

SINGLE CIGARETTE SALES - BAIT FOR THE VULNERABLE GROUPS



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ADIC
Alcohol and Drug Information Centre



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CONTENTS

i	Executive Summary	i
	Summary of findings	iii
	Summary of recommendations	iii
01	Introduction	01
	1.1. Objectives	03
02	Methodology	05
	2.1. Design	05
	2.2. Sample	05
	2.2.1 The shop owners selling cigarettes	05
	2.2.2 The users of cigarette and tobacco products.	05
	2.3. Procedure	05
	2.4. Instruments	06
	2.5. Data Analysis	06
03	Results	07
	3.1. Results from the shop owners selling cigarettes	07
	3.2. Results from the users of cigarette and tobacco products	19
04	Discussion	25
	4.1. Limitations	26
	4.2. Conclusion and Recommendations	26
05	References	28

List of figures and tables

- Figure 1: Selected outlet types
- Figure 2: Selected cities and suburbs
- Figure 3: Method of purchasing cigarettes
- Figure 4: Cigarette sales by brand
- Figure 5: Method of purchasing cigarettes by the shop owners
- Figure 6: Cigarette purchasing by volume
- Figure 7: Method of payment
- Figure 8: Types of incentives
- Figure 9: Profit received from each cigarette brand
- Figure 10: Opinion of cigarette sales based on profit
- Figure 11: Reasons for selling cigarettes
- Figure 12: Shop owners' decision on continuing the cigarette business
- Figure 13: Visibility of cigarette packets to the customers
- Figure 14: Displaying of PHWs
- Figure 15: Availability of tobacco promotions
- Figure 16: Tobacco promotions in the shop.
- Figure 17: Company interventions
- Figure 18: Permission to smoke inside the shop
- Figure 19: Observed smoking inside the shop
- Figure 20: Users by age
- Figure 21: Users by profession
- Figure 22: Payment method
- Figure 23: Impact of the price increase on users
- Figure 24: User tendency to switch the brand or type
- Figure 25: Substituted brand or type
- Figure 26: Impact of having permission to smoke inside the shop
- Figure 27: Individual cigarette sales and use
- Figure 28: Government actions and use
- Figure 29: Use within the last 6 months
- Figure 30: Reasons for the reduction in consumption

Image 1: A shop provided by the CTC

Image 2: How cigarette packets were showcased in shops

Image 3: The promotions inside the shop

Table 1: Cigarette sales by age and income

EXECUTIVE SUMMARY

The objective of this study was to analyze the trend of single stick cigarettes among vulnerable groups in Sri Lanka and the tobacco company interventions. This analysis provides information about the current situation and it will serve as a baseline report to enforce laws related to tobacco control.

Data was collected from five districts in Sri Lanka – Colombo, Monaragala, Hambantota, Nuwara Eliya and Jaffna, covering several cities and suburbs, for a period of one month from November to December, 2021. Information was gathered from shop owners selling cigarettes and other tobacco products, and the cigarette users, through questionnaires and interviews. The observations of the survey officers were also used in the analysis.

Data obtained from 249 shop owners and 250 cigarette users were considered as the samples for the survey.

In all five districts, the cigarette brand with the highest demand was identified to be John Player Gold Leaf (JPGL). According to the observations of the shop owners, people with a medium or high income prefer JPGL while underprivileged individuals use Capstan. JPGL, Capstan and other brands including Dunhill, Benson & Hedges, Navy Cut, John Player Gold and Bristol mentioned in the report are all produced by the same multinational company - Ceylon Tobacco Company (CTC) which operates under British American Tobacco (BAT).

Majority of the shop owners purchase cigarettes daily and most of them make the payment by cash. Stocks are delivered to the shops either directly by the tobacco company or through their agents. However, the shop owners believe that it's not a profitable business as they only receive a maximum profit of Rs. 1.00 – 2.00 per cigarette.

According to the findings of the study, majority of the users prefer to buy cigarettes as single sticks and make payments by cash. Most cigarette users are individuals who perform physically demanding jobs and are between the ages of 25 to 40. According to the users, availability of single sticks is one reason for increased consumption and if the price of single sticks rises, it might reduce the use of cigarettes. The analysis also revealed that when the price of a particular cigarette brand increased, many users switched their preferred brand, not the type of product. Therefore, with the decrease in some cigarette prices in line with the new budget implementations, the low and middle-income customers might become motivated to purchase more cigarettes from a cheaper brand, rather than reducing consumption. On the other hand, when selling cigarettes individually, the customers are not exposed to the pictorial health warnings (PHW) on the packs which cover 80% of its surface.

When analyzing the interventions from the tobacco company, it was observed that about one-third of the shop owners have received various attractive incentives from them. The company agents also visit the shops to share information and promotions. Even during the Covid pandemic, this routine has been carried out without any change.

CTC, operating under British American Tobacco (BAT), is engaged in subtle promotions due to a complete ban in direct and indirect promotions, sponsorships and advertising as per the National Authority on Tobacco and Alcohol Act (NATA). Among numerous promotions introduced by the tobacco company, price displays in the shops seems to be the most popular. The "Abhisheka" name boards, sponsored and handed over under the CTC trade loyalty programme, is denoted as a token of

appreciation for their loyal customers. Cigarette packs are also displayed by the shop owners as a way of promotion.

The small outlets established by the CTC could also be considered as a company strategy to promote cigarettes, targeting the hard-to-reach group who would be more comfortable in visiting a temporary shop and smoking outside of it.

Although the Covid pandemic has caused a decrease in cigarette consumption to a certain extent, this is a time where the country is facing an economic crisis. Therefore, while safeguarding the good health of the people, it is essential to guide them towards using and investing their hard-earned money intelligently. As an initiation in obtaining this goal, it is high time to pass the law, banning single stick cigarettes or a price increase with proper, scientific tax measures.

Also, taking a decision on the sale of single sticks is important to enact the other tobacco control provisions of the WHO Framework Convention on Tobacco Control (FCTC) such as the:

- FCTC Article 6 on increasing tobacco taxation to reduce the affordability of tobacco products
- FCTC Article 11 on implementing plain packaging of tobacco products
- FCTC Article 13 on implementing and enforcing a comprehensive ban on tobacco advertising
- FCTC Article 16 on prohibiting the sale of individual cigarette sticks

While strengthening the law, it is also important to implement tobacco cessation programmes for the underprivileged group who are hard to reach and who do not have opportunities to participate in such programmes.

SUMMARY OF FINDINGS

- The majority (93.6%) of customers buy cigarettes as single sticks. (77.5% buy one stick, 14.1% buy two sticks and 2% buy three to five sticks)
- Most sold cigarette brand: JPGL (John Player Gold leaf)
- JPGL is popular among people with a middle or high income while Capstan is popular among unemployed users or low-income earners. (All the cigarette brands mentioned in this report are produced by the - Ceylon Tobacco Company (CTC) which operates under British American Tobacco (BAT).
- The delivery done by the tobacco company or its agent is the most common method of bringing cigarettes to the shop. (45.8%)
- The majority of shop owners purchase cigarettes daily.
- The most common method of purchasing cigarettes is by cash payments.
- 33.6% of the shop owners have received various types of incentives.
- Overall, 58 outlets in the 5 districts had cigarette packets visibly displayed inside the outlets.
- 56.6% outlets had promotions inside the shops.
- The most significant way of promoting the CTC is through the price display.
- The tobacco company has intervened in more than half of the shops in all five districts.
- The majority of shop owners (86.3%) do not let the users smoke inside the shop.
- The majority of the users (47.2%) were between the ages 25 - 40.
- The majority of the users (97.2%) pay in cash.
- More than half of the users have reduced their use due to the recent price increase.
- The majority of users have switched to Capstan after the recent price increase.
- Individual cigarette sales have increased the use.
- The majority of the users (83.6%) believe that banning single cigarette sales could reduce their use.
- 61.2% of the users have reduced their use during the last 6 months.
- 43.8% of the users have reduced their use due to Covid-19 during the last 6 months.

RECOMMENDATIONS

- Future research could be done on:
 - the income generation and community level impact of the sale of single sticks.
 - how the sale of single sticks could hinder, encourage, or have no impact on smoking initiation, continuation and cessation.
 - how the sale of single sticks weaken the impact of PHWs.
 - the behaviour of the tobacco market during the pandemic and how CTC has attempted to position itself as a friend of public health during the pandemic.
 - the growth of small-scale shops established by the CTC and their function as promotional hubs
- The proposed ban on the sale of single stick cigarettes should be implemented.
- A proper tax method should be formulated.
- Additional resources to tobacco control and smoking cessation programmes that target the hard-to-reach group should be provided.



INTRODUCTION

01

Countries throughout the world have been trying to tackle tobacco-related problems for centuries. Sri Lanka, being one such country, also faces the 'Big Tobacco' threat and is trying to take all the possible measures to curb the tobacco menace. The tobacco industry in Sri Lanka is a monopoly which is held by British American Tobacco (BAT) appearing as the Ceylon Tobacco Company (CTC). BAT owns 84.13% shares of CTC. Therefore, Sri Lanka has to fight with a multinational company to safeguard the people.

It is estimated that around one-fourth of the adults (25.8%) use some form of tobacco in Sri Lanka¹ and nearly 20,000 Sri Lankan citizens die every year due to tobacco-related diseases.²

Tobacco smoking is one of the major risk factors for many respiratory diseases. WHO reports that smokers are more likely to develop severe diseases with COVID-19, compared to non-smokers³ as Covid-19 is an infectious disease that primarily attacks the lungs. Smoking harms the functioning of the lungs making it harder for the body to resist corona virus and other diseases.

Tobacco users largely impact the health system of a country. Amidst that, the smokers are more vulnerable to Covid-19 and the possibility of the smokers infected with Covid-19 spreading the infection to others through indirect smoking, have added another strain to the health systems and services fighting to control the virus. Not only that, at a time the health system is trying to make the maximum use of resources by directing them to fight against the Covid-19, limiting the regular health services, the smokers impose an additional burden by being exposed to a risk factor of other general diseases.

When considering the above scenario, the present situation is forcing Sri Lanka to take more effective measures to control tobacco use, more than ever. This survey will find out how the Covid-19 pandemic has affected cigarette use and the opinions of the users and it will support the parties who are engaged in tobacco prevention to design programmes for the users to quit smoking. Public health and advocacy groups have been very active and have called for a ban on the sale of tobacco during the Covid-19 lockdown. Due to the ongoing crisis and the high burden on the health system, the government is more open to these calls. Hence, this study will provide evidence-based information to strengthen such calls.

Sri Lanka, as the first country in Asia to ratify the world's first global public health treaty- the WHO Framework Convention for Tobacco Control has taken considerable attempts to control tobacco sales and consumption. The NATA Act was enacted in 2006 to protect public health from tobacco and alcohol-related harm.⁴ Sri Lanka also implemented pictorial health warnings covering 80% of the top surface area of both front and back covers of tobacco packets in 2015.⁵ However, the country is still waiting for a decision on banning single stick cigarettes. The proposed draft policy in 2018 to ban single stick cigarettes was tabled for Cabinet approval and was not passed.

