

1 OMTbur

1 We strongly oppose the proposals that have been  
2 made to ban or further restrict tobacco product  
3 advertising. We do so on behalf of a wider group than our  
4 member companies.

5 The proposals are of grave concern to the entire  
6 tobacco community.

7 Mr. Chairman, after the rhetoric and emotion are  
8 brushed away, the fact is that no lawful consumer product is  
9 subject to greater or more severe advertising restrictions  
10 than tobacco products. That fact was ignored by those who  
11 appeared before this committee two weeks ago.

12 No advertising is more closely monitored,  
13 studied, or reported on than tobacco product advertising.  
14 No advertising is required to meet more exacting or rigorous  
15 standards.

16 No advertising is required to carry health  
17 warnings that are as threatening. No industry, other than  
18 tobacco, has been required to contend with the burden of  
19 rotating warnings.

20 Four years before the oldest current teenager was  
21 born, the cigarette manufacturers voluntarily ceased  
22 advertising in campus publications, even though the  
23 overwhelming majority of college students are old enough to  
24 legally purchase cigarettes.

25 In 1964, three years before any current teenager

1 OMTbur

1 was born, the companies agreed to advertising principles  
2 that continued to guide cigarette advertising to this day.

3 In 1969, when the oldest current teenager was  
4 only two, the cigarette companies offered to stop  
5 advertising on radio and television, and that offer was  
6 accepted by the Congress in 1970.

7 The cigarette industry also has adopted and  
8 aggressively implemented restrictions on cigarette sampling,  
9 and we have undertaken positive and highly successful  
10 programs on the issue of youth smoking.

11 The industry long has taken the position that  
12 smoking is for adults only, adults who choose to smoke. The  
13 industry's voluntary restrictions have been designed, of  
14 course, to implement that policy decision.

15 But in addition, the Institute and its member  
16 companies have sponsored advertisements and programs  
17 encouraging the parents of young people to intercede with  
18 their children to prevent smoking.

19 My point is that cigarette advertising already is  
20 subject to severe restrictions and that the manufacturers  
21 have substantially exceeded their legal obligation in this  
22 area.

23 We are proud of the industry's record on  
24 cigarette advertising generally and on youth smoking in  
25 particular.

1 OMTbur 1

2 To be frank, Mr. Chairman, we are tempted to  
3 believe that the motive underlying the cause for further  
4 legislation is purely punitive. For some people, the very  
5 existence of tobacco product advertising apparently is an  
6 unwelcome reminder that some Americans have chosen to  
7 continue to purchase such products despite the anti-tobacco  
8 lobby's demands for a tobacco-free society.

9 But whatever may be said of the underlying  
10 motives, two points are nonetheless clear.

11 The first is that this proposal presents a  
12 radical departure from the informational objectives that  
13 Congress repeatedly has endorsed in this area.

14 Second, the evidence squarely refutes any claim  
15 that further restrictions would discourage consumption.  
16 Cigarette advertising is brand advertising, Mr. Chairman.  
17 It is designed to prompt smokers to switch brands or to keep  
18 them loyal to the brands that they already smoke. It does  
19 not cause smoking any more than soap advertising causes  
20 people to bathe or detergent advertising causes people to  
21 wash their clothes.

22 No witness at the hearing two weeks ago offered  
23 any evidence to the contrary. Assertions and heated  
24 rhetoric cannot supply the missing link.

25 In closing, I must make one extremely important  
point. In effect, the current proposals invite Congress to

1 OMTbur

1 declare that the American people cannot be trusted to  
2 respond rationally to advertising or to deal responsibly  
3 with truthful information.

4 They also invite Congress to say that the  
5 American people are too dull, unintelligent, or  
6 unsophisticated to think or make decisions for themselves.

7 In addition, they invite Congress to tell women,  
8 blacks, and Hispanics, groups that the proponents of  
9 legislation have labeled as especially vulnerable, that they  
10 in particular need help from Congress in weighing  
11 information and deciding what products to purchase and to  
12 use.

