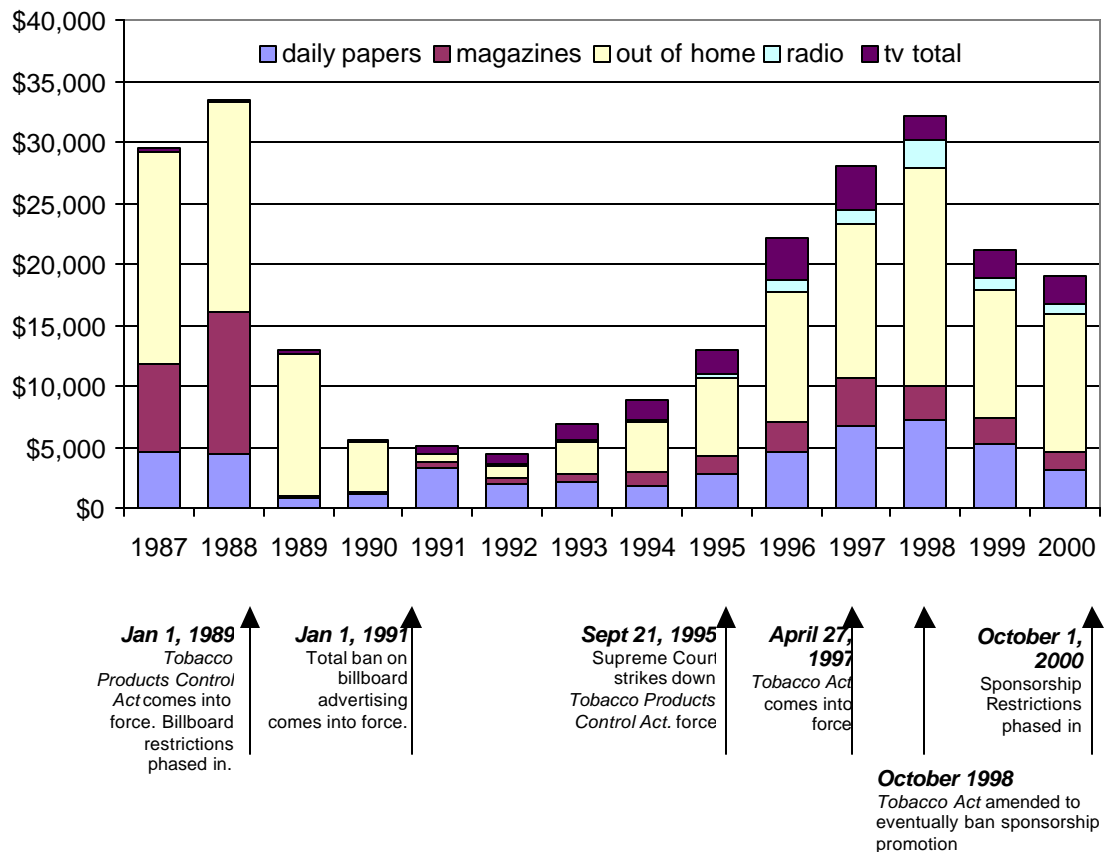
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TOBACCO ADVERTISING EXPENDITURES, 1987 – 2000

- Tobacco industry spending on advertising climbed steadily in the 1990s, and by 1998 returned to the levels before legal restrictions were imposed in 1988. 1998 expenditures were more than 450% higher than those five years earlier.
- Advertising expenditures dropped suddenly in response to the *Tobacco Products Control Act* (1988), but increased after the passage of its replacement legislation, the *Tobacco Act* (1997). After the Tobacco Act was amended in 1998 to eventually ban sponsorship, expenditures began to decrease.
- In the year following the Supreme Court decision to strike down the Tobacco Products Control Act in 1995, tobacco industry promotions almost doubled.

