



Federal Trade Commission Smokeless Tobacco Report for 2009 and 2010

ISSUED: 2012

¹ Some 1985 data are included. The 1985 data are less detailed than those from 1986 forward because they were collected retrospectively and were meant to serve as baseline data.

² In 2009, Altria Group, Inc. acquired UST, Inc., which is now known as UST LLC.

In 2010, Reynolds American, Inc. s

The companies reported coupon expenditures of \$31.2 million in 2009, up from \$29.5 million in 2008. Coupon expenditures in 2010 were \$34.5 million.

Retail-value-added expenditures are the costs associated with offers such as “buy one, get one free” and “buy three, get a free T-shirt,” where the bonus item is distributed at retail when the smokeless tobacco product is purchased. Since 2002, the retail-value-added category has been broken into two categories – one where the bonus item is additional smokeless tobacco and one where the bonus item is not smokeless tobacco. In 2009, the companies spent \$28.7 million on retail-value-added involving free smokeless tobacco products, an increase from the \$10.5 million spent in 2008; that figure rose to \$44.1 million in 2010. They also spent \$2.5 million in 2009 (down from the \$4.5 million spent in 2008) on retail-value-added involving free non-smokeless tobacco items; in 2010, the companies spent \$4.1 million on retail-value-added involving free non-smokeless tobacco items.

In 2008, the companies reported spending \$2.1 million on advertising on their websites and \$2.5 million on Internet advertising other than on their own websites. In 2009, the companies reported spending \$6.1 million and \$2.3 million, respectively, on those two forms of advertising. In 2010, those figures were \$8.5 million and \$1.3 million, respectively.

The compulsory process orders issued by the Commission in 2011 for 2009 and 2010 data for the first time asked specifically for spending on “social media marketing on Web sites or other online services or communities, including but not limited to social networking sites, microblogging sites, content-sharing sites, and blogs.” The companies reported spending no money in this category in either 2009 or 2010.

This includes expenditures for: (1) the sponsoring, advertising, or pr

or any other form of compensation to anyone engaged in product placement in motion pictures or television shows. Most of the companies also reported that neither they nor anyone working for them or on their behalf: sought, solicited, granted approval, or otherwise gave permission for the appearance of any smokeless tobacco product or smokeless tobacco brand imagery in any motion picture, television show, or video appearing on the Internet. One company, however, did have videos on company websites that were restricted to its employees, contractors, and retail

¹⁰ The Commission is not separately reporting data on dissolvables because only one company reported selling these products.

smokeless tobacco sales. In 2010, the companies sold \$2.34 billion of moist snuff (84.3 percent of total sales).

Tables 4A through 4D also indicate that moist snuff continued to receive the greatest advertising and promotional support in both 2009 and 2010. In 2009, the companies spent \$313.7 million on moist snuff. In 2010, they spent \$257.9 million advertising and promoting moist snuff, compared to \$21.4 million for loose leaf/chewing tobacco, \$500,592 for plug/twist, \$999,586 for scotch/dry snuff, and \$57.4 million for snus.

The companies also reported spending \$16.8 million in 2009 and \$14.0 million in 2009 on smokeless tobacco brands that encompass more than one type of product (*e.g.*, moist snuff and snus).¹¹ These amounts are included in the total set forth in Table 3G, but not in Tables 4A through 4E. Table 3G also includes amounts spent on smokeless tobacco products for which no product type classification was reported.

Tables 5A through 5D present details about the number of units sold in packages of various sizes for each type of smokeless tobacco product. For plug/twist, scotch/dry snuff, and moist snuff, more packages weighing 1 ounce to less than 2 ounces were sold in 2009 and 2010 than any other size. For loose leaf/chewing tobacco, more packages weighing 2 ounces to less than 5 ounces were sold in both years than any other size. More packages of snus weighing less than 1 ounce were sold in both 2009 and 2010 than any other size.

¹¹ The Commission now allows the companies to report marketing expenditures at the brand level, rather than at the variety level. For those smokeless tobacco brand families that encompass more than one type of product (*e.g.*, moist snuff and plug/twist), marketing expenditures are thus available only at the brand level, and not for each individual type of product within the brand family.

