Tobacco retail displays: a comparison of industry arguments and retailers’ experiences

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ABSTRACT
Background Tobacco companies have opposed the removal of tobacco retail displays, arguing this would compromise retailers’ safety, increase retail crime, reduce retailers’ income, impose additional costs and be inconvenient. These arguments have successfully delayed policy development in several jurisdictions.

Methods In-depth interviews conducted with New Zealand retailers who had voluntarily removed tobacco from open display in their stores.

Results Retailers who had removed tobacco displays did so primarily to reduce their security risk and found their stores had become less vulnerable to retail crime. They did not find removing displays costly or inconvenient nor had this decision significantly reduced their revenue.

Conclusions Removing in-store tobacco displays may increase rather than decrease store safety. Our findings reveal that retailers’ experiences differed in many ways from tobacco companies’ predictions and suggest that industry arguments against display removal lack objective support and are self-serving.

INTRODUCTION
Tobacco displays play an important role in advertising brands,1 promoting smoking initiation and movement from experimental to regular smoking,2–4 stimulating impulse purchase and inducing lapsing among quitters.5–7 Industry documents and tobacco companies’ role in supplying display units to retailers highlight the role point of sale (POS) strategies play in their overall marketing plans.8 9

Several governments, including Iceland, Thailand, Ireland, Canadian provinces and five of Australia’s eight states and territories, have recognised the effects of POS displays by passing legislation removing tobacco products from open display in retail stores. New Zealand’s Smoke-free Environments Amendment Bill 2008 allows Point of sale (POS) displays but specifies the display size and number of brand facings allowed. However, tobacco manufacturers have proliferated brand variants, resulting in large visual brand blocks, as figures 1 and 2 illustrate. This led to calls for stronger controls, culminating in the Smoke-Free Environments (Controls and Enforcement) Amendment Bill, which passed its first reading in late 2010 (by 108 votes to 3). The bill proposes removal of tobacco retail displays, a measure that will primarily affect corner shops (known as dairies in New Zealand), convenience stores and service stations, all of which have large tobacco displays behind their checkouts.

Tobacco companies and interest groups have opposed Point of sale (POS) restrictions and successfully delayed the removal of in-store displays by arguing that their removal would reduce store safety and place staff at risk of crime.10–13 In this paper, we evaluate arguments used to oppose the removal of tobacco retail displays and compare these with the experiences of retailers who have voluntarily removed tobacco from display.

Arguments opposing removal of in-store tobacco displays
As well as arguing that they have a right to display their ‘legal products’,10 tobacco companies have adduced four further arguments against removing Point of sale (POS) displays. They claim that such a policy would reduce staff security (as staff would turn their back on customers to retrieve tobacco products), inconvenience staff, result in lost revenue and increase compliance costs. Collectively, they allege that these outcomes will be disproportionately negative relative to the likely reductions in smoking prevalence.10 14

Because tobacco is a monetarily valuable and easily traded product, large retail displays that attract consumers’ attention may also attract criminal activity, such as shoplifting, burglary and break-ins.15 Small stores, such as dairies (drug stores), convenience stores and service stations, are particularly vulnerable to tobacco theft because they are small and open late. Thus, removing open Point of sale (POS) displays would reduce immediate criminal temptation. Even if tobacco products remained behind counters (concealed), opportunities for shoplifting of other items would logically be no greater than at present and could decrease if tobacco was stocked in drawers and staff no longer had to turn their backs to retrieve packs. Evidence from Saskatchewan does not suggest tobacco thefts have increased with tobacco-free displays,16 so this claim also lacks empirical support.

New Zealand tobacco retailers each sell approximately 80–150 tobacco products every day,17 Philip Morris has argued that retail staff would be seriously inconvenienced if these products were difficult to access, while customers would allegedly become frustrated by increased transaction times.14 We were unable to locate empirical evidence that either of these outcomes had eventuated in countries requiring removal of open tobacco displays.