Banning single stick cigarettes sales is a top priority in Sri Lanka due to several reasons. It is the most common method of purchasing cigarettes in the country. The single sticks, also known as "loosies", are quite affordable for the under-aged users and low-income earners as they can buy just one stick with the money they have in hand, without buying a whole packet at once. Therefore, due to the affordability and accessibility of single sticks, there is an increase in the number of users as well as the number of sticks they smoke.

In this context, it is an essential requirement to conduct a study on the tobacco industry strategy of using different outlets to increase cigarette use among the hard-to-reach group.

On the other hand, the availability of single sticks has affected the other prevailing laws negatively. When a user purchases a cigarette as a single stick, they are unlikely to be exposed to the PHW label. Therefore, the expected outcome of having PHWs becomes null. The 3rd Asian Tobacco Industry Interference Index report states that “the tobacco industry benefits from weakened tobacco control measures and extended timelines to implement these measures. Likewise, the implementation of Sri Lanka’s standardized packaging on tobacco products has also delayed along with the proposed ban on the sale of single stick cigarettes.”⁶

As suggested by the WHO, raising taxes on tobacco is the most cost-effective solution for reducing tobacco use in all types of settings.⁷ It also recommends that tobacco taxes should be raised to increase the price by 10% in order to reduce tobacco use in low and middle-income countries by 5%.⁷

Unfortunately, the Sri Lankan government did not increase the tobacco tax over the past three years, since 2019. There were high expectations that the budget for the year 2022 will increase the tobacco tax. Alcohol and Drug Information Centre (ADIC) has been advocating effective policy formulation for alcohol, tobacco and other drugs control over the last 30 years. By understanding the importance of the new budget, it has taken immense attempts to bring about effective changes. ADIC has prepared a proposal explaining the importance of tax change and has lobbied many ministers and members of the parliament. The leaders have shown their support for the proposal. However, the budget failed to achieve the critical outcomes.

The Finance Minister conveyed the decision to increase the price of a single cigarette by Rs.5 during his budget speech. Moreover, the government also changed the excise taxes on cigarettes. This price increase will only offer the government Rs.2.47 in tax revenue per cigarette. The remaining Rs.2.53 will be earned by CTC as revenue through the price increase,⁸ laying the government’s exercise in futility. From the money the tobacco company earns, it can do more promotions and CSR projects to build up their image as well as the declining business. The 3rd Asian Tobacco Industry Interference Index report reveals that “in attempts to whitewash its harmful impacts and practices, the tobacco industry also supported “ecological restoration projects” mainly through tree planting activities in Sri Lanka”.⁶

Furthermore, the price of cigarettes less than 60 mm in length has been reduced due to the government’s decision to levy a tax on the length of cigarettes. The cigarettes which were 20 rupees before the tax amendment changed to 10 rupees.⁹ This shows a 50% decline in taxes. Due to this, there’s only a 2.38% increase in the tax rate on cigarettes.⁸ In reality, the effects of imposing cigarette taxes have weakened and the government has lost the opportunity to use the tax for external debt management and to boost the economy.

In addition, currently, cigarettes have become cheaper when compared to essential items such as rice, sugar and fuel. In the current market, there are very few things, such as candies, that a person could buy for Rs.10.00. It is interesting to note that the price decrease affected the cheapest cigarette available, at that time, in the market. Accordingly, when a cigarette becomes ‘extremely’ inexpensive, the deprived and young groups will initiate or increase their use as they could afford two sticks for the same price. This tactic has been used by the tobacco company for years.

When the government increases the tobacco tax, the tobacco company also increases the prices by an amount that is weightier than the tax increase. Since the tax increase imposed by the government does not reflect the maximum level to which the product can ideally be taxed, the government always loses the potential revenue while the tobacco company maximizes its profits. As aforementioned, when the price reduces, the youngsters, underprivileged, and vulnerable groups will increase their tendency to purchase cigarettes. If the government raises tobacco taxes in line with domestic purchasing power and inflation, the tobacco industry may not have the opportunity to raise prices to maximize profits.

The Global Tobacco Industry Interference Index (Global Tobacco Index), which measures efforts by governments to address tobacco industry interference according to total scores provided by civil society groups, has ranked Sri Lanka in 15th place in 2021, which ranked as 12th in 2020.¹⁰ This shows that Sri Lanka needs to focus more on controlling the tobacco company interference.

This study will further investigate the behavior of the tobacco industry interference during the pandemic to promote itself.

The findings of this study expect to present the magnitude and impact of the problem of single stick sales. It will also reveal the strategies implemented by the tobacco industry to increase the availability of cigarettes. This documented evidence will help the Sri Lankan government and its authorities to renew focus about the problem of single stick cigarettes sales and the other interested parties to lobby the government in doing so.

1.1. Objectives

Main objective

Analyze the trend of single stick cigarettes among vulnerable groups in Sri Lanka and the tobacco company interventions.

This objective covers the following Terms of Reference:

- A. Sales structure and variations
 - 1. Sales patterns of different types of cigarette brands
 - 2. Variations in sales depending on age and income
 - 3. Availability of credit for the shop owners and users
 - 4. Inducements given by tobacco industry for the shop owners
 - 5. Inducements given by the shop owners for the users
- B. Adherence to current laws and regulations
 - 1. The display of health warnings
 - 2. Advertising in outlets
 - 3. Disallowing smoking inside the outlets
- C. Status related to proposed amendments
 - 1. Purchase patterns and quantities (single sticks, loose sales etc.)
- D. Attitudes and knowledge of retailers and customers
 - 1. Attitudes of the shop owners on different tobacco products
 - 2. Opinions of the shop owners on single stick sales and profit
 - 3. Knowledge of the shop owners about the tobacco company interventions
 - 4. Attitudes of the users on different tobacco products
 - 5. Opinions of the users on single stick sales



METHODOLOGY

02

2.1. Design

The study was conducted using both quantitative and qualitative techniques. The data was obtained through surveys, interviews and observations. The surveys and structured interviews, which were voluntary and anonymous, were carried out with the shop owners selling cigarettes and other tobacco products, and also the users of such products. The observation reports of the survey officers were also used in the study.

2.2. Sample

The study took place in 5 purposively selected districts in Sri Lanka – Colombo, Monaragala, Hambantota, Nuwara Eliya and Jaffna. The data were collected from November to December 2021.

2.2.1. The shop owners selling cigarettes

The owners of 249 outlets ranging from shops established by CTC, restaurants, grocery shops to kiosks in the cities and suburbs of the five districts – Colombo, Monaragala, Hambantota, Nuwara Eliya and Jaffna, were taken as respondents.

2.2.2. The users of cigarette and tobacco products

A total number of 250 users from the cities and suburbs of the five districts – Colombo, Monaragala, Hambantota, Nuwara Eliya and Jaffna, were selected for the survey and interviews.

2.3. Procedure

The survey officers who also acted as observers during this study, were assigned for each district. These officers were selected based on their experience in the fieldwork and previous work done with ADIC. They were given training regarding the outline of the survey, terms of references, data collection procedure, questionnaires, interviews and measures.

The same procedure was followed in selecting samples from the shop owners and tobacco users in every district, to maintain the reliability of data. The survey officers selected the main intersection as their central point and walked along each road. The initial plan was to survey every odd number of outlets on both sides of the road. However, due to practical reasons, there was a slight deviation from this plan, and the survey was carried out in all the outlets on both sides of the road in some areas. The users who visited the shops were also interviewed.

2.4. Instruments

Two separate questionnaires were designed for the purpose of collecting data, one for the shop owners selling cigarettes and other tobacco products and the other, for the users. The questionnaires for the shop owners consisted of questions regarding demographical information, sales structure, sales, adherence to current laws and regulations and tobacco company behavior. The questionnaires for the tobacco users included questions on the demographical information, purchase pattern and effects of current laws and regulations on the usage.

Interviews were also conducted with the sellers and users to obtain information on their attitudes and beliefs.

Observations were done to monitor the outlets and promotions carried out by the tobacco company.

2.5. Data Analysis

The Statistical Package for Social Sciences (SPSS) was used for data analysis.

RESULTS

03

3.1. Results from the shop owners selling cigarettes and other tobacco products.

A survey was carried out among 249 shop owners selling cigarettes and other tobacco products in 05 districts. Approximately 50 outlets from each district were included in this process. Due to the lack of availability of outlets, minor differences can be seen in the selection of outlets.

The selected 249 outlets belonged to several categories. The highest percentage of the outlets were grocery stores (54.6%). Another 30.9% were restaurants, where people paid to sit and eat meals that are prepared and served on the premises. From the remaining amount, 9.2% were kiosks or small temporary sales outlets, 3.2% were shops established by the CTC and 2% belonged to the category 'other outlets'.

Figure 1: Selected outlet types

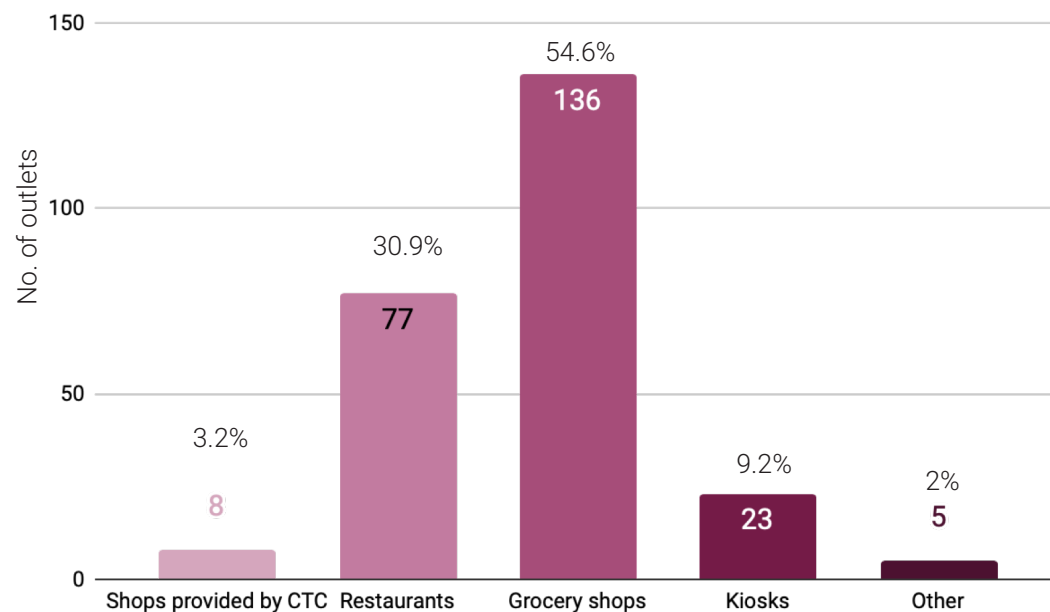
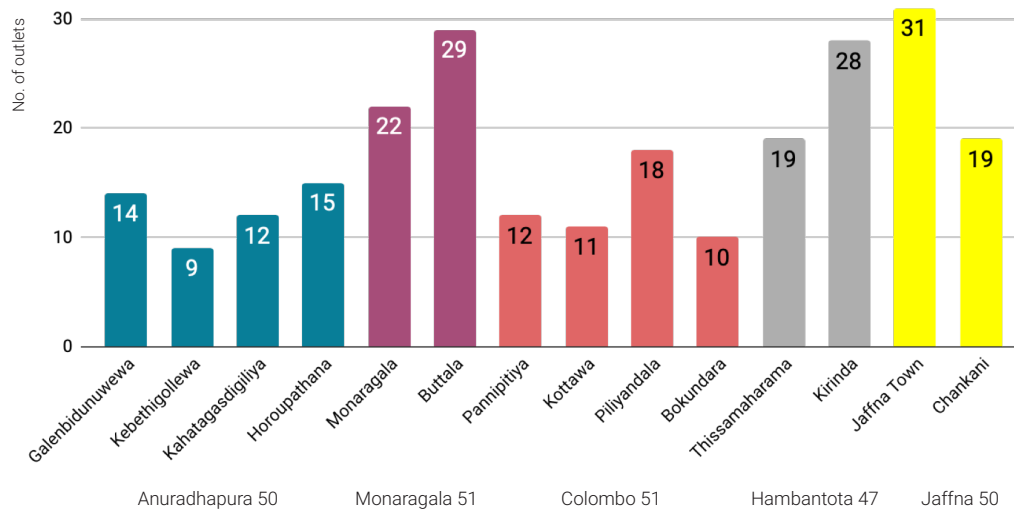




Image 1: A shop provided by the CTC

The 249 shops that were taken into consideration for the survey were randomly spread in the cities with a high population, and in the suburbs with a population that is much less.