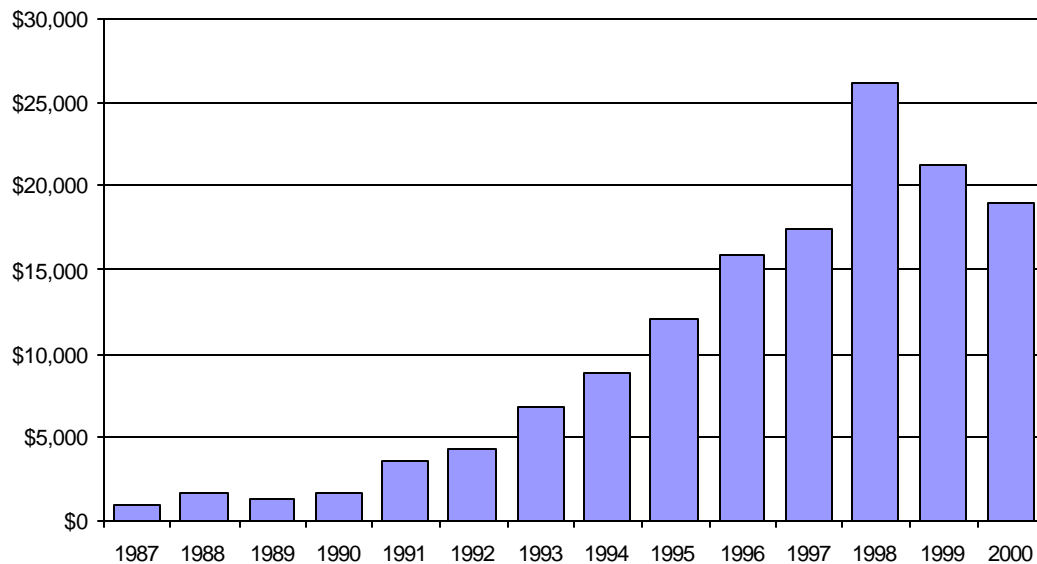
Tobacco Advertising Expenditures 1987-2000
(\$'000s)



SPONSORSHIP ADVERTISING BY TOBACCO COMPANIES, 1987 – 2000

- Sponsorship advertising by tobacco companies has increased markedly in the 1990s and peaked in 1998.
- In 1994, 80% of Canadian youth (age 10-19) agreed that sponsorship promotions are a way of advertising cigarettes (Youth Smoking Survey, Health Canada, 1994). Sponsors advertising remains higher each year after that finding was reported to Health Canada.

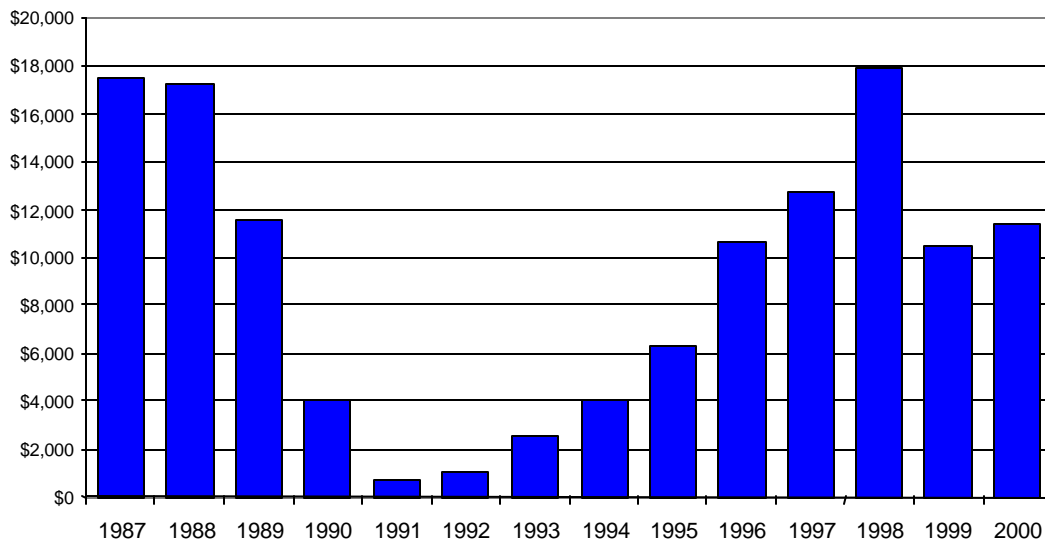
**Tobacco Sponsorship Advertising, 1987-2000
(\$000s)**



OUTDOOR ADVERTISING BY TOBACCO COMPANIES, 1987 – 2000

- Exterior ads for tobacco products, or sponsored events, had almost disappeared in the early 1990s, after the implementation of a three-year phase out in the Tobacco Products Control Act.
- Exterior advertising increased during the early 1990s, primarily promoting events like Craven A Just for Laughs, or sponsorship companies like Players Racing Ltd.
- “Out of Door” advertising for tobacco products was made illegal by the Tobacco Act (in force as of April, 1997). The exemption for sponsored events was scheduled to end on October 1, 1998, but was extended for a further two years by Bill C-42.

