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Transnational tobacco industry promotion of the cigarette gifting custom in China

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Abstract

Objective—To understand how British American Tobacco (BAT) and Philip Morris (PM) researched the role and popularity of cigarette gifting in forming relationships among Chinese customs and how they exploited the practice to promote their brands State Express 555 and Marlboro.

Methods—Searches and analysis of industry documents from the Legacy Tobacco Documents Library complemented by searches on LexisNexis Academic news, online search engines and information from the tobacco industry trade press.

Results—From 1980–1999, BAT and PM employed Chinese market research firms to gather consumer information about perceptions of foreign cigarettes and the companies discovered that cigarettes, especially prestigious ones, were gifted and smoked purposely for building relationships and social status in China. BAT and PM promoted their brands as gifts by enhancing cigarette cartons and promoting culturally themed packages, particularly during the gifting festivals of Chinese New Year and Mid-Autumn Festival to tie their brands in to festival values such as warmth, friendship and celebration. They used similar marketing in Chinese communities outside China.

Conclusions—BAT and PM tied their brands to Chinese cigarette gifting customs by appealing to social and cultural values of respect and personal honour. Decoupling cigarettes from their social significance in China and removing their appeal would probably reduce cigarette gifting and promote a decline in smoking. Tobacco control efforts in countermarketing, large graphic warnings and plain packaging to make cigarette packages less attractive as gifts could contribute to denormalising cigarette gifting.

INTRODUCTION

Offering and accepting gifts are important elements of Chinese culture that are indispensable for building relationships.¹ Gift giving has long been considered a tactic of establishing and maintaining *guanxi* (relationships) in Chinese milieus.¹ Depending on the magnitude of the

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request that a giver expects the recipient to repay and the social position of the recipient, the gifts given range from a cheap bag of fruit to an expensive carton of premium cigarettes. Smoking is promoted by a ritual of gifting and offering cigarettes in cigarette cartons (*songyan*), politely offering cigarettes and lighting them for others (*jingyan*) and sharing one's cigarettes (*diyan* or *fayan*)—all of which signal respect, celebration, good luck and generosity. Gifting luxury cigarettes has been a way for people to gain social approbation and dignity (known as 'face').² Typical prestigious cigarette gifts from at least the 1980s through to 2010 include domestic Chinese brands such as Panda, Zhonghua and Hongtashan and foreign brands such as British American Tobacco's (BAT) State Express 555 (555) and Philip Morris' (PM) Marlboro.

China is the largest producer and consumer of tobacco in the world.³ A 2005 Chinese national survey showed that 57.4% of men and 2.6% of women were current smokers (30% overall).⁴ The prevalence of daily smoking increased from 30.7% to 34.1% between 1984 and 1996.⁵ From 1996 to 2002, although the prevalence of ever smoking and current smoking among the general population decreased from 37.6% to 35.8% and from 35.3% to 31.4%, respectively,^{4,5} the ever smoking rate increased among young people aged 15–19.⁴ China ratified the WHO Framework Convention on Tobacco Control (FCTC) in 2005.⁶ However, as of 2010, tobacco control was not listed as a priority in China's health reform plan and only accounted for 0.5% of the budget for disease control and prevention.⁷

Taking offers of cigarettes is one of the most frequently cited reasons for initiating smoking.^{8,9} Willingness to accept cigarettes offered by others^{10,11} and receiving smoking-related gifts¹² (eg, cigarettes, ashtrays, lighters) were associated with increased odds of being a smoker among Chinese men. Smokers find it hard to quit because it is difficult to refuse offers of cigarettes from others.^{13–15} A 2008 internet survey in China by the think tank Research Center for Health Development showed that 52% of respondents have offered cigarettes to others, 61% agreed that offering cigarettes is an effective way to develop and maintain relationships, 80% agreed that it is rude to refuse cigarettes offered by others, and 51% agreed that cigarettes are appropriate gifts for families, friends and relatives during the holidays.¹³ A 2010 study conducted by the China Center for Disease Control in Jiangsu showed that over 50% of respondents planned to buy cigarettes as gifts for Chinese New Year, even though more than 68% acknowledged the dangers of smoking, and cigarettes were the most popular gift during Chinese New Year.¹⁶ People express social courtesy by sharing cigarettes and smoking¹⁷ so people ultimately smoke more during Chinese New Year; 40% of respondents in a 2008 survey in China said that they smoked at least twice as much as usual during the festival.¹⁸