Figure 2: Selected cities and suburbs

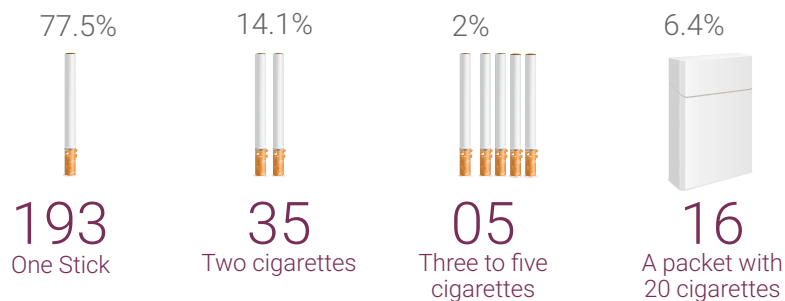


a) Cigarette sales pattern

The highest percentage of sales (93.6%) was carried out as single sticks. The percentage of consumers buying one cigarette per day was 77.5%, two cigarettes per day was 14.1%, while 6.4% purchased cigarettes as packs. (20 sticks) The least popular form of purchasing cigarettes among consumers was three to five cigarettes per day (2%).

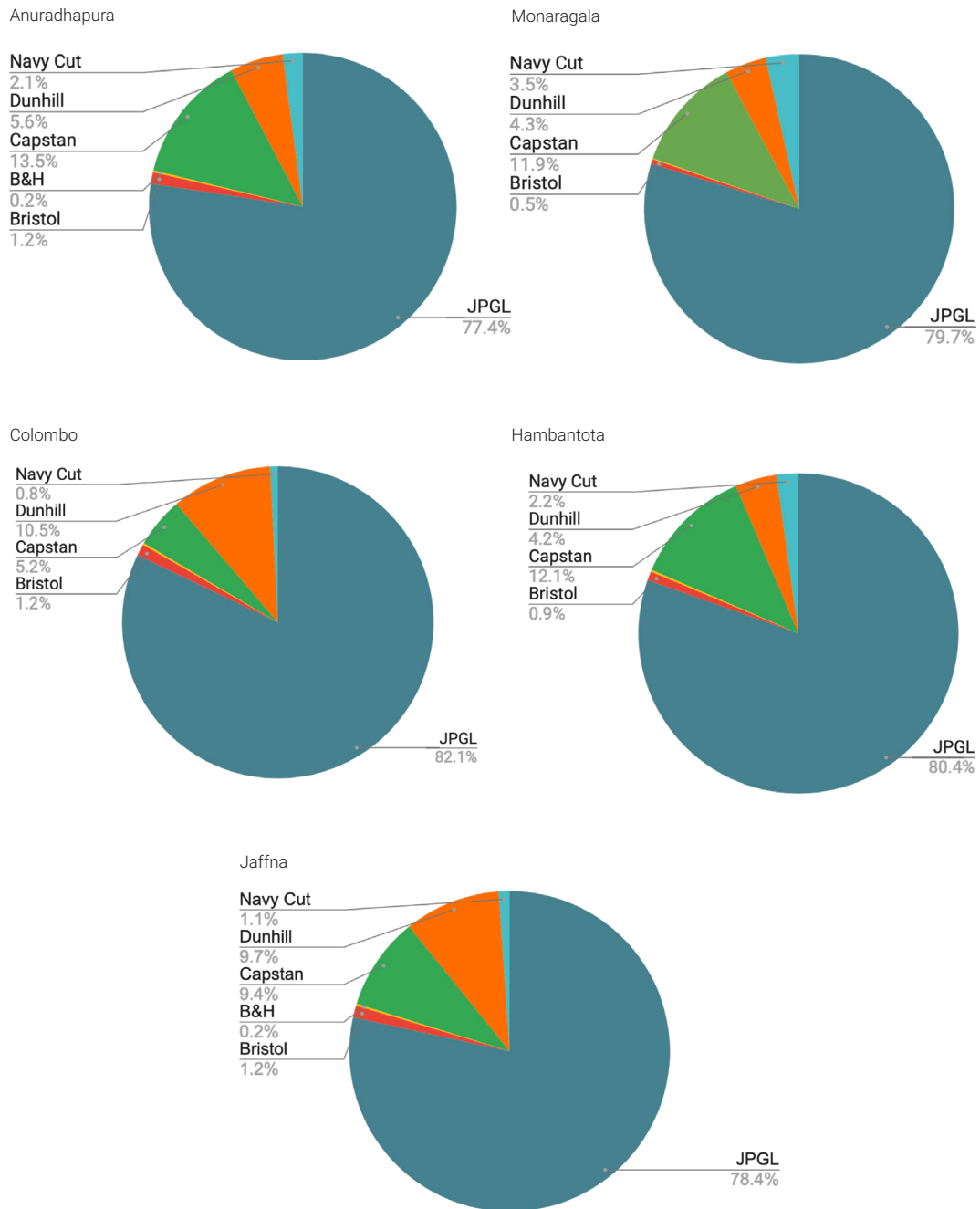
Figure 3: Method of purchasing cigarettes

The majority (93.6%) of customers buy cigarettes as single sticks.



When comparing the sales by the cigarette brand among the five districts, John Player Gold Leaf (JPGL) reported the highest sales, selling over 77% in each district, while Capstan held the second place. However, in Colombo and Jaffna, the brand Dunhill appeared to be more popular than Capstan. After Capstan, the brands Navy Cut and Bristol showed more demand. The brand with the lowest demand in all five districts was Benson & Hedges (0.1% to 0.2%). These brands -JPGL, Capstan, Dunhill, B&H, Navy Cut and Bristol, sold in the shops are all produced by the CTC and therefore the profits from all these brands flow to the same company.

Figure 4: Cigarette sales by brand



Most sold cigarette brand: JPGL

JPGL - Popular among people with a middle or high income

Capstan - Popular among unemployed users or low-income earners

b) Customer profile and their preferences

Based on the perception of the shop owners, data was analyzed comparing the age and occupation with the cigarette brand the customers use. Capstan was the most popular brand among people who earn daily wages while JPGL was identified as their second most preferred brand. JPGL is the most popular brand among both groups with a middle or high income while their second choice was identified as Dunhill.

Table 1: Cigarette sales by age and income

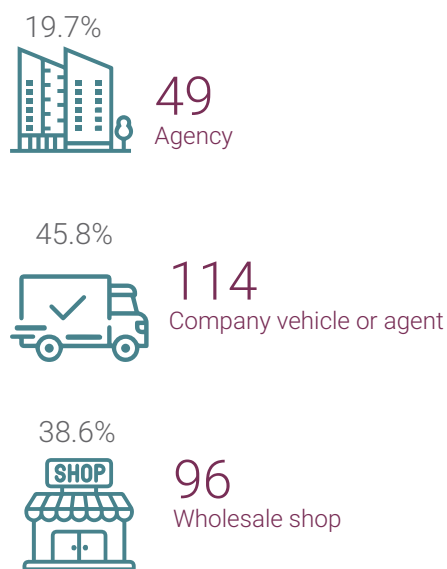
People below 40 years		People above 40 years	
Ones who earn a low income	Ones who earn a middle or high income	Ones who earn a low income	Ones who earn a middle or high income
1. Capstan	1. JPGL	1. Capstan	2. JPGL
2. JPGL	2. Dunhill	2. JPGL	3. Dunhill

c) Purchasing method by the shop owners

From the shop owners, 45.8% purchased cigarettes from the stocks that were delivered to them by the tobacco company or its agents. Another 38.6% purchased the goods from the wholesale shops while 19.7% visited the agency to purchase them.

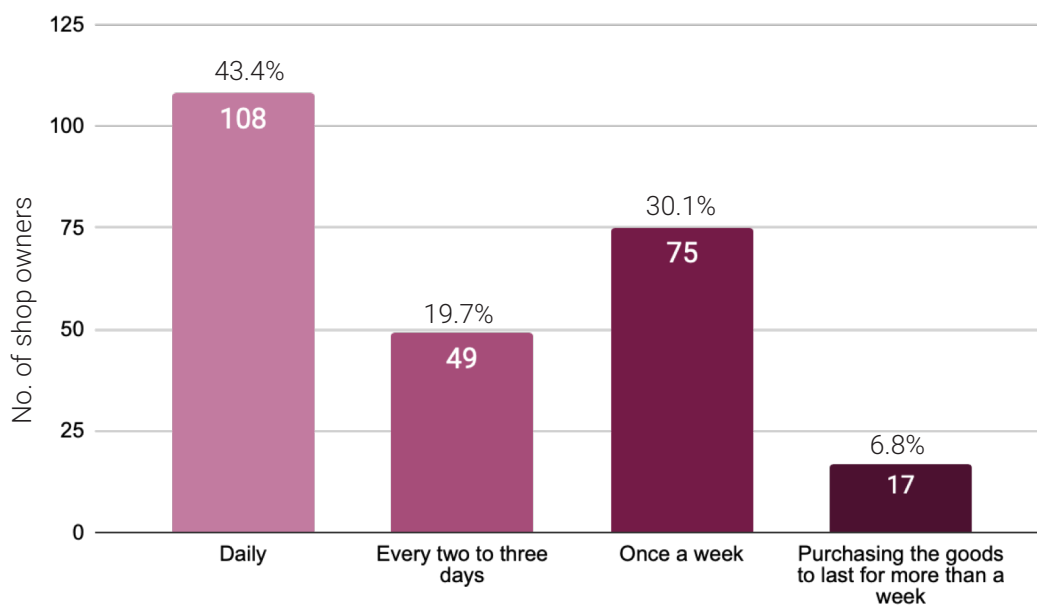
Figure 5: Method of purchasing cigarettes by the shop owners

The delivery done by the tobacco company or its agent is the most common method of bringing cigarettes to the shop. (45.8%)



The majority of shop owners made a daily purchase of cigarettes (43.4%), while 30.1% purchased cigarettes weekly. A percentage of 19.7% purchased cigarettes every two to three days while only 6.8% purchased the goods to last for more than a week.