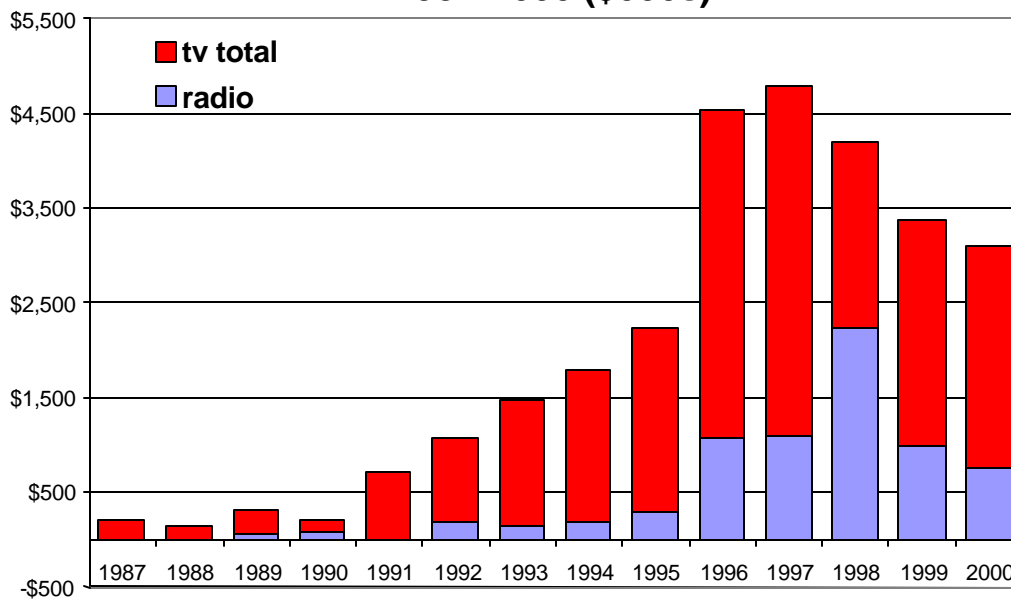
**Tobacco Advertising “Out of Home”
Billboard and Transit – 1987-2000
(\$000s)**



RADIO AND TELEVISION ADVERTISING BY TOBACCO COMPANIES, 1987 – 1998

- Advertising of tobacco sponsored events on television and radio increased dramatically in the mid-nineties and remains significantly higher than at the beginning of the decade.
- **In 1972, tobacco companies voluntarily withdrew from advertising their products on radio or television.** Yet in 1994, 63% Canadian children aged 10 – 19 who remembered seeing advertisements for tobacco brand sponsorship recalled that they had seen them on television. (Youth Smoking Survey, Health Canada, 1994)
- These media advertising expenditures do not include the presence of tobacco logos during the broadcast of events (i.e. the appearance of the du Maurier logo during the du Maurier Tennis Open).
- These media advertising expenditures do not include the payment of subsidies to broadcasters for the transmission of sponsored events.

