



¹ Some 1985 data are included. The 1985 data are less detailed than those from 1986 forward because they were collected retrospectively and we

Table 2 shows the number of units of smokeless tobacco the companies sold and gave away in packages of various sizes (*e.g.*, less than 1 ounce, from 2 ounces to less than 5 ounces). In 2011 – as in the previous years for which these data are available – more packages weighing 1 ounce to less than 2 ounces were sold than any other size package. However, more packages weighing 2 ounces to less than 5 ounces were given away in 2011 than any other size package.

III. SMOKELESS TOBACCO ADVERTISING AND PROMOTIONAL EXPENDITURES BY CATEGORY⁵

Magazine advertising declined from \$11.1 million in 2010 to \$4.86 million in 2011.⁶ Spending on outdoor advertising rose from \$386,000 to \$545,000 during the same period.⁷ The companies reported spending no money on audio-visual advertising and, as they have each year since the Commission began collecting these data, they reported no expenditures for transit advertising.

⁵ Detailed definitions of the expenditure categories appear in the Appendix to this report. If only one company reported spending money on a particular type of advertising or promotion, that category is shown as “N/A” on Table 3H and the expenditures are included in the “All Others” category, to avoid potential disclosure of individual company data. For this reason, the Commission is not separately identifying the amounts spent on newspaper advertising, branded specialty items, retail-value-added in which the bonus item is something other than smokeless tobacco, or sports and sporting events.

⁶ Beginning with data for the years 2002-2005, the Commission has permitted the companies to report expenditures in thousands of dollars, rather than in actual dollars, as had previously been required. However, if companies provide expenditure data in actual dollars, those figures are reported as such.

⁷ The Commission’s orders for the years since 2002 have defined “outdoor” advertising to mean billboards; signs and placards in arenas, stadiums, and shopping malls (whether they are open air or enclosed); and any other ads placed outdoors, regardless of their size, including those on the property of smokeless tobacco retailers. Prior to 2002, “outdoor” advertising was not precisely defined. In particular, it was not clear that signs in arenas, stadiums, shopping malls, or on retailer property were to be reported in this category.

In 2011, the companies reported spending \$7.5 million on direct mail advertising, down from the \$8.9 million spent in 2010. Point-of-sale advertising declined from \$45.5 million in 2010 to \$32.3 million in 2011.

The companies reported spending \$168.8 million on price discounts (payments made to retailers or wholesalers in order to reduce the price of smokeless tobacco to consumers) in 2011, up from \$95.0 million in 2010 and much closer to the \$160.3 million spent in 2009. Price discounts remained the single largest expenditure category – as they have been every year this expenditure category has been reported – accounting for 37.4 percent of total 2011 spending.

Spending on promotional allowances (intended to facilitate the sale or placement of smokeless tobacco) paid to smokeless tobacco retailers and wholesaler

⁸ The Commission’s definitions of “sampling” and “coupons” provide that when coupons are distributed for free smokeless tobacco products and no purchase is required to obtain the coupon or to redeem it for the smokeless tobacco, such activities are to be reported as “sampling.”

Since 2002, the specialty item distribution category has been broken down into two sub-categories: branded and non-branded.⁹ In 2010, \$6.1 million was spent on non-branded specialty item distribution; that figure increased more than 90.

⁹ This expenditure category covers items (such as T-shirts, caps, sunglasses, key chains, calendars, lighters, and sporting goods) distributed through the mail, at promotional events, or by any means other than at the point of sale with the purchase of smokeless tobacco. Specialty items provided at retail with smokeless tobacco products (*e.g.*, “buy three, get a free key chain”) are deemed retail-value-added.

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 orders issued in 2012 for 2011 data also inquired about such expenditures, and the companies again reported n

¹⁰ This includes expenditures for: (1) the sponsoring, advertising, or promotion of sports or sporting events; support of an individual, group, or sports team; and purchase of or support for equipment, uniforms, sports facilities, and/or training facilities; (2) advertising in the name of the smokeless tobacco company or any of its brands in a sports facility, on a scoreboard, or in conjunction with the reporting of sports results; and (3) all expenditures for functional promotional items (clothing, hats, etc.) connected with a sporting event.

Only one company reported spending money in 2011 on ads directed to youth or their parents that were intended to reduce youth use of smokeless tobacco products.¹¹

Smokeless tobacco manufacturers reported that neither they nor anyone working for them or on their behalf paid money or any other form of compensation in connection with the production or filming of any motion picture or television show in 2011, or paid money 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 report having video advertising on its website, where access was restricted to age-verified tobacco users 21 or older.

