

COVER ESSAY

Glamour puff

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Australia has a total ban on tobacco advertising and promotion . . . but tobacco marketing goes on. This article is reprinted with the kind permission of the Sydney Morning Herald, 5 October 2002

Tobacco Control 2003;12:3-5



One glimmer of light survives in the blackout that shrouds Australia's \$6 billion tobacco industry. Ten years after the total ban on cigarette advertising, the cigarette makers have found a new way to promote the little white sticks they produce at a rate of 23 billion a year. It's the party way, the fashion way, the celebrity way. On designers' catwalks, at private parties, in city clubs and bars, the flavour of the moment is tobacco.

In late September 2002, guests at the second birthday party of the city bar Hemmesphere were treated to free American Spirit cigarettes. In June, the Dunhill brand was relaunched at an exclusive party at Joe Gibara's hairdressing salon in Darlinghurst. The Cockle Bay nightclub Home has been home to a party promoting Alpine, a Philip Morris (Australia) Ltd brand aimed at young women who see themselves as party princesses.

In the past two years, the nation's two biggest marketers of cigarettes, Philip Morris and British American Tobacco Australasia Ltd (BATA), have wooed and won over clubs and fashion designers, with the aim of linking smoking with all things young and beautiful.

A federal Health Department review into these new marketing strategies began in September 2001 and Philip Morris has been in court in October over its role in the puffing promotions. But the party way continues, adapts, and survives. Like the Black Knight who fights on limbless in Monty Python and the Holy Grail, the cigarette industry never gives in.

SPECIAL CIGARETTE ZONES

In the past couple of months, BATA's premium brand, Benson & Hedges, has starred in at least four Sydney clubs, Home, Midnight Shift, Cargo, and Gas. At each venue, subcontracted staff establish a special cigarette zone. At Hemmesphere, the starring brand was Dunhill. Inside the zones, the staff stand by a see-through, locked showcase displaying a particular brand. The showcases contain three or four varieties of the brand, known in the trade as "variants", such as 6 mg (or less of tar per cigarette), 12 mg, and so on. The staff call these variants "flavours"—blue packs are known as the blueberry "flavour", red packs as "raspberry".

Licensees from Home and Midnight Shift did not return calls to discuss the promotions. Fraser

Short, the licensee of Cargo, said, "We have done it in the past", while the licensee of Gas, Ian Spicer, said he had been on holiday in August [2002] and was not aware of such a promotion. The manager of Hemmesphere, Carolina Jensen, said the Dunhill promotion was a trial only and the bar sold only "chemical-free" American Spirit cigarettes.

To maintain or continue such promotions, good relationships between the nightclubs and the tobacco industry are vital. In the past six months, BATA has relaunched its premium brands, such as Lucky Strike, at a series of parties where the food and wine were never ending, the entertainment included catwalk fashion shows, where cigarette brands were discreetly in evidence, and where the guests included managers and licensees from Sydney bars and clubs.

The first party relaunched Benson & Hedges at the Verandah Bar in Pitt Street about six months ago. The licensee of Verandah, Mark Wake, said he was not the licensee at the time and could not comment. Among the guests at Verandah on the B&H party night was Fraser Short, the licensee of Cargo, a Kings Wharf bar that has a contract with BATA, which supplies and services its cigarette vending machine. Asked how the brand was "relaunched" when the pack looked much the same, Short replied: "It's just like the rebranding of the latest car or Mars Bar." He believed the pack featured "some new emblem or new symbol".

DUNHILL RELAUNCH AT A FASHIONABLE HAIRDRESSERS

In the past six months [June 2002], BATA relaunched Dunhill at the salon of one of Sydney's most fashionable hairdressers, Joe Gibara. Asked who paid for the hire of his salon, which he offers as a product launch venue, Gibara said: "That's a good question. I wouldn't have a clue. It started off with a company, then got moved around. I can't remember the guy's name. It almost felt like we had no idea who the client was. We knew Dunhill had something to do with it but we didn't think it was the main launch of a cigarette." "We were told it was a Wayne Cooper party, more like a fashion parade by Wayne Cooper, and the guests would be similar clientele to ours. It was quite an unusual event. I wasn't allowed to invite anyone that wasn't on the guest list. There were quite a lot of fashion industry [people there], but quite a lot of people I didn't recognise as well." Designer Wayne Cooper, who presented his spring/summer collection at the Dunhill party, said he had "no comment" on the event. "I haven't done anything. Why don't you talk to the tobacco companies and the Government?"