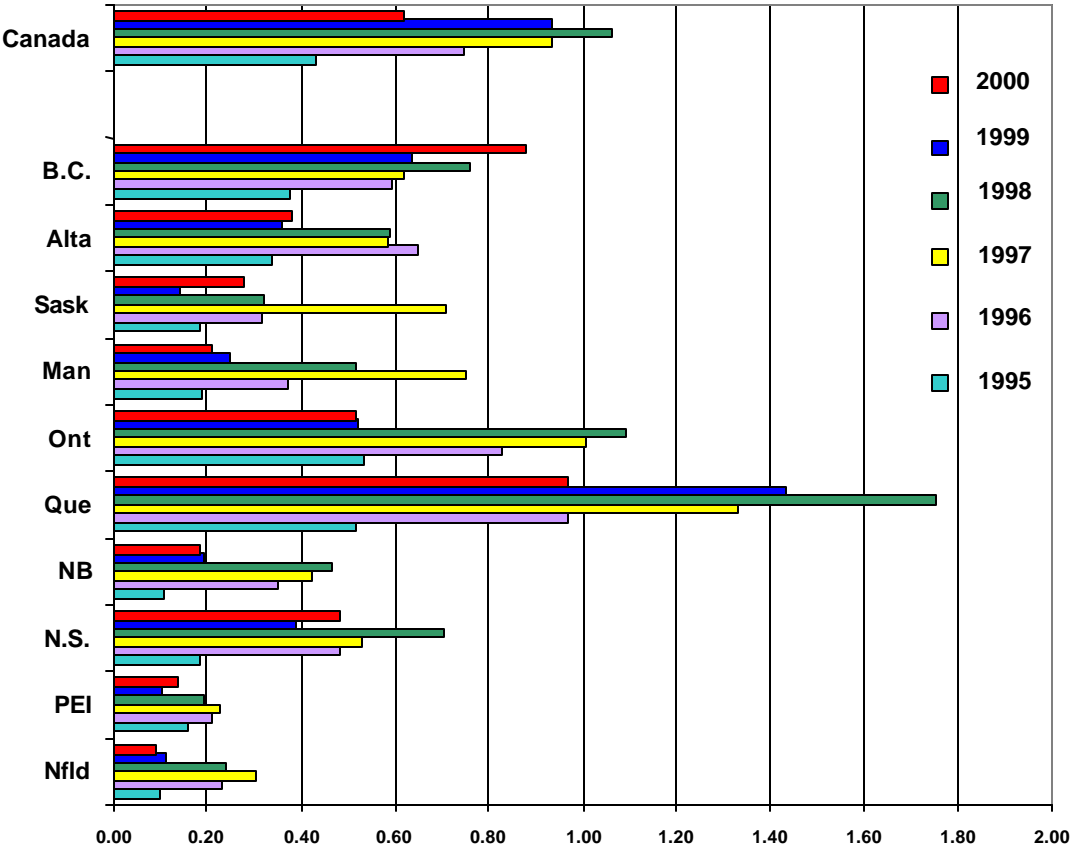
**Tobacco Advertising on Television and Radio
1987-2000 (\$000s)**



ADVERTISING EXPENDITURES BY PROVINCE, 1995- 2000

- Tobacco companies spend considerably more on a per capita basis in Quebec than in any other provinces.
- Per capita spending continues to increase in British Columbia.
- Per capita spending is increasing most markedly in Quebec.

Tobacco Advertising Expenditures Per Capita in Canadian Provinces, 1995-2000 (\$)



REFERENCES & SOURCES

Advertising Expenditures:

- Report on Media Advertising Expenditures in Support of Brands or Events Sponsored, in Whole or in Part, by Tobacco Manufacturers, ACNielsen. 1995 report prepared for Health Canada
- Report on Media Advertising Expenditures in Support of Brands or Events Sponsored, in Whole or in Part, by Tobacco Manufacturers, ACNielsen. 1998 report prepared for Physicians for a Smoke-Free Canada
- Report on Media Advertising Expenditures in Support of Brands or Events Sponsored in Whole or in Part by Tobacco Manufacturers, ACNielsen 2000 report prepared for Health Canada.

Comments:

Tobacco companies currently required to report their marketing and sponsorship expenditures to government, but these figures had not (as of July, 2001) been made public.

There are, however, a number of sources that allow for an accurate estimate of some types of marketing. This data also provide consistent measures which show the increase or reduction of cigarette marketing over time.

ACNielsen is the major industrial source for advertising expenditure estimates. As part of their advertising expenditure surveys, they capture information on tobacco advertising expenditures for:

- Daily newspapers
- Magazines
- "Out of home" (billboard and transit)
- Radio
- Television (network and select stations)

The ACNielsen survey provides an accurate, but incomplete picture of cigarette marketing. Examples of vehicles for cigarette promotion not captured by their program include:

- Retail promotions
- Direct Mail
- Weekly newspapers (including entertainment weeklies)
- Promotions in bars and restaurants
- On-site promotions at events

Market information was available only for the first half of 1998. Estimates of annual 1998 expenses were extrapolated by doubling the figures for the first six months.