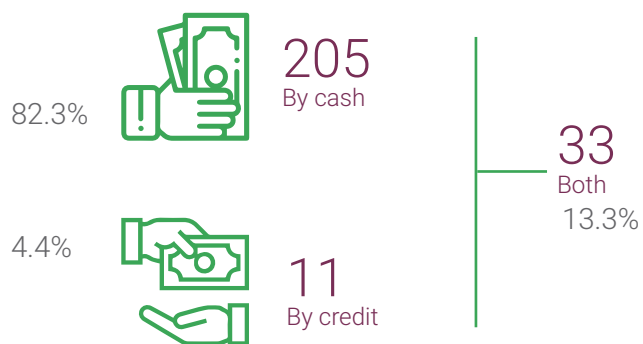
Figure 6: Cigarette purchasing by volume



The majority of shop owners purchase cigarettes daily.

When purchasing goods from the vendors, the highest percentage of shop owners (82.3%) made Cash payments. Only 4.4% of shop owners purchased cigarettes on credit. The payments were made later to the tobacco company. And 13.3% of the shop owners used both cash and credit methods for purchasing the goods.

Figure 7: Method of payment



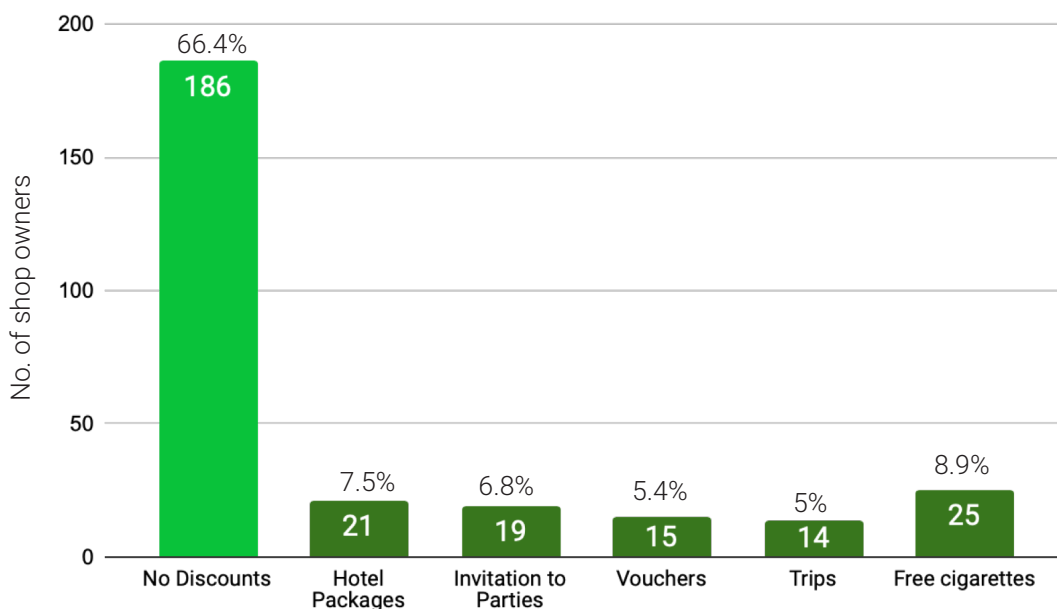
The most common method of purchasing cigarettes is by cash payments.

d) Incentives awarded by the tobacco company to the shop owners

From the shop owners, a percentage of 33.6% have received different types of incentives from the tobacco company. Giving out cigarettes for free is the most popular method to motivate the buyers (8.9%). Hotel packages, invitations to parties, vouchers and trips were given to 7.5%, 6.8%, 5.4%, and 5% of the shop owners respectively. However, 66.4% of the shop owners reported that they haven't received any kind of incentive from the company.

Figure 8: Types of incentives

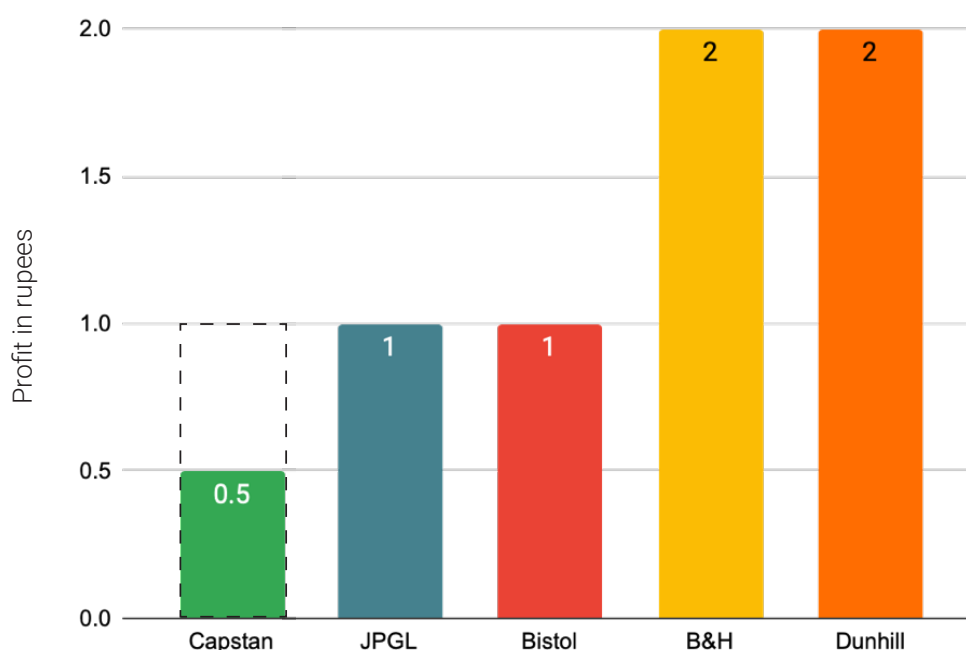
33.6% of the shop owners have received various types of incentives



e) Profit from cigarette sales

It is important to note that the shop owners earn a profit of only 1 rupee for selling a cigarette of JPGL or Bristol brands. They receive a 2 rupee profit from selling a cigarette that belongs to B&H and Dunhill brands. The shop owners obtain a profit of 50 cents or one rupee from the brand Capstan.

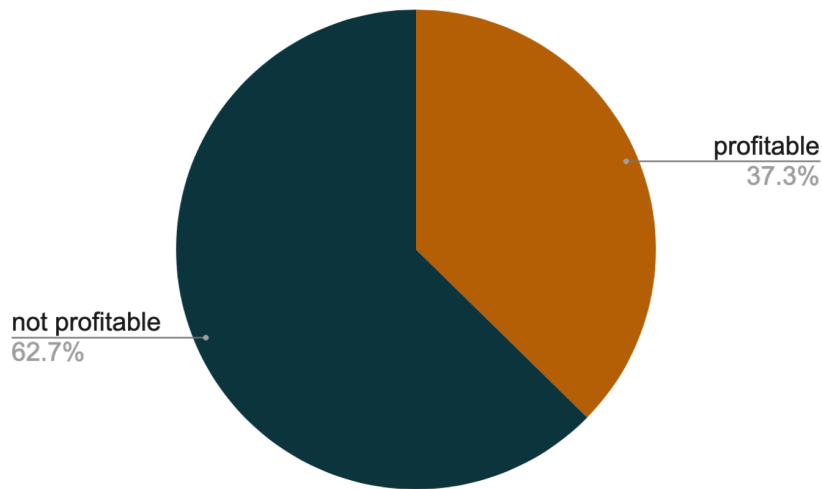
Figure 9: Profit received from each cigarette brand



f) Opinions of shop owners

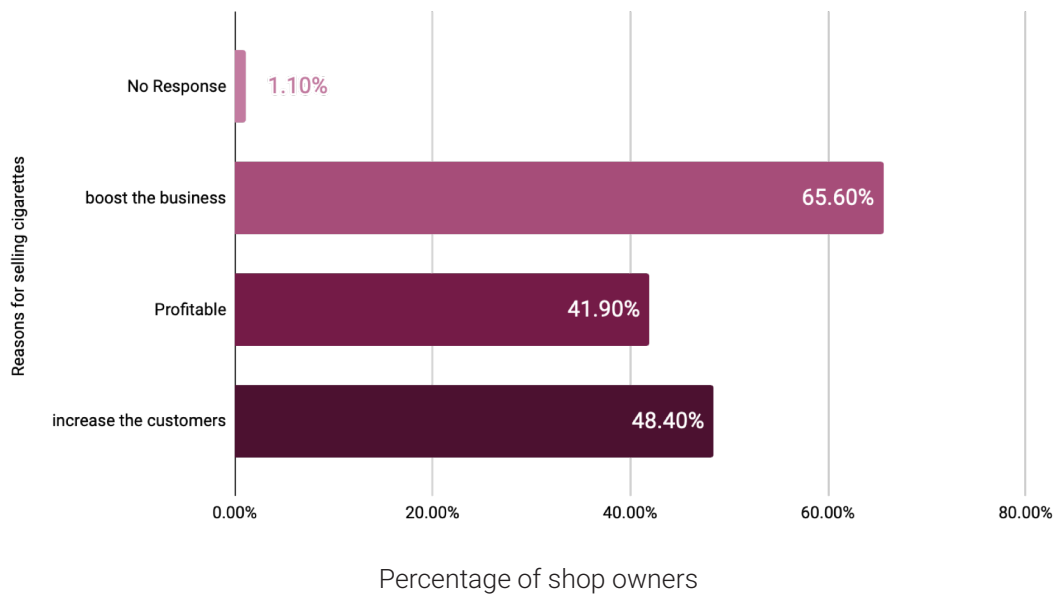
The majority of shop owners (62.7%) believe that cigarette sales is not a profitable business while 37.3% think it's profitable.

Figure 10: Opinion of cigarette sales based on profit



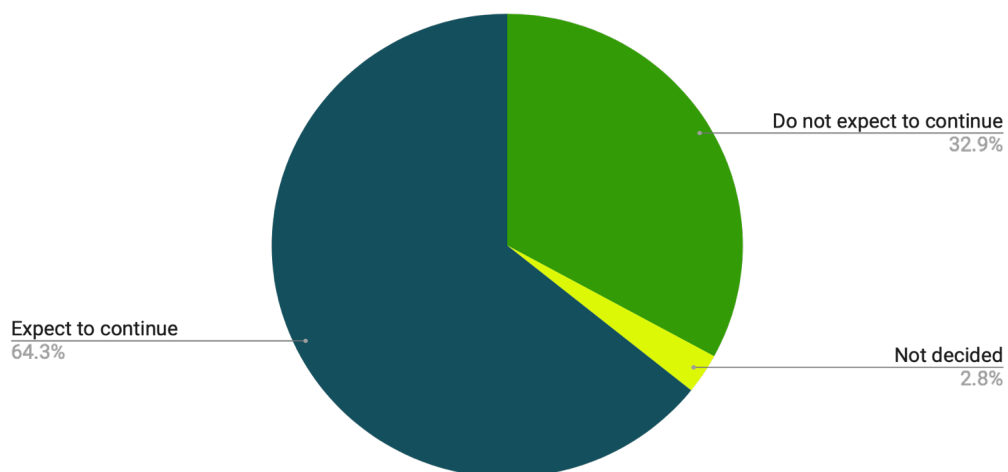
The shop owners carry out cigarette sales due to three main beliefs. A percentage of 65.6% think that selling cigarettes boosts their business. While most of them believe it to be a non-profitable business, 41.9% believe that earns them a profit. The remaining 48.4% think that it helps increase the number of customers.