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In the past two years, Cooper and fellow Sydney designer Peter Morrissey have been linked with tobacco promotion. Morrissey's Australian Fashion Week shows in 2000 featured smoking models, among them Sarah O'Hare.* In the same year, Cooper and Morrissey co-judged a contest for student designers, called Fashion's Future Directions, at a series of parties called Glisten. The ultimate backer of the Glisten parties was Philip Morris. Morrissey said he knew who was behind the parties, "but I went for a reason to find new designers".

Asked whether BATA had paid for his after-show party at Hemmesphere during last year's Australian Fashion Week, Morrissey denied such specific support, but confirmed BATA's financial involvement "with me and my show". He did not want to be more specific. "I've been asked these questions a million times. I haven't really got a comment."

It is understood the Melbourne consultancy Couture Communications & Events has handled BATA relaunch events. While Couture's manager, Bianca, who did not want to give her surname, denied that Couture had done so, the company's website includes the following testimonial from BATA's national brand manager, Sydney-based Pam Markellos: "Thanks immensely for all your work on the last event. It was clearly a success, not achieved without your help. It is an absolute pleasure working with you."

RATIONALE FOR LINKING FASHION WITH SMOKING

The rationale behind linking fashion, clubs, parties, and smoking is clear. Cigarette brand preferences are formed early in a smoker's life. Once formed, they are hard to change. Decades after the ban on cigarette promotion in Australia, the images of the Marlboro Man, the smooth Stuart (Benson & Hedges) Wagstaff and the ocker Paul (Winfield) Hogan still remain etched in the minds of older consumers.

But the under-30s have no memory of such slogans as "When only the best will do" and "Anyhow, have a Winfield". To them, Marlboro is not associated with the Marlboro Man, but with models such as Naomi Campbell, whose favoured brand is Marlboro Lights. As a celebrity Marlboro smoker, she is hardly alone. A US website (www.smokingsides.com) lists 77 famous models and actors who smoke, or have smoked, Marlboro. They include Penelope Cruz, Jerry Hall, Elizabeth Hurley, Elle Macpherson, Kate Moss, Britney Spears, Kate Winslet, and Catherine Zeta-Jones.

The concept of linking youth with cigarettes even extends to tobacco companies' internal labels. Last January [2002], when the three year old Australian company Imperial Tobacco advertised for "category development managers on packages of up to \$105,000 plus bonuses", the company promised that the job offered a "Younique opportunity". Asked if the spelling was a typographical error, a spokesman for the company said Younique was not meant to be "unique" but a reference to "young".

SECRECY

The secrecy shielding the industry's fashion and club promotions is partly due to the number of middlemen involved. Cigarette companies do not deal directly with nightclubs and other venues. The go-betweens are one of a number of corporate promotions consultancies or event organisers who pitch for the business to the tobacco companies.

The agencies provide the models, who receive \$25-30 an hour, while another agency might provide supervisory staff. The supervisors' job is to liaise between the management of

the venue and the corporate promotion agencies and to deal with any problems with patrons or the club. The supervisors are often trained in martial arts. The last thing anyone wants is trouble.

The nightclub way of selling cigarettes is a tricky game for all concerned. With every move the companies make, government health snoops are close behind. With every innovation, legislation blots them out.

Until the late 1990s, cigarette brand teams were dispatched to clubs and pubs all over town. Models dressed in brand uniforms toured up to eight venues a night. Their supervisors drove three-person teams around pubs and clubs in Sydney's east, city, west or north. The women's team uniform for the so-called "Winfield run" was a sexy, casual outfit: tiny suede pants, denim cut-off tops. The men wore jeans, a white T shirt, and an Akubra hat. The models were warned that NSW Health Department officials represented a constant threat and that if they came across officials from the department, the operations could be shut down.

The threat became reality at a party held at Fox Studios on 7 December 2000. Party-goers had ordered tickets online at www.wavesnet.net,¹ billed as "your one-stop online fashion and accessory boutique". Wavesnet offered tickets to fashion events such as the Glisten parties, which continued last year, with one taking place in September at Home nightclub.