Population Estimates

- Population estimates were taken from Statistics Canada web-site

APPENDIX I: TOBACCO ADVERTISING EXPENDITURES BY TYPE, 1987 – 2000

	Total (\$000)	Daily papers	Maga- zines	Out of home	Radio	Tele- vision
1987 - brand advertising	27782	3177.5	7167	17436.8		0.6
1987 - events & promotions	983.9	769.3	14.9	0	0	199.6
1987 - image	686.4	607.7	57.4	18.7	0	2.6
1987 Total	29,452	4,555	7,239	17,456	0	203
1988 - brand advertising	31776.1	3053.6	11530	17192.5		
1988 - events & promotions	1663.3	1358.3	83.8	84	0	137.5
1988 - image	24.5	22	1.3	1.1	0	2.6
1988 Total	33,464	4,434	11,615	17,278	0	140
1989 - brand advertising	11552.3	7.3	0	11545		
1989 - events & promotions	1347.5	877.4	139.4	25.9	63	241.8
1989 - image	29.1	1.3	4.3	23.5	0	0
1989 Total	12,929	886	144	11,594	63	242
1990 - brand advertising	3935.6	0	0	3935.6		
1990 - events & promotions	1688.3	1201	171.2	109.2	67.1	139.8
1990 - image	4.5	2.5	2	0	0	0
1990 Total	5,628	1,204	173	4,045	67	140
1991 – brand advertising	28.5	1.3	0	27.2	0	0
1991 – events & promotions	3659.5	1888.8	413.1	642.6	0	715
1991 – image	1427.3	1411.6	14.2	0	0	1.5
1991 Total	5,115	3,302	427	670	0	717
1992 – brand advertising						
1992 – events & promotions	4385.7	1909.6	419.1	997.3	160.6	899.1
1992 – image	66.6	56.6	0.9	0	9.2	0
1992 Total	4,452	1,966	420	997	170	899
1993 – brand advertising						
1993 – events & promotions	6837.9	2076.3	772.9	2520.8	122.1	1345.8
1993 – image	92.3	1.8	2.8	81.3	5.9	0.5
1993 Total	6,930	2,078	776	2,602	128	1,346
1994 - brand advertising						
1994 - events & promotions	8805.4	1794.3	1124.3	4112.8	178.5	1595.5
1994 - image	23.2	8.2	14	0	0	1
1994 Total	8,829	1,803	1,138	4,113	179	1,597
1995 - brand advertising						
1995 - events & promotions	12116.6	2240.9	1418.6	6234.4	276.1	1946.6
1995 - image	685.7	608.6	61	100	16.1	
1995 Total	12802.3	2849.5	1479.6	6334.4	292.2	1946.6
1996 - brand advertising	6088	799	1180	4091.4	17.6	
1996 - events & promotions	15936	3719.2	1304.7	6441.9	1057.9	3412
1996 - image	153.9	4.7	30.6	63.2		55.4
1996 Total	22177.9	4522.9	2515.3	10596.5	1075.5	3467.4

	Total (\$000)	Daily papers	Maga- zines	Out of home	Radio	Tele- vision
1997 - brand advertising	7466.9	2065.2	618.2	4688.8	94.7	
1997 - events & promotions	17419.4	3720.1	3236.3	6191	655	3617
1997 - image	3179	881	69	1808.9	347.9	71.6
1997 Total	28065.3	6666.3	3923.5	12688.7	1097.6	3688.6
<i>1998 figures Jan - Jul</i>						
1998 - brand advertising						
1998 - events & promotions	13063.8	3314.4	1114.7	6702.4	1101.5	830.8
1998 - image	3007.8	330.9	261.2	2243.4	18.2	154.1
1998 – Total	16071.6	3645.3	1375.9	8945.8	1119.7	984.9
<i>1998 estimated total</i>						
1998 – brand advertising	0					
1998 – events & promotions	26127.6	6628.8	2229.4	13404.8	2203	1661.6
1998 – image	6015.6	661.8	522.4	4486.8	36.4	308.2
1998 Total	32143.2	7290.6	2751.8	17891.6	2239.4	1969.8
1999-brand advertising	0	0	0	0	0	0
1999-Events & Promotion	21159.8	5166.5	2149	10490.5	992.8	2361
1999-Image	0	0	0	0	0	0
1999 total	21159.8	5166.5	2149	10490.5	992.8	2361
2000 brand advertising	0	0	0	0	0	0
2000 Events & Promotion	19005.3	3085.3	1473.8	11344.8	753	2348.4
2000 - Image	0	0	0	0	0	0
2000 Total	19005.3	3085.3	1473.8	11344.8	753	2348.4

Sources:

- Report on Media Advertising Expenditures in Support of Brands or Events Sponsored, in Whole or in Part, by Tobacco Manufacturers, 1995, ACNielsen Report prepared for Health Canada, 1995.
- Report on Media Advertising Expenditures in Support of Brands or Events Sponsored, in Whole or in Part, by Tobacco Manufacturers, 1998, ACNielsen Report prepared for Physicians for a Smoke-Free Canada, 1998.