Foreign premium cigarettes were ushered into China after economic reform in 1978, and were highly valued because few could afford them.² In 1989, PM commissioned a market study that revealed 53% of 15–60 year olds in Shanghai had recently received foreign cigarettes as gifts.¹⁹ The foreign cigarettes in China were either imported through formal customs or smuggling.²⁰ Later, in 1992, data showed imported cigarettes held just 4% of the entire Chinese cigarette market²¹ (not including illegally imported cigarettes²⁰). The large gifting proportion despite small market share illustrated the popularity of foreign brands as gifts. The high percentage of foreign cigarettes given as gifts, alongside the low legal market share held by transnational tobacco companies and their documented use of smuggling as a market entry strategy,²⁰ suggests that some of the gifted cigarettes may have been smuggled. From the 1980s onwards, the then-existing practice of cigarette gifting combined with the prestige of foreign brands presented marketing opportunities for multinational tobacco companies BAT and PM to make their brands the choice for projecting 'image' through gifting.

We used internal tobacco industry documents to ascertain tobacco companies' knowledge regarding Chinese gifting culture and the marketing strategies they developed to exploit Chinese culture to sell their cigarettes. We focused on BAT and PM because they were the most active companies and their products were the most popular foreign cigarette brands in China. We investigated: (1) what BAT and PM knew about the Chinese custom of gifting cigarettes, (2) what BAT and PM knew about the marketing competition between foreign brands and Chinese domestic brands, and how they competed with Chinese brands, and (3) how BAT and PM's understanding of the Chinese custom of gifting and offering cigarettes affected their marketing activities among Chinese people in China and outside China. Understanding the importance of gifting and how and why the industry promoted gifting can assist tobacco control by highlighting its importance, and providing insight into the communication channels and methods that the industry used to guide strategies to block these channels, such as using large graphic warning labels or plain packaging to disrupt the attractive packaging of cigarettes designed to be given as gifts, and countermarketing campaigns.

METHODS

Between January 2010 and August 2010 we searched internal tobacco industry documents through the Legacy Tobacco Documents Library (LTDL) (<http://www.legacy.library.ucsf.edu/>) using the initial search terms 'gift', 'offering cigarettes', 'China', 'guanxi', 'Chinese New Year' or 'CNY' and 'Mid-Autumn Festival' or 'MAF'. Brand names, campaigns and specific projects from relevant documents and adjacent Bates numbers were subsequently searched using the snowball technique.²² We located materials from several multinational companies including BAT, PM, RJ Reynolds, Lorillard and Japan Tobacco Incorporated. However, as stated above we focused on BAT and PM.

In addition to tobacco industry documents, we searched PubMed, the Chinese literature on China National Knowledge Infrastructure (<http://www.cnki.net/>), general online search engines (Google, Baidu, Yahoo), news coverage (Google News, Lexis-Nexus, <http://www.tobaccoinfo.com.cn/>, <http://emkt.com.cn/>, <http://tobaccochina.com/>) and international tobacco trade journals (*Tobacco Reporter*, *Tobacco Journal International*, *Tobacco Asia*). We located approximately 80 relevant documents in LTDL (mostly between 1980 and 1999) and 20 in LexisNexis. From searching general online search engines and other news coverage, we located 46 images of Marlboro and 555 packaging from Chinese markets, Chinese local premium cigarettes packaging, and 4 Marlboro TV advertisements shown in mainland China and Hong Kong during Chinese New Year between 1990 and 1997. We triangulated these sources, with particular emphasis on the marketing activities that were conducted repeatedly over time and pursued by multiple tobacco companies.

