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Tobacco Companies' Public Relations Efforts: Corporate Sponsorship and Advertising

Tobacco industry advertising and promotional efforts often are aimed directly toward the sale of industry products. However, corporate public relations activities also can have an important impact on the public images of and attitudes toward individual tobacco companies. This chapter examines the nature and potential impact of such efforts, including

- *Corporate sponsorship of events and organizations, the latter of which often target key segments of the public in areas such as the arts, minority interests, or community relief*
- *Corporate advocacy advertising in areas such as youth smoking, which has been shown to favorably influence public attitudes toward individual tobacco companies*
- *Corporate image advertising, ranging from spotlighting charitable assistance to rebranding the image of a tobacco company and/or its parent corporation, which has also been shown to favorably influence public attitudes toward individual tobacco companies*

Further research is needed on the impact of these types of public relations efforts on antismoking efforts and public attitudes, as well as on how such activities affect global markets for tobacco products.

Introduction

This chapter describes the tobacco industry's use of sponsorship, corporate advertising, and public relations advertising in the United States, particularly when it is intended to cultivate a favorable image of corporate social responsibility. It complements the discussion of the industry's relationship with the news media provided in chapter 9.

Since the 1988 Master Settlement Agreement (MSA), corporate sponsorship and corporate advertising have become increasingly important for tobacco companies. Tobacco companies, as with many companies, are interested in furthering their public images and interests, as well as in building their corporate and product brand identities. Corporate image campaigns have been on the rise among U.S. companies. Corporate social responsibility initiatives, such as corporate philanthropy, community involvement, cause-related marketing, and support for minority programs,¹⁻⁴ have increased in particular. This trend is also described in *Fortune* magazine's cover story in 2004 on "Corporate America's Social Conscience"⁵ and the billions spent annually by companies on social causes.⁶ The Web sites of more than 80% of Fortune 500 companies were found, in 1998, to address corporate social responsibility issues,⁷ and efforts have increased since then. The perception among business leaders is that corporate social responsibility is an economic necessity in today's national and international marketplace.^{8,9} Compared with product-based advertising (discussed in chapters 3, 4, and 5), these types of public relations efforts generally focus on raising the visibility of and defining how the public views the organization itself.¹⁰

Although corporate advertising by tobacco companies has been around for many decades, corporate image campaigns have become more integrated. As reviewed by

Szczyпка and colleagues,¹¹ Philip Morris's first campaign began in October 1999 with the slogan, "Working to make a difference: The people of Philip Morris." It portrayed the company as providing charitable contributions to community-based organizations and preventing the sale of cigarettes to minors. Another campaign, with the slogan, "Things are changing," began in July 2000, one day after the punitive damages verdict in the Engle class-action trial in Miami, Florida.¹² In June 2003, a series of advertisements focused on www.philipmorrisusa.com, directing viewers to Philip Morris's corporate Web site for information about youth smoking prevention, quitting smoking, and the health effects of smoking. Corporate image advertising of Philip Morris was considerably greater in 1998 and 1999 as compared with advertising of its leading brand, Marlboro.¹³ Examples of corporate image campaigns used by Philip Morris are discussed throughout this chapter.

The relative newness of the topic posed certain limitations in preparing this chapter. First, corporate expenditure data are difficult to determine. A footnote to the Federal Trade Commission's (FTC's) annual report on cigarette advertising and promotion summarizes the tobacco industry's expenditures on public entertainment events that display corporate brand names but not cigarette brands or logos (\$806,000 in 2005).¹⁴ The FTC report also includes sponsorship of sports teams and athletes (\$30.6 million in 2005)¹⁴ but does not distinguish dollars spent on events bearing the name of a company (e.g., Philip Morris Mixed Doubles bowling championship) from those bearing the name of a cigarette brand (e.g., Virginia Slims Women's Legend Tennis Tour). As Cruz¹⁵ reports, sponsorship data for individual tobacco companies can be obtained through commercial marketing firms, but such data are expensive to customize and are frequently incomplete. Other sponsorship sources (e.g., newspaper

advertisements, corporate Web sites, and state tobacco control programs) do not reflect systematic monitoring of events.¹⁵ Another difficulty is separating corporate advertising from brand expenditure data. Although tobacco company names typically differ from their cigarette brands, in some cases the corporate entity and its products share the same name (e.g., Fortune cigarettes, sold outside the United States, are manufactured and sold by the Fortune Tobacco Company).

In addition to accurately accessing expenditure data, the newness of the topic of corporate image campaigns poses the problem of limited academic research. Unlike many of the tobacco topics addressed in other chapters of this monograph, answers to questions about the effectiveness of these campaigns are often inconclusive. In fact, only recently have companies (whether in tobacco or other industries) shown increased interest in promoting their company images, and most of the available academic research occurs outside the domain of tobacco marketing. To provide additional insight into corporate public relations strategies for which tobacco industry data are lacking, this chapter includes a description of research findings on corporate social responsibility about companies other than those in the tobacco industry. A call for more research on the tobacco companies' public image campaigns is emphasized throughout this chapter as well as in chapter 15.

Despite the limitations of reviewing research on corporate public relations campaigns, this topic and its potential impact on tobacco product sales and on resistance to tobacco policy legislation warrant careful attention. In addition to an analysis of expenditures by tobacco companies on public relations campaigns, key questions to be addressed in this chapter include (1) whether tobacco corporate image campaigns are successful in improving the public's perceptions of the credibility,

trustworthiness, social responsibility, and/or attitudes concerning tobacco companies; (2) whether enhancing these perceptions of tobacco companies increases sales of tobacco products or reduces the likelihood or urgency of quitting among smokers; and (3) whether corporate sponsorship and corporate advertising have effects on jury perceptions and public or legislative support for tobacco control policies. This chapter also describes how some of the industry's public relations messages are tailored and targeted to opinion leaders, ethnic minorities, and women. The perceptions of these groups could improve tobacco companies' success with the financial community, in state legislatures, during trials, and in the court of public opinion. This chapter examines these key questions in the context of two elements of corporate brand image and public relations that are becoming increasingly common among U.S. companies and that represent two of the more visible approaches used by tobacco companies: *corporate sponsorship* and *corporate advertising*.

For this review, the literature in electronic databases such as PsycINFO and MEDLINE was examined by using the search terms, "tobacco industry attitudes," variations of "tobacco corporate industry with image," "public opinion sponsorship," "social responsibility," and "corporate advocacy." The same search terms were used in tobacco industry documents until the term PM21 ("Philip Morris in the 21st Century," a public relations campaign) was obtained, and then that name was searched as well. Other source materials were forwarded by knowledgeable reviewers. Advertising expenditure data came from *Advertising Age* and the annual FTC reports on cigarette marketing. To locate research outside of the tobacco industry on corporate sponsorship, corporate advertising, and corporate social responsibility, the three primary journals in the marketing discipline (*Journal of Marketing*, *Journal of Marketing Research*,

and *Journal of Consumer Research*) were searched for the 1995–2005 time period. The search was supplemented with a small number of additional papers referenced in selected marketing and advertising articles.

