

Industry claims about point of sale display bans – where are they now?

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Claim #1: Youth smoking rates went up in Canada following the display ban

The Association of Convenience Stores, a retail trade body¹, claimed that the display ban was not effective as Canadian youth smoking went up 2% following point of sale display bans.²

What actually happened? Youth smoking fell in Canada following display bans.

In Canada, research by the Canadian Tobacco Use Monitoring Survey shows that banning point of sale displays in a growing number of provinces has coincided with a fall in smoking prevalence rates amongst 15 to 19 year olds – from 22% in 2002 to 13% in 2009.³

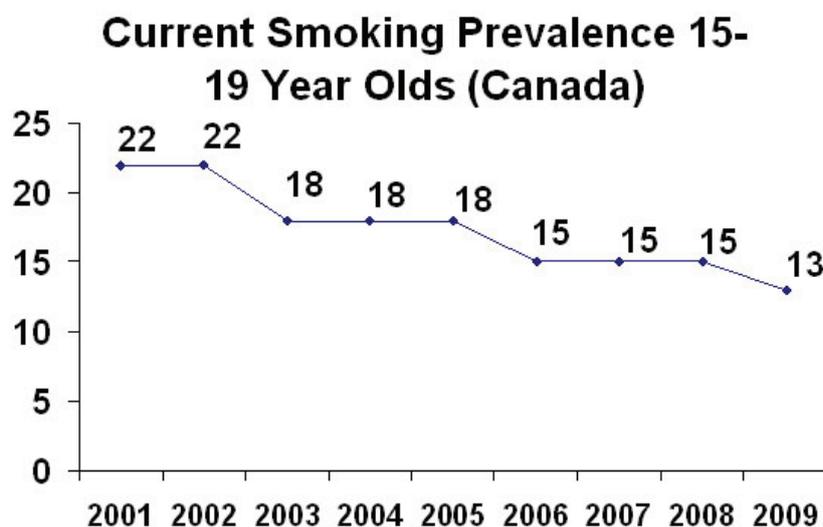
Claim #2: Implementation will cost retailers up to £10,000

The Association of Convenience Stores (ACS), estimated that it would cost retailers £10,000 per store to implement a ban.⁴ Less than one year previously, in its 2008 response to a Department of Health consultation, the ACS had estimated that it would cost retailers between £1,850 and £5,000 per store to implement a point of sale display ban.⁵

What actually happened? Average cost of implementation in Ireland was £300.

The Association of Convenience Stores found that the average cost of compliance with point of sale display legislation in Ireland was just £300 for those retailers who had to pay, and the industry paid for the conversion in most stores.⁶

Claim #3: Display bans will increase serving times



The Association of Convenience Stores (ACS) claimed that transaction times would double, losing stores repeat customers. *“Currently the average time spent queuing in an independent convenience store is 26 seconds... we estimate that this figure could double if a display ban was introduced.”*⁷

A report by the Centre for Economics and Business Research (CEBR) on behalf of the Tobacco Retailers Alliance also claimed that serving times following a display ban could double, from 4.37 seconds to 8.8 seconds, amounting to an average of an additional 230 minutes per week per store.⁸

What actually happened? Display bans don't increase serving times admits Imperial Tobacco.

The tobacco industry now admits that in trials of the new gantries: *“Serving times tended to increase at the start of the trials but once staff become accustomed to the modified units, they reduce,”* admitted Christopher Street from Imperial Tobacco.⁹

The study cited in the tobacco industry funded CEBR report based its estimates on the time it would take to serve a product from under the counter, as compared to serving from a gantry. However, the tobacco industry is now keen to make clear that there never was any plan to require shops to store their tobacco under the counter.

*“Imperial Tobacco has warned there is a common misconception among shopkeepers that tobacco goods will have to be stored literally under the counter once the tobacco display ban takes effect. The manufacturer reminded retailers they could keep their tobacco in a traditional storage unit, but the main difference is that it will be ‘closed’.”*¹⁰

Claim #4: Display ban in Ireland led to a £0.5 billion fall in tobacco tax revenue

Imperial Tobacco claimed that the display ban in Ireland had led to an increase in tobacco smuggling and resulted in Irish tobacco duty revenues falling by £0.5 billion.¹¹

What actually happened? Tobacco tax revenue in Ireland increased after the display ban.

Tobacco duty actually increased in Ireland following the display ban and there is no evidence of an increase in smuggling following the ban.¹²

Data from Canada also indicate that point of sale display bans have not led to an increase in tobacco smuggling. Canada now has a country-wide ban on tobacco displays, while improved enforcement has driven down smuggling, therefore increasing the legitimate market by 20%, a trend confirmed by tobacco manufacturing company Philip Morris International.¹³

Claim #5: Sales fell by up to 30% in Ireland

A report by the tobacco industry funded Tobacco Retailers Alliance on the Irish experience of the tobacco display ban, included claims that tobacco sales in Ireland fell by 30% in the year following the July 2009 ban.¹⁴

What actually happened? No change in sales volumes admits Imperial Tobacco.

