

**ADVERTISING AND CIGARETTE INDUSTRY
SALES IN THE UNITED STATES**

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ABSTRACT

This paper surveys the literature concerning the determinants of cigarette consumption and discusses the influence of the "health scare," television and radio advertising ban, and other factors on cigarette consumption patterns.

Three events usually are heralded as having a significant depressing effect on the per capita consumption of cigarettes in the United States. These are (1) the American Cancer Society's 1953 report, which maintained that the death rate among cigarette smokers was substantially higher than that of nonsmokers; (2) the U.S. Surgeon General's Report of 1964, which claimed that cigarette smoking caused lung cancer; and (3) the banning of all cigarette advertising on radio and television as of 1971.

Empirical studies attempting to assess the influence of health scares and the advertising ban on smoking behavior have produced findings that can be described as equivocal. For example, with reference to the 1953 health shock, a number of researchers have shown it to have a dampening effect on per capita consumption rates. Unfortunately, estimates as to the severity of this

dampening effect range from rather weak or transitory (Hamilton, 1972; Warner, 1981) to strong and persistent (Ippolito & Ippolito, 1984; Schneider, Klein, & Murphy, 1981). Similar results hold with respect to the 1964 health scare, with some authors finding this event to significantly decrease consumption levels (Hamilton, 1972; Schneider, Klein, & Murphy, 1981; Warner, 1977), while others indicate its nonsignificance (Bishop & Yoo, 1985; Fujii, 1980; Ippolito & Ippolito, 1984). Our own findings regarding the effect of the health scare were that it significantly reduced cigarette consumption rates. The trough for the year 1964 in Figure 1 exemplifies this point.

The Public Health and Cigarette Smoking Act of 1970 outlawed cigarette advertising on television and radio, the expectation being a permanent decline in per capita consumption rates. However, ascertaining the impact of this ban on subsequent smoking behavior has proven to be another highly controversial issue.

A number of scholars advocate that the ban actually increased cigarette consumption levels (Hamilton, 1972; Schneider, Klein, & Murphy, 1981; Teel, Teel,

Figure 1
Annual Per Capita Cigarette Consumption in Packs per Year



& Bearden, 1979), and some believe that it had little or no effect at all (Bishop & Yoo, 1985; Ippolito & Ippolito, 1984).

Given the contradictory findings of many of the studies, it is clear that additional work in the health scare/ advertising ban area is warranted. The recent unanimous endorsement by the American Medical Association of a proposal to completely ban all cigarette advertising only serves to underscore the timeliness and importance of conducting research on this topic.

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