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TOBACCO MARKETING UPDATE

Reducing Youth Exposure to Tobacco Advertising and Promotion

Lorillard pushes e-cigarette legislation

By Betsy Brock

Lorillard, the company that makes Newport cigarettes and blu e-cigarettes, is pushing bills in state legislatures across the country that would classify e-cigarettes as “alternative nicotine products.” On the surface, Lorillard’s language looks harmless. It proposes restrictions on selling e-cigarettes to minors. However, as part of the language, the bill also categorizes e-cigarettes as alternative nicotine products rather than tobacco products. Tobacco control groups worry that this will carve out a special niche for e-cigarettes, which might result in preferential treatment of the products. In other words, if e-cigarettes are not considered tobacco products, then they will not be subject to tobacco taxes and

use restrictions, such as clean indoor air policies, etc. Tobacco control advocates are calling the bill a “Trojan Horse.” The Ohio House passed the bill during the 2013-2014 session, and, according to the American Cancer Society, many other states are considering adopting the Lorillard language.

Minnesota law classifies e-cigarettes as tobacco products for purposes of taxation and youth access. However, the Minnesota Clean Indoor Air Act (MCIAA) does not include use of e-cigarettes. It is likely that a bill to include e-cigarettes in the MCIAA will be introduced during the 2014 legislative session, which starts Feb. 25. However, opposing bills might also be introduced. In the Wisconsin 2013 session, a bill was introduced to specifically exempt

e-cigarettes from the state’s clean indoor air law. It is unclear if this bill was also backed by Lorillard. It is possible that a similar bill could be introduced in Minnesota during the upcoming session.



Above: blu e-cigarette “starter kit”

Minnesota study provides insight into tobacco industry response to tobacco tax increases

A small study conducted by the Association for Nonsmokers-Minnesota (ANSR) and ClearWay MinnesotaSM indicates that some cigarette companies actually increased their prices as the higher Minnesota tobacco tax took effect on July 1, 2013. Data were collected by visiting a sample of 61 convenience stores in Minnesota, Wisconsin, North Dakota, and South Dakota a total of five times each between May and August of 2013. Over that time period, the average price of a pack of Marlboro cigarettes in Minnesota increased by \$1.90 and the average price of a pack of Camel cigarettes increased by \$1.86. The cigarette tax increased by \$1.60. Even though cigarette companies seem to have increased their prices alongside the tax increase, the companies have been sending out emails to members of their mailing list that highlight what they call the “unfair tobacco tax increase.” Cigarette companies have a long history of increasing their prices as tobacco tax increases take effect and blaming the entirety of the increase on “the government.” It appears the companies had a similar response to the Minnesota tax increase. ■



TOBACCO MARKETING UPDATE

Hookah poses carbon monoxide risk

By Betsy Brock

Hookah is a form of water pipe used to smoke flavored tobacco, which is heated using charcoal. Many hookah smokers wrongly believe that hookah is safer than smoking conventional cigarettes. In fact, because hookah tobacco, called shisha, is heated using charcoal, hookah smoking poses unique risks. Burning charcoal releases carbon monoxide, which is dangerous and potentially deadly to users.

One study measured carbon monoxide levels in the bodies of people after they smoked hookah and after they smoked cigarettes. Hookah smoking resulted in 2.5 times more carbon monoxide in the body.

Many Minnesota communities are grappling with hookah lounges and the dangers they pose. Recently, the city of Burnsville released a memo about the three hookah lounges that are operating in the city. City staff tested the carbon monoxide levels in one of the lounges in late 2013. The carbon monoxide level detected was 150 ppm, which is five times the level deemed acceptable by OSHA. The level was so high that the Fire Department cleared the room and ordered it ventilated before patrons were allowed back inside. This finding encouraged the City Council to restrict hookah lounges in the city. ■

Source: P. Jacob III et al. Comparison of nicotine and carcinogen exposure with water pipe and cigarette smoking. *Cancer Epidemiology, Biomarkers & Prevention*. In press, 2013. doi: 10.1158/1055-9965



Above: hookah pipe

E-Cigarette companies use affiliate marketing

By Chris Farmer-Lies

Unlike most tobacco products, electronic cigarettes can be sold online. There are thousands of websites dedicated solely to selling electronic cigarettes to anyone with a credit card, even minors. Affiliate marketing programs are an increasingly common way for electronic cigarettes to be advertised online.

With affiliate marketing, there are two parties involved, the vendor and the affiliate. The affiliate signs up for the program and is provided with resources to promote a product online, such as banner advertisements and talking points. They may also receive real-world advertising materials, such as brochures and flyers. They are given a unique link to the vendor's website, which is used to track which sales are associated with an affiliate. When a sale is made using an affiliate's link, the affiliate is given a portion or percentage, generally between 15-25 percent of the sale. Additionally, there may be a tiered component where affiliates recruit other affiliates and receive a percentage of their sales.

An affiliate is typically a person with a website of their own, and they use blog posts or banner ads to drive traffic to the vendor. Social media sites like Facebook, Twitter, or Reddit can also be used to promote their products. They may also submit articles to social news sites promoting electronic cigarettes. While electronic cigarette manufacturers cannot make unfounded health claims about their products, affiliates can say whatever they wish.

It is difficult to estimate how many companies offer affiliate programs, as well as the number of affiliates advertising electronic cigarettes. NJoy and blu, the two largest electronic cigarette companies, have affiliate programs. ■



Above: banner ad promoting METRO electronic cigarette affiliate marketing program

Questions or Comments?
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