Figure 11: Reasons for selling cigarettes



Based on their opinions, 64.3% of the shop owners have decided to continue selling cigarettes although it doesn't earn them much profit. Another 32.9% mentioned that they expect to discontinue selling cigarettes and 2.8% have not come to a final decision regarding continuing the sales.

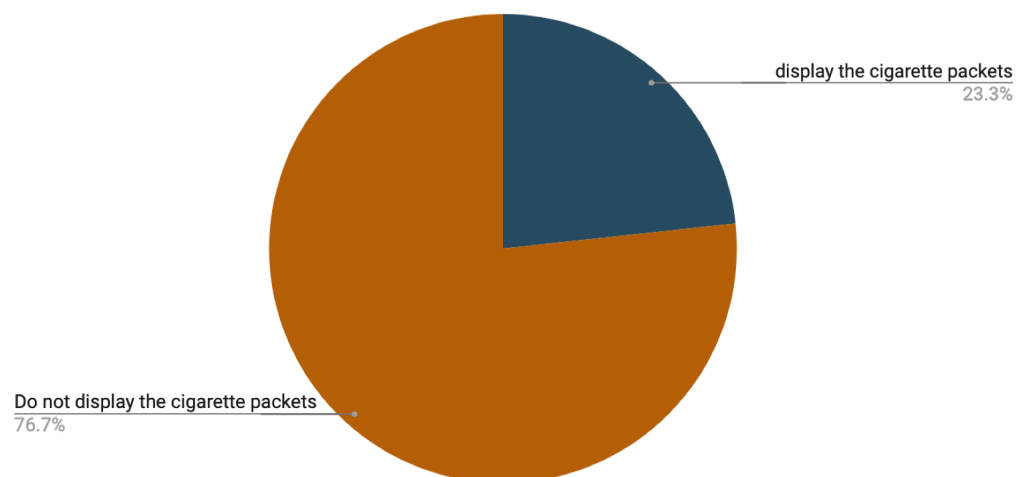
Figure 12: Shop owners' decision on continuing the cigarette business



g) Visibility of cigarette packets

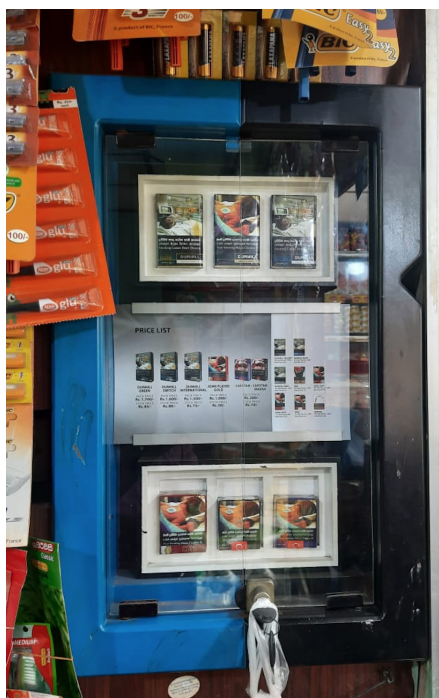
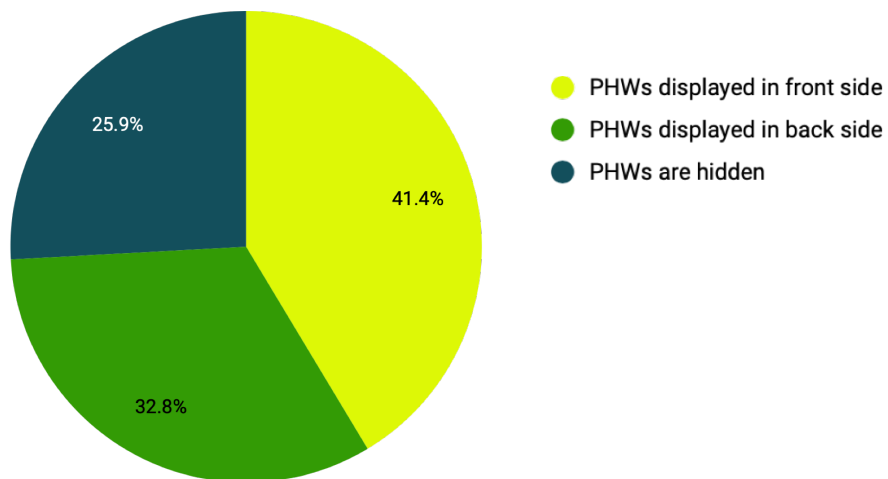
Although 76.7% of the shop owners do not display the cigarette packs to their customers, 23.3% of the shop owners have made the packets visible in their store.

Figure 13: Visibility of cigarette packets to the customers



In the cigarette packet, pictorial health warnings (PHW) are displayed on both sides. From the respondents, 41.4% arrange the packets displaying the PHWs on the front side, while 32.8% store them displaying the PHWs in the back of the packet. And 25.9% of the sellers display the packets arranged in such a way that PHWs are not visible at all to the customers.

Figure 14: Displaying of PHWs



Overall, 58 outlets in the 5 districts had cigarette packets visibly displayed inside the outlets.

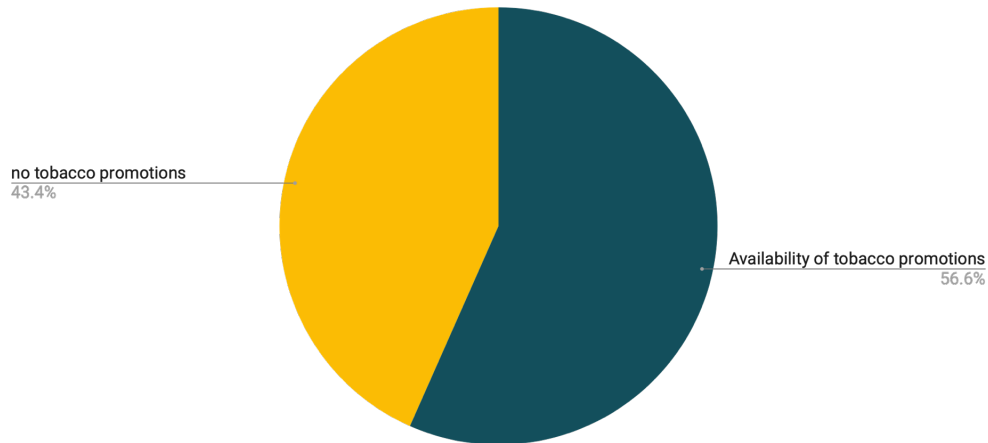
Image 2: How cigarette packets were showcased in shops

h) Tobacco company promotions within the outlet

The tobacco company takes various approaches to promote their product indirectly. Even though 43.4% of the shop owners said that there are no Ceylon Tobacco Company (CTC) promotions inside their outlets, a higher percentage (56.6%) stated that they have such promotions.

Figure 15: Availability of tobacco promotions

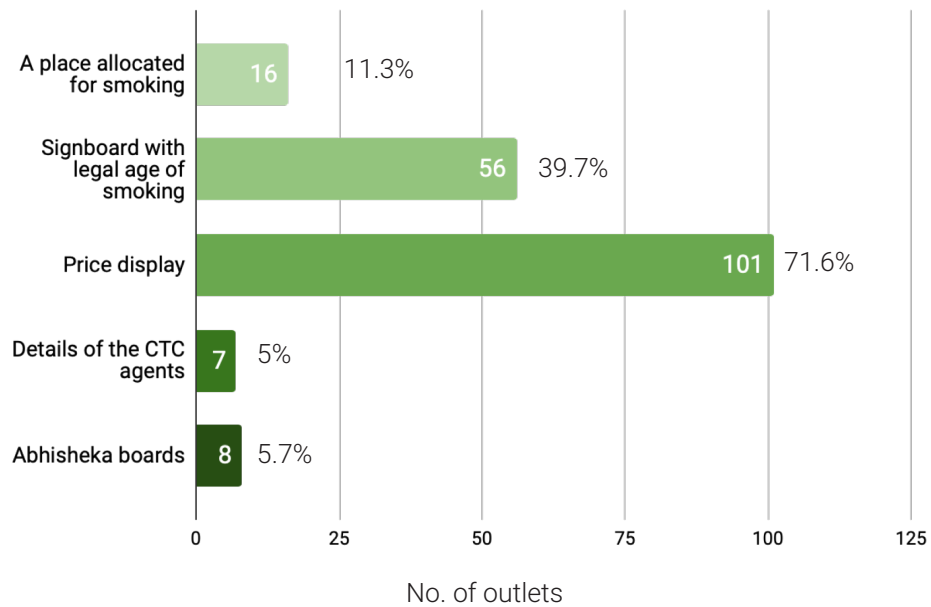
**56.6%
outlets had
promotions
inside the
shops.**



The most significant way of branding the CTC is through the price display, which has been carried out by 71.6% of the shops. While 39.7% of the shops have a signboard demarcating the legal age for smoking (21 years), 11.3% of the shops have established a separate place for smoking. CTC provides the name boards for the shops with their trade loyalty programme name "Abhisheka" displayed on the side and 5.7% of the shops have received these name boards. A small percentage (5%) display the details of the CTC agents.

Figure 16: Tobacco promotions inside the shop.

