

How do New Zealand tobacco retailers view measures to regulate tobacco retail availability?



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Cancer Society Social and Behavioural Research Unit | ASPIRE2025

Background

“...the Government agrees with a longer term goal of reducing smoking prevalence and **tobacco availability to minimal levels**, thereby making New Zealand essentially a smoke-free nation by 2025.”



Source: NZ Government response to the report of the Māori Affairs Committee on its Inquiry into the tobacco industry in Aotearoa. 2011, p.4

Methods

- Interviews with owners (n=11) and managers (n=10) of tobacco retail outlets:
 - Liquor stores (n=4)
 - Convenience stores (n=5)
 - Small supermarkets (n=4)
 - Supermarkets (n=4)
 - Service stations (n=4)
- Otago and Waikato regions (NZ)
- Qualitative content analysis



Results: Licensing



City of Santa Ana Tobacco Retail License
City of Santa Ana Ordinance No. 2729

Application for Tobacco Retail License
Mail to: PO Box 1981 M-96
Santa Ana, CA 92702

This Application is for: New Permit Re-issuing a Revoked Permit
 Annual Renewal Change of Ownership

Business Information

Business Name: _____ Phone Number: _____
Business Address: _____
Business Mailing Address: _____
Previous Name of Business at this Address (if any): _____
State of California Board of Equalization Tobacco Retail License #: _____

Owner Information

#1 Owner/Operator Name: _____ Home/Cell Number: _____ Drivers License: _____
#2 Owner/Operator Name: _____ Home/Cell Number: _____ Drivers License: _____

ANNUAL TOBACCO PERMIT FEE—\$635.00
Please submit payment to **CITY OF SANTA ANA** with your application.

A Tobacco Retail License from the City of Santa Ana is required before retailing any tobacco, tobacco products, or paraphernalia, and is contingent upon the observance of A.L.E. federal, state, and local tobacco laws. Selling tobacco without a license is a serious offense, and could result in substantial penalties including fines and the denial of future City of Santa Ana Tobacco Retailing Permits. Permits are issued to fixed addresses only, and each address requires a separate permit.

I hereby apply for a tobacco retailing permit with the appropriate fees attached, to operate at the above address in the City of Santa Ana and I also state that the information given on this form is true and correct.

Owner(s): _____ Signature: _____ Date: _____

FOR OFFICE USE ONLY

Permit License Number: _____ Effective Date: _____
Payment: _____ Date Rec'd: _____ By: _____

Image: City of Santa Ana, CA, U.S.

“Just another council compliance... I have **no idea why** that would help.”

“... that to me, would just be a **money grabbing tax**. For nothing. For **no real purpose**.”

Results: Licensing

“..basically it’s going to be paid by the retailers, which will just **cut our margins.**”

“I don’t, like this [idea]. Licensing is harder, you know, you’ve got so many shops that **won’t be able to sell** the smokes...”

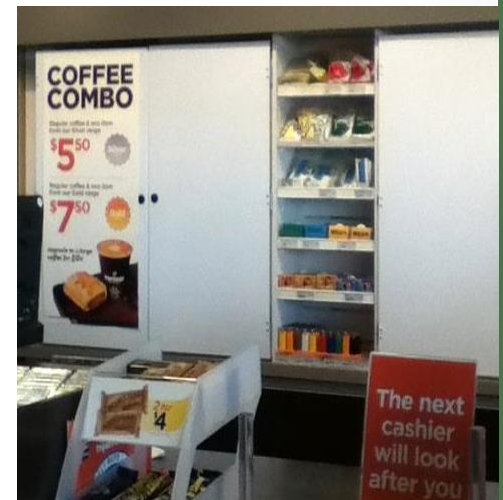
“... so long as there’s **good reason** for doing it, I don’t really have an issue.”

Results: Reducing tobacco availability

“I believe it could be **tidied up** and **limited** as to where you can purchase it. Like the liquor reform.”

“Just ‘cos people have to drive an extra 2km to get their tobacco...they’ll **still buy it.**”

“One less thing to stocktake... **less hassle... doesn’t bother me.**”



Restrictions around schools



“Yeah I’d be happy with that ‘cos I think the government should be focusing on **new smokers**, not existing. That would be a **good idea**.”

“I understand why they’re doing it... but don’t bring it in on the current people who are **already there**. If it’s a new business, OK.”



Results: Equity

“...why wouldn't we have the right to sell, versus a dairy, or a liquor store, or a pub?... As long as it's **fair across the board...**”



Results: Support for 2025 goal



“I think we are going in the right direction... If we can say if all of the country is **smokefree**, that is **good**.”

“I **detest** the stuff. I hate the smell... get the **damn stuff** the hell outta here... that’s my view on smoking.”

