

Evidence to the FIA regarding the impact of tobacco sponsorship on smoking

Action on Smoking and Health, London
July 1999

Introduction

In this paper we provide an overview of some of the main evidence regarding the link between tobacco advertising / sponsorship and smoking -- this includes econometric studies, survey data and tobacco industry documents -- backed up by common sense. We also comment on some aspects of how an assessment like this should be made, including the framing of the question and burden of proof.

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Framing of the question

The test of evidence set out in the 11th December 1998 communiqué from the FIA World Motor Sport Council is: *"the FIA is interested to receive information as to whether there is clear and convincing evidence that, as a result of tobacco brand name sponsorship identification displayed in connection with Formula motor racing, a significant number of individuals who were not and would not otherwise have become smokers made the decision to smoke."*

The proposed test of evidence changed during 1998. In Melbourne, on 5th March 1998, the FIA expressed the proposed test of evidence as follows: *"if presented with evidence of a direct link between tobacco advertising / sponsorship and smoking, it [the FIA] would act to eliminate tobacco advertising/sponsorship from Formula One."*

The former is much more specific -- but it is also unanswerable. It is unanswerable both by those that claim there is an effect and by those that claim there is not. In practice it is extremely difficult to isolate the Formula One 'signal' from the 'noise' of all other influences on smoking behaviour. To illustrate this, one can try to design an imaginary study that would provide the evidence required. Two groups of children or teenagers would be studied -- they would be identical in every respect except that one group would follow Formula One and the other group would never see it. They would have the same exposure to other tobacco advertising and other influences. They would not see newspapers or photographic reports about F1 or see people wearing branded team merchandise. It is clearly impractical to do this.

The best that can be done is to examine whether tobacco advertising does influence overall consumption of tobacco -- an approach similar to that stated by the FIA in Melbourne and the approach we believe the assessor should use. This can be studied in other ways such as correlating total market advertising spend and consumption, or by looking at the impact of advertising bans on total market

consumption. As Formula One is an effective and heavily used vehicle for tobacco advertising it is reasonable to assume that if general tobacco advertising increases consumption, then so does advertising through Formula One sponsorship. Further indirect evidence in the form of recall of heavily advertised brands and links between smoking rates and Formula One interest also provide supporting circumstantial evidence, though again this is cannot be definitive.

Burden of proof

Numerous authorities have concluded that tobacco advertising does raise tobacco consumption and therefore does lead to additional net harm -- it does not merely cause a switch in brand preference. The scale of such harm *attributable to tobacco advertising* -- maybe tens of thousands of deaths per year in the EU, potentially many more world-wide -- is high in comparison with other public health concerns such as road accidents, illegal drugs, suicide, etc. Given that on current trends the world-wide premature death toll from tobacco is likely to reach 10 million per year by 2030, even a one percent variation in global tobacco consumption attributable to tobacco advertising has enormous absolute health consequences.

The main question facing the FIA assessment is therefore, given the very serious consequences and the authoritative views from Governments, the World Bank and others, how much evidence is needed to justify action? As in all disputes, a test of evidence is required. The FIA has asked for 'clear and convincing evidence' but the level of conviction required to justify action is not stated. There are three possible tests:

- "balance of probabilities" basis - the same test used in civil legal action. In this case the assessor would decide if it was more likely than not that tobacco advertising through Formula One increased smoking.
- "beyond reasonable doubt" basis - the test used in criminal legal action. The danger with using "beyond reasonable doubt" is that the FIA could continue to act as if there was no relationship between advertising and increased smoking, when in fact the evidence suggested it was more likely than not that there is a link and more likely than not that lives would be lost.
- "precautionary approach" -- the approach increasingly used in regulation where the consequences of being wrong are serious and the evidence is complex to establish. With this approach those claiming that tobacco promotion in Formula One does not increase overall consumption would be required to make their case beyond reasonable doubt.

In our view, the precautionary approach is the right way to assess the evidence. The great danger posed by smoking, and the obvious common sense idea that advertising influences teenagers and increases smoking suggests that the evidence should be evaluated to give the benefit of doubt to evidence suggesting harm.