TABLE 1
TOTAL SMOKELESS TOBACCO SALES
AND ADVERTISING AND PROMOTIONAL EXPENDITURES
FOR 1985 - 2006

<u>Year</u>	<u>Sales in Pounds</u>	<u>Sales in Dollars</u>	<u>Advertising and Promotional Expenditures</u>
1985	121,449,115	\$730,618,970	\$80,068,229
1986	118,778,334	\$797,777,885	\$76,676,706
1987	116,540,281	\$852,717,347	\$67,777,044
1988	114,433,782	\$901,654,382	\$68,223,671
1989	116,440,365	\$981,637,304	\$81,200,611
1990	117,415,326	\$1,091,170,201	\$90,101,327
1991	120,110,686	\$1,237,961,670	\$104,004,040
1992	118,372,693	\$1,361,360,729	\$115,346,708
1993	115,888,785	\$1,475,460,518	\$119,230,826
1994	115,495,201	\$1,612,098,989	\$125,972,408
1995	116,387,464	\$1,735,840,489	\$127,323,282
1996	116,404,222	\$1,790,406,160	\$123,877,458
1997	113,975,148	\$1,817,508,055	\$150,426,310
1998	110,036,380	\$1,886,328,217	\$145,486,899
1999	109,401,055	\$1,940,736,017	\$170,213,761
2000	111,741,335	\$1,988,875,535	\$224,582,757
2001	112,193,550	\$2,127,520,387	\$236,676,917
2002	112,148,366	\$2,362,166,931	\$234,645,000
2003	112,924,505	\$2,489,501,857	\$242,514,000
2004	116,768,672	\$2,617,388,686	\$231,084,000
2005	116,197,005	\$2,611,292,547	\$250,792,000
2006	115,818,739	\$2,593,436,592	\$354,123,000

TABLE 1A
TOTAL SMOKELESS TOBACCO SALES
AND ADVERTISING AND PROMOTIONAL EXPENDITURES
FOR 2007 - 2010

<u>Year</u>	<u>Sales in Pounds</u>	<u>Sales in Dollars</u>	<u>Advertising and Promotional Expenditures</u>
2007	118,234,763	\$2,695,462,138	\$411,309,000
2008	119,915,125	\$2,757,087,244	\$547,873,100
2009	117,693,273	\$2,611,908,686	\$492,104,100
2010	120,522,070	\$2,780,437,133	\$444,248,600

TABLE 2
NUMBER OF UNITS SOLD AND GIVEN AWAY – BY PACKAGE SIZE
FOR 2002 - 2010

		Less than 1 oz.	1 oz. to less than 2 oz.	2 oz. to less than 5 oz.	5 oz. to less than 10 oz.	10 oz. to less than 15 oz.	15 oz. or more
2002	sold	25,394,260	887,095,347	216,169,305	6,628,408	15,735	36,200
	given away	915,205	22,123,561	3,792,001	0	0	0
2003	sold	37,883,014	918,733,530	203,567,697	7,848,051	15,936	353,436
	given away	2,663,753	14,474,790	2,352,034	0	0	0
2004	sold	42,705,741	959,223,302	191,040,358	8,645,329	15,456	2,118,017
	given away	7,422,914	15,859,744	2,247,914	0	0	24
2005	sold	47,107,372	980,089,404	175,013,057	7,902,121	14,064	2,275,388
	given away	5,952,331	17,059,852	1,983,417	48	0	0
2006	sold	49,584,382	994,410,045	161,133,012	7,136,052	14,575	2,552,377
	given away	4,699,963	19,699,034	9,632,177	0	0	2,280
2007	sold	63,590,228	1,056,392,109	158,097,486	1,679,601	6,350	2,687,159
	given away	6,746,905	10,922,306	9,489,740	72	0	5,616
2008	sold	77,241,248	1,072,780,163	138,515,458	5,740,339	53,012	2,826,765
	given away	6,580,518	15,120,663	9,962,337	12	750	5,626
2009	sold	121,886,357	1,098,116,188	125,774,684	4,696,041	511,174	2,917,282
	given away	5,670,008	12,050,068	9,903,059	252	9,726	1,012
2010	sold	165,174,728	1,148,099,256	111,399,859	4,791,115	1,193,327	3,087,246
	given away	4,195,615	5,991,661	9,985,116	144	10,794	246