At all the Glisten parties, organised by a Melbourne event coordinating consultancy, one cigarette brand, Philip Morris's Alpine, starred in glistening displays with an icicle theme. Among the guests at the Glisten party at Fox Studios were staff from NSW Health's South Eastern Sydney Area Health Service. The department maintained that the Alpine promotion at Fox Studios created an advertisement for cigarettes in a public place, an offence under federal and state laws. In December 2001, NSW Health took legal action in the local court against Wavesnet and Philip Morris. As a former Wavesnet director, Graeme Wills, said: "I think they objected to some banners around the room."

In the Downing Centre local court last Monday [30 September], Philip Morris's lawyer told magistrate John Andrews that the company would plead guilty when it returned to court for sentencing on 28 October, when the court would see a video of the Glisten party and when Wavesnet would also enter a plea.†

As for Wavesnet, its website remains, but it no longer exists as a company. When it was registered in October 2000, Wavesnet had three directors. Among them were Graeme Wills and Patricia Scantlebury, also directors of the advertising agency Mojo Partners.

Australian Securities and Investments Commission documents show that last November, Wavesnet changed its name to Publicis Zip. Its four directors are now Wills, Scantlebury, Nicholas Davie, Mojo's chief executive, and Ric Otton, a director of Mojo Partners in Melbourne.

Wills said that Wavesnet, which was "a great idea", had been set up by Mojo in order to help promote the products of various clients, not just those of Philip Morris.

Mojo, majority owned by the French company Publicis, had terminated its association with Philip Morris at the end of last year because "the board decided it didn't want that kind of relationship". Wills said Otton had also terminated his "long association" with Philip Morris, one that went back more than a decade. Otton helped Philip Morris with brand development, including the development of the 25 and 30 cigarette pack concept in Australia. He was involved in tobacco advocacy strategy with Philip Morris and the Australian Tobacco Institute lobby group.

*Wife of Lachlan Murdoch, son of Philip Morris board member Rupert Murdoch.

†In November 2001 Philip Morris was fined \$A11 000.²

But if one agency has cut its ties, there will always be another waiting in the wings. Take the case of Imperial Tobacco, formed in 1999 to market brands divested from Rothmans Holdings and WD & HO Wills, which had merged to form BATA.

A few months after the reshuffle of corporate interests, Imperial Tobacco awarded its \$10 million promotional account to the advertising agency Belgiovane Williams Mackay. The agency's principal, Rob Belgiovane, worked a decade earlier on the National Campaign Against Drug Abuse, NSW Quit for Life, and Victoria's Quit campaign. He told a reporter in 1990: "We want to stress the positive aspects of being a non-smoker."

When contacted, Belgiovane's secretary said he was unable to respond to a request for comment. In any case, all such comment had to come from the client, she said. Imperial Tobacco, however, was mute. Its chief executive, Nick Cannar, was on leave and his personal assistant said it was company policy not to reveal any names of executives. She suggested we fax our questions concerning the marketing activities of Imperial Tobacco. We did so on Monday. By week's end, there was no reply.

THE "DARK" MARKET OF AUSTRALIA

One insight into the thinking of the tobacco industry can be glimpsed on a presentation made last year for staff of BATA. Entitled *The challenge of change*, the CD-ROM presentation was introduced by the company's managing director, Gary Krelle, who complained that the company had to adhere to "over 800

rules and regulations". In a roundtable discussion of the "challenges" with company executives, David Crow, a former BATA marketing director now in South Africa, conceded that the old marketing rules would never return. Crow admitted: "We've got to give up the ghost of getting advertising back." The only solution was to "grow our profits" by increasing market share.

The BATA men referred, again and again, to the "dark" market of Australia. By dark, they meant the total prohibition of cigarette advertising, billboards, point-of-sale displays, and sports sponsorship. One BATA director complained that Australia vied with Canada as "the darkest market" in the world.

Within the gloom, there is some hope for the industry. Australia's growing convenience store sector offers a new and profitable cigarette outlet for higher priced cigarettes, supplied by the tobacco companies' own distribution subsidiaries. And while sales volume in total is falling, profits are booming, due to high pack prices related to Goods and Services Tax and excise rises. Then there's the future Australia's youth puffing in city clubs where cigarette displays shine like rubies and sapphires in a jeweller's window.

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