IV. SMOKELESS TOBACCO SALES AND ADVERTISING AND PROMOTIONAL EXPENDITURES BY TOBACCO TYPE

The Commission historically has reported sales and advertising expenditures for several different types of smokeless tobacco products, including dry snuff, moist snuff, plug/twist, and loose leaf chewing tobacco. In 2008, the Commission also required the companies to provide data for snus and dissolvable smokeless tobacco products. Tables 4A through 4E present details on sales and advertising and promotional expenditures by type of smokeless tobacco, including snus (Table 4E).¹²

¹¹ These expenditures are not included in the figures reported in Table 3H (2011 advertising and promotional expenditures by category).

¹² The Commission is not separately reporting data on dissolvables because only one company reported selling these products.

¹³ 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 ea

moist snuff, more packages weighing 1 ounce to less than 2 ounces were sold in 2011 than any other size. For loose leaf/chewing tobacco, more packages weighing 2 ounces to less than 5 ounces were sold than any other size. More packages of snus weighing less than 1 ounce were sold in 2011 than any other size.

TABLE 1A
TOTAL SMOKELESS TOBACCO SALES
AND ADVERTISING AND PROMOTIONAL EXPENDITURES
FOR 2007 - 2011

<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
2011	122,735,863	\$2,	

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TABLE 2A
NUMBER OF UNITS SOLD AND GIVEN AWAY – BY PACKAGE SIZE
FOR 2011

		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
2011	sold	167,129,086	1,188,545,083	101,448,909	4,632,388	1,618,546	3,125,666
	given away	1,007,789	753,278	9,243,150	245	1,560	72

TABLE 3A
SMOKELESS TOBACCO ADVERTISING
AND PROMOTIONAL EXPENDITURES
BY CATEGORY
FOR 1985

Television & Radio Advertising	\$26,584,731
Total Print	\$8,719,379
<u>All Other</u>	<u>\$44,764,119</u>
Total	\$80,068,229

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

* 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.

One company reported no expenditures for this category because its accounting records

* 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
Sponsor				

TABLE 3G

**SMOKELESS TOBACCO ADVERTISING AND PROMOTIONAL
EXPENDITURES BY CATEGORY FOR 2006-2010**

	2006	2007	2008	2009	2010
Newspapers	N/A	N/A	N/A	N/A	N/A
Magazines	\$16,591,000	\$13,913,173	\$17,121,980	\$7,866,333	\$11,110,920
Outdoor	\$166,000	\$334,000	\$219,000	\$980,000	\$386,000
Audio, Visual	N/A	N/A	\$0	\$0	\$0
Transit	\$0	\$0	\$0	\$0	\$0
Direct Mail	\$9,574,000	\$12,205,426	\$7,578,568	\$9,607,007	\$8,891,589
Point-of-Sale	\$20,824,000	\$29,318,474	\$55,294,980	\$55,123,380	\$45,547,830

TABLE 3H
SMOKELESS TOBACCO ADVERTISING AND PROMOTIONAL
EXPENDITURES BY CATE

TABLE 4A
SMOKELESS TOBACCO SALES AND ADVERTISING AND PROMOTIONAL EXPENDITURES
BY TOBACCO TYPE FOR 1986 - 2011
LOOSE LEAF/CHEWING TOBACCO

<u>Year</u>	<u>Pounds Sold</u>	<u>Dollar Sales</u>	<u>Advertising and Promotional Expenditures</u>
1986	65,697,634	\$255,668,419	\$32,249,750
1987	64,634,524	\$267,766,776	\$28,403,536
1988	60,648,126	\$264,298,268	\$26,198,078
1989	61,869,625	\$281,701,402	\$34,057,050
1990	60,896,991	\$295,462,446	\$35,194,561
1991	62,177,203	\$321,458,416	\$38,190,095
1992	58,850,933	\$320,085,975	\$42,820,544
1993	55,912,562	\$319,672,867	\$46,032,905
1994	54,242,322	\$316,888,405	\$44,807,716
1995	54,605,149	\$323,156,639	\$43,842,237
1996	54,204,655	\$325,533,391	\$36,387,774
1997	51,831,834	\$330,903,053	\$45,573,616
1998	46,887,918	\$317,087,609	\$26,780,236
1999	44,531,612	\$278,670,311	\$21,219,600
2000	44,077,019	\$275,356,571	\$15,592,978
2001	42,396,301	\$278,982,298	\$16,659,755
2002	40,703,148	\$288,895,090	\$17,211,000
2003	39,105,547	\$294,705,352	\$17,476,000
2004	39,183,779	\$310,329,793	\$18,218,000
2005	36,410,287	\$307,026,071	\$16,746,000
2006	34,692,990	\$310,525,106	\$18,910,000
2007	32,600,747	\$310,662,579	\$21,009,334
2008	30,128,176	\$298,082,506	\$24,024,138
2009	26,951,575	\$298,444,031	\$22,529,447
2010	24,700,060	\$285,192,598	\$21,424,534
2011	22,938,455	\$278,921,115	\$15,387,136