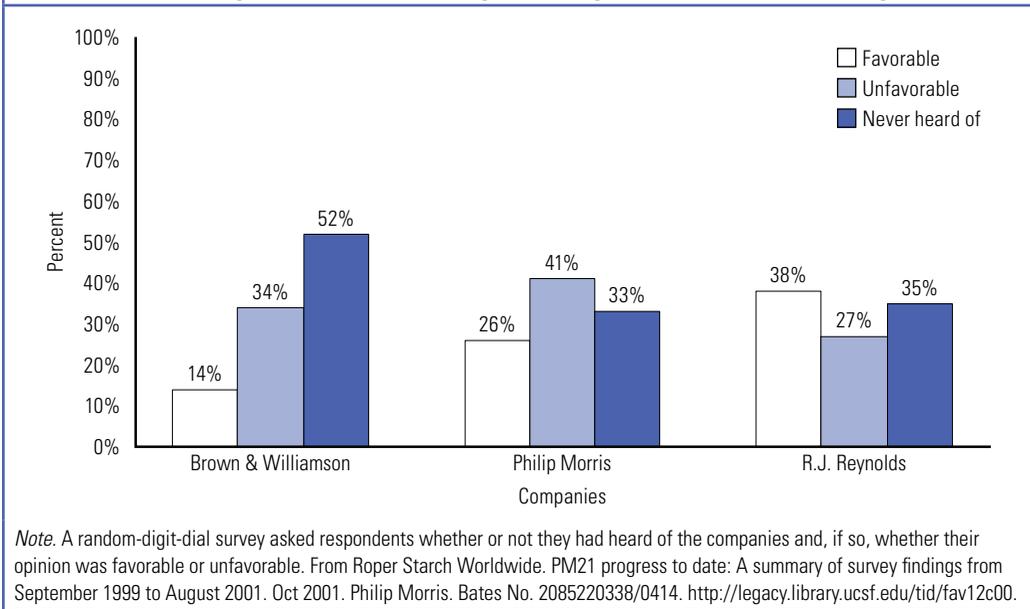
Public-Image Problems of the Tobacco Companies

Negative images of the tobacco industry in the United States and other countries are well documented. An annual Harris public opinion poll (2004) comparing U.S. adults' perceptions of 15 industries found that the tobacco industry was ranked the lowest in the public's esteem.¹⁶ In another survey in California (2002), 83% of 7,000 adults agreed that tobacco companies generally provide some dishonest information about their products to the public.¹⁷ In the same study, 88% of the 15,000 students in grades 8 and 10 who were surveyed agreed that tobacco companies try to get young people to start smoking by using advertisements that are attractive to youth. The American Legacy Foundation's (Legacy's) survey (2004) of approximately 10,000 U.S. adolescents (aged 12–17 years) conveyed a similar impression.¹⁸ Of those surveyed, 78% agreed that tobacco companies lie and 67% said they try to get people to start smoking. In data from Australia published in 1999, 80% of 800 adults expressed their belief that tobacco companies either mostly do not or never tell the truth about smoking and tobacco's addictiveness.¹⁹ In Ontario, Canada, 75% of 1,600 adults (2003) reported that the tobacco industry never or rarely tells the truth about the health effects of smoking.²⁰ In addition, adolescents in Ontario surveyed in 2003 were more distrustful of the tobacco industry than those surveyed two years earlier.²¹

Public opinion about individual tobacco companies is not as uniformly negative. The four largest companies in the U.S.

tobacco industry are Philip Morris USA (owned by Altria Group); R.J. Reynolds, which bought Brown & Williamson to form Reynolds American; the Lorillard Tobacco unit of Loews Corporation; and Liggett Group, owned by Vector Group. Few Americans connect these companies with the tobacco products they produce and market. Henriksen and Fortmann conducted a study about young adults' opinions of Philip Morris and its television advertising.²² They found that between 36% and 43% of the 218 participants failed to identify the corporation with tobacco products, depending upon how this knowledge was measured.²² Some respondents mistakenly associated Philip Morris with light bulbs and electronics (Philips), tools (Phillips head screwdriver), the talent agency (William Morris), or stomach medication (Phillips' Milk of Magnesia). In an opinion poll commissioned by Philip Morris in September 1999, between one-third and one-half of 2,078 adults said they had never heard of the company or its competitors (figure 6.1).²³ Although relatively few adults expressed favorable opinions of any tobacco company, R.J. Reynolds fared better than the others. Its relative popularity in this and other polls has been attributed to aligning its corporate identity with Nabisco, its nontobacco subsidiary until 1999.²⁴

In addition to negative public opinion, tobacco companies have faced increasing litigation and have come under greater scrutiny with the release of corporate tobacco documents under the Master Settlement Agreement. As Szczyпка and colleagues state, two lawsuits filed in 1999 placed significant pressure on the industry, particularly on Philip Morris¹¹—(1) a multibillion dollar suit was filed by the U.S. Department of Justice against the tobacco companies and industry groups for costs due to diseases caused by smoking and (2) the Engle class action suit in Florida asked jurors to award \$200 billion in punitive damages to people suffering from diseases caused by tobacco. In 2006,

Figure 6.1 Public Opinion of Tobacco Companies: Roper Poll of 2,078 Adults, September 1999


a U.S. District Court²⁵ ruled in the first case that the tobacco industry defendants had violated federal racketeering laws and engaged in deceptive practices to market a highly addictive product causing human suffering and loss, but that judgment is under appeal. In the Engle case, although the Florida Supreme Court²⁶ in 2006 upheld a ruling against “excessive” punitive damages and against filing class-action suits against the industry, the court approved findings that smoking causes cancer and other diseases and that tobacco companies marketed “defective and unreasonably dangerous” products. These trials were well publicized and placed additional pressure on the tobacco industry to improve its public image.

In summary, the public has held the tobacco industry in low esteem and perceived it to be dishonest in communicating information about its products. Adolescents, too, report being distrustful of the industry. They believe the industry is dishonest about tobacco’s addictiveness and that tobacco companies try to entice young people to start smoking. Public perceptions

of individual tobacco companies have been less negative, partly due to the lack of awareness by the general public about tobacco company names and their connection to individual cigarette brands. Finally, increased litigation against tobacco companies and potential punitive damage awards made by jurors also has threatened the industry’s reputation.

Against this backdrop of negative public perceptions of the tobacco industry in general, low awareness of individual tobacco companies, and increased litigation, corporate public relations activities on the part of individual tobacco companies represent a means to enhance the public image of the companies and influence public perception. In tobacco trial testimony, Roy Marden, then-director of external affairs of Philip Morris Companies, stated that increasing communications efforts was “particularly imperative in light of the facts that the antis’ vilification ads are back, our negative numbers are up, & the next round of PM 21 [Philip Morris campaign] ads will not be tobacco-related.”²⁷

Building a corporate brand image through public relations is an effort to strengthen and change public perceptions of the company, variously referred to as *corporate image*, *reputation*, and *brand equity*.^{10,28-30} The primary tools of public relations include publications, events, news, speeches, lobbying, public service activities, and identity media.^{29,30} In much the same way that tobacco companies use marketing media to portray positive product imagery (described in chapter 3), they use public relations media to portray positive corporate imagery. A tobacco company, for example, might use public relations media to improve its corporate image by neutralizing negative opinions, by persuading those without opinions of the company to think favorably of it, and/or to improve its company's image relative to competitors or to the industry overall. A tobacco company might also aim to enhance its credibility and legitimacy by redefining or obscuring its association with tobacco products. Industry documents for Philip Morris describe corporate objectives to improve company image, increase company credibility, and establish "a foundation of acceptability" for company actions.³¹ One strategy was to "enhance the position of Philip Morris as the reasonable/responsible industry leader and work to give the company a legitimate 'seat at the table.'"³¹ (Bates no. 2073434686)

Corporate Sponsorship

The sponsorship of sports, arts, entertainment, and social causes (also called *event marketing*) is an established communications tool used by both tobacco and nontobacco companies for building brand equity. Sponsorship refers to investments in causes or events to support corporate objectives, such as increasing brand awareness or enhancing corporate image.³² Creyer and Ross³³ note that sponsorship is viewed more favorably by consumers than other forms of cause-related

marketing, such as giving money or gifts to charity organizations each time consumers purchase a company's product or service (e.g., a charitable donation contingent on a consumer's cigarette pack purchase).^{33,34} According to an Independent Evaluation Group (IEG) Sponsorship Report, a leading national resource for sponsorship research, spending on sponsorship by North American companies increased from \$850 million in 1985 to \$10.3 billion in 2003.³⁵ As noted earlier, separating corporate and brand sponsorship expenditures is difficult. Data that combine them indicate that Philip Morris and R.J. Reynolds ranked 20th and 41st among the top 80 companies for annual sponsorship expenditures in 2003, each spending between \$25 million and \$50 million.³⁵

Much research addresses the costs and consequences of cigarette product advertising and promotions (see chapters 4 and 7). However, comparatively little is known about tobacco industry sponsorship. In one of the more comprehensive studies, a 2001 review by Rosenberg and Siegel,³⁶ data purchased from the International Events Group were combined with Internet research to describe tobacco sponsorships from 1995 to 1999. The five largest tobacco companies at the time spent a minimum of \$365.4 million to sponsor at least 2,733 events or causes, with four times as many sponsorships for Philip Morris as for the other tobacco companies combined. Rodeo, motor, and other sports attracted the largest investment (\$226.8 million), antihunger organizations received the second largest investment (\$104.2 million), and the remainder supported a variety of special audiences (e.g., youth, women, and minorities) or issues (e.g., acquired immune deficiency syndrome, domestic violence, education, the environment, and government).