RESULTS

BAT and PM gathered consumer insights on Chinese custom of gifting cigarettes

In the late 1980s, BAT's consultant Griffiths Management Ltd. expected a large market for foreign cigarettes and greater demands for higher quality promotions with China's economic growth.²³ In 1990, Griffiths Management Ltd. advised BAT on its corporate restructuring in China to provide BAT with 'a competitive advantage over other international manufacturers'.^{20, 23} BAT and PM executed marketing strategies with the understanding that 'in a controlled economy such as China's cigarette smokers are looking for badges of affluence and 'what's in it for them'.²³ BAT experienced high sales growth in 1987, which BAT consultants attributed to consumers having 'few avenues open...to display affluence and therefore the use of imported, non-durable consumer items [such as smoking foreign

cigarettes], which can be classified as luxuries, is one method [of display]'.²³ BAT's researchers reported that people who smoked foreign brands in China were more image conscious than smokers of Chinese domestic brands, and discriminated against lower-priced foreign brands that were perceived to be inferior.²⁴ In 1991, one Marlboro pack (US\$1.05) cost approximately six times as much as an average local brand (US\$0.17–0.33).²⁵ Respondents in BAT and PM studies in the early 1990s indicated that foreign brands carried caché because of their high price, exclusivity, perceived exceptional product quality,^{26, 27} packaging^{26, 27} and attractive advertising.²⁷ Foreign brands were thus presentable in social situations and useful as forms of social capital.^{26, 28, 29}

As early as 1980³⁰ and through to 1999, BAT and PM used local market research firms to qualitatively and quantitatively survey Chinese smokers and non-smokers to gather cultural insights into smoking and purchasing motivations. This research revealed that people gifted and shared cigarettes with others to build *guanxi*. In 1991, BAT hired Survey Research Hong Kong Ltd. (SRH) to conduct focus groups and interviews with smokers of foreign brands in Guangzhou, Shanghai and Beijing, the three largest Chinese cities. BAT discovered the prevalence of cigarettes in social interaction and the use of cigarettes as a social expedient:

To smokers, cigarettes were 'a must' during social occasions. Whether it was for social or business purpose, offering and sharing of cigarettes was a common practice; this was regarded as a kind of courtesy and a good way to make friends. Cigarette [sic] was also an effective 'currency' to get things done. In such occasions, imported brands had to be offered for better 'face'.²⁶

Male smokers from Guangzhou told SRH, 'Smoking imported cigarettes is a good way of socialising, in fact, this has become a norm [by 1991]', and that 'cigarettes...can be used as status symbols'.²⁶ Indeed, some smokers carried one domestic pack for self-consumption and one foreign pack for *jingyan*.^{2, 26} A smoker in 1991 told SRH, 'if I'm with old friends, I'll offer them whatever cigarette I have but if I want a favour from someone, I'll give imported brands'.²⁶

Foreign brands' competition with Chinese premium brands

BAT and PM found in those 1980–1999 studies that they would have to compete with equally or more prestigious brands made by Chinese companies, 'superpremium'³¹ brands such as Zhonghua ('China'), Hongtashan ('Red Pagoda Mountain'), Yunyan ('Cloud and Mist'), Shuangxi ('Double Happiness'), Ashima (girl's name), Xiongmao ('Panda') and Zhongnanhai (headquarters of Chinese government) (figure 1). In 1996, the market share of three Chinese brands, Zhonghua, Yunyan and Hongtashan combined (3%)³⁴ equalled that of the total import market share in China.³⁵ While foreign brands held status, premium Chinese brands were also exclusive and sought out for gifting. All factors about *guanxi* and face being equal in the 1990s, BAT and PM competed with local premiums on price. According to company marketing reports, BAT's 555 and PM's Marlboro had to be expensive enough to be considered 'premium',²⁸ but they had to be affordable so that Chinese consumers would purchase them.³⁶ According to PM's Premium Brands Study,³⁷ in 1993, Chinese smokers gave Zhonghua the highest ratings for 'classiness', even above foreign brands,²⁷ but Zhonghua was too expensive, costing twice as much as 555 and Marlboro in 1994.