Retailers fear that they may suffer reduced sales or be affected by market distortions that could occur if smokers altered their tobacco buying habits and patronised larger rather than smaller retailers.10 17 While these economic concerns are understandable,
The use of data and failure to provide evidence.20

For example, an ASH Scotland report on Saskatchewan retailers even increase following removal of Point of sale (POS) displays.10 However, international evidence suggests that retailers who have removed displays would cost retailers between $45 and $51 million,25 with convenience stores estimated that removing Point of sale (POS) displays have not suffered unduly high Point of sale (POS) displays have not suffered unduly high compliance costs or been forced out of business and reveals that, in many cases, tobacco companies met any renovation costs.1 22 26

In summary, tobacco companies’ claims are at odds with evidence from countries that have required removal of tobacco displays. Yet despite this evidence, disputes over the alleged impact of removing tobacco displays have impeded policy development and remain largely untested. To date, few studies have explored the experiences of retailers who have voluntarily removed tobacco retail displays or the background to their decision. Such knowledge would provide a new perspective against which to assess tobacco companies’ claims and could inform policy development. We therefore investigated retailers’ experience of putting tobacco out of sight, the reasons they did so, and the reactions of their customers.

METHODS

We conducted in-depth interviews with a sample of New Zealand retailers who had removed tobacco products from open display. ASH (New Zealand) provided a list of stores that had received Asthma Foundation awards certifying their ‘out of sight’ decision. An interviewer made contact with each retailer via telephone or email and spoke with the store owner or franchisee who had taken the decision to remove tobacco from open display.

Of the 26 retailers contacted, 11 agreed to be interviewed. Nine retailers declined because they were too busy (these retailers were typically small family-run businesses with extended hours). One retailer was no longer in the country, one had no contact details, one store had changed owners and one no longer sold tobacco products. After deducting ineligible participants, the response rate was 50%.1

The 11 participants had all removed tobacco from open display but still sold tobacco products. Store types ranged from small-scale dairies (three), to convenience stores, minimarts or small supermarkets (four), grocery stores, general stores and mid-size supermarkets (three) and one food barn (a bulk food warehouse). As two retailers were unwilling to give interviews without permission from their head offices, the final sample did not include participants from larger retail franchises; aside from this difference, retailers who participated represented similar outlets to those who could not be contacted or who chose not to participate.

While participants came from throughout New Zealand, most (nine) were based in the upper North Island and the sampling frame provided listed few South Island stores. Participants’ distribution may reflect the location of ‘Stay Displays’ members, who were more strongly represented in the South Island than in other areas. Four retailers had not had tobacco on open display for >5 years, while four others had taken the decision to remove displays within the last year, with the remainder falling within these times. Despite differences in the duration of their ‘out of sight’ experiences, retailers’ responses did not vary by this attribute.

We used McCracken’s ‘long interview’ approach to develop the interview protocol, which comprised loosely structured questions that promoted discussion.27 Participants were asked why they had placed tobacco products out of sight, the practicality of doing so and the costs and benefits, both material and social, of their decision. A supplementary file contains the protocol used. As participants’ locations varied, most interviews were conducted by phone, although one was conducted face-to-face. Interviews lasted between 20 and 40 min.

Figure 1 Tobacco Retail Display in Dairy.

Figure 2 Tobacco Retail Display in Service Station.
With participants’ permission, the interviews were recorded; they were subsequently transcribed, returned to participants for review and then analysed following Braun and Clarke’s approach to thematic analysis. The two lead authors worked independently to identify idea elements within the transcripts, map and test early idea relationships and develop preliminary themes. Because two key themes dominated the interviews, comparison of the two initial coding schedules revealed very high agreement. We then tested the preliminary themes against other coded and uncoded items to promote coherence within themes. Both interviewers undertook this analysis and agreed on the final themes.

To enhance validity, we drew on Whittmore et al’s criteria. We promoted credibility by illustrating themes with participants’ own words, authenticity by using skilled interviewers and criticality and integrity by testing our interpretations with colleagues who had no involvement in the research design or data collection. We addressed explicitness and vividness by developing a clear audit trail and rechecking our data against the transcripts and wider literature. Ethical issues were reviewed and approved by an internal ethics reviewer at the University of Otago prior to data collection.