TABLE 3A

**SMOKELESS TOBACCO ADVERTISING
AND PROMOTIONAL EXPENDITURES
BY CATEGORY
FOR 1985**

Television & Radio Advertising	\$26,584,731
Total Print	\$8,719,379

TABLE 3B**SMOKELESS TOBACCO ADVERTISING
AND PROMOTIONAL EXPENDITURES
BY CATEGORY
FOR 1986 AND 1987**

	1986	1987
Newspapers	\$626,979	\$1,452,710
Magazines	\$6,226,654	\$9,237,988
Outdoor	\$2,722,557	\$8,321,315
Television & Radio *	\$16,067,211	\$0
Audio, Visual	\$2,579,268	\$0
Transit	\$0	\$0
Point-of-Sale	\$4,234,207	\$5,789,436
Promotional Allowances	\$8,231,580	\$7,554,592
Sampling	\$13,699,156	\$13,877,923
Distribution Bearing Names	\$2,353,816	\$4,312,094
Direct Mail	\$20,844	\$48,979
Public Entertainment	\$13,823,266	\$14,844,425
Endorsements	\$435,710	\$245,105
<u>All Other</u>	<u>\$5,655,458</u>	<u>\$2,092,477</u>
TOTAL	\$76,676,706	\$67,777,044

* Expenditures allocated for television and radio advertising on electronic media subject to Federal Communications Commission ("FCC") regulations cover approximately six months of 1986 because the statutory broadcast ban became effective on August 28, 1986.

TABLE 3C

**SMOKELESS TOBACCO ADVERTISING
AND PROMOTIONAL EXPENDITURES
BY CATEGORY
FOR 1988 - 1991**

	1988	1989	1990	1991
Newspapers	\$940,256	\$449,918	\$880,629	\$1,109,503
Magazines	\$5,778,582	\$6,410,401	\$10,214,280	\$9,652,958
Outdoor	\$4,801,955	\$2,913,074	\$2,650,471	\$1,644,287
Audio, Visual	\$0	\$0	\$0	\$0
Transit	\$0	\$0	\$0	\$0
Point-of-Sale	\$7,436,270	\$9,693,996	\$10,320,657	\$10,749,602
Promotional Allowances	\$6,360,041	\$8,327,225	\$9,936,022	\$14,771,597
Sampling	\$12,345,180	\$15,019,174	\$13,461,932	\$13,959,101
Distribution Bearing Names	\$4,055,180	\$4,611,457	\$2,854,289	\$3,866,263
Direct Mail	\$623,731	\$935,370	\$78,000	\$893,000
Public Entertainment	\$17,501,791	\$19,638,397	\$20,272,355	\$21,116,095
Endorsements	\$260,539	\$292,290	\$264,484	\$344,000
Coupons & Retail-value- added*	\$4,655,429	\$9,689,049	\$16,438,440	\$23,306,499
<u>All Other</u>	<u>\$3,463,919</u>	<u>\$3,220,210</u>	<u>\$2,729,768</u>	<u>\$2,591,135</u>
TOTAL	\$68,223,671	\$81,200,611	\$90,101,327	\$104,004,040

* One company reported no expenditures for this category because its accounting records were not maintained to allow calculation of these expenditures. Instead, these expenditures were reported to the Commission in the Point-of-Sale or Promotional Allowances categories.

TABLE 3D

**SMOKELESS TOBACCO ADVERTISING AND PROMOTIONAL EXPENDITURES
BY CATEGORY
FOR 1992 - 1995**

	1992	1993	1994	1995
Newspapers	\$269,032	\$274,738	\$128,849	\$142,562
Magazines	\$9,258,297	\$8,040,702	\$10,261,201	\$11,533,093
Outdoor	\$694,388	\$855,643	\$1,112,524	\$1,474,121
Audio, Visual	\$0	\$0	\$0	\$0
Transit	\$0	\$0	\$0	\$0
Point-of-Sale	\$12,133,489	\$13,465,302	\$13,555,569	\$15,170,713
Promotional Allowances	\$11,397,882	\$13,073,381	\$10,244,241	\$8,304,066
Sampling	\$15,975,134	\$15,794,391	\$14,279,127	\$15,748,393
Distribution Bearing Names	\$2,609,348	\$4,246,353	\$10,368,596	\$9,915,589
Direct Mail	\$1,289,000	\$1,099,000	\$103,000	\$253,000
Public Entertainment	\$21,511,594	\$22,912,765	\$25,397,969	\$26,749,679
Endorsements	\$155,000	\$215,000	\$160,000	\$160,000
Coupons & Retail-value- added*	\$31,524,486	\$32,297,431	\$36,687,092	\$33,701,379
<u>All Other</u>	<u>\$8,529,058</u>	<u>\$6,956,120</u>	<u>\$3,674,240</u>	<u>\$4,170,687</u>
TOTAL	\$115,346,708	\$119,230,826	\$125,972,408	\$127,323,282

Sports & Sporting Events	\$20,970,580	\$22,742,986	\$24,521,715	\$25,863,187
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* One company reported no expenditures for this category because its accounting records were not maintained to allow calculation of these expenditures. Instead, these expenditures were reported to the Commission in the Point-of-Sale or Promotional Allowances categories.