BAT responded to competitive 'threats' by maintaining price parity among 555, Hongtashan, Yunyan and Ashima in 1996.^{28, 38} To counter Zhonghua, BAT created State Express 555 International in 1993, a line extension of 555, which had even more prestigious packaging than regular 555s and was priced equally with Zhonghua.²⁸ Most importantly, BAT launched State Express International specifically for gifting.²⁸

BAT and PM marketing activities reinforced gifting and offering cigarettes in China

BAT³⁹⁻⁴¹ and PM⁴¹ marketed culturally attractive cigarette packaging and promotions that made their brands appealing as gifts during ‘key gift giving festivals’,⁴² Chinese New Year and Mid-Autumn Festival in as early as the 1980s. These festivals were prime promotional opportunities for the companies to spur on sales and trials.⁴³ Both companies promoted decorated gift boxes⁴⁴ and cartons⁴⁵ that featured special gifts such as ashtrays and lighters⁴⁶ (figures 2 and 3). We do not know whether the 555 packaging depicted in figure 3⁵¹ was actually used. PM showed Marlboro advertisements on television during Chinese New Year in mainland China and Hong Kong from 1990 to 1997.⁵³⁻⁵⁶ The television advertisements featured Chinese symbols, such as the festival colour of red, the Chinese royal colour of yellow, the royal symbol of the dragon and history vestiges of the Forbidden City and the Great Wall. The theme of all these advertisements was the celebration activities that Chinese people typically performed during festivals. PM used these localized cultural symbols to advertise Marlboro, and established a premium image associated with Chinese New Year and happiness. The companies were selective in what festivals they promoted, avoiding promotions during festivals that did not include gifting rituals.^{57, 58} In China, BAT and PM went beyond standard cultural adaptation in their marketing: they explicitly leveraged research findings about China’s gifting norms and cultural concerns about ‘face’ to promote their brands.^{42-46, 57, 58}

In the early 1990s, BAT advertised 555 to highlight qualities that made 555 ‘the perfect gift for those really important occasions, when only the best will do...’.⁵⁹ As of 1992, 555 was the leading Virginia tobacco import into China,^{44, 60} was considered ‘lucky’ because the number ‘5’ was lucky,⁶¹ and was widely known as one of former Chairman Mao Zedong’s preferred brands.^{61, 62} BAT appealed to Chinese concerns about a brand’s ‘expedience in face-gaining circumstances’²⁸ and tracked 555’s ‘suitability for gifting’ throughout China in 1992–1994.^{44, 63-68} According to a 1993 BAT brand review, 555 was ‘social glue’, holding together the *guanxi* built through offering and gifting 555.⁶⁹

Asian travellers (who frequent duty free shops),^{21, 69, 70} managers,⁷¹ businessmen⁷¹ and high-ranking government officers,^{26, 71} who were most likely to have occasions to buy premium cigarettes, became targets for PM and BAT. Taiwanese tourists⁷² and Hong Kong nationals⁷² visiting China bought 555 ‘to gain acceptance in business or social situations, for their own consumption or for gift giving’.²¹ In 1991, BAT found that 44% of those who bought 555 in duty free shops bought them as gifts and 47% of duty free 555 purchasers were non-smokers,⁷³ presumably to use the cigarettes as gifts. Duty free outlets were important to BAT’s business as 555 had a 25.2% share of the China duty free market in 1993.²⁸

In 1991, in response to seeing its competitor 555 gain notoriety as a gift-giving brand, PM strengthened Marlboro’s gift-giving appeal²⁴ by packaging it in attractive gift boxes.^{24, 59} By 1993, BSB China, an advertising agency BAT hired to identify media opportunities for BAT, to build a network of contacts and relationships in China, and to establish a media monitoring system,⁷⁴ recognized that Marlboro ‘owned’ Chinese New Year, having appropriated Chinese New Year symbols and the festival’s red colour in association with Marlboro’s red.⁷⁵ According to BSB China:

‘Ownership’ [of a festival such as Chinese New Year] is defined as the creation of a strong, active association with the festival such that recall of the festival will trigger recall of the brand, to the extent that no other brand will attempt an association lest it appears second best.⁷⁵