Ways in which tobacco advertising can increase consumption

The question phrased by the FIA is whether the effect of tobacco sponsorship is that "*a significant number of individuals who were not and would not otherwise have become smokers made the decision to smoke.*" In fact the influence on health may arise through several different routes. The US Surgeon General has identified seven ways in which tobacco advertising and promotion can increase consumption:¹

1. By encouraging children or young adults to experiment with tobacco and thereby slip into regular use
1. By encouraging smokers to increase consumption

2. By reducing smokers' motivation to quit
3. By encouraging former smokers to resume
4. By discouraging full and open discussion of the hazards of smoking as a result of media dependence on advertising revenues
5. By muting opposition to controls on tobacco as a result of the dependence of organisations receiving sponsorship from tobacco companies
6. By creating through the ubiquity of advertising, sponsorship, etc. an environment in which tobacco use is seen as familiar and acceptable and the warnings about its health are undermined.

Evidence -- major studies linking tobacco advertising and smoking

This section gives a very brief overview of the most authoritative statements on the relationship between advertising and consumption.

- The most comprehensive study of the link between advertising and tobacco consumption was published in 1993 by Chief Economic Adviser to the Department of Health, Dr. Clive Smee. After reviewing 212 'time series' correlating advertising spend and total tobacco consumption, Smee concluded *"The balance of evidence thus supports the conclusion that advertising does have a positive effect on consumption."* Smee also examined in detail the effects of tobacco advertising bans in four countries and found that banning advertising resulted in reductions in consumption of 4%-9% in the countries surveyed. He concluded: *"In each case the banning of advertising was followed by a fall in smoking on a scale which cannot be reasonably attributed to other factors."*²
- The impact of the bans measured by Smee have persisted. A follow up study by Joossens for the UICC (Union Internationale Contre Cancer) showed a continuing downward trend.³
- The UK Government in developing a regulatory impact assessment for the tobacco advertising ban attributed a 2.5% reduction in consumption to the implementation of the tobacco advertising ban in the UK. According to the UK Government, even this small percentage change leads to a reduction in avoidable premature death of over three thousand per year in the long run⁴ -- a figure comparable to the total death toll on UK roads. In the same assessment, the UK Government estimates that approximately 35 percent of UK tobacco promotional expenditure is associated with Formula One. As a starting point, it would not be unreasonable to attribute 35 percent of the long term avoidable premature deaths to Formula One -- just over 1,000 per year in the UK. (This assumes that tobacco investment in Formula One is not worse value for money than the average tobacco promotional spend.)
- In May 1999 the World Bank released guidance to Governments on the economics of tobacco control.⁵ The report was produced with lengthy consultation, analysis and synthesis by economists at the Bank. Chapter four deals with measures to reduce tobacco consumption. The Bank suggests that *"comprehensive bans on cigarette advertising and promotion can reduce smoking, but more limited partial bans have little or no effect."* The Bank's background paper on tobacco advertising⁶ includes modelling suggesting the *"European Union's ban could reduce cigarette consumption by nearly 7 percent."* and *"in countries with complete bans, the downward trend in [tobacco] consumption was much steeper."* The premature tobacco-related death toll in the EU is approximately 550,000 per year⁷ and if the Bank's figure of 7 percent proves to be correct, then a reasonable estimate is that the EU Directive will avoid approximately 35,000 premature tobacco-related deaths each year in the long term.
- The World Bank also draws attention to the research beyond the economic literature, and states *"other types of research, such as surveys of children's recall of advertising messages, that conclude that advertising and promotion do indeed affect demand for cigarettes and attract new recruits."*⁸
- A comprehensive meta-analysis of econometric findings from time series research found a positive association between advertising expenditure and cigarette consumption. The study showed that a 10% increase in advertising expenditure would lead to a 0.6% increase in consumption.⁹

- The US Surgeon General in his 1989 report highlighted the difficulties in designing studies that prove the point definitively, but concluded: "*the collective empirical, experiential and logical evidence makes it more likely than not that advertising and promotional activities do stimulate cigarette consumption.*"¹⁰
- Other evidence relates to the awareness and recognition of tobacco advertising by teenagers. This strand adds to confidence that tobacco sponsorship in Formula one affects behaviour. For example a survey put the statement; "*smoking can't be all that dangerous, or the Government would ban sports sponsorship by tobacco companies*" to over 4,000 11-16 year olds. This was the response:¹¹

	<i>Non-smokers</i> (3,884)	<i>Smokers</i> (629)
Agree	19%	33%
Disagree	51%	26%
Don't know	30%	41%

This suggests that tobacco sponsorship plays a role in legitimising smoking as an acceptable teenage activity.