RESULTS
We identified two main themes in retailers’ explanations of their decision to remove tobacco Point of sale (POS) displays: a desire to improve their overall store security and a wish to sell tobacco in a more socially responsible manner. Several commented on past robberies and break-ins and the risk of having highly visible tobacco products:

“We’ve had trouble with break-ins, because they’re [cigarettes] very visible from outside the store.” (Small supermarket)

Even retailers who had not experienced burglaries felt concerned about the security risk visible tobacco created. For these participants, covering tobacco or removing it from open display reduced the potential for theft, if only because it would take prospective thieves longer to access the products:

“The person who’s going to come in there and pinch my smokes, has actually got to walk into restricted areas and physically open doors and it’s not just open the door and grab, they’ve actually got a series of doors to get through before they get my smokes, two doors, that interlock. It should reduce your cigarette theft.” (Mini-market)

Retailers who had experienced thefts reported that the crime directed at their store had reduced significantly since they had removed tobacco displays:

“The break-ins when the store’s closed, you know, after hours break-ins, it’s completely ceased at the moment, which is amazing.” (Small supermarket)

They concluded that removing tobacco from open display reduced the temptation to steal cigarettes or shoplift other items:

“I would say it has decreased… Because … there’s no temptation there.” (Food barn)

“The temptation’s there, isn’t it, if it’s left on the counter, the temptation’s there.” (Convenience store)

While a desire for greater security dominated retailers’ comments, several also wanted to act responsibly within their communities:

“I just feel it’s things that aren’t really healthful for people, so I feel a little bit like, … morally, we’re selling things that are actually not good for people’s health on the cigarettes side and the alcohol side of things.” (Mini-market)

Removing tobacco products from display enabled these retailers to act in accordance with their own values:

“I suppose more of a personal thing, to sort of say, ‘well, that’s not what we believe in’, so if we have to stock it, we might as well do it responsibly.” (Mid-size supermarket)

Several retailers wanted to support quitters and felt removing open Point of sale (POS) displays supported these people:

“Customers that have been wanting to give up smoking. They’ve appreciated the fact that the cabinets were shut because they couldn’t see them, so therefore they didn’t want them.” (Dairy)

Implementing change
Participants did not find it difficult or expensive to remove tobacco from open display. Some were already changing their store layout and saw this as an opportunity to remove cigarette displays at the same time:

“We had a really old tobacco stand, and we knew it was outdated, and we’d have to replace it anyway.” (Mini-market)

Retailers’ main priority in making changes was that the new arrangements were convenient and easy to use, criteria they found easy to meet by covering the racks or carousels, or putting tobacco under the counter.

“It’s actually great; I like having it [cupboard door] down, that way if someone does charge into the shop when our backs are turned, no one can pull for it [reach across counter for tobacco]. It keeps it secure.” (Mini-market)

Some retailers incurred no costs as they used existing fittings and extended their regular security procedures:

“The cabinets were already there, the doors were already on them. It’s normal procedure for the doors on the cabinets, so when you lock up at night you can lock all the cabinets so nobody can get the smokes […] just pull the doors down, that’s all it was.” (Dairy)

In other cases, a tobacco company paid for the new arrangements as this enabled them to retain a strong relationship with the retailer, offered some control over the alternative display unit and ensured the retailer still stocked tobacco:

“The tobacco company picked up the costs… that was made quite clear from the start. And that was including… an electrician to move a plug, so yeah, no cost to us whatsoever.” (Mini-market)

Those who paid to refit their store reported costs ranging from $40 to $20 000. However, the store reporting costs of $20 000 was undertaking a major refit, including installing a gambling outlet; removing tobacco displays was only a small component of these changes, a point the retailer concerned made clear:

“If a store was looking just to put their cigarettes into drawers I really don’t think it would be a huge expense.” (Small supermarket)

Benefits of change
The retailers interviewed reported very positive reactions from local schools and Māori (indigenous) groups and saw the changes as bringing multiple benefits:

“Yes, it all works out to the community, because of course, not only helping the non-smokers or those that are giving up and things like that, but it’s also making the shop safer.” (Dairy)
Non-smokers that obviously come from the local marae [meeting area with special significance for Māori]; they supported ASH, they noticed it a lot.” (Mid-size supermarket)