APPENDIX II: TOBACCO ADVERTISING EXPENDITURES BY PROVINCE, 1995 – 2000

	Total (\$000)	Daily papers	Maga- zines	Out of home	Radio	Tele- vision	Per Capita	Percent- age of Total
Newfoundland								
1995	57.3	10.3	5.9	34.7	0	6.4	\$0.10	0.4
1996	130.8	14.4	4.6	93.8	6.8	11.2	\$0.23	0.6
1997	170.8	72.5	25.8	66	0	6.5	\$0.30	0.6
1998	131.4	5.2	5	81	40.2	0	\$0.24	0.4
1999	59.1	1.6	2.4	45.5	9.5	0.1	\$0.11	0.28
2000	48.9	3.4	2.7	40.7		2.1	\$0.09	0.26
Prince Edward Island								
1995	21.4	6.6	3.4	10.7	0	0.7	\$0.16	0.2
1996	28.5	14.7	4.8	8.5	0	0.5	\$0.21	0.1
1997	31.3	2.9	9.6	17.3	0	1.5	\$0.23	0.1
1998	26.4	2.6	6.2	12	5.6	0	\$0.19	0.1
1999	14.1	9.3	4.8				\$0.10	0.07
2000	19.2	2.1	4.8	11.7		0.6	\$0.14	0.10
Nova Scotia								
1995	174.3	100.1	24.6	12.3	14.4	22.9	\$0.19	1.4
1996	454.3	169.5	34.2	151.6	26.4	72.6	\$0.48	2.0
1997	500.4	115.7	67.6	188.8	74.6	53.7	\$0.53	1.8
1998	657	188	30.8	139.2	179.6	119.4	\$0.70	2.0
1999	367.1	93	21.1	114.3	75.2	63.5	\$0.39	1.73
2000	453.5	96	16.3	252.9	26.2	62.1	\$0.48	2.39
New Brunswick								
1995	81.1	20.4	17.7	36.2	0	6.8	\$0.11	0.6
1996	265.7	105.4	27.5	98.9	13.3	20.6	\$0.35	1.2
1997	321.4	89.3	48.5	80.8	86.6	16.2	\$0.42	1.1
1998	350.8	116	27.2	96.2	100	11.4	\$0.47	1.1
1999	144.3	39.8	18.7	37.4	37.9	10.5	\$0.19	0.68
2000	138.4	32	14.4	75.4		16.6	\$0.18	0.73
Quebec Total								
1995	3791.2	852.3	351.7	1781.4	68.7	737.1	\$0.52	29.6
1996	7155.5	1784.8	592.8	3102.4	225	1450.5	\$0.97	32.3
1997	9864.3	2189.3	1133.5	4583.4	301	1657.1	\$1.33	35.1
1998	12850.4	3232.2	784.4	7555.2	454.6	824	\$1.75	40.0
1999	10525.8	1781.9	521.9	6709.3	278.5	1234.2	\$1.43	49.74
2000	7106.2	981.8	392.9	4273.6	147	1310.9	\$0.97	37.39