Chapter 4 reviews sponsorship activities that promote cigarette brand names (e.g., Marlboro, Camel, Newport, and Kool).

The remainder of this section focuses on sponsorship that promotes corporate brand names (e.g., Brown & Williamson, Lorillard, Philip Morris, and R.J. Reynolds).

For decades, tobacco companies have sponsored philanthropic events and causes, such as the arts and minority organizations.³⁷ For example, Philip Morris reported grants totaling \$9.3 million to 295 arts and cultural organizations in 2003, including recipients with obvious appeal to ethnic/racial minorities (e.g., Grupo de Artistas Latinoamericanos, Alvin Ailey American Dance Theater, and Asia Society) and to children (e.g., Big Apple Circus).³⁸ In 1998, Philip Morris contributed \$2.1 million to 57 organizations in the United States to fund meals for the elderly. The program partnered with the National Meals on Wheels Foundation.³⁶ Some sponsorships have led to naming rights. For example, Brown & Williamson made a \$3 million contribution to Kentucky's University of Louisville's athletic department in 1996 for completion of the club level and a training facility, which led to the naming of the stadium's club facility as

the Brown & Williamson Club. Other sponsorships with title associations include the R.J. Reynolds Forest Aviary at the North Carolina Zoological Park, the Philip Morris Mixed Doubles Championship bowling tournament, the Brown & Williamson Derby Fest at the Kentucky Derby Festival, and the Philip Morris Center for Organizational Renewal at Catawba College.³⁶

The rationale behind corporate sponsorship activities is to (1) promote awareness of tobacco company names and/or logos among people in attendance at sponsored events, (2) increase perceptions that the company is socially responsible and decrease perceptions that the company is socially irresponsible, (3) increase overall liking for the company, (4) create or strengthen the identity of the company as being associated with a particular target market or lifestyle, (5) show support for a social issue or community, (6) increase favorable associations with the company's products, and/or (7) increase merchandising or promotional opportunities.²⁹ It may also generate media exposure to reach a considerably larger audience.

Big Tobacco and Vatican Art

A 1983 grant in excess of \$3 million for the Vatican art treasures exhibition at New York City's Metropolitan Museum of Art garnered much publicity for Philip Morris. A company document describes the significance of Philip Morris's sponsorship:

Explaining the exhibition to the general public proved to be an unparalleled opportunity to promote Philip Morris as well as the Vatican Collections. We did it through radio and television interviews, feature stories in newspapers and magazines, public service announcements, films run by the Public Broadcasting Service and placed in over 70 movie houses, and in a brochure given to museum visitors.^a

The year-long exhibit was seen by 2 million people.^b

When the Roman Catholic Archbishop of New York, Terence Cardinal Cooke, led a prayer at a banquet celebrating the Vatican exhibit, a Philip Morris vice president remarked, "We are probably the only cigarette company on this Earth to be blessed by a cardinal."^c

^aPhilip Morris Corporate Relations and Communications. 1983. Washington relations summer jobs '83. http://tobaccodocuments.org/usc_tim/2048090822-0833.html.

^bBlum, A., and K. Fitzgerald. 1985. How tobacco companies have found religion. *NY State Journal of Medicine* 85: 445-50.

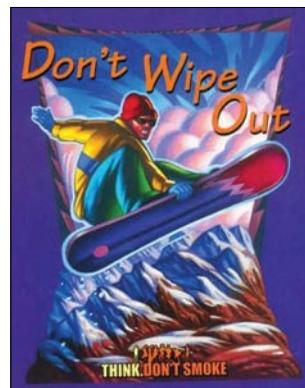
^cRosenblatt, R. 1994. How do tobacco executives live with themselves? *New York Times*, March 20.

Perceptions that the public has about a company, called *corporate brand image associations*, can be formed or strengthened when a brand becomes linked to a sporting event, social issue, or other sponsorship element. In the process, the tobacco company becomes linked with causes or events that are important to a particular target group. The pre-existing associations people have about the sporting event or social issue may become connected in memory to the company or brands that sponsor that event. This is similar to the way an image of a brand benefits from the positive attributes of a celebrity who endorses it (see chapter 10) or an appealing lifestyle associated with the branded product (see chapter 3). The corporate brand associations that transfer from the sporting event or social cause to the company sponsor could include general affective associations (such as fun, exciting, and liking) or more specific associations (such as credible, rugged, health-conscious, and compassionate).

In the special case in which the company name is the same as its product name (e.g., the Philip Morris brand of cigarettes is sold in the Philippines), advertising and sponsorship using the corporate name may benefit the cigarette sales of the brand that shares the corporate name. (See chapter 3 for a discussion of “shell” companies with cigarette brand names and how corporate sponsorship can be used to promote a brand if the brand and company names are the same.) By associating tobacco companies with positive social values and institutions, corporate sponsorship also is expected to cultivate goodwill for perceived generosity. For instance, Yerger and Malone report that radio programming to honor Black History Month associated Philip Morris with African-American accomplishments, and billboards for the National Urban League advertised the R.J. Reynolds logo with that of a prominent civil rights organization.³⁹ Such associations serve to counter negative

perceptions and negative publicity about the industry,⁴⁰ particularly among consumers who may be otherwise difficult to reach.

One type of tobacco sponsorship has involved community and educational programs for youth, including partnerships with the 4-H, Boys and Girls Clubs of America, baseball camps, and other community organizations. In one case, Philip Morris provided schools throughout the country with covers for school books with the message, “Think. Don’t Smoke.” and the name of Philip Morris.⁴¹ The book covers were criticized by some schools as delivering an underlying message about a cigarette, which generated considerable news coverage. In a systematic review of tobacco industry transcripts from tobacco litigation cases from 1992 to 2002, Wakefield and colleagues⁴² present industry responses to this issue. Ellen Merlo, Vice President of Corporate Affairs at Philip Morris, reported that even though the company had changed, they would “think long and hard because maybe people are not yet ready for us to supply something like a book cover.”⁴³ The implication was that the problem rested with the community, who had not yet accepted the new, responsible tobacco company policies.⁴² The book covers were not portrayed as a merchandising tool associated with corporate sponsorship, yet regardless



“Think. Don’t Smoke.” book cover from Youth Smoking Prevention by Philip Morris

of intent, providing book covers to youth would have similar effects as other forms of merchandising: favorable associations with the book covers (such as education-focused or health-conscious) could extend to the tobacco company sponsor.