Feedback from regular customers or the community was also either positive or neutral:

“No one’s even commented. Most of them will just say: ‘have you got _?’ and we’ll just say ‘oh yeah, we’ve got that one.’” (Food barn)

Although one participant noted confusion from infrequent customers, others stated that people would ask if they could not see the items they wanted and suggested good service would pre-empt any uncertainty:

“A couple of people have come in and they don’t think we sell them and they’re about to leave and you’re usually: ‘how can I help you?’” (Mini-market)

However, most participants reported that smokers were not confused by the change because they knew what they wanted and did not need to see tobacco products on display:

“Most people know what they want to smoke, so you ask them what they want.” (Dairy)

“You don’t have to have them on display for people to know that you’ve got them.” (Mid-size supermarket)

**Business implications**

Although retail groups have expressed concerns over reduced revenue, most interviewees found removing tobacco from display had little effect on their sales:

“The sales haven’t gone down or haven’t gone up, so in that sense it hasn’t affected us.” (Mini-market)

“There might have been a slight drop in the sales of cigarettes, but I don’t think that’s due to my out-of-sight, I think it’s the fact that people are giving up.” (Dairy)

“It’s more positive on a social responsibility level, but it hasn’t affected our sales in tobacco at all, it hasn’t had a negative effect…” (Mid-size supermarket)

Where changes had occurred, they were small:

“Sales probably dropped say three percent.” (Mini-market)

and retailers saw them as part of a trend in declining sales:

“Tobacco sales have just dropped, you know, over the years. So it’s not like we’re selling a lot of tobacco anyway.” (Food barn)

**DISCUSSION AND CONCLUSIONS**

This study compared arguments advanced by tobacco companies and interest groups they support with the experiences of retailers who had voluntarily removed tobacco products from open display in their stores. Specifically, we explored whether the retailers’ decision had increased their security risk, inconvenienced them or created a financial burden (through lost sales or compliance costs).

Many of the retailers we interviewed had placed tobacco out of sight to improve their store security, and they reported reduced vulnerability to retail crime since implementing this decision. We found no evidence that retailers’ in-store security had reduced following their decision.10 14

Nor did retailers appear inconvenienced by their decision, with most reporting they adapted quickly to the new arrangements. Neither did removing open tobacco displays impose a significant financial burden on retailers. Participants did not incur high costs, and some received financial assistance from tobacco companies, who wanted to ensure the on-going availability of their brands. This finding parallels evidence from other jurisdictions, such as Saskatchewan and Scotland.1 22

Most respondents did not suffer a significant decline in trade; any reductions in revenue were small and not difficult to absorb, and tobacco was already declining in importance to their business. Retailers did not report a loss in regular customers and noted that even new customers would ask for tobacco products since they knew what they wanted and did not need to see a brand display to make their choice.

Our study has some limitations. Participants had voluntarily taken a decision that differentiates them from other retailers; furthermore, as they did not respond to regulation, they had more control over the changes made and when these occurred. As no service stations have voluntarily removed tobacco displays, we did not include this group in our sample nor were we able to include franchisees from large retail chains; it is possible that these retailers’ experiences could have differed from the grocery and dairy owners who we interviewed. Within the grocery sector, however, our sample was varied and included retailers from different outlets and locations.

Even bearing these caveats in mind, our findings raise questions about tobacco industry claims. Participants’ experiences differed sharply from those predicted by tobacco companies and their interest groups and present an alternative view that policy makers should consider. Perhaps most importantly, they question tobacco industry claims that removing tobacco would create potential security risks, impose financial burdens on retailers and result in financial hardship. Currently, the industry’s case against the removal of open displays relies on a small number of unsubstantiated assertions that cannot be regarded as a reliable basis for policy making.

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**Competing interests** Although we do not consider it a competing interest, for the sake of full disclosure we note that JH, PG, GT and RE have undertaken work for...
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Ethics approval This study was conducted with the approval of the University of Otago (Category “B” approval).

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