Independent data from AC Nielson in Ireland found no evidence that retailers suffered any decline in tobacco sales as a result of the display ban.¹⁵

In England, in initial trials where covers have already been put in place, display bans have had no impact on sales. Imperial Tobacco's Christopher Street acknowledged that *“In trials we have found that tobacco sales volumes do not decrease.”*¹⁶



Claim #6: 2,000 shops closed in Canada following point of sale display bans

The Canadian Convenience Stores Association (CCSA) President Dave Bryans told the Scottish Parliament that “23 corner shops closed every week in Ontario”¹⁷ and a report by Patrick Basham claimed that 2,300 stores closed in Canada during 2008, one out of every seven shops, equivalent to over 10,000 shops closing in the UK.¹⁸

What actually happened? No significant fall in shop numbers following display bans.

The number of convenience stores actually increased by 1.9% in Ontario in 2008, the year the ban was implemented.¹⁹ Across Canada a total of 289 stores closed in 2008 (during a period of general economic malaise).

Peter Chappell, Senior Category Manager from Mac’s, which operates 570 stores in Ontario, explained the impact of the point of sale ban in Canada. The display ban had a negative impact on sales for about the first three months, he acknowledged, but: “Now that the ban has had time to bed in, the full effect on tobacco sales can be measured. And the effect is...nothing.”²⁰ Chappell explained that much of the initial sales drop-off is explained by shoppers bulk-buying in the immediate run-up to the ban.

Claim #7: We did not fund retailer campaign says BAT

British American Tobacco (BAT) denied funding the National Federation of Retail Newsagents (NFRN) campaign against a point of sale display ban. “To accuse us of underhand tactics and the funding of an independent retailer organisation (the NFRN), via a PR agency that we use solely for work related to the European wide problem of tobacco smuggling, is untrue,” said a BAT spokeswoman quoted in the Guardian.²¹

What actually happened? We did fund retailer campaign says BAT.

A day later BAT admits that it did fund the NFRN campaign. In response to a question from Kevin Barron MP at the BAT AGM, Chairman Richard Burrows admitted that BAT had funded the NFRN and attended meetings with the group and its lobbyists Hume Brophy to discuss the campaign against point-of-sale display ban.²²

References

- 1 The Association of Convenience Stores includes BAT, Imperial Tobacco, JTI and Philip Morris Int. as members of its '[Premier Club](#)'.
- 2 ACS Response to Consultation on draft tobacco control regulations for Wales under the Health Act 2009, 2010
- 3 [Canadian Tobacco Use Monitoring Survey 2009](#). Health Canada.
- 4 Tobacco and Primary Medical Services (Scotland) Bill. [ACS joint response with the with the Scottish Grocers' Federation](#), 2009. (pdf)
- 5 Association of Convenience Stores Response to the 'Future of Tobacco Control' consultation, 2008
- 6 [Implementation of the Tobacco Display Ban in Republic of Ireland](#). ACS 2009 (pdf)
- 7 ACS Response to the Future of Tobacco Control consultation, August 2008
- 8 A review of the Department of Health's regulatory impact assessment on banning point of sale display of tobacco undertaken by CEBR on behalf of the Tobacco Retailers Alliance, Centre for Economics and Business Research, 2008.
- 9 [Focus On Tobacco? Do dark times lie ahead?](#), The Grocer, 18 February 2012.
- 10 Retail Express, 10 May 2011
- 11 Imperial Tobacco AGM, 2011
- 12 Excise duty on tobacco products (Table EX18). Revenue Ireland, 2009
- 13 According to Philip Morris International's [2010 Second-Quarter Results](#), legitimate sales increased 20% in Canada "mainly reflecting stronger government enforcement measures to reduce contraband sales"
- 14 The Irish Experience, Report by the Tobacco Retailers Alliance, 2009
- 15 Quinn C, Lewis S, Edwards R, et al. Economic evaluation of the removal of point of sale tobacco promotional displays in Ireland. Tobacco Control e-publication, November 2010
- 16 [Focus On Tobacco? Do dark times lie ahead?](#), The Grocer, 18 February 2012.
- 17 [Tobacco ban attacked by expert](#), Press and Journal, 19 March 2009.
- 18 Canada's ruinous tobacco display ban: economic and public health lessons, Patrick Basham, Institute of Economic Affairs, July 2010
- 19 Statistics Canada, CANSIM database, Table 080-0011
- 20 [Living in the dark](#), Convenience Store, 18 January 2012.
- 21 [BAT denies allegations that it funded anti-tobacco ban lobby](#), The Guardian, 27 April 2012.
- 22 [BAT admits bankrolling newsagents' tobacco campaign](#), The Guardian, 28 April 2012.

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