13 Finally, the current proposals invite Congress to  
14 get into the business of censoring truthful information.

15 We might do well in this connection to recall the  
16 views expressed by Justice Brandeis nearly 60 years ago.  
17 "Experience," said Justice Brandeis, "should teach us to be  
18 most on our guard to protect liberty when the government's  
19 purposes are beneficent."

20 And then he added, "The greatest dangers to  
21 liberty lurk in the insidious encroachment by men of zeal,  
22 well-meaning but without understanding."

23 And I would urge that those words by the Justice  
24 take a central place in the committee's discussion.

25 CHAIRMAN WAXMAN: Thank you very much,

TIMN 286565

ACE-FEDERAL REPORTERS, INC.

202-347-3700

Nationwide Coverage

800-336-6646

1 OMTbur 1

MR. Kornegay.

2

MR. KORNEGAY: This concludes my statement,

3

Mr. Chairman, and I will of course be happy to attempt to

4

respond to any questions that the committee may have of me.

5

I would also like, Mr. Chairman --

6

CHAIRMAN WAXMAN: No, Mr. Kornegay, we are going

7

to have to move on. We will have the rest of that statement

8

that you are reading to us in the record, but I want to hear

9

now from Mr. Boddewyn.

10

MR. KORNEGAY: Yes, sir, I was just going to

11

offer some articles that I referred to for the record.

12

CHAIRMAN WAXMAN: We will be glad to take

13

whatever articles or attachments you wish to make your

14

statement and consider them for the record.

15

MR. KORNEGAY: Thank you.

16

CHAIRMAN WAXMAN: Mr. Boddewyn.

17

STATEMENT OF MR. J. J. BODDEWYN, PROFESSOR OF

18

MARKETING AND INTERNATIONAL BUSINESS AT BARUCH

19

COLLEGE, CITY UNIVERSITY OF NEW YORK

20

MR. BODDEWYN: I am Professor Jean Boddewyn of

21

the City University of New York.

22

Over the past 10 years, I have conducted 17

23

international surveys of the regulation of advertising in up

24

to 54 countries.

25

I have also been involved with a 16-country study

1 OMTbur

1 of tobacco advertising bans. This study was mainly based on.  
2 reliable foreign government statistics.

3 Since this subcommittee is interested in the  
4 impact of tobacco advertising bans on tobacco consumptions,  
5 I have summarized the key statistics on the chart before  
6 you.

7 That is the chart where the central vertical line  
8 indicates the year of the ban in five free market economies,  
9 including Norway, which is the pilot country which everyone  
10 cites, and to the right of it you can see that in all five  
11 countries the ban was followed by an increase in cigarette  
12 consumption per capita.

13 Clearly, you can already read my conclusion.  
14 Bans do not work.

15 The second study with which I have been  
16 associated helps understand why the young start to smoke and  
17 under what conditions because this is an issue which has  
18 come up repeatedly. A number of people have kept saying  
19 repeatedly that it is advertising that makes young people  
20 start to smoke.

21 The study I am referring to was conducted by the  
22 London-based Children's Research Unit, which specializes in  
23 studies of the young. This firm conducted in 1985 and '86  
24 1000 interviews of boys and girls between the ages of 7  
25 and 15 in each of four countries that differ in their

1 OMTbur

1 control of tobacco advertising in addition to using similar  
2 data collected for the British government.

3 Australia. Australia was selected because it has  
4 advertising restrictions, not a ban, similar to those in the  
5 United Kingdom.

6 Norway was chosen because it has had a total  
7 tobacco advertising ban since 1975, eleven years ago.

8 Spain and Hong Kong were selected because they  
9 permit tobacco advertising across all media. In other  
10 words, two countries with very few restrictions.

11 In substance, the results of the Children's  
12 Research Unit revealed that the percentage of regular  
13 smokers among juveniles -- we are talking of a group of 7 to  
14 15 -- is generally higher in Norway, where there has been a  
15 tobacco advertising ban for 10 years, than in other  
16 countries where there is no such ban.

17 In fact, Mr. Chairman, the percentage of regular  
18 smokers among Norwegian youth, age 7 to 15, is two times  
19 higher than among Australian and Spanish juvenile smokers.  
20 and 10 times higher than the percentage of juvenile smokers  
21 in Hong Kong.