Results: Views on tobacco

“...my mum died of **lung cancer**... due to smoking like a train, and just the amount of people who do get cancer...”



“...there’s people whose **kids** are **going without**, so mum can have a cigarette.”



Results: Selling tobacco

“You’ve gotta do it so you can **compete**. Otherwise consumers will go to the store that does [sell tobacco]... you don’t have a choice.”

“We just stock them because there’s a **demand**... I would prefer **not** to have them to be quite honest.”



Implications

Policy acceptability may increase if:

- Retailer education accompanies policy proposal(s)
- Policies are framed as preventing youth smoking
- Existing retailers are exempt from new restrictions or
- New restrictions apply to all



Implications: Smokefree 2025 Plan

SMOKEFREE AOTEAROA 2025 PLAN

GOAL: Daily smoked tobacco use is less than 5% and as close as possible to 0% by December 2025 – for all population groups

OBJECTIVE 1: AFFORDABILITY

Make tobacco products less affordable

Action 1.1

Increase tobacco excise tax by 20% (above inflation) annually in 2019, 2020 and 2021

Action 1.2

Establish a minimum retail price that must be charged for tobacco products, with effect from December 2020

Complementary measures

enhanced cessation support, 15% one-off increase in RYO tobacco tax

OBJECTIVE 2: ACCESS

Make tobacco products less available

Action 2.1

Require all existing tobacco retailers to transition out of selling tobacco products by December 2021. Tobacco products will be sold only by a small number of specified tobacco retail outlets from 2022

Action 2.2

Disallow sales of tobacco products in all alcohol on-licensed premises by December 2018

Action 2.3

Introduce a 'tobacco-free generation' policy to restrict access to tobacco products for future generations, with an annual increase in minimum purchase age, starting in December 2020

Complementary measures

engagement process, support and incentives for retailers to transition away from tobacco sales

OBJECTIVE 3: APPEAL

Make tobacco products less appealing and less addictive

Action 3.1

Remove all additives and innovations from tobacco products that may enhance their appeal or addictiveness by December 2020

Action 3.2

Introduce a mandated nicotine-reduction policy to restrict the sale of tobacco to very-low-nicotine-content tobacco products, with effect from December 2022

Action 2.1

“Require all existing tobacco retailers to transition out of selling tobacco products by December 2021. Tobacco products will be sold only by a small number of specified tobacco retail outlets from 2022.”

Industry arguments

- Stock a range of tobacco to retain customers
- Tobacco drives footfall
- Smokers spend more than other shoppers on other goods
- Tobacco crucial for retailers' livelihoods
- Tobacco sales important to economy

THE IMPORTANCE OF TOBACCO TO YOUR BUSINESS

Tobacco's role in independent retail will remain in a standardised packaging environment.

- Tobacco attracts shoppers to your stores:** Tobacco will remain a **footfall driver**. A wide range and high availability are drivers for success – more than 1 in 10 potential shoppers will walk out if their brand of choice isn't in stock!*
- Tobacco shoppers outspend other shoppers:** Adult smokers don't just buy tobacco products. Their **basket spend** is more than twice as much as the average convenience shopper per year**.

PLANNING AND PREPARING FOR CHANGE

Imperial Tobacco's experiences in Australia, which introduced standardised packs in 2012, suggest that retailers who **plan and prepare** for the legislation will be putting themselves in a strong position for a successful transition.

Improve your tobacco offering by focusing on the following:

- Aim for maximum availability:** By focusing on high availability, you'll build a loyal shopper base who'll return to your store time and again.
- Stock a wide range:** As well as premium brands, our range also contains value-orientated alternatives. A wide range will meet all of your customers' needs.
- Let's work together:** By combining your retail experience with the category knowledge of your Imperial Tobacco sales representative, you'll optimise your tobacco range, protect availability and improve gantry navigation.

Imperial Tobacco continues to work with the trade to prepare and plan for a **smooth and successful transition** between 20 May 2016 and 20 May 2017. To find out more, retailers should talk to their Imperial Tobacco sales representative, while taking advantage of free resources including our **START packs** and **MyTobaccoPricelist.co.uk**.

... THROUGH EUTPD II AND STANDARDISED PACKAGING

Source: 1 FTR estimates based on McKinsey Shopper Research 2012
*For the probability of walk-out, the contents of this document and the SHMP packs are without prejudice to Imperial Tobacco's position that the Greater London, Northern Ireland, Republic of Ireland, Northern Ireland, 2012 and 2013 are a retail and tobacco subject to the outcome of Imperial Tobacco's ongoing legal challenges.

THE SUCCESS OF THE FUTURE

www.imperial-trade.co.uk

Source: *Counter Arguments: How important is tobacco to small retailers?* ASH UK, Oct 2016

Acknowledgements

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- My email: l.robertson@otago.ac.nz