	Total (\$000)	Daily papers	Maga- zines	Out of home	Radio	Tele- vision	Per Capita	Percent- age of Total
Ontario								
1995	5931.7	1209.1	679.4	3131.6	61.5	850.1	\$0.53	46.3
1996	9299.2	1426.5	1167.4	5163.4	433.6	1108.3	\$0.83	41.9
1997	11492.6	2662.4	1626.1	5905	293.3	1005.8	\$1.01	40.9
1998	12451	2566.2	1306.2	6914.8	828.8	835	\$1.09	38.7
1999	5986.6	2028.2	1227.7	1719.9	281.4	729.4	\$0.52	28.29
2000	6003.9	966.3	753	3489.6	224.9	570.1	\$0.51	31.59
Manitoba								
1995	213.2	57.1	36.4	86.4	13.5	19.8	\$0.19	1.7
1996	427.4	60.8	49.5	298.8	1.7	16.6	\$0.37	1.9
1997	861.3	374.2	84.2	337.2	41.2	24.5	\$0.75	3.1
1998	587	57.4	50.8	447.8	21.2	9.8	\$0.51	1.8
1999	285.9	70	34.8	128.2	3.6	49.3	\$0.25	1.35
2000	241.2	26.3	28.6	133.3		53	\$0.21	1.27
Saskatchewan								
1995	188.9	30.4	30.4	105.1	0	23	\$0.19	1.5
1996	324.5	56.8	34.5	212	6.6	14.6	\$0.32	1.5
1997	723.9	268.3	69.3	284	65	95.8	\$0.71	2.6
1998	327.8	33.6	226.2	0	23.2	2.4	\$0.32	1.0
1999	143.5	23.6	18.8	89.5		11.6	\$0.14	0.68
2000	285.2	70.1	15.3	147.5	27.9	24.4	\$0.28	1.50
Alberta								
1995	928.1	218.1	109.6	471.1	72	57.3	\$0.34	7.2
1996	1810	409.1	124.6	1135.2	85.9	55.2	\$0.65	8.2
1997	1665	428.3	216.5	878	94.8	47.4	\$0.58	5.9
1998	1714.6	276.4	125.2	1119.8	173.8	19.4	\$0.59	5.3
1999	1067.7	537.1	74.6	346.6	25	84.4	\$0.36	5.05
2000	1135.4	170.2	52.8	686.3	88.7	137.4	\$0.38	5.97
British Columbia								
1995	1415.1	245.1	220.5	664.9	46	238.6	\$0.33	11.1
1996	2281.7	480.9	474.4	331.9	276.2	717.3	\$0.59	10.3
1997	2434.6	464.3	642.4	331.4	199.6	780.1	\$0.62	8.7
1998	3046.8	801.8	382.4	1299.4	435.6	97.2	\$0.76	9.5
1999	2565.7	582	224.2	1299.8	281.7	178	\$0.64	12.1
2000	3573.4	737.1	193	2233.8	238.3	171.2	\$0.88	18.8

Sources:

- Report on Media Advertising Expenditures in Support of Brands or Events Sponsored, in Whole or in Part, by Tobacco Manufacturers, 1998, ACNielsen Report prepared for Physicians for a Smoke-Free Canada, 1998.
- Population Estimates from Statistics Canada web-site (figures for 1995-1997 on "The People" and for 1998 on "The Daily," September 24, 1998)

APPENDIX III

CHRONOLOGICAL REVIEW OF RESTRICTIONS ON TOBACCO ADVERTISING

Before 1989	No restrictions on tobacco advertising. Tobacco companies claim to respect their own 'voluntary code' on advertising.
April 1987	Health Minister Jake Epp introduces Bill C-51, the <i>Tobacco Products Control Act</i> .
May 1988:	Parliament passes C-51 (<i>Tobacco Products Control Act</i>) and bans all tobacco ads – including billboards and retail ads. Sponsorship advertising is only permitted for 'corporate' names, not brand names (i.e. IMASCO jazz, not du Maurier Jazz).
January 1, 1989	<i>Tobacco Products Control Act</i> comes into force.
1988 - 1989	Tobacco companies incorporate brand names (i.e. du Maurier Jazz Ltd.) to continue advertising on billboards and retail outlets.
September 21, 1995	Supreme Court strikes down <i>Tobacco Products Control Act</i> , giving as reasons the failure of Health Canada to demonstrate a total ban was required to achieve the desired effect. The judges say nothing about sponsorship advertising.
December 1995	Health Minister Diane Marleau releases "Blueprint on Tobacco Control" and promises a total ban on tobacco advertising. Tobacco companies release a voluntary code on tobacco advertising and resume direct advertising of cigarettes.
December 1986	Health Minister David Dingwall introduces C-71 (<i>the Tobacco Act</i>).
April 1997	<i>Tobacco Act</i> proclaimed. Tobacco advertising isn't totally banned – but billboard and retail advertising is. Sponsorship ads are allowed to remain on billboards and in stores until October 1, 1998 David Dingwall writes motorsport industry, and promises to amend Tobacco Act to allow logos to remain on race cars and drivers' uniforms.
April 28, 1998	Health Canada conducts focus groups to test response to new legislation allowing sponsorship to continue. The focus groups are asked to respond to legislation that would uphold the restrictions on billboard and retail advertising.
June 3, 1998	C-42 (<i>an Act to amend the Tobacco Act</i>) introduced. When passed this bill extended the phase-in period for restrictions on sponsorship advertising.
October 1 2000	Restrictions on sponsorship advertising begin. Such advertisements are only allowed on the site of the event, in direct mail, in places where children are not allowed by law and in publications not directed at children.
October 1, 2003	All forms of sponsorship advertising are banned.