In response to Marlboro’s success around Chinese New Year, BAT partnered with BSB China in 1993 to create a plan for 555 to ‘own’ a festival too.⁷⁵ BAT and BSB China

considered creating a new holiday, such as ‘Bosses Day’ (so employees would gift cigarettes to bosses), but decided to ‘exploit’ the existing Chinese Mid-Autumn Festival,⁷⁵ which is celebrated annually with social gatherings when the moon is fullest and roundest.^{75, 76} The decision to exploit Mid-Autumn Festival culminated in Project Moon in 1994, when BAT and BSB China executed promotions ‘to capitalise on the habit of gifting during festive periods’.⁷⁵

A 1993 presentation by BSB China to the 555 marketing team argued in favour of appropriating Mid-Autumn Festival for 555 not just because it was a ‘time of gifting’ but because the festival’s imagery of the moon and social gatherings were compatible with 555 brand name and logo.⁷⁵ BSB China’s 1993 presentation informed BAT that Mid-Autumn Festival was the ‘most personal and emotional of all the Chinese festivals’, so ‘exploitation of this festival allows the brand the opportunity to reinforce this aspect in a compelling manner’⁷⁵ with the familiar moons and lanterns on 555 promotional material. BSB China assured BAT that ‘by celebrating with them, the brand becomes that much more familiar to the Chinese’.⁷³ These marketing promotions contributed to an unspecified magnitude lift in 555 sales at the end of 1994.⁷⁷

Expanding gifting to Chinese people outside China

BAT’s 1995 UK International Brand performance review listed the intention to ‘build on the established position of international events that involved gift giving, transcending cultural, international, and generational boundaries’.⁷⁸ The 1995 555 brand guidelines indicated successful exploitation of relationship values in China. These guidelines recommended to 555 marketing teams around the world, ‘555 has been very successful in promoting 555 at festival time in greater China. All markets should examine opportunities for promotions around gift-giving festivals (Chinese New Year (CNY), Christmas, Easter)...Users should consider the most appropriate local festival where the focus is on reunion with friends and family and build it into their seasonal event [promotion] calendar’.⁷⁹ BAT recognized that at the root of its success in China was that ‘an affiliation with festival values added warmth and depth to the [555 marketing] mix’ and that this affiliation could be repeated outside of China.⁷⁹

Values associated with Chinese festivals outside China—in Taiwan,⁵⁸ Hong Kong⁴¹ and the US—were consistent with those inside China, so BAT, PM and other tobacco companies adopted similar festival marketing tactics worldwide. For example, PM promoted Chinese New Year cartons for gifting among Asian Americans in 1992.⁸⁰ In 1994, also in the US, BAT planned a 555 Mid-Autumn Festival campaign to use themed carton sleeves ‘designed to dress up the product in store as a gift-worthy item’ that was ‘intended as an experimental exercise, to see whether elegant ‘gift packing’ of the product is sufficient to add value and stimulate additional sales’.⁴² The 1994 strategy also planned culturally relevant graphics similar to those used in China, including use of ‘the key MAF [Mid-Autumn Festival] symbol – the Chinese lantern...[which] conveys a sense of plenty/abundance, in line with the large festive gatherings’.⁴² BAT emphasized *guanxi* notions by highlighting ‘happiness and harmony of group/family gatherings’ in 1994 promotional copy.⁴² BAT also noted that their promotions in New York City during the Mid-Autumn Festival drove an incremental sales volume of 74.4% in September 1993.⁸¹ In addition, BAT stated in its 1994–1998 domestic corporate plan that ‘promotional activity must be volume/performance related’ and promotional activities were to be ‘concentrated on oriental festival periods, ie, Chinese New Year, Mid-Autumn Festival’.⁸²

Other tobacco companies also saw the marketing opportunity presented during Chinese festivals outside China. In Taiwan, Reemtsma’s marketing teams promoted their brands, Davidoff and Boss, during Mid-Autumn Festival in 1998 by wrapping them in gift boxes.⁸³

Lorillard's Kent in 1987,⁸⁴ RJ Reynolds's Winston in 1993,⁸⁵ and Japan Tobacco's Mild Seven in 1996⁸⁶ were promoted during Chinese New Year in the US.

