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# A REVIEW OF

## EFFECT OF TOBACCO ADVERTISING ON TOBACCO CONSUMPTION

Department of Health, October 1992

Dr Laurence W Hagan

January 1993

HENLEY • MARKETING DYNAMICS INTERNATIONAL

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**EXECUTIVE SUMMARY**

1. The Department of Health issued a report in October 1992 entitled 'Effect of Advertising on Tobacco Consumption: A Discussion Document Reviewing The Evidence' (the 'Stree' Report) following a commitment in the government's 'Health of the Nation' White Paper of July 1992 to review this issue.
2. The report was written by the Department of Health's Economics and Operational Research Division, and draws on the published evidence on this subject from the UK and other countries, as well as including new econometric work undertaken by the Division.
3. The Secretary of State for Health requested the report to be widely circulated as a discussion document to all interested parties who may wish to comment upon it. Consequently the Tobacco Advisory Council requested Henley Marketing Dynamics International, part of the Henley Centre for Forecasting, to prepare an independent assessment of the document, on the basis of the following remit:

To provide an independent review of the analysis and findings of the Department of Health report, with particular reference to the scope and balance of the evidence presented, the validity of the data and analytical techniques employed, and the soundness of the conclusions advanced.

4. The Department of Health report addresses the findings from past work under two main headings: Indirect and Circumstantial Evidence, covering the implications of the nature and structure of the tobacco market in the UK together with findings from consumer research; and Direct Quantitative Evidence, dealing with the econometric analysis of the relationship between quantitative smoking behaviour and tobacco advertising.
5. The analysis of the direct evidence is the major section of the Department of Health document, and examines the findings from three types of work: cross-sectional studies of countries with different levels of advertising control; studies of the fluctuations in advertising expenditure over time within countries; and before-and-after studies of consumption in countries that have introduced media bans.
6. Our review recognises the econometric emphasis of the Department of Health work and closely follows the structure of their document. As a consequence the major part of this review is devoted to the quantitative findings.

A summary of our review of the key sections of the Department of Health report now follows.

7. **REVIEW OF INDIRECT AND CIRCUMSTANTIAL EVIDENCE**

- 7.1 The Department of Health presents no material evidence to support the various hypotheses advanced that the structure of the tobacco market in the UK could cause advertising to be used to increase the size of the market. Our overall conclusion from the weight of evidence is that it would be virtually impossible for the tobacco industry to increase the size of the total market through advertising, even if this was the deliberate aim, and we reject the hypothetical conclusions advanced in the Department of Health report.

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