TABLE 3E

**SMOKELESS TOBACCO ADVERTISING AND PROMOTIONAL EXPENDITURES
BY CATEGORY FOR 1996 - 2001**

	1996	1997	1998	1999	2000	2001
Newspapers	\$236,765	\$1,642,347	\$2,807,281	\$3,306,548	\$2,413,104	\$1,825,748
Magazines	\$13,362,100	\$11,874,395	\$18,389,758	\$18,436,630	\$13,890,399	\$21,963,961
Outdoor	\$3,544,994	\$4,991,256	\$2,228,381	\$7,258	\$6,987	\$10,522
Audio, Visual	\$0	\$0	\$0	\$0	\$0	\$0
Transit	\$0	\$0	\$0	\$0	\$0	\$0
Point-of-Sale	\$13,568,572	\$14,712,560	\$25,202,972	\$26,092,942	\$15,179,555	\$17,412,893
Promotional Allowances	\$12,722,615	\$14,692,865	\$14,959,694	\$30,756,608	\$45,393,210	\$60,866,870
Sampling	\$12,640,816	\$11,155,411	\$17,439,990	\$17,884,888	\$15,761,075	\$17,888,963
Distribution Bearing Names	\$11,728,976	\$17,999,555	\$3,768,161	\$3,161,884	\$347,124	\$324,694
Direct Mail	\$314,599	\$808,247	\$6,948,300	\$5,620,844	\$17,015,856	\$16,340,203
Public Entertainment	\$22,736,345	\$28,940,337	\$25,426,519	\$22,136,453	\$11,223,945	\$18,063,522
Endorsements	\$162,500	\$165,000	\$165,000	\$130,000	\$230,000	\$255,000
Coupons	\$3,446,225*	\$3,447,124*	\$10,965,387	\$24,221,899	\$32,746,769	\$31,526,860
Retail-value-added	\$22,390,838*	\$34,938,115*	\$11,204,800*	\$11,135,604*	\$64,883,152	\$43,235,466
Internet	\$0	\$0	\$0	\$0	\$155,405	\$262,296
<u>All Other</u>	<u>\$4,397,683</u>	<u>\$5,059,097</u>	<u>\$5,980,656</u>	<u>\$7,322,203</u>	<u>\$5,336,176</u>	<u>\$6,699,919</u>
TOTAL	\$123,877,458	\$150,426,310	\$145,486,899	\$170,213,761	\$224,582,757	\$236,676,917
Sports & Sporting Events	\$19,784,813	\$25,751,503	\$26,620,636	\$23,401,714	\$11,026,204	\$17,866,620

* One company reported no expenditures for this category because its accounting records were not maintained to allow calculation of these expenditures. Instead, these expenditures were reported to the Commission in the Point-of-Sale or Promotional Allowances categories.