**The most
significant
way of
promoting
the CTC is
through the
price display.**



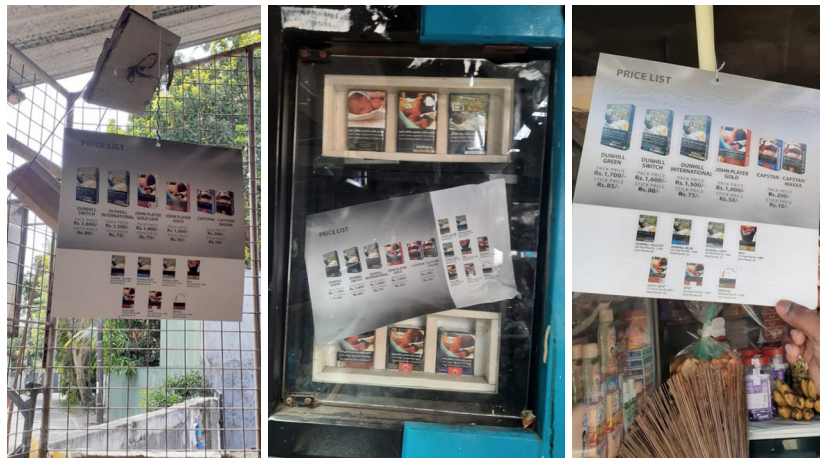
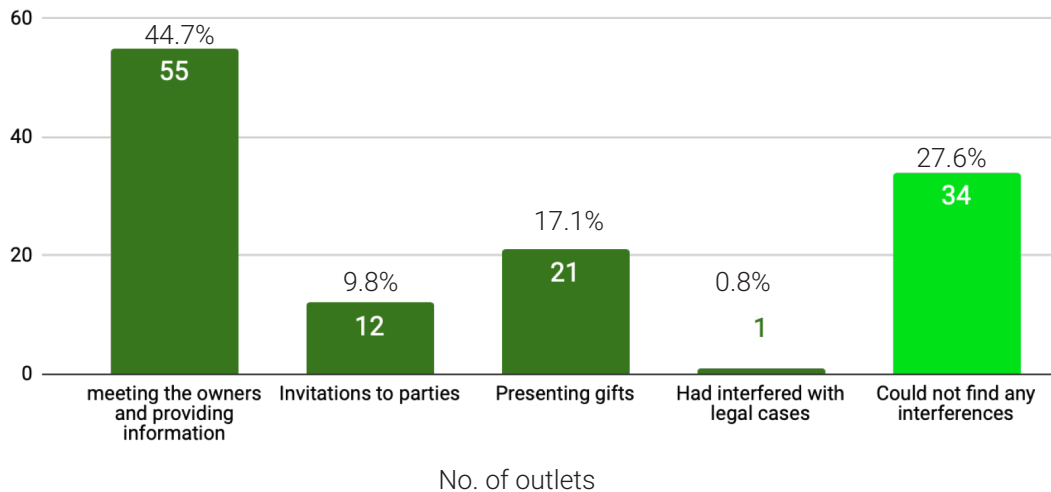


Image 3: The promotions inside the shop

i) Tobacco company interventions

The tobacco company carries out several interventions including meeting the owners and providing information, inviting them to the parties, presenting gifts, and intervening in legal issues. From the respondents, 27.6% has not experienced any sort of intervention from the tobacco company. However, 44.7% of the shop owners have met the CTC agents and obtained information. Another 17.1% have received gifts, 9.8% were invited to the parties and 0.8% of the shop owners have gained support in legal issues. The tobacco company has intervened in more than half of the shops in all five districts.

Figure 17: Company interventions



The tobacco company has intervened in more than half of the shops in all five districts.

j) Facilities for the users

The majority of shop owners (86.3%) do not let the users smoke inside the shop, while 13.7% of the respondents allow smoking inside the shop.

According to the observations of the survey officers, 12.9% of the shops allow the users to smoke inside, while 87.1% didn't allow the users to do so. Therefore, both the responses of the shop owners and the observations of the survey officers are unanimous.

Figure 18: permission to smoke inside the shop

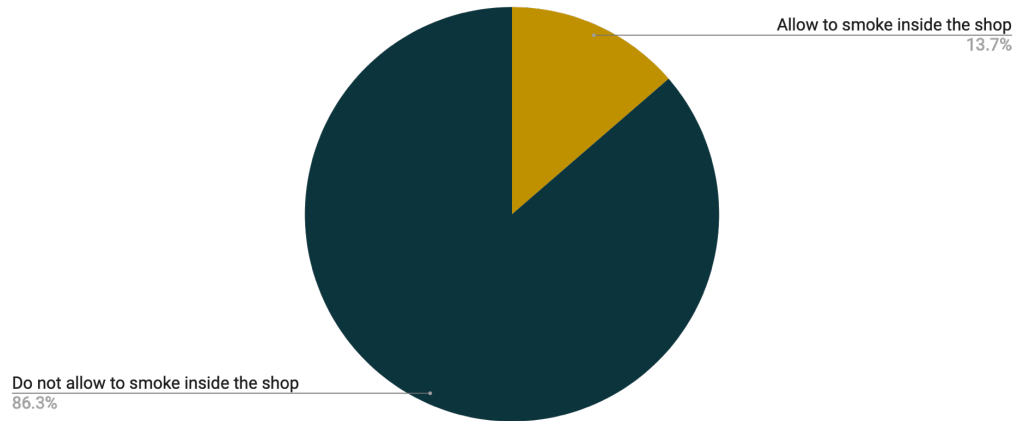
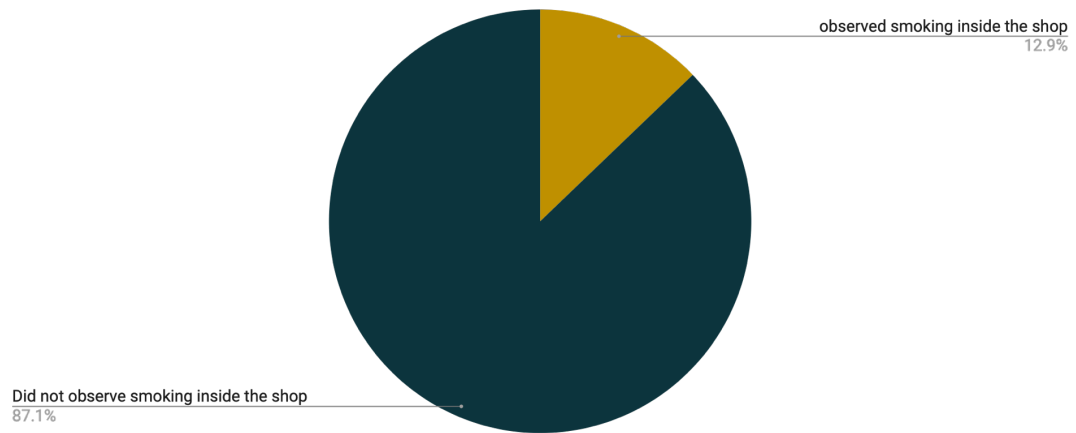


Figure 19: Observed smoking inside the shop



The majority of shop owners (86.3%) do not let the users smoke inside the shop.

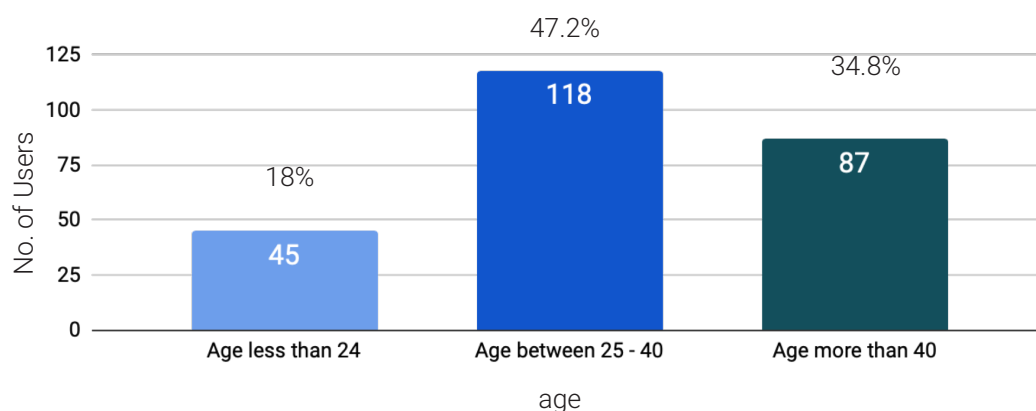
3.2. Results from the users of cigarettes and other tobacco products

k) User profiles

A total of 250 cigarette users were selected from five districts under three categories depending on their age. The categories were; age below 24, between the ages 25-40 and more than 40 years of age.

The highest percentage of users (47.2%) belonged to the age group 25 to 40. From the respondents, 34.8% were more than 40 years of age and 18% of users were below 24. As shown in the data, the clientele of the tobacco company is not limited to a specific age group. Rather, it covers a wide range starting from youth to adulthood.

Figure 20: Users by age



The majority of the users (47.2%) were between the ages 25 - 40.

Most of the users are engaged in physically demanding jobs including driving, carpentry, labour, farming etc. The highest percentage of respondents work as labourers (17.2%) and 12% of are drivers. Between 5% to 7%, the users engage in fishing, farming, and sales or are unemployed. People who earn a daily wage seem to spend a considerable portion of it on cigarettes daily.

Figure 21: Users by profession



17.2%



12%



7.2%



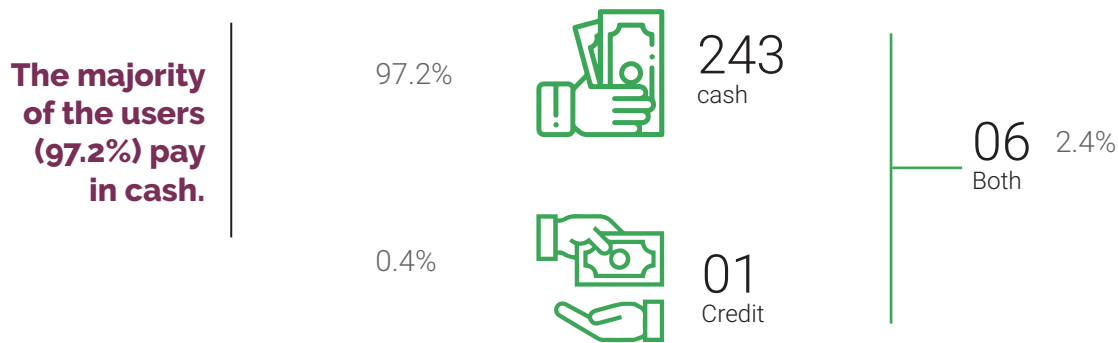
6.8%

Job	No. of Users
Tailor	5
Daily businessman	4
Carpenter	4
Mechanic	6
Welder	7
Security officer	7
Kottu/Fried Rice Maker	7
Mason	8
Officer of Forces	9
Barber	9
Conductor	9
Engages in self-employment	9
Waiter	9
Private sector worker	11
Government Servant	12
Farmer	13
Salesman	13
Unemployed	17
Fisherman	18
Driver	30
Labourer	43
Total	250

l) Method of payment

The majority of users (97.2%) pay cash and only 0.4% obtain cigarettes on credit. A few customers (2.4%) purchase cigarettes either by paying cash and or on credit. As the majority buys cigarettes in cash, the amount they buy should be affordable to them. Therefore, buying single sticks is rather convenient than buying a packet of cigarettes.

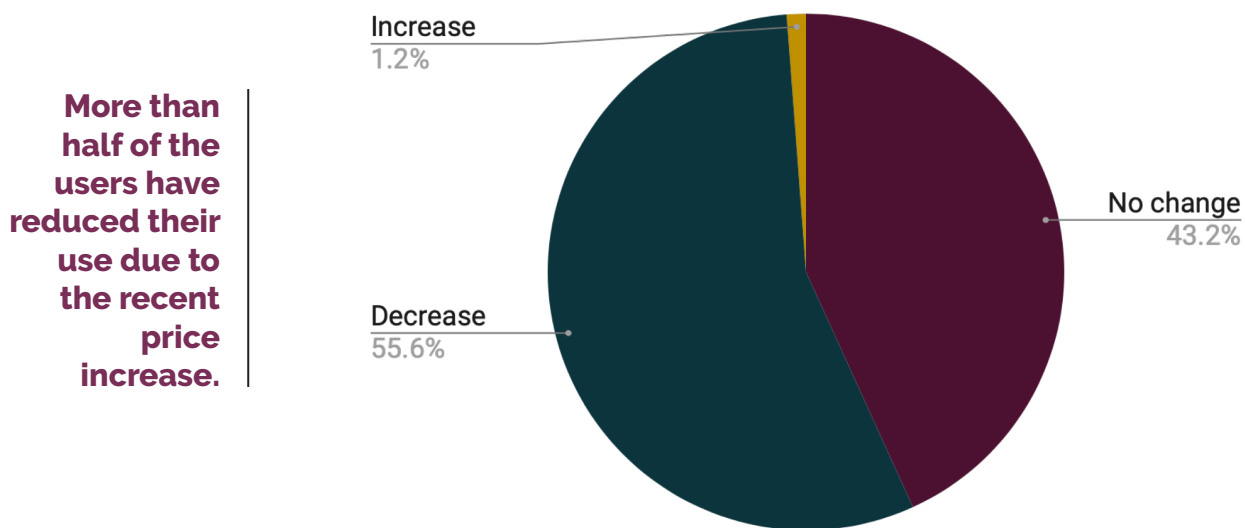
Figure 22: Payment method



m) Impact of the price increase on users

When asked about whether the recent price hike has affected their usage, 1.2% mentioned that it has increased their use while 55.6% stated the opposite, that it caused a decrease in cigarette use. However, 43.2% revealed that it had no impact on their cigarette use. Therefore, it is clear that a price increase has a considerable effect on the buying power of the customer.