TABLE 4B
SMOKELESS TOBACCO SALES AND ADVERTISING AND PROMOTIO

TABLE 4C
SMOKELESS TOBACCO SALES AND ADVERTISING AND PROMOTIONAL EXPENDITURES
BY TOBACCO TYPE FOR 1986 - 2011
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
1988	7,069,754	\$57,221,662	\$501,543
1989	7,244,911	\$62,155,826	\$654,591
1990	6,185,410	\$56,601,390	\$472,404
1991	5,833,210	\$56,881,288	\$517,145
1992	5,623,404	\$57,657,911	\$354,774
1993	4,996,957	\$54,302,829	\$313,659
1994	4,814,130	\$55,574,320	\$272,038
1995	4,490,094	\$53,885,040	\$486,280
1996	4,218,705	\$53,858,106	\$437,339
1997	4,063,630	\$54,725,929	\$522,260
1998	3,781,891	\$53,292,750	\$155,484
1999	3,572,339	\$53,229,345	\$61,516
2000	3,463,705	\$54,205,273	\$54,878
2001	3,364,601	\$56,339,020	\$68,552
2002	3,077,100	\$56,344,777	\$79,000
2003	2,853,516	\$56,087,685	\$69,000
2004	2,656,336	\$54,672,024	\$125,000
2005	2,402,904	\$52,986,545	\$103,000
2006	2,170,341	\$51,895,252	\$103,000

TABLE 5A
NUMBER OF UNITS SOLD – BY PACKAGE SIZE
FOR 2002 - 2011

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 than 15 oz.	15 oz. or more
2002	0	699,115	203,476,178	5,426,568	0	2,800
2003	0	658,495	191,761,704	6,750,937	0	286,274
2004	0	542,335	180,401,587	7,586,542	0	2,002,084
2005	0	448,644	165,667,992	6,859,556	0	2,157,700
2006	0	376,297	156,832,421	6,163,226	684	2,507,750
2007	365,706	317,120	150,399,964	5,039,908	164	2,615,539
2008	265,853	259,488	134,883,519	4,896,761	(1,440)	2,783,493
2009	0	237,408	119,369,974	3,967,490	0	2,884,625
2010	0	229,811	105,990,232	4,161,772	0	3,073,317
2011	0	206,628	96,674,759	4,073,250	0	3,125,682

TABLE 5B
NUMBER OF UNITS SOLD – BY PACKAGE SIZE
FOR 2002 - 2011

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
2011	0	3,652,275	2,847,632	0	0	0

TABLE 5C
NUMBER OF UNITS SOLD – BY PACKAGE SIZE
FOR 2002 - 2011

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
2011	59,235	8,400,578	1,964,342	559,138	0	(16)

TABLE 5D
NUMBER OF UNITS SOLD – BY PACKAGE SIZE
FOR 2002 - 2011

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
2011	121,589,821	1,176,205,839	(37,824)	0	1,618,546	0

TABLE 5E
NUMBER OF UNITS SOLD – BY PACKAGE SIZE
FOR 2008 - 2011

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
2011	45,384,100	79,763	0	0	0	0

Promotional Allowances

Retail-value-added – Bonus Smokeless Tobacco: Retail-value-added expenditures for promotions involving free smokeless tobacco products (*e.g.*, buy two, get one free), whether or not the free smokeless tobacco products are physically bundled together with the purchased smokeless tobacco products, including all expenditures and costs associated with the value added to the purchase of smokeless tobacco products (*e.g.*, excise taxes paid for the free smokeless tobacco product).

Retail-value-added – Non-Smokeless Tobacco Bonus: Retail-value-added expenditures for promotions involving free non-smokeless tobacco items (*e.g.*, buy two packs, get free key chain), including all expenditures and costs associated with the value added to the purchase of smokeless tobacco products.

Company Website: All expenditures associated with advertising on any company Internet website that can be accessed by computers located in the United States.

Internet – Other: Internet advertising other than on the Company’s own Internet website, including on the World Wide Web, on commercial on-line services, and through electronic mail messages; but excluding social media marketing.

Telephone: Telephone advertising, including costs associated with the placement of telemarketing calls or the operation of incoming telephone lines that allow consumers to participate in any promotion or hear pre-recorded product messages; but excluding costs associated with having customer service representatives available for responding to consumer complaints or questions.

Social Media Marketing: All expenditures for 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.

All Other: Advertising and promotional expenditures not covered by another category.

Sports and Sporting Events: All costs associated with sponsoring, advertising, or promotion of sports or sporting events, including football, weight lifting, sailing, rodeo, automobile, race car, funny car, motorcycle, bicycle, truck, monster truck, tractor-pull, fishing, and hunting events, competitions, tournaments, and races. This category is duplicative of expenditures for other categories.