TABLE 3F

**SMOKELESS TOBACCO ADVERTISING AND PROMOTIONAL
EXPENDITURES BY CATEGORY FOR 2002 - 2005**

	2002	2003	2004	2005
Newspapers	\$722,000	\$262,000	\$285,000	\$453,000
Magazines	\$23,142,000	\$22,838,000	\$25,002,000	\$20,996,000
Outdoor	\$117,000	\$101,000	\$184,000	\$207,000
Audio, Visual	\$7,000	\$139,000	\$7,000	\$119,000
Transit	\$0	\$0	\$0	\$0
Direct Mail	\$7,073,000	\$5,982,000	\$5,670,000	\$8,237,000
Point-of-Sale	\$16,894,000	\$20,874,000	\$23,120,000	\$20,748,000
Price Discounts	\$99,000,000	\$106,531,000	\$86,977,000	\$99,699,000
Promotional Allowances – Retailers	\$3,245,000	\$5,103,000	\$4,285,000	\$3,406,000
Promotional Allowances – Wholesalers	\$16,755,000	\$12,632,000	\$11,222,000	\$12,550,000
Promotional Allowances – Other	\$41,000	\$29,000	\$9,000	\$29,000
Sampling	\$25,754,000	\$22,483,000	\$25,156,000	\$28,180,000
Specialty Item Distribution – Branded	\$419,000	\$45,000	\$22,000	\$119,000
Specialty Item Distribution – Non-Branded	\$0	\$0	\$0	\$36,000
Public Entertainment – Adult Only	\$0	\$0	\$7,000	\$73,000
Public Entertainment – General Audience	\$1,453,000	\$1,640,000	\$1,349,000	\$215,000
Endorsements & Testimonials	\$130,000	\$355,000	\$355,000	\$355,000
Sponsorships	\$8,864,000	\$8,170,000	\$9,018,000	\$4,192,000
Coupons	\$12,156,000	\$11,524,000	\$10,686,000	\$28,622,000
Retail-value-added – Bonus Smokeless Tobacco Product	\$13,686,000	\$16,004,000	\$14,950,000	\$9,310,000
Retail-value-added – Non-Smokeless Tobacco Bonus	\$466,000	\$556,000	\$2,650,000	\$4,430,000
Company Websites	\$18,000	\$15,000	\$877,000	\$272,000
Internet – Other	\$54,000	\$25,000	\$16,000	\$413,000
Telephone	\$169,000	\$374,000	\$231,000	\$120,000
<u>All Other</u>	<u>\$4,480,000</u>	<u>\$6,832,000</u>	<u>\$9,006,000</u>	<u>\$8,011,000</u>
TOTAL	\$234,645,000	\$242,514,000	\$231,084,000	\$250,792,000
Sports & Sporting Events	\$21,063,000	\$16,942,000	\$20,649,000	\$15,749,000

TABLE 4B
SMOKELESS TOBACCO SALES AND ADVERTISING AND PROMOTIONAL EXPENDITURES
BY TOBACCO TYPE FOR 1986 - 2010
PLUG/TWIST CHEWING TOBACCO

	<u>Pounds Sold</u>	<u>Dollar Sales</u>	<u>Advertising and Promotional Expenditures</u>
1986	8,835,200	\$44,870,900	\$896,821
1987	8,351,803	\$44,267,561	\$559,597
1988	7,282,206	\$40,429,972	\$868,954
1989	6,308,415	\$35,132,105	\$1,787,775
1990	6,557,216	\$41,316,133	\$1,655,886
1991	5,913,172	\$42,379,173	\$1,326,216
1992	5,389,336	\$42,625,799	\$1,722,361
1993	4,778,107	\$40,702,849	\$1,367,877
1994	4,410,333	\$39,102,541	\$936,993
1995	4,156,158	\$37,996,428	\$1,032,856
1996	3,096,708	\$29,469,575	\$653,511
1997	2,800,859	\$27,434,794	\$682,887
1998	3,180,093	\$33,610,369	\$1,216,474
1999	2,824,198	\$30,733,775	\$1,583,271
2000	2,718,653	\$26,905,139	\$1,164,235
2001	2,543,800	\$26,775,821	\$1,284,627
2002	2,191,910	\$28,178,852	\$1,159,000
2003	2,023,068	\$27,044,811	\$179,000

TABLE 4C
SMOKELESS TOBACCO SALES AND ADVERTISING AND PROMOTIONAL EXPENDITURES
BY TOBACCO TYPE FOR 1986 - 2010

SCOTCH/DRY SNUFF

	<u>Pounds Sold</u>	<u>Dollar Sales</u>	<u>Advertising and Promotional Expenditures</u>
1986	8,110,168	\$58,951,001	\$181,977
1987	7,255,296	\$56,709,742	\$263,482

TABLE 4D
SMOKELESS TOBACCO SALES AND ADVERTISING AND PROM

TABLE 5A

**NUMBER OF UNITS SOLD – BY PACKAGE SIZE
FOR 2002 - 2010**

LOOSE LEAF/CHEWING TOBACCO

Less than 1 oz.	1 oz. to less than 2 oz.	2 oz. to less than 5 oz.	5 oz. to less than 10 oz.	10 oz. to less
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TABLE 5B

**NUMBER OF UNITS SOLD – BY PACKAGE SIZE
FOR 2002 - 2010**

PLUG/TWIST CHEWING TOBACCO

	Less than 1 oz.	1 oz. to less than 2 oz.	2 oz. to less than 5 oz.	5 oz. to less than 10 oz.	10 oz. to less than 15 oz.	15 oz. or more
2002	0	9,789,738	8,013,482	0	0	0
2003	3,960	9,057,230	7,417,331	0	0	1,184
2004	172,596	8,121,211	6,825,354	0	0	7,591
2005	229,638	7,388,766	6,041,214	0	0	7,848
2006	219,732	6,382,398	1,275,303	0	0	1,518
2007	0	6,113,798	1,107,983	0	0	3,991
2008	(2,976)	5,723,997	1,093,135	0	0	3,353
2009	170,808	4,623,964	3,599,939	0	0	2,001
2010	37,932	4,080,855	3,150,940	0	0	616