DISCUSSION

China's tradition of gifting and offering cigarettes is rooted in a cultural expression of courtesy and respect. The foreign tobacco companies BAT and PM explored and worked to exploit this culture. They understood that, for Chinese people, being able to build and maintain relationships with others by impressing them with nice gifts was powerful for the givers and desirable in social situations, and that image-conscious people preferred foreign brands. The companies also gained knowledge of the symbols associated with the occasions when the cultural practice of gifting and offering cigarettes occurred. BAT and PM then used this knowledge to include Chinese symbols in their packaging appropriate for different holidays and occasions to promote their brands. They took advantage of and adapted to this social norm by promoting 'prestigious' gifts. Although the foreign tobacco companies' marketing activities we obtained documentary evidence on were mainly between 1980 and 1999, similar culturally attractive packaging of Marlboro and 555 appeared in the Chinese market during the 2009 Chinese New Year. These 2009 packages demonstrated that BAT and PM were still using this marketing strategy and exploiting the Chinese custom of gifting cigarettes to sell their products. The Chinese custom of offering and gifting cigarettes is so deep rooted that, despite health dangers, Chinese people are still gifting cigarettes because of pressures to conform with social expectations to gift cigarettes.¹⁶

Groups particularly subject to the gifting norm include businessmen, government officials and doctors who find *songyan*, *fayan* and smoking to be a critical part of professional and personal success.^{2, 87, 88} The practice has contributed to an estimated 60% smoking prevalence in 1996 among male Chinese doctors.^{88, 89} Because China's doctors bear some responsibility for the country's high smoking rates, doctors should cease offering and accepting cigarettes among themselves and from patients' families.

Smoking and gifting norms pervade the Chinese government where the line between cigarette gifting and bribery is often blurred. Government officials are important sources of information on smoking and cessation, but also receive cigarettes as gifts. This social norm represents one of the challenges in tobacco control in China.⁷ In 2008, a Nanjing government official seen with ostentatious luxury cigarettes (a brand costing US \$22 per pack⁹⁰) was found guilty of accepting those cigarettes as a bribe.⁹¹⁻⁹³ In 2009, another government official from Zhejiang Province was arrested for bribery (verdict unknown) when he accepted about US\$29 000 worth of cigarette vouchers that could be exchanged for cigarettes or cash at retail counters.⁹⁴ In attempting to bribe officials, these vouchers are used as alternatives to gift cash⁹⁴ and cigarette cartons.⁹⁵ Following these revelations, reported by the *South China Morning Post*, Chinese legislators drafted bills in 2009 to bar government officials from accepting cigarettes as gifts, because 'tobacco consumption had led to an increase in rampant corruption' and expensive cigarettes 'were sources of huge waste and graft'.⁹⁶ The bill did not pass. In 2010, Dr Gonghuan Yang, director of China's National Office of Tobacco Control, observed that officials were one of the most difficult groups to educate on tobacco control specifically because they are recipients of cigarette gifts,⁷ making it difficult to legislate against cigarette gifting.

Implications for tobacco control

Tobacco control in China must change social acceptance of cigarette gifting and counter tobacco companies' marketing strategies that exploit and reinforce this social norm. The fact that cigarettes are tied to gifting in China does not mean that this linkage cannot be broken.

In the US, tobacco companies appropriated Christmas gift-giving traditions⁹⁷⁻⁹⁹ from at least the 1930s¹⁰⁰ through at least the 1960s,¹⁰¹ a pattern that has fallen out of favour.

To break social acceptance and attitudes toward gifting and offering cigarettes, the World Lung Foundation (WLF) partnering with the WHO, China Center for Disease Control, China Ministry of Health,¹⁰² and other Chinese partners launched mass media campaign called 'Giving Cigarettes=Giving Harm' in 2009 and 2010.¹⁰³ Instead of cigarette gifts being respectful gestures, the campaign portrayed them as offensive and ominous of illness and death. (*Tobacco Control* featured the poster image on its February 2010 cover.¹⁰⁴) The WLF campaign had some impact in changing ideas about cigarette gifting. A survey completed about 5 months after the campaign showed that the percentage of people who reported they would buy cigarettes as gifts decreased from 45% to 24% in Beijing and from 23% to 12% in Guangzhou.¹⁰⁵ These results are encouraging, but, as the Jiangsu Province survey indicated, over 50% of the participants still planned to buy cigarettes as gifts in 2010.¹⁰⁶ This result demonstrates that campaigns fostering norm change need be expanded to all provinces and cities in China and need to persist. As long as it is socially acceptable to gift cigarettes, tobacco companies will exploit the custom to reinforce smoking using the ideals of *guanxi* and face that have made cigarette gifting appealing.