- It can be shown that children recognise cigarette brands and *associate* them with particular tobacco-sponsored sports. One survey showed that teenage boys who are fans of motor-sport are twice as likely to smoke as those who are not.¹² While the direction of causation is not established, the finding does suggest a significant link and grounds for concern.

Taking all the strands of evidence together the case is compelling. Tobacco advertising, of which sponsorship of motor sport is a persuasive example, does increase smoking through a variety of mechanisms.

Evidence -- tobacco industry documents

It is absolutely crystal clear that tobacco promotion is an important part of the mix of influences that lead young people to smoke and become addicted to nicotine -- the only basis for lifelong smoking. A senior executive at Philip Morris, the largest tobacco multinational and sponsor of the Ferrari Formula One team, puts it as follows in 1969:

A cigarette for the beginner is a symbolic act. I am no longer my mother's child. I'm tough, I am an adventurer, I'm not square ... as the force of the symbolism subsides, the pharmacological effect takes over to sustain the habit. (Philip Morris)¹³

There is little to suggest this reality has changed. Formula One sponsorship, through its association with driving, danger, excitement and so on, provides the desired symbolism. The New York advertising agency, Ted Bates, presented advice to a tobacco company on how to reach teenagers.¹⁴

In the young smoker's mind, a cigarette falls into the same category with wine, beer, shaving, wearing a bra (or purposely not wearing one), declaration of independence and striving for self-identity.... Thus, an attempt to reach young smokers, starters, should be based, among others, on the following major parameters:

- Present the cigarette as one of the few initiations into the adult world.
- Present the cigarette as part of the illicit pleasure category of products and activities. (Ted Bates, 1975)

When the FIA first raised the idea of phasing out tobacco sponsorship, ASH provided evidence regarding the intention of tobacco companies in advertising and in the use of Formula One. This report [Formula One and Tobacco: the World's most dangerous sport](#)¹⁵ draws the following conclusions.

- that the tobacco companies were driven by an obsessive need to recruit *young* smokers to satisfy their market demands which required vast numbers of new smoking recruits - in the UK alone they need 300 new smokers a day - and that for decades tobacco companies marketed their products to young people, including to children too young to purchase the products legally
- that this obsession with new, young smokers is evident in companies' market research on teenagers, some as young as 12-, 13- and 14- years old and in one instance *five years old*
- that studies showed that the majority of smokers start using tobacco while in their teenage years, and that hardly anyone starts smoking in their twenties but that those who started at around the ages of 12 or 13 years old often want to quit by the age of 16, concerned that smoking was damaging their ability to participate in sports.
- that tobacco companies knew that lifelong brand preferences are formed in the early teenage years and that increased visibility for their products could shape these preferences
- that sponsorship of Formula One is the jewel in tobacco's crown - it is the pinnacle of successful, glamour-laden global events with a massive potential to reach the young through both the televised events and the spin-off merchandise
- that sponsorship of Formula One and motor sport allows tobacco companies to advertise their products, so circumventing the increasing global restrictions on conventional advertising, and increase market share by encouraging new, young smokers - and not as the industry claims, to encourage brand loyalty in adults.