TABLE 5C

**NUMBER OF UNITS SOLD – BY PACKAGE SIZE
FOR 2002 - 2010**

SCOTCH/DRY SNUFF

	Less than 1 oz.	1 oz. to less than 2 oz.	2 oz. to less than 5 oz.	5 oz. to less than 10 oz.	10 oz. to less than 15 oz.	15 oz. or more
2002	833,184	17,320,899	4,679,645	1,201,840	15,735	33,400
2003	800,640	16,092,214	4,388,662	1,097,114	15,936	34,994
2004	764,064	15,023,756	3,813,417	1,058,787	15,456	49,512
2005	734,976	13,637,790	3,303,851	1,042,565	14,064	47,134
2006	655,712	12,376,413	3,025,288	972,826	13,891	16,356
2007	1,676,174	10,804,273	2,531,367	697,253	0	23,213
2008	598,464	10,557,468	2,538,033	844,505	0	21,147
2009	535,212	9,470,599	2,254,555	728,551	(1)	18,411
2010	245,548	8,927,259	2,116,879	629,343	0	9,955

TABLE 5D

**NUMBER OF UNITS SOLD – BY PACKAGE SIZE
FOR 2002 - 2010**

MOIST SNUFF

	Less than 1 oz.	1 oz. to less than 2 oz.	2 oz. to less than 5 oz.	5 oz. to less than 10 oz.	10 oz. to less than 15 oz.	15 oz. or more
2002	24,561,076	859,285,595	0	0	0	0
2003	37,078,414	892,925,591	0	0	0	30,984
2004	41,769,081	935,536,000	0	0	0	58,830
2005	46,142,758	958,614,204	0	0	0	62,706
2006	48,576,464	975,274,937	0	0	0	26,753
2007	60,274,128	1,039,156,919	612	0	6,186	44,416
2008	71,986,220	1,056,217,422	771	0	54,452	18,772
2009	89,001,023	1,083,725,965	550,216	0	511,175	12,245
2010	103,531,063	1,134,785,681	141,808	0	1,193,327	3,358

TABLE 5E

**NUMBER OF UNITS SOLD – BY PACKAGE SIZE
FOR 2008 - 2010**

SNUS

	Less than 1 oz.	1 oz. to less than 2 oz.	2 oz to less than 5 oz.	5 oz. to less than 10 oz.	10 oz to less than 15 oz.	15 oz. or more
2008	4,385,317	21,788	0	0	0	0
2009	31,838,153	58,252	0	0	0	0
2010	61,204,305	75,650	0	0	0	0

APPENDIX

2009 and 2010 Advertising and Promotional Expenditure Categories

Newspapers: Newspaper advertising; but excluding expenditures in connection with sampling, specialty item distribution, public entertainment, endorsements, sponsorships, coupons, and retail-value-added.

Magazines: Magazine advertising; but excluding expenditures in connection with sampling, specialty item distribution, public entertainment, endorsements, sponsorships, coupons, and retail-value-added.

Outdoor: Billboards; signs and placards in arenas, stadiums, and shop

Promotional Allowances – Wholesale: Promotional allowances paid to smokeless tobacco wholesalers in order to facilitate the sale or placement of any smokeless tobacco product, including payments for volume rebates, incentive payments, value added services, promotional execution and satisfaction of reporting requirements; but excluding expenditures in connection with newspapers, magazines, outdoor, audio-visual, transit, direct mail, point-of-sale, price discounts, and retail promotional allowances.

Promotional Allowances – Other: Promotional allowances paid to any persons other than retailers, wholesalers, and full-time company employees who are involved in the smokeless tobacco distribution and sales process in order to facilitate the sale or placement of any smokeless tobacco product; but excluding expenditures in connection with newspapers, magazines, outdoor, audio-visual, transit, direct mail, point-of-sale, price discounts, and retail and

Endorsements & Testimonials: Endorsements, testimonials, and product placement.

Sponsorships: Sponsorships of sports teams or individual athletes, but excluding endorsements.

Coupons: All costs associated with coupons for the reduction of the retail cost of smoked tobacco.