In addition to breaking the linkage between gifting cigarettes and generosity, policies that make cigarette packaging less attractive would probably reduce the value of cigarettes for gifting. Graphic warning labels can make cigarette packaging less attractive. China has ratified the WHO Framework Convention on Tobacco Control (FCTC); Article 11 requires prominent warning labels and encourages graphic warning labels, and Article 13 prohibits using the pack or carton as a promotion.¹⁰⁶ Current labelling in China only requires coverage of 30% of cigarette packs (FCTC requires 50%) and Chinese companies do not boldly print these warnings.⁷ Requiring prominent graphic health warnings on all individual packs and cartons sold in China may disrupt use of cigarettes for gifts because cartons with gruesome images would no longer be as attractive.¹⁰⁷ Moreover, plain packaging would preclude visual appeal from lavish packaging especially for premium cigarettes during festivals and gifting. Minimizing and removing brand imagery and associations with festivals and culturally valued concepts by printing large warnings and mandating plain packaging in China could eliminate cigarettes' caché in gifting and consequently reduce decisions to smoke and raise awareness about the dangers of smoking.

Limitations

The documents we located are focused on the marketing research and activities between 1980 and 1999, although we did supplement information from the documents with later information from the open media. This paper focuses less on China National Tobacco Corporation (CNTC) than on transnational tobacco companies because internal strategies and promotions from CNTC are not accessible. We were limited to mostly English-language publications, so there may be publicly available information about current day and CNTC activity in Chinese that was not included in this paper. There is also a chance that the companies and their marketing firms are overstating the effectiveness of their marketing efforts.

Conclusions

Inside and outside China, multinational tobacco companies, particularly BAT and PM comprehensively studied the culture of gifting and offering cigarettes among Chinese and exploited this culture to establish a premium image for their brands. They did so by designing culturally attractive packaging featuring Chinese symbols. This marketing effort reinforced the social norm of gifting and offering cigarettes as a way to promote and

maintain the social acceptability of smoking. Interventions are urged to change social acceptance toward gifting and offering cigarettes. Public education media campaigns to undermine cigarettes as gifts and policies such as requiring large graphic warning labels and plain packaging could reduce the attractiveness of cigarettes as gifts.

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Figure 1.

The China National Tobacco Corporation sells Xiongmao ('Panda') brand Collector's Edition packs (left³²) and Zhonghua ('China') brand (right³³) sets packaged with ashtrays and lighters. They are popular gifts in China. The Chinese domestic brands featured Chinese symbols, such as the panda (left) and the Tiananmen Square marble pillar, an ornamental column located in front of Tiananmen Square (right).



Figure 2. Philip Morris (PM) promoted Marlboro cartons (top left) in 1992 for Chinese New Year in the US that were packed with traditional Chinese ‘lucky’ red envelopes printed with the Chinese zodiac for the Year of the Monkey and the Marlboro logo^{47, 48} (top right). PM wanted to make a ‘gesture of giving’ during this gifting festival.⁴⁹ Around 2009, Chinese New Year Marlboro packs featured the message ‘Welcome the New Year; The steed gallops’ (translated) in Chinese gold lettering and emphasized Marlboro’s horse brand imagery by embossing the ancient Chinese character for ‘horse’ (bottom left and right)⁵⁰.



Figure 3. British American Tobacco (BAT) designed Chinese New Year State Express 555 gift boxes in 1994 in the US, decorated with firecrackers and fruits (top⁵¹). (We do not know whether these boxes were used.) For Chinese New Year (also known as ‘Spring Festival’) around 2009 in China, BAT packaged 555 cigarette cartons in decorated wooden gift boxes with the Chinese character for ‘Spring’ in the centre (bottom left⁵²). The gift set came with a festival-themed ashtray and red silk wall scroll (bottom right⁵²), packed in a matching gift bag.