Tobacco Corporate Sponsorship Effects on Consumer Perceptions and Sales

A question raised at the start of this chapter is whether and how tobacco corporate sponsorships benefit the tobacco companies. Unfortunately, research has not adequately addressed this issue. In particular, more research is needed on whether tobacco corporate sponsorships have been successful in enhancing the public's perception of the credibility, trustworthiness, and social responsibility of the tobacco sponsors. Studies of industries other than tobacco suggest that a company's association with positively perceived events or causes enhances consumers' perceptions of corporate social responsibility.⁴⁴⁻⁴⁷ For example, research on event sponsorships in domains other than tobacco has found that sponsorships increase people's favorable associations to the company sponsor.^{46,47} Socially responsible corporate activity may also represent a competitive advantage because of its positive effects on company reputation,⁴⁸ setting apart one company from others. As Bhattacharya and Sen⁹ argue, efforts by companies to engage in socially responsible actions are more likely to have a positive effect, and set the company apart from competitors, when people view the company as a pioneer in its socially responsible policies and when the company's integrated marketing communications create a consistent message.

Bhattacharya and Sen⁹ also note that a key determinant of the success of corporate social responsibility activity is whether consumers support the cause. For example,

if people support a social cause, sporting event, or cultural activity sponsored by a particular company, they are more likely to view the company's social responsibility favorably. People attending events (whether sponsored by tobacco or other companies) are likely to be strong supporters of those causes and may transfer those positive feelings to the sponsoring company. Consumers attending the event may also identify with the cause as having traits that overlap with the consumer's self-concept (e.g., civic-minded, or compassionate).^{9,49} To the extent that the corporate image campaign signals that the company has the desired traits of the cause and the consumer's self-image, the consumer is more likely to favorably evaluate the company. Overall, when a company behaves in a way that is viewed as socially responsible, people often infer that the company has desirable traits that resemble their own sense of self.¹

A second question posed earlier is whether enhancing corporate social responsibility, trustworthiness, credibility, or attitudes toward the tobacco company increases sales of tobacco products. Further research is still needed in this area, and data pertaining to effects of corporate sponsorships on sales of individual branded tobacco products were not identified in the literature search. However, research in other industries shows that a positive relationship exists between a company's socially responsible actions and consumers' attitudes toward the company and its products.^{33,50,51} Further, the link between corporate social responsibility and financial performance, while mixed, is mostly favorable.⁵² Brown and Dacin⁵⁰ found that a company's record of social responsibility positively increased people's attitudes toward the company, which, in turn, increased people's preferences for a new product by the company. Creyer and Ross³³ found a positive relationship between consumers' preferences for a company's products and the extent to which the company's ethics exceeded their expectations.

Just as corporate social responsibility can enhance a company's image and product sales, the reverse effects may occur when a company is viewed as socially irresponsible. In fact, when people are exposed to events or causes sponsored by a company, sometimes they engage in causal attributions about the motives of the company or message source. In such cases, the positive effects of corporate social responsibility may be reduced or reversed when consumers are suspicious about corporate motives.^{32,48,53} For example, Szykman and colleagues⁵⁴ found that when people viewed a message discouraging drinking and driving that was sponsored by the nonprofit organization Mothers Against Drunk Driving (MADD), they rated the motives of the sponsor as generally positive and serving the society. However, those who viewed the same advertisement sponsored by Anheuser-Busch for Budweiser beer rated the sponsor's motives as negative and self-serving. Consumers' overall attitudes toward the sponsors, that is, overall attitudes toward MADD or toward Budweiser, were left unchanged by the drinking-and-driving advertisement.⁵⁴ Other research is more cautionary and finds that consumers feel less favorably toward spokespersons they regard as having self-serving or suspicious motives.^{55,56} It is, therefore, in the interest of companies—tobacco companies, in this case—to neutralize negative public opinion and make people less skeptical of their motives.

Negative corporate social responsibility associations have also been found to have a negative effect on the company's products.⁵⁰ Goldberg and Hartwick,⁵⁷ in an experiment analyzing the combined effects of a company's reputation and advertisements on product evaluations, found that when participants had a negative evaluation of a company because of a bad reputation, advertisements by the company were viewed as less credible and the products advertised were rated less favorably than when participants had a positive evaluation

of a company on the basis of its reputation. Another study, by Creyer and Ross,³³ found that when a hypothetical cereal company was described as having deliberately deceived consumers, subsequent publicity about the company's sponsorship of a children's charity increased the amount of money consumers were willing to pay for the company's products.³³ Clearly, more research is needed on tobacco sponsorship to determine when such campaigns improve a company's reputation and credibility and when they do harm. Using media to increase the public's awareness of corporate sponsorship may serve to minimize the public's perceptions of a tobacco company's lack of social responsibility in the marketplace.

Some organizations have refused tobacco industry sponsorship. According to Stone and Siegel,⁵⁸ organizations cited two reasons for their opposition: (1) concern that tobacco funds undermine a mission to improve overall health, and (2) concern that public association with a tobacco company would damage the organization's credibility.⁵⁸ Future research should examine whether pairing a tobacco company sponsor with a well-liked cause or event harms the recipient's reputation as much as it is believed to help that of the sponsor. If so, such evidence may further discourage organizations from accepting tobacco money.

In summary, while research on the effects of tobacco corporate sponsorships is limited, research on other industries suggests that sponsorships not only enhance perceptions of the company but also that companies perceived as socially responsible benefit through more positive perceptions of the company's products. Research on companies with negative reputations is only suggestive. While one study suggested that a negative reputation hurts the consumers' perceptions of the company's products, another study suggested that these negative perceptions can be offset by perceptions of a socially responsible sponsorship. On the basis of

findings reported earlier that the public views tobacco companies as dishonest and is distrustful of their motives, tobacco companies may have much to gain in changing these perceptions and presenting their companies as socially responsible.

Tobacco Corporate Sponsorship Effects on Tobacco Control Policy

A third question posed at the beginning of this chapter is whether corporate sponsorships have effects on jury perceptions and other forms of public support for tobacco control policies. While research is limited in this area as well, some evidence exists that tobacco companies have used corporate sponsorship to influence opinion leaders. In opposition to a New York City proposal to ban smoking in most restaurants and public places, Philip Morris threatened to relocate its corporate headquarters and persuaded art institutions to lobby the city council.⁵⁹ Although many arts groups felt obliged to voice support for their corporate patron, the smoking ban passed. In other efforts to defeat tobacco control legislation and promote its policy agenda, the industry has compelled the organizations it supported to write letters on its behalf.³⁹ Corporate philanthropy has been described as improving a company's strategic focus and competitive context.⁶⁰ These examples of sponsorship by the tobacco industry were more strategic than philanthropic.

Corporate Advertising

Corporate advertising is often designed to promote an organization's image or viewpoint, rather than to sell particular products or services.⁶¹ Statements from the senior vice president for communications at Philip Morris serve to illustrate the value of advertising a youth access program: "It wouldn't be a bolt out of the blue that a tobacco company like Philip Morris doesn't

have a lot of credibility. Our short-term goal is to make people aware of our position on youth smoking. Our long-term goal is to raise the credibility of this company."⁶² Even when consumers do not explicitly connect a company's products to the company name, corporate image advertising may be beneficial to a company. In addition to the findings reported about the benefits to the company regarding corporate sponsorship, including building awareness and favorable image associations, corporate advertising may also be used to influence public opinion on issues and make a favorable impression on the financial community.²⁹ Corporate advertising by cigarette companies can also have a broad reach. According to U.S. Nielsen data for 1999–2003, the mean number of monthly exposures to antismoking advertisements was greater for those sponsored by tobacco companies than for those sponsored by public health agencies by a factor of 1.57:1 among households and 1.11:1 among youth.⁶³

Typologies of corporate advertising distinguish between corporate image/institutional advertisements, which aim to establish or enhance the sponsor's reputation as a good corporate citizen, and corporate advocacy advertisements, which aim to influence public opinion and policy on issues that concern the corporation.^{64–66} However, the two categories are not mutually exclusive as advertisers expect audiences to think well of organizations that take appropriate stands on key issues.⁶⁷ Indeed, the broad aim of all corporate advertising is to create an environment that is more favorable to the sponsor.^{68,69}

Direct advocacy takes the form of a persuasive argument, presenting facts or arguments that portray the sponsor positively and its opponent negatively.⁶⁴ An example is the 1954 newspaper advertisement, titled "A Frank Statement to Cigarette Smokers," in which the tobacco industry questioned research implicating smoking as a cause of

cancer, promised consumers that cigarettes were safe, and pledged its cooperation to safeguard the public's health.^{70,71} To defuse negative publicity surrounding accusations that tobacco companies manipulated nicotine in cigarettes, Philip Morris sponsored a newspaper advertisement that dismissed the allegations as innuendo and offered its denials as "facts smokers and nonsmokers should know."^{72,73}

Indirect advocacy typically characterizes a corporation as serving a public interest and its activities as the preferred solutions to issues of public concern.⁶⁴ For example, newspaper advertisements that unveiled a youth access program to enhance the public's perception of the credibility of Philip Morris would be considered indirect advocacy ads. These advertisements helped Philip Morris avoid strong legislation on sales to minors and attempted to persuade lawmakers and opinion leaders that the company did not want minors to have access to cigarettes.⁷⁴

The next sections review the few published studies on this topic to address whether the tobacco industry's youth smoking prevention advertisements have succeeded or failed as public relations tools as well as consider the impact of corporate image advertising on charitable assistance.