Common sense and logic

In addition to the evidence, it is worth stating why it is obvious that tobacco advertising increases smoking and therefore harms health. There are three main common sense arguments:

1. **Switching consumers from non-tobacco expenditure to tobacco.** It is accepted by all parties including the tobacco industry that tobacco promotion does influence consumer behaviour. The tobacco industry argues that this influence extends only to switching consumer expenditure between different brands of tobacco products. There is no reason whatsoever why the same advertising should not switch expenditure from relevant substitute 'non-tobacco products' to tobacco. Non-tobacco products may mean other consumption option such as drinks, food, or clothes. Tobacco also competes with products designed to help the smoker quit, such as nicotine patches -- tobacco advertising is creating an alternative to advertising messages designed to persuade people to quit. In the widest sense, tobacco competes with non-smoking lifestyles and therefore general expenditure on other consumer goods.
2. **Advertising is integral to the product.** Tobacco products are dried leaves wrapped in paper designed to deliver nicotine. However, they also have numerous associations with glamour, cool, elegance, sophistication, jokiness etc. depending on the brand and the advertising campaign used. These associations are an important part of what makes the product attractive -- if they were unimportant then the manufacturers would not use them to compete with each other. If the images are attractive to smokers, then there is no reason why they should not attract teenagers or children as part of the mix of influences on young people taking up smoking. Tobacco advertising through Formula One enhances the image of smoking as an adult rite of passage by strongly associating tobacco with another important adult symbol -- driving.

3. **Tobacco market realities.** Over 80% of smokers start as teenagers. The brands chosen by starters have long term influences on the overall success of a brand in the market place. Without new smokers, a brand will wither and die and so will the market as a whole. It may be that a child has a first cigarette aged 10 years. We do not accept the argument that from that point on, the child/teenager is a confirmed smoker that a tobacco advertiser can legitimately seek to influence brand selection. The process of becoming a confirmed (addicted) smoker is a period of experimentation which lasts throughout the teenage years. Advertising during this phase helps to consolidate the habit and turn experimentation into addiction.

Need for tobacco sponsorship

In weighing the risk that continued tobacco sponsorship in motor racing will eventually cause harm to fans of the sport, it is important to consider how difficult it would be to eliminate tobacco sponsorship and even whether there may be advantages to doing it early. This year has already seen one team, Williams, displace Rothmans with a new agreement with engine supplier BMW. Other motor manufacturers are increasingly interested in taking on major sponsorship roles. Given that the FIFA World Cup and the Olympics have no tobacco involvement, we do not believe it would be too difficult for Formula one to eliminate team sponsorship by 2003.

After 2003, there will be a requirement to scale down tobacco funding and advertising visibility. In the UK each will reduce by 20% per year for each individual contract. Avoidance of this decline by setting a final deadline of 2003 may be to the advantage of the sport in that it would be a clear signal to alternative sponsors.

In weighing the health risks of continuing tobacco sponsorship it is important to have regard for the impact on the support of eliminating tobacco sponsorship and any benefits -- such as improved reputation and public relations. If the consequences of a phase out are

Action to be taken

By the World Motor Sport Council meeting of 11th December 1998, the option of phasing out by 2002 appeared to have been withdrawn in favour of the option of: *"introducing a world-wide ban that would be consistent with the full implementation of the European Community's Directive on tobacco advertising."*

The EU Directive requires a phase out no later than 2003, with Member State discretion to continue to allow until July 2006 in exceptional cases and with a reduction of tobacco cash input and visibility of tobacco promotion. In the UK, the proposed implementing regulations leave the extension to the discretion of the Secretary of State, and require a reduction in money and advertising visibility of 20% per year in years 2003-4 to 2005-6. The EU advertising directive treats track-side advertising as ordinary advertising which is not subject to the longer lead times allowed for the phase out of sponsorship. Thus track-side advertising will be banned by 2001 in the EU and earlier in some countries (1999 in the UK).

The promised action weakened considerably in 1998. In Melbourne, on 5th March 1998, the FIA stated that it *"intends to study evidence produced by the British Government, among others, and is discussing the issue with the World health Organisation"* and that it could *"bring in a world-wide ban on tobacco advertising/sponsorship in the Formula One World Championship on expiry of the current Concorde Agreement between the FIA and the teams in 2002"*.

In making the statement in Melbourne, the FIA has acknowledged that a phase out in 2002 would be feasible -- the only proviso was the need for convincing evidence. We believe therefore that the assessor should recognise that the evidence strongly supports a link between tobacco sponsorship and increased smoking and that the World Motor Sport Council and FIA should act on this by phasing out tobacco sponsorship world-wide at the earliest opportunity.

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