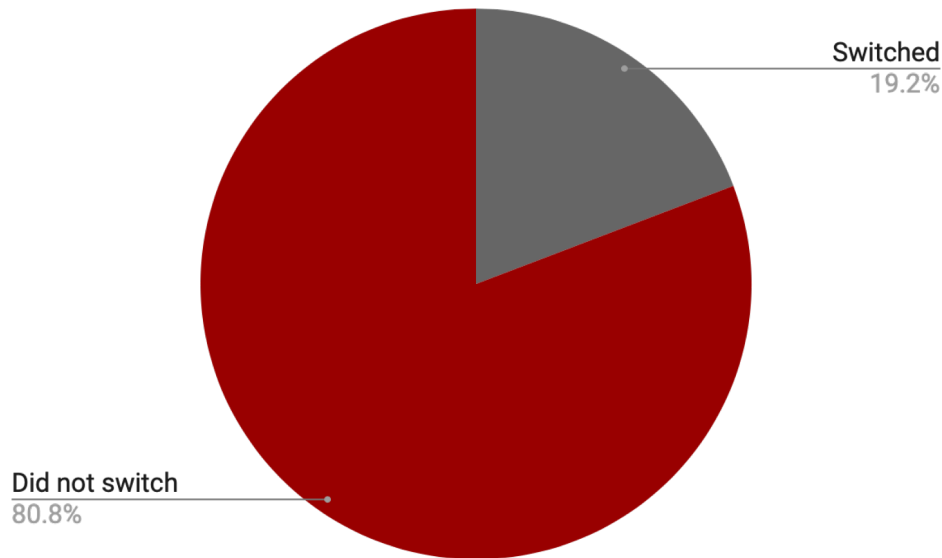
Figure 23: Impact of the price increase on users



n) User behaviour after to the price increase

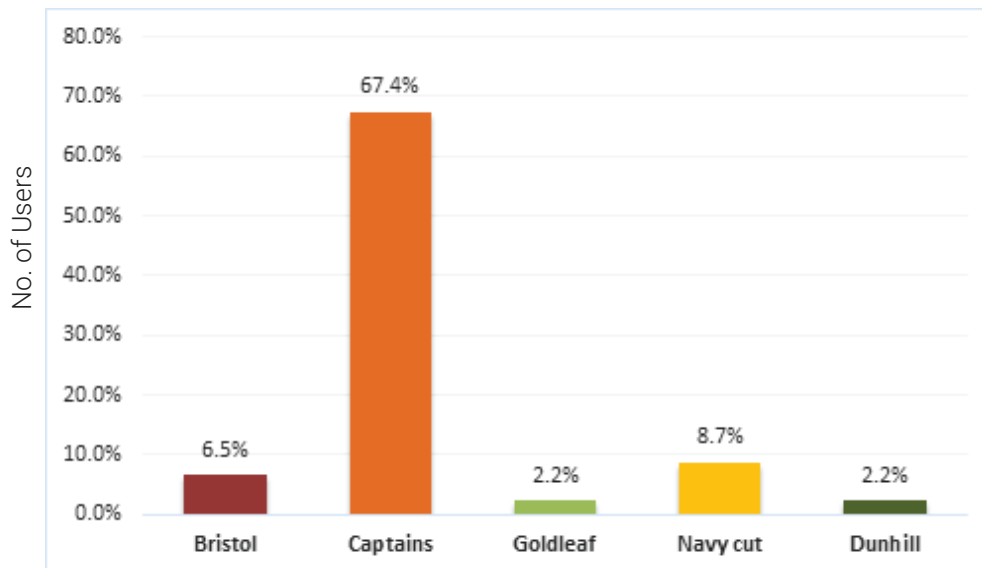
Due to the recent price increase, 19.2% of users have switched to another brand or a different tobacco product while the remaining 80.8% did not switch brands or products.

Figure 24: User tendency to switch the brand or type



The price increase shows a considerable effect on the buyers as 67.4% of users have moved to Capstan while 8.7% and 6.5% have switched to the brands Navy Cut and Bristol respectively. An equal percentage of users have changed their preference to JPGL and Dunhill (2.2% each).

Figure 25: Substituted brand or type

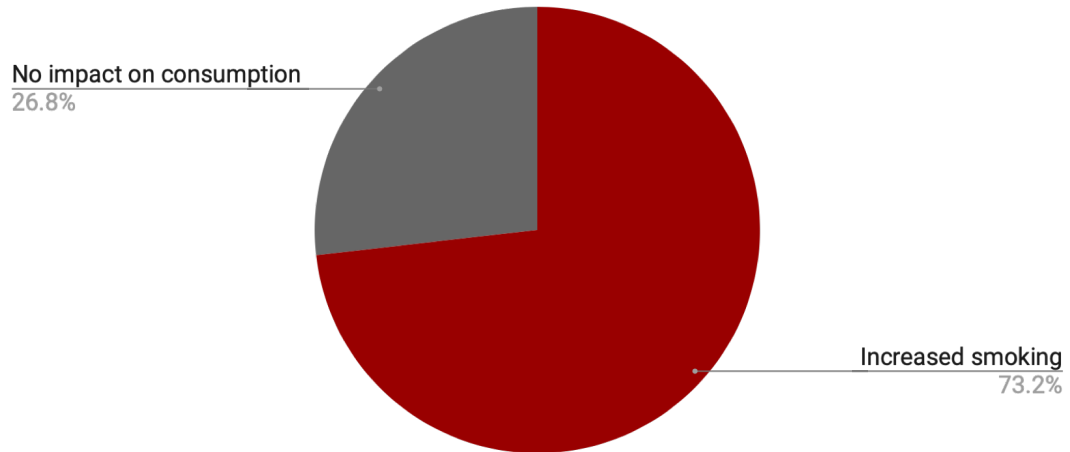


The majority of users have switched to Capstan after the recent price increase.

o) Impact of having permission to smoke inside the shop

A high percentage (73.2%) of the users stated that allowing them to smoke inside the shop has increased their smoking habit while 26.8% mentioned that it did not have any effect on their consumption. This data shows that providing facilities for the customers to smoke is an incentive. Therefore, establishing separate smoking areas in shops can be identified as an indirect promotion method carried out by the tobacco company.

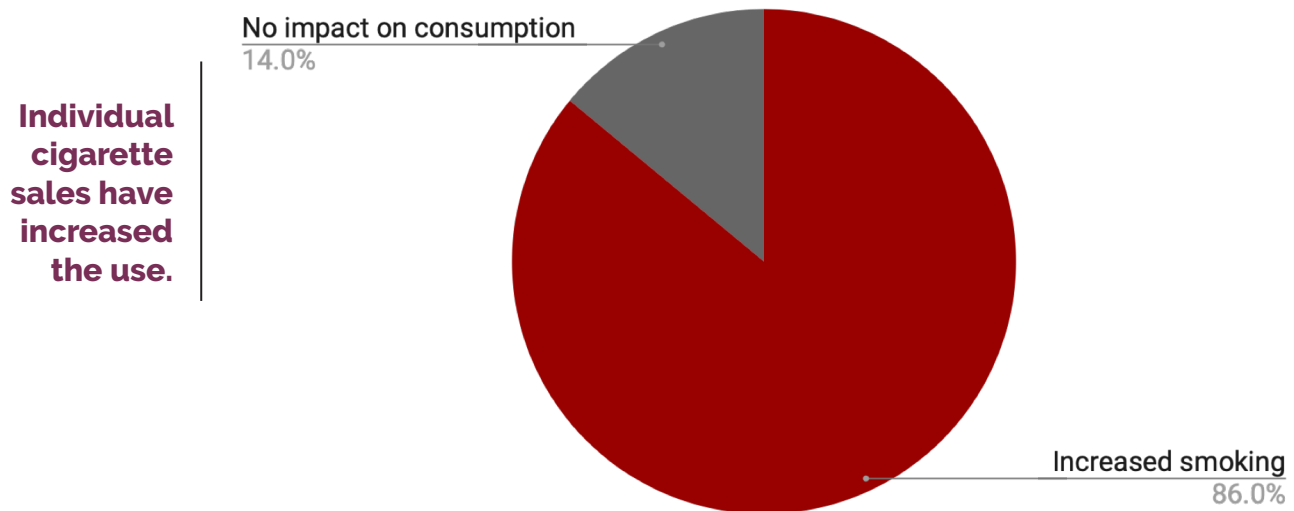
Figure 26: Impact of having permission to smoke inside the shop



p) Opinions of the users

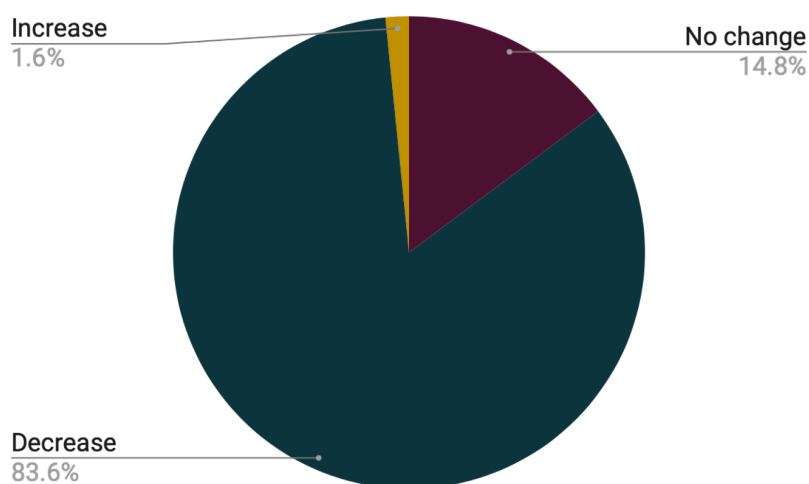
The majority of the users stated (86%) that the availability of cigarettes as single sticks has increased their consumption. Only 14% mentioned that it has no impact on them.

Figure 27: Individual cigarette sales and use



The majority of the users (83.6%) believe that it would decrease their use if the government prohibits selling cigarettes as single sticks. According to 14.8% of users, there would be no change and only 1.6% of smokers mentioned that it will increase their use. However, the customers themselves have realized that buying single sticks has eventually increased their use, and they believe that banning them can affect their use.