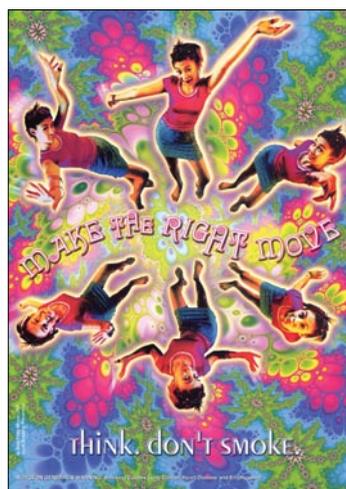
Tobacco Corporate Advertising Effects on Company Perceptions and Sales

The first issue addressed in this section is whether corporate image advertising has been successful in enhancing the public's perceptions of the credibility, trustworthiness, social responsibility, and/or attitudes concerning tobacco companies. Although this question was difficult to answer for corporate sponsorship (due to the paucity of research), a few studies have been conducted on corporate advertising,

both with regard to the youth smoking prevention advertisements and with regard to other corporate image advertising. Also addressed in this section is whether corporate advertising influences sales of tobacco products, intentions to start smoking, or intentions to quit smoking.

Youth Smoking Prevention Advertisements

The tobacco industry's forays into youth smoking prevention, and the criticisms of these efforts, are not new.⁷⁵⁻⁷⁸ Mass media campaigns focusing on youth smoking prevention have been sponsored by both Philip Morris and Lorillard. In 1998, Philip Morris launched a \$100 million campaign consisting of several television and magazine advertisements aimed at youth with the slogan "Think. Don't Smoke." and advertisements targeting parents with the slogan "Talk. They'll Listen." These campaigns portray the first positive images of tobacco companies on television in the more than 30 years since televised cigarette advertisements were banned on January 2, 1971.²² The target audience for the "Think. Don't Smoke."



"Think. Don't Smoke." from Youth Smoking Prevention campaign by Philip Morris

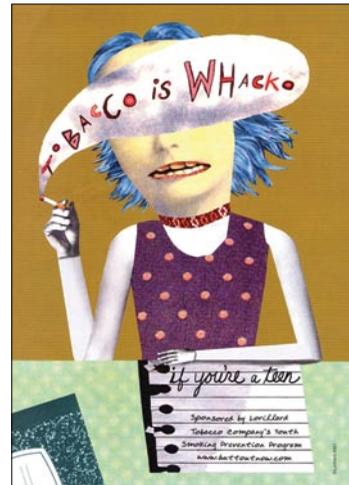
campaign, according to Philip Morris, was youth aged 10–14.⁷⁸ In 1999, Philip Morris launched a campaign with the slogan, “Talk. They’ll Listen.” focused on parental responsibility for talking to children about smoking. In court testimony on the tobacco company youth smoking campaign, Philip Morris witnesses stressed the seriousness of their efforts in trying to reduce smoking among youth, rather than their use of the campaign for public relations purposes.⁴² As evidence for the seriousness of their efforts, witnesses pointed to the amount of funding given to youth smoking prevention. Increases in funding, however, have tended to coincide with increases in tobacco litigation cases.⁴²

In 1999 and 2000, Philip Morris was the single largest antismoking advertiser in the United States, even in states with aggressive antitobacco media campaigns.⁷⁹ Although the “Think. Don’t Smoke.” advertisements ceased in 2002, similar prevention advertisements appeared on Music Television (MTV) in Europe and Australia.

Between 1999 and 2004, Lorillard’s prevention advertisements with the “Tobacco Is Whacko if You’re a Teen” slogan appeared widely in teen magazines and on cable television, including the most popular shows for adolescents on ESPN (Entertainment and Sports Programming Network), MTV, and Warner Brothers stations.⁷⁷ The budget for this campaign was about \$13 million.⁸⁰ Eventually, the company replaced its advertisements aimed at youth with advertisements targeting parents. Formerly known as “Take 10,” the subsequent Lorillard prevention



“Talk. They’ll Listen.” from Youth Smoking Prevention campaign by Philip Morris



From “Tobacco Is Whacko if You’re a Teen” campaign by Lorillard

campaign featured the slogan, “Parents. The best thing between kids and cigarettes.” According to Nielsen data, the tobacco companies’ prevention advertisements aimed at youth appeared as often in all television households as in households with the “target” adolescent audience⁶³ (see chapter 5). The fact that the youth smoking prevention advertising targeted all television households rather than solely youth, along with the emphasis placed on the amount of money spent on youth smoking prevention, seem to indicate the advertising campaign, was, at least in part, a public relations strategy intended to reduce the general public’s negative perceptions of the tobacco companies.

Consistent with the goals of corporate image advertising, the youth smoking prevention advertisements promoted more positive attitudes toward tobacco companies. In a telephone survey of a representative sample of U.S. adolescents (aged 12–17 years), sponsored by the Legacy Media Tracking Studies and analyzed and reported by Farrelly and colleagues,⁸¹ those who reported seeing any one Philip Morris advertisement were significantly less likely than unexposed peers to agree with statements, such as “cigarette

Youth Smoking Prevention: Researching the Tobacco Industry Agenda

Analysis of tobacco industry documents identifies several motivations for tobacco industry youth smoking prevention programs. For example, Landman and colleagues^a reveal that the industry promoted its youth smoking prevention programs to discourage restrictions on marketing and other legislation that it found threatening. In one case, in 1991, Philip Morris stated that “youth initiatives,” if successful, would lead to a “reduction in legislation or banning our sales and marketing activities.”^b

Landman and colleagues also found that industry program themes and messages consistently downplayed the health effects of smoking to frame it as an “adult choice.” As one example, Tobacco Institute Vice President Anne Duffin, in 1985, sought advice from a tobacco industry law firm about how to avoid mentioning the health consequences of smoking in a brochure, called “Helping Youth Decide.” “Because of criticism from the antis [antismokers] on HYD [Helping Youth Decide], I’d like to get our own scenario in on cigarettes—*not touching on any health implications*, but positing that youngsters don’t need to smoke to look ‘grown up,’ needn’t blindly follow the examples of others, etc.” [italics added by Landman and colleagues].^{a(p.919)} Documents revealed that motivations for youth smoking campaigns also included (1) building alliances with third parties, such as youth and tobacco control groups, which had the “youth credibility” that the industry itself lacked, and (2) giving Philip Morris a legitimate reason to continue its research on teenage smoking patterns.^c

Carter’s analysis showed that international efforts with identical strategies were being deployed in Australia, with an ultimate aim of creating a “global brand” for industry youth smoking prevention efforts, with tangible benefits for tobacco industry stakeholders.^d

^aLandman, A., P. M. Ling, and S. A. Glantz. 2002. Tobacco industry youth smoking prevention programs: Protecting the industry and hurting tobacco control. *American Journal of Public Health* 92 (6): 917–30.

