

PRICE DISCOUNT AND MULTIPACK OFFER BAN



Holding the tobacco industry accountable

The Real Cost of Tobacco

Price discounts and multipack offers are used by the tobacco industry to lower the price of their products to negate the impact of higher taxes, helping kids start and keeping adults hooked.

Outpricing the Next Generation

When the tobacco industry lowers the price of tobacco with price discounts and multipack offers, youth smoking rates are higher. Banning these practices could lower youth smoking.

2/3

of all tobacco industry marketing dollars spent are on cigarette price discounts

The tobacco industry spent over
\$5.8 billion
on cigarette price discounts
in 2016

3 in 10

of youth in 2012 reported exposure to tobacco coupons, which leads to more youth smoking

If price promotions were banned, regular youth smoking could decrease by

13%

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A corrupt bargain:

Tobacco manufacturers, faced with decades of rising taxes and falling consumption, have had to get creative in how they bring in money and new customers. Two particularly effective methods are price discounts and multipack offers. By lowering the cost of tobacco products or by encouraging increased consumption with a lower per pack price, tobacco companies are able to circumvent the impact of excise taxes on their product. In doing so, tobacco companies are able to maintain old customers and recruit new ones, particularly from groups who may be unable to continue using tobacco if the full impact of the excise taxes was felt.

How to fix it:

The best way to combat these corrupt practices is to ban the price discounts and multipack offers through state and, where appropriate, local legislation. As bans on price discounts and multipack offers have been found constitutional in a number of court cases around the country, this strategy, if implemented, could have a lasting, long-term impact in South Carolina. This strategy could prove particularly effective if paired with a cigarette excise tax increase as it would become more difficult for tobacco companies, retailers and wholesalers to avoid the direct impact of the tax.

Impact:

The effect of banning price discounts and multipack offers, higher prices, could offer a significant reduction in nearly all categories of smokers. Given that these bans would result in higher prices, they could help create a price deterrent for young people who either have or are developing an addiction. For current smokers, particularly those who are already looking to quit, higher prices can serve as effective incentive for them to try quitting. Much in the same way that price discounts and multipack offers help keep smokers hooked, bans could be the very motivation smokers need to break free.

Sources:

- <https://countertobacco.org/policy/raising-tobacco-prices-through-non-tax-approaches/>
- https://cphss.wustl.edu/Products/ProductsDocuments/ProvidenceCaseStudy_Oct2013.pdf
- <https://countertobacco.org/the-war-in-the-store/>
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