Figure 28: Government actions and use

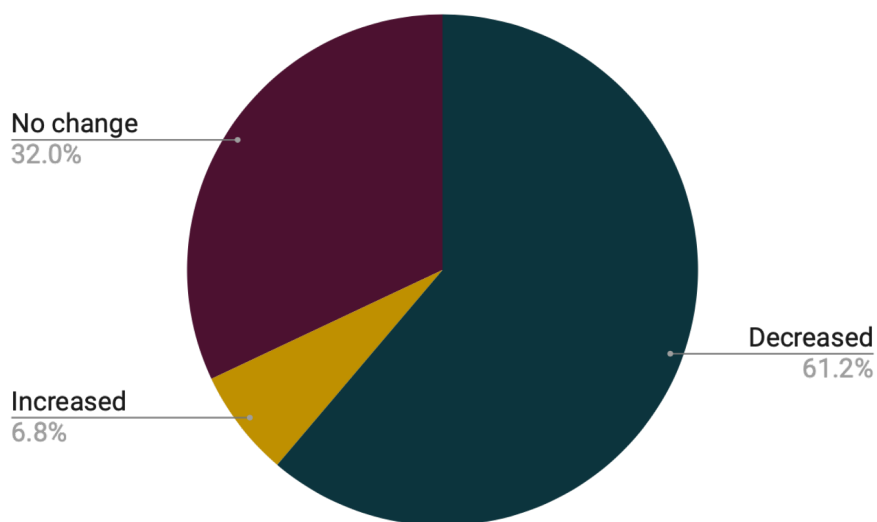


The majority of the users (83.6%) believe that banning single cigarette sales could reduce their use.

q) The consumption within the last 6 months

The use of cigarettes among 61.2% of the respondents has reduced and only 6.8% of the users have increased their use within the last 6 months. No change has taken place in 32% of the users.

Figure 29: Use within the last 6 months

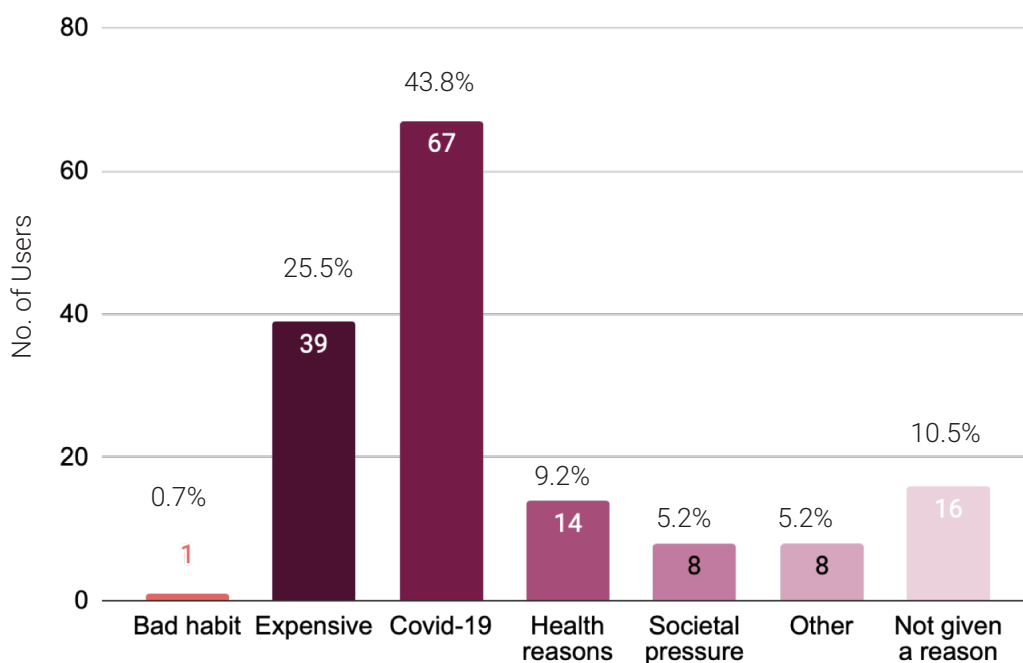


61.2% of the users have reduced their use during the last 6 months.

As the reason for their reduction in use of cigarettes, 43.8% mentioned Covid-19 and 25.5% have reduced smoking because it is expensive. A small percentage also gave their reasons as smoking being a bad habit, other health reasons and social impact.

Figure 30: Reasons for the reduction in consumption

43.8% of the users have reduced their use due to Covid-19 during the last 6 months.



DISCUSSION

04

According to the analysis, several important findings were discovered.

The majority of the shops selling cigarettes were grocery shops. However, there were several small-scale shops established by the CTC, for the sole purpose of selling cigarettes to users while allowing smoking inside or in a separate area. The customers who visit these shops might increase in number with time, as they provide a more convenient environment for cigarette buyers. Rather than going to a grocery shop which is crowded and filled with many items, the users might find these outlets more appealing. These shops can also serve as spots promoting the tobacco company.

The cigarette brand with the highest demand was found to be JPGL, while Capstan and Dunhill were identified as the second and third most popular brands. According to the observations of the shop owners, the users with a middle or high-income level use JPGL and the users with a low income or the users who are unemployed prefer Capstan regardless of their age. Even though JPGL has the highest sales, the hard-to-reach group mostly purchases Capstan. This might be due to the price difference as Capstan is more affordable than JPGL for the underprivileged.

Most of the shop owners make a daily purchase of cigarettes. And they only earn a profit in the range of 50 cents to 2 rupees. Even though the shop owners have come to the realization that selling cigarettes is not profitable, they still engage in this business due to socialized opinions, which could also be a company strategy. Some believed that they will lose customers if they stop selling cigarettes, and some believed that selling cigarettes in their shops increased other sales.

Most of the shop owners make the purchase of goods through cash payment. For the sellers who are unable to pay daily with cash, the tobacco company has given the facility to purchase cigarettes on credit. This aids the tobacco company in maintaining the customers as well as the users and continuing the business.

The tobacco company maintains its customer chain well. Most of the shops receive their stocks through the delivery done by the tobacco company or its agent. They also make this an opportunity to share their information and promotions with the shop owners.

From the shop owners, 33.6% have received different types of incentives from the tobacco company such as free cigarettes, hotel packages, invitations to parties, vouchers and trips. Even during the pandemic, the tobacco company has promoted itself through such incentives.

CTC has also targetted promoting itself through the price displays in the shops. The name boards displayed in shops with the CTC trade loyalty programme name "Abhisheka" is also a very common sight.

About one-third of the shop owners display the cigarette packs in their shops. But, the individuals who purchase single sticks are usually not exposed to the PHWs displayed on the packs. Therefore, it identifies the need to enact laws against selling single sticks to avoid other laws from becoming ineffective.

In all five districts, the majority of users buy cigarettes in the form of single sticks. Most of the users are engaged in physically demanding jobs and seem to spend a considerable portion of it on

cigarettes daily. And the majority belonged to the age group 25 to 40. It was also found that most of the users buy cigarettes by cash payments. If the users pay cash daily to buy cigarettes, the product is clearly affordable to them. This could be one important reason why the single stick sales are high. The majority have stated that the availability of cigarettes as single sticks has increased their consumption. They also stated that if the government prohibits selling cigarettes as single sticks, it would decrease their use.

Selling single sticks seems to have other advantages too. As shown in the results, the customers make cash payments when buying cigarettes. Most of the time, the traders do not return the balance payment when an individual cigarette is bought by a customer. Sometimes they are given a toffee instead of the money. For the customer, the balance of five or ten rupees doesn't seem to be much and therefore they wouldn't argue over it. Offering sweets can also result in other NCDs. On the other hand, this attracts the children as they would want to go when buying cigarettes so that they could have the toffee. However, the traders have to sell a packet to its approved amount and as it's expensive, the change has to be returned. They cannot earn extra money or profit as in the case of single sticks.

The users who have changed their consumption due to the recent price increase, have switched to another brand rather than switching to another tobacco product like beedi.

A considerably high percentage of cigarette users have reduced smoking because of Covid-19. Therefore, this can be identified as a very effective time to implement tobacco cessation programmes for these groups who are vulnerable to being lured towards the habit of smoking by the myths spread by the tobacco company.

4.1. Limitations

The study was successful in presenting important findings for future analyses and policymaking, and yet it has several limitations. The primary downside of the survey was the purposive sampling which does not provide data representing the whole country.

The random sampling was planned to be collected from every odd number of outlets on both sides of the roads. But, a slight deviation from the initial plan had to be made in some towns due to several reasons. Some towns had only a small number of outlets, hence the sample size might have differed if it was collected randomly. In some areas, the shop owners hesitated to provide information if it was taken only from a few selected shops. Therefore, the sampling process had to be carried out depending on the practical issues that arose during the study.

The results were also prone to being biased as the shop owners were making subjective or generalized assumptions when responding for the information related to user profiles and opinions. To reduce these shortcomings, trained survey officers were included in the survey, in each district, who have the experience in obtaining true information by asking the questions objectively.

4.2. Conclusion and Recommendations

From the shop owners, 93.6% reported selling cigarettes as single sticks per day. This represents a large number of shop owners, with 249 sellers in the sample alone who sell cigarettes at least a few times a week, in different quantities.

Therefore, future research should largely focus on the income generation and community level impact of the sale of single sticks. It is also important to understand how the sale of single sticks could hinder, encourage, or have no impact on smoking initiation, continuation and cessation. Also, further studies are required to investigate how the sale of single sticks weaken the impact of PHWs as the users are not exposed to the PHWs displayed on the pack itself.

As the majority of the users are individuals engaged in physically demanding jobs, and who purchase cigarettes in the form of single sticks, the implementation of the proposed ban on the sale of single stick cigarettes is pivotal. At a time where the country is facing an economic crisis, guiding them towards proper management of their income is a crucial need. According to the new budget proposal, when the prices of some cigarettes are reduced, this vulnerable group will habitually increase their use. Hence, the formulation of a proper tax method is also essential to Sri Lanka.

The pandemic has a clear influence on cigarette use as reduction in cigarette use due to Covid-19 was reported by the majority of the smokers. This is a good opportunity for future studies to focus more on the behaviour of the tobacco market during the pandemic.

The growth of small-scale shops established by the CTC and their function as promotional hubs is another interesting path in finding out how the tobacco company promotes cigarettes to vulnerable groups.

At a time when Sri Lanka is trying to cope with the Covid-19, the tobacco company has continued their interventions and promotions without change. It is important to do a study on how the tobacco company has attempted to position itself as a friend of public health during the pandemic as many countries have reported engagement of the tobacco companies using their "corporate social responsibility" (CSR) activities as a strategy to gain legitimacy, increase public trust and advance its business interests.¹¹

The findings of the study shed a light on the need to provide additional resources to tobacco control and smoking cessation programmes that target the hard-to-reach group, which have not benefited from the current tobacco control strategies like the other communities.

In conclusion, the study delivers an overall view of the sales and purchasing patterns of cigarettes and single sticks, and the interference of the tobacco company in five districts of Sri Lanka. The study can be used in the future as a baseline to introduce new policy measures and to implement the measures which were proposed few years back.

05

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