^bSlavitt, J. J. TI youth initiative. Philip Morris. 12 Feb 1991. Bates No. 2500082629/2634. <http://legacy.library.ucsf.edu/tid/sj119e00>.

^cPhilip Morris. 2004. Welcome to Philip Morris USA Youth Smoking Prevention’s Teenage Attitudes and Behavior Study. http://www.philipmorris.com/policies_practices/ysp/research.asp.

^dCarter, S. M. 2003. From legitimate consumers to public relations pawns: The tobacco industry and young Australians. *Tobacco Control* 12 Suppl. 3: iii71–iii78.

companies deny that cigarettes cause disease,” and “I would like to see cigarette companies go out of business.”^{81(p.904)} Moreover, exposure to additional Philip Morris advertisements reinforced these attitudes. Because the data are cross-sectional, it also is plausible that adolescents who held more favorable opinions about cigarette companies were more attentive to Philip Morris advertisements (an effect of selective exposure). However, the survey results are consistent with those of a randomized controlled trial, reported by Henriksen and colleagues,⁸² in which California adolescents (aged 14–17 years) who viewed Philip Morris or Lorillard

tobacco use prevention advertisements expressed significantly greater sympathy toward the tobacco industry than did comparison group members who viewed either antismoking advertisements from Legacy or advertisements about drunk driving.⁸² Industry sympathy was measured by agreement with statements such as “cigarette companies get too much blame for young people smoking” and “cigarette companies should have the same right to sell cigarettes as other companies have to sell their products.”^{82(p.15)}

Wakefield and colleagues⁴² argue that, given the sophisticated methods available

to these companies for determining the effectiveness of advertising campaigns, the considerable funding of the youth smoking prevention programs, and the companies' insistence on the seriousness of their efforts, one source of data for the effectiveness of these programs should be the cigarette companies themselves. However, according to court testimony from 1992 to 2003, the companies did not make any assessments about the effects of their campaign on youth smoking. Instead, company witnesses focused on advertising reach as a measure of effectiveness (for example, 90% of 10- to 14-year-olds had seen the advertisements) and on qualitative data.⁴² Industry documents in the 1990s, reported by Landman and colleagues,⁷⁷ also show evidence that tobacco companies measured media "hits," program awareness, and corporate image perceptions, rather than the effectiveness of their programs in reducing teen smoking.⁷⁷

Academic research exists, however, on the effectiveness of these youth smoking campaigns in curbing smoking intentions and behavior. Evidence reviewed in chapter 12 suggests that the tobacco companies' prevention advertisements have failed as antismoking messages.⁸²⁻⁸⁵ Even worse, in the case of advertisements targeting parents, the messages succeeded as prosmoking messages.^{81,86} Following exposure to these advertisements, youth in grades 10 and 12 showed stronger approval of smoking, stronger intentions to smoke in the future, and increased likelihood of smoking.⁸⁶

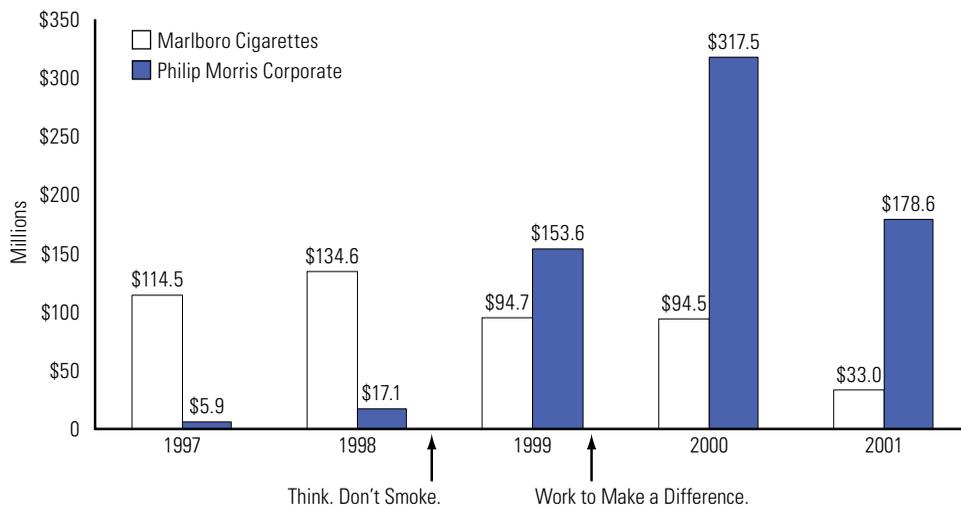
In other research, by Donovan and colleagues,⁸⁷ of Western Australian youth, tobacco industry youth smoking prevention advertisements showed mixed support in effectiveness on reducing desire to smoke in the future, with results varying by message theme and smoker status. However, across both smoker and nonsmoker groups, message believability was high. The authors conclude that these corporate

advertisements increase credibility of the advertising message, which could increase positive attitudes toward the tobacco industry and, in turn, reduce criticism from youth groups in the community.

Other Corporate Image Advertising

Most of the available data on other corporate image advertising involves analysis of various Philip Morris campaigns. In 1999, Philip Morris launched a \$250 million media campaign to advertise its charitable assistance for the elderly and for homeless adolescents, as well as for victims of domestic violence, midwestern floods, and war-torn Bosnia.⁸⁸ Featuring the slogan, "Working to make a difference. The people of Philip Morris," television and magazine advertisements promoted the corporate name and logo, flanked by the more recognizable symbols of its Kraft Foods and Miller Brewing subsidiaries. Combining these advertisements with those about youth smoking prevention accounted for a dramatic increase in Philip Morris corporate advertising, peaking at \$317.5 million in 2000 (figure 6.2).^{13,89,90} Between 1999 and 2001, following the MSA, Philip Morris spent three to five times more money to advertise its corporate brand name than it spent to advertise its top-selling brand of cigarettes. The quantity and content of its advertising suggested an unprecedented effort to increase the company's visibility and cultivate a new corporate image.

In an experimental study, reported by Henriksen and Fortmann,⁹¹ testing the effectiveness of the Philip Morris corporate advertisements, young adults (aged 18–27 years) in California evaluated corporate advocacy advertisements from Pfizer and Chevron followed by either four Philip Morris advertisements about youth smoking prevention, four Philip Morris advertisements about community service, or four Anheuser-Busch advertisements about preventing underage drinking.⁹¹

Figure 6.2 Philip Morris's Annual Advertising Expenditures for its Corporate and Marlboro Brands

Note. Expenditure data for measured and unmeasured media were estimated (by *Advertising Age*) but did not include cigarette marketing expenditures such as price discounts or promotional allowances (which comprise more than one-half of the annual marketing budget). Also note that these data are considerably lower than FTC expenditure data for the same years because the figure estimates expenditures for a single brand from only one of the five tobacco companies summarized in the annual FTC report. *Advertising Age* ceased reporting annual expenditures for Marlboro in 2002. The numbers in the figure do not include marketing expenditures at the point of sale.

Adapted from *Advertising Age*. 1999. The 100 leaders. *Advertising Age*, September 27; *Advertising Age*. 2000. The 100 leaders. *Advertising Age*, September 24; *Advertising Age*. 2002. *Advertising Age's* 100 leaders national advertisers report: Advertiser profile edition. *Advertising Age*, June 24.

Although Philip Morris smoking prevention advertisements were perceived to be less credible than the company's community service advertisements, the two types of advertisements improved corporate image perceptions almost equally well. Groups exposed to any Philip Morris advertisements rated the company's image more favorably than did the comparison group. The advertisements were most effective among those who were unaware that Philip Morris is a tobacco company.