22 In other words, these very recent survey data  
23 revealed that the ban in Norway has not been accompanied by  
24 lower juvenile smoking incidence than in Spain and Hong  
25 Kong, where there are only minor advertising restrictions,

1 OMTbur 1

or than in Australia and the United Kingdom, where there are  
2 some major advertising restrictions but no ban.

3

So clearly other factors must be at stake. What  
4 are these factors?

5

When asked this question; that is, what are the  
6 motivations for smoking, under what conditions did you start  
7 smoking, the juveniles in these four countries mention  
8 advertising as the most important reason not more than 1  
9 percent of the time in Australia, Hong Kong, and Norway.

10

So what were the reasons that were elicited?

11

Curiosity, dare-deviltry, and particularly the  
12 smoking behavior and influence of parents, siblings, and  
13 friends. They ranked higher by far.

14

Such a finding that a combination of personal,  
15 family, and social factors played an overwhelming role in  
16 the decision to start smoking is hardly novel, since many of  
17 the studies in the United States and abroad have reached a  
18 similar conclusion.

19

What is new in this study by the London-based  
20 Children's Research Unit is that for the first time they  
21 have revealed that the degree of tobacco advertising  
22 control; that is, whether there is a little in the way of  
23 restrictions or a lot or a ban as in Norway, that the degree  
24 of tobacco advertising control does not appear to be a  
25 significant factor in the decision to start smoking and in



1 OMTbur 1

the circumstances that surround it.

2

In conclusion, Mr. Chairman --

3

CHAIRMAN WAXMAN: Thank you very much,

4

Mr. Boddewyn.

5

Now, we will move on to Mr. Ward.

6

STATEMENT OF MR. SCOTT WARD, PROFESSOR OF

7

MARKETING, WHARTON SCHOOL OF BUSINESS

8

(COMMITTEE INSERT.)

9

MR. WARD: Mr. Chairman and members of the

10

subcommittee, my name is Scott Ward. I am Professor of

11

Marketing at the Wharton School at the University of

12

Pennsylvania.

13

I publish extensively in the field of marketing.

14

My books include "The Most Widely Used Marketing Management

15

Case Book," and I serve on the editorial boards of the

16

Journal of Consumer Research and the Journal of Advertising

17

Research.

18

I have directed major research grants for the

19

National Science Foundation, the National Institute of

20

Mental Health, Office of Child Development, and the Ford

21

Foundation.

22

My research has focused on children's reactions

23

to advertising. In the late 1970s, I conducted

24

government-sponsored research to improve drug abuse

25

prevention advertising.

1 OMTbur 1

2 My testimony today responds to proposals to ban  
3 or further restrict tobacco product advertising. I am  
4 convinced that the proposed restrictions would be  
5 ineffective in getting people to stop smoking.

6 I believe the enthusiasm for cigarette  
7 advertising controls reveals a lack of understanding of what  
8 advertising involves, and this is the focus of my  
9 testimony.

10 Among other things, the current proposals fail to  
11 appreciate the distinction between advertising for new and  
12 for mature products. The primary role of advertising for  
13 new products is to make people aware of the existence of a  
14 product category, to inform potential buyers of product  
15 attributes, and to interest them in a specific brand.

16 In mature product markets, by contrast, there are  
17 few first-time buyers or nonbuyers who are unaware of the  
18 category's existence. People have become product users, or  
19 they have tried the product and not repeat purchased, or  
20 they have never tried the product and they never will  
21 because they don't want it.

22 There is not much to say in advertising about  
23 mature products that people don't already know or have  
24 opinions about.

25 The role of advertising for mature products is to  
keep consumers who use the product loyal to the brand being

1 OMTbur

1 advertised or to prompt consumers of other brands to  
2 switch.

3 Another issue is the charge that cigarette  
4 advertisers use attractive models and attractive settings to  
5 try to glorify the product and to get people to feel they  
6 can somehow be like the models portrayed. But attractive  
7 men and women are used to sell everything from floor polish  
8 to mouth wash, and advertisers are not trying to convince  
9 people that scrubbing floors or gargling is attractive.