Tobacco industry documents, too, show improved corporate image perceptions due to Philip Morris's corporate advertisements.¹¹ Before launching their "Things are changing" advertisements, focus group data reported in company documents in May 2000 showed

increased beliefs that "Philip Morris is working to change for the better," and "Philip Morris is open and honest about their products and business practices." After launching its Web campaign in June 2003, Philip Morris's public relations firm collected opinion survey data among U.S. adults, oversampling certain target groups (e.g., African Americans, Hispanics, and opinion leaders). The first reported that 81% of people who saw the advertisements had a positive impression of them, and 55% gave Philip Morris a favorable rating for addressing tobacco issues. The advertisements also were reported as more credible than anti-industry advertising and as creating an impression of responsible marketing practices. On the other hand, the public relations firm stated that "acknowledging health risks" is a key

Health-Risk Promotion: A New Tobacco Industry Strategy

In a more radical step for the tobacco industry, particularly relative to older internal documents,^{a,b} self-imposed health warnings have begun to appear. A Philip Morris cigarette pack insert explicitly stated that “Smoking causes many serious and fatal diseases including lung cancer, heart disease, and emphysema. Your risk of getting a disease from smoking is very high. Do not think that smoking won’t affect *your* health.”^c An accompanying advertisement argues that “it also requires education about the serious health effects of smoking, including addiction.”^d Another advertisement explicitly states that low tar is not a safer option and quotes the World Health Organization in support.

Marc Fritsch, Philip Morris head of corporate communications, spelled out the strategy behind this latest campaign: “We are providing information to respond to consumer concerns which is good for long-term business. We’re not telling them something they don’t already know. They simply want us to be more transparent. Yes, it’s frank, but why should we say anything different?”^e

^aNicoli, D. P. Memorandum. 14 Feb 2000. Philip Morris. Bates No. 2073073375. <http://legacy.library.ucsf.edu/tid/ssf60c00>.

^bPhilip Morris. “Steve” PM21 research overall objective. Dec 1999. Philip Morris. Bates No. 2073074117. <http://legacy.library.ucsf.edu/tid/yiv27d00>.

^cPhilip Morris. 2000. Pack “Onsert.” http://www.philipmorrisinternational.com/global/downloads/SH/Feature_30_Swiss_onsert.pdf.

^dPhilip Morris. 2003. Press ads. http://www.philipmorrisinternational.com/global/downloads/SF/Feature_30_press_comms.pdf.

^eJones, M. C. 2003. What doesn’t kill you might even make you stronger. *Brand Strategy* 177:10–11.

driver of corporate reputation and still must be addressed before other messages can improve reputation.⁹²(Bates no. 3000176517)

McDaniel and colleagues⁹³ analyzed industry documents and reported that overall favorability ratings of Philip Morris increased from 23% in 1997 to 39% in 2000, mostly due to changes in the 18–34-year age group (an increase from 19% to 45%). In January 2004, 58% agreed that the tobacco industry was acting more responsibly than in the past. Philip Morris fared better than others; 41% said that Philip Morris was more responsible than other companies. It is difficult to discern which particular campaign may have led to the increases. The authors chose to discuss the changes in connection with a long-term Philip Morris program, called “Project Sunrise.” This project aimed at countering threats to the company’s public credibility and financial success

by distinguishing the company from competitors and forging alliances with certain tobacco control organizations.

Finally, in April 1998, four of the five largest tobacco companies began a \$40 million advertising campaign (including print, radio, and television advertisements) “to inform the American people about both the proposed national tobacco resolution and proposed legislation before Congress.”⁹⁴(p.135) A survey conducted in August 1998 by Princeton Survey Research Associates, working under the direction of the University of Pennsylvania’s Annenberg Public Policy Center led by Communication Professor Kathleen Hall Jamieson,⁹⁴ analyzed public opinion in response to the industry’s campaign as a function of whether media markets received light exposure (an average of 9 exposures), moderate exposure (an average of 25), heavy exposure (57 exposures), or no exposures, during

a period of three and one-half months. The survey found that individuals exposed to heavy advertising judged three of the five message claims as more accurate than did those with less or no advertising exposure, even after controlling for behavioral, attitudinal, and demographic factors. For example, 43% of those exposed to heavy advertising, as compared with 31% exposed to no advertising, agreed that “the tobacco plan Congress considered would create the largest consumer tax in history.”^{94(p.138)} It appears that exposure to protobacco advertisements changed the public's perceptions about claims concerning the tobacco debate in 1998.⁹⁴ Those changes may have enhanced the industry's image and bargaining power as it negotiated the MSA (signed in November 1998) with state attorneys general.

In summary, the research on the tobacco industries' youth smoking prevention and other corporate image campaigns finds that while public opinion of the industry has been very poor (as described earlier in this chapter), corporate advertisements garnered support for the industry, including rating the companies as less dishonest, less culpable for adolescent smoking, more responsible, and more favorable overall. Company data from Philip Morris also indicate that this advertising increased company credibility and gave the impression of responsible marketing. Corporate image advertising benefits from association with prosocial issues in much the same way that corporate sponsorship benefits from association with prosocial issues.⁴⁵ Adolescents and young adults transfer favorable image associations from the prosocial issue to the tobacco companies. As discussed for corporate sponsorship, more research is needed to determine whether the increased support for the tobacco companies translates into increased sales of tobacco company products. However, research on youth smoking prevention programs, in particular,

as discussed in chapter 12, has shown effects on smoking behavior. In a couple of studies, youth showed increased rates of smoking, increased intentions to smoke, and increased approval of smoking following exposure to the tobacco industry's youth smoking prevention advertisements targeting parents.

Future research should investigate the possibility that corporate advertising reduces the effectiveness of ongoing antismoking campaigns by making audiences more resistant to criticism of the tobacco industry. Evidence for this inoculation effect has been demonstrated in other contexts.^{95,96} For example, attitudinal and corporate image effects were measured after varying young adults' exposure to advocacy advertisements from a Mobil Oil campaign and antiadvocacy advertisements on behalf of an opposing position. Consistent with the inoculation theory,^{97,98} prior exposure to advocacy advertising yielded more favorable attitudes toward Mobil's position and more favorable impressions of the company.⁹⁵ In the context of antismoking campaigns, understanding inoculation effects may improve the design and placement of specialized counter-advertising.⁹⁹ Finally, more research is needed on the tobacco industry's outreach to tobacco control organizations—such as appearances at public health conferences, support for potential reduced exposure products (PREPs) as part of industry strategy, and links to tobacco control organizations on tobacco industry Web sites—and the effects these efforts have on the favorability of tobacco corporate images.

Tobacco Corporate Advertising Effects on Tobacco Control Policy

The evidence for the effects of corporate advertising on tobacco control policy is limited, but analysis of industry documents shows that influencing legislation is a goal of corporate advertisements. According to

industry documents, tobacco companies conceived of youth smoking prevention programs as public relations campaigns aimed at generating positive news coverage, encouraging support from business and from parent and teacher groups, and discouraging legislation that would restrict or ban tobacco sales or marketing activities.⁷⁷ In lawsuits filed by people who believed they were affected by problems caused by smoking, tobacco company executives testified about their youth smoking prevention programs to convince jurors that the companies should be viewed sympathetically and to reduce or eliminate punitive damages.¹⁰⁰ Despite the myriad ways in which tobacco companies benefit from their prevention advertisements, participants of focus groups convened to gauge public opinion of the advertisements perceived them to contradict the industry's interests.⁷⁷ As such, the public response to these advertisements, in some cases, may be suspicion. Alternatively, since audiences perceive statements against self-interest to be particularly persuasive,¹⁰¹ the advertisements could potentially enhance the company's ability to garner public sympathy.

Future research is needed to measure the relationship between corporate advertising exposure and public support for tobacco-control policies and to more directly assess the role of corporate advertising in gaining opposition to more restrictive laws and regulations. Studies of the tobacco companies' prevention advertisements have focused primarily on adolescents' reactions to television advertisements aimed at youth. However, since the tobacco industry has shifted its resources for youth smoking prevention messages from targeting adolescents to targeting parents, the effects of the messages on adults becomes important. Research with adult respondents should address whether this shift represents a more effective strategy to forestall legislation that would restrict industry sales and marketing activities.