10 Advertising models and scenery try to gain  
11 attention in today's very cluttered media environment.  
12 People are exposed to hundreds of ads and promotions each  
13 day. Advertisers compete fiercely for their fleeting  
14 attention through repetition and appealing advertising.

15 For mature products the goal is to get users of a  
16 product category to remember a brand via the images  
17 portrayed. For example, we might associate Cliff Robertson  
18 with one long distance company or O. J. Simpson beating his  
19 luggage to a particular car rental agency, Susanne Sommers  
20 in a hardware chain.

21 Even if these ads get your attention and you  
22 remember them, it strains credulity to believe that  
23 consumers feel they will somehow be like Cliff Robertson if  
24 they choose the company he advocates. But if you associate  
25 Cliff Robertson with AT&T, then you have demonstrated the

2 OMTbur 1

advertising objective.

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

But many people will not directly associate Cliff Robertson with AT&T, or make the association but they will then choose MCI, and that brings me to my next point.

Advertising is not the all-powerful force that has been alleged in earlier testimony. Those who favor banning or restricting advertising vastly overestimate the power of advertising and underestimate the intelligence and will of consumers.

Decades of advertising research clearly demonstrates that consumers are not Pavlov's dogs, malleable putty, or blank slates. Individual audience members bring to advertisements -- they see the sum of myriad experiences and beliefs, and they evaluate commercial messages not in a vacuum but in the context of their lives.

My own research has shown that when people are exposed to advertising they may ignore it, go to the bathroom, laugh, forget, or even counter-argue. For example, you might disregard the most appealing advertisement for a fast food chain because you are on a diet or you don't like what you regard to be junk food, or you may decide against chewing gum despite the beautiful people in the gum commercials because you think that chewing gum is unattractive.

Cigarette advertising even contains the counter

1 OMTbur 1 argument and the Surgeon General's warnings in each and  
2 every ad.

3 Turning to youngsters, my own research indicates  
4 that they, too, develop skills for evaluating advertising  
5 and that advertising is among the least influential factors  
6 in a young person's developing patterns of consumer  
7 behavior.

8 In this respect, I am in agreement with  
9 Dr. Mortimer Lippsett, the Director of the National  
10 Institute of Child Health and Human Development, who  
11 testified before this committee three years ago, and what he  
12 said then is also true today"

13 "The most forceful determinants  
14 of smoking are parents, peers,  
15 and older siblings."

16 Government programs concerning smoking should be  
17 based on acknowledgement of and respect for the  
18 intelligence, will, and complexities of people. There is no  
19 silver bullet here. There is no simple answer to the  
20 complex questions of why people smoke.

21 Advertising is a convenient target because it is  
22 more visible than the myriad and subtle social forces that  
23 actually shape the decision to smoke. But it is just plain  
24 wrong to believe that advertising is so powerful and  
25 consumers are so stupid and uninformed that restricting it

2 OMTbur 1

will have any meaningful impact, and it would start  
government down a perilous road in advertising regulation  
away from its traditional role of ensuring the truthfulness  
and down a road toward censorship.

5 Thank you.

6 MR. KORNEGAY: Miss Davidson.

7 STATEMENT OF MS. JOLLIANE DAVIDSON, TESTIFYING  
8 AS AN EDUCATIONAL CONSULTANT9 MS. DAVIDSON: Thank you very much. I appreciate  
10 your generosity in permitting me to be added to the list  
11 giving testimony.12 I am Jolliane Davidson. I am from Iowa, and I  
13 have been involved in educational governances at both the  
14 state and national levels for over 13 years.15 I want it made clear to the committee that I am  
16 not testifying on behalf of any educational association nor  
17 as a past officer of an educational association. I am  
18 testifying as an educational consultant.19 There have been many comments this morning  
20 relating to the importance of education, and I want to talk  
21 to you about a project called Helping Youth Decide, which I  
22 think directly relates to the issue at hand.23 The booklet, Helping Youth Decide, we believe  
24 will help parents help their children work through the  
25 decisionmaking process, including the decisionmaking