Corporate Advertising on Tobacco Company Web Sites

The corporate Web sites of the major tobacco companies, such as Philip Morris, provide a wealth of information about the companies' social-responsibility policies and actions. Information includes positions on the health consequences of smoking, youth smoking prevention initiatives, rationales for support or nonsupport for advertising bans, and other social-responsibility positions.

One of the message elements appearing in corporate advertisements by Philip Morris in their "www.philipmorrisusa.com" campaign has been an invitation to visit its corporate Web site. Also advertised on prime-time television, in magazines, in newspapers, and on inserts tucked in its cigarette packs, the corporate Web site has attracted approximately 250,000 visits per month.³⁸ To the extent that consumers are persuaded by corporate advertising to visit a tobacco company Web site address, they will be exposed to further corporate advertising information. As reported by Szczypka and colleagues,¹¹ a company memo in 2001, written by a public relations company hired to review the Philip Morris Web site, suggested that Internet information is more credible than paid media. In 2003, Philip Morris created a search engine plan to increase traffic flow to their Web site, and include a range of information on health issues, addiction, and Philip Morris products, but to do so in "a more user friendly, transparent, credible voice."¹⁰²(Bates no. 300113881) This redesigned Web site targeted opinion leaders and adults 18 years of age and older.¹¹ Philip Morris characterizes, on the Web site, the company's positions on the risks of smoking, without compromising its legal defenses.⁷¹ It seems reasonable to speculate that, in addition to targeted opinion leaders, consumers likely to visit the corporate Web site would be smokers seeking help in quitting smoking. As such, the Web site

provides the tobacco company with a means for targeting specific audiences.

Media Literacy and Corporate Advertising

One means of countering the effects of corporate advertising is media literacy, an “ability to access, analyze, evaluate, and create messages in a variety of forms.”^{103(p.7)} Unfortunately, little research has been identified that examines media literacy in the context of corporate advertising. However, research sponsored by Legacy¹⁰⁴ suggests that youth who were exposed to more Legacy advertisements (critical of the tobacco industry) had more skeptical views about tobacco companies. Furthermore, path analytic data among adolescents aged 12–17 showed that mistrust of individual tobacco companies was linked to mistrust of the tobacco industry overall, that mistrust of the tobacco industry was linked to more negative attitudes toward the tobacco industry, and that negative industry attitudes were linked to a lower likelihood of smoking.¹⁰⁴ Research is needed to determine whether these effects also are found for adults. Teaching audiences about the advertiser’s identity and motives may encourage more skeptical responses to the tobacco companies’ advocacy advertisements.²² However, advertisements that have been designed to discredit the tobacco industry do not typically name a specific company or specific brand. For example, advertisements from the California Department of Health Services refer to “Big Tobacco.” These advertisements mock what a tobacco company might say: “We don’t say anything about cigarettes on the tube. We talk about beer, we talk about cheese, and we talk about community service.” Research is needed to determine whether these types of oblique references to a particular cigarette company, such as Philip Morris, are understood and are sufficient to engender skepticism about a company’s television advertising.

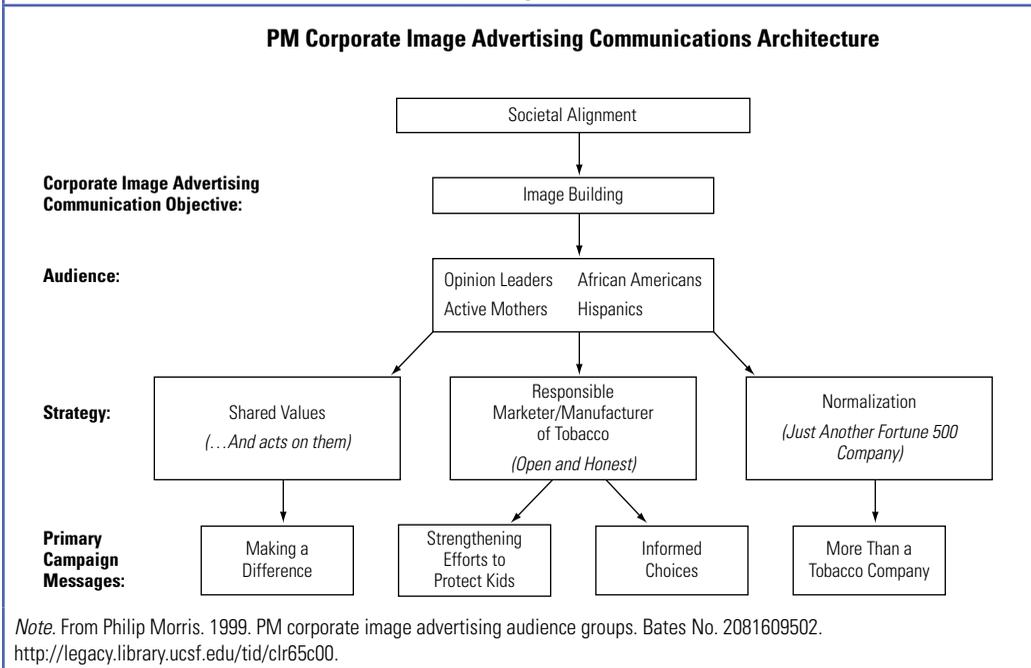
In the next section, the PM21 integrative marketing campaign is described as a case study of corporate public relations campaigns.

PM21: An Integrated Public Relations Campaign

Although typically regarded as distinct campaigns, Philip Morris advertisements about youth smoking prevention and community service were part of a coordinated public relations campaign called PM21 or “Philip Morris in the 21st Century.” This multifaceted campaign included paid media, a corporate Web site, a charitable giving program, a speakers’ bureau, and an internal toolkit to enhance employee morale.⁴⁰ A 1999 company document summarizes the corporate image advertising and illustrates the central role of its youth smoking prevention advertisements in the company’s image “makeover”¹⁰⁵ (figure 6.3).

Objectives of the PM21 Advertising Campaign

A primary objective of PM21 was to move the public’s opinion of Philip Morris (its corporate image) closer to the company’s view of itself (its corporate identity), a process the company referred to as “societal alignment.”^{105(Bates no. 2081609499)} The public relations campaign had four target audiences: African Americans (aged 25–54 years), Hispanics (aged 25–54 years), opinion leaders, and active mothers. Opinion leaders were defined as adults who voted in the past year; belonged to a club; and either led a company or worked for the federal, state, or local government. Active mothers had at least one child under age 18 in their households and either voted in the past year, entertained guests two to three times per month, held a position on a school/college

Figure 6.3 Overview of PM21 Advertising Campaign


board, took part in a civic issue, influenced others' purchase decisions, or engaged in fundraising.

Targeted Advertisements Created for PM21

As shown in Figure 6.3, PM21 was designed to persuade target audiences that Philip Morris shares their social values; is an open, honest, responsible marketer/manufacturer of tobacco products; and is just like any other Fortune 500 company. Four types of advertisements represented these key messages: (1) "Making a difference" refers to advertisements about Philip Morris's community service; (2) "Strengthening efforts to protect kids" refers to advertisements about the company's support of the MSA ("At Philip Morris, we're changing the way we do business") and restricting youth access at the point of sale ("We card"); (3) "Informed choices" refers to the youth

smoking prevention advertisements; and (4) "More than a tobacco company" refers to advertisements that linked Philip Morris with its nontobacco subsidiaries and products. PM21 advertisements used different execution styles, slogans, and source attributions. Nonetheless, all portrayed reasons for audiences to "connect with Philip Morris on a positive emotional level."¹⁰⁶(Bates no. 2081613330) For example, a company document described its "desired mindset" for active mothers as follows:

I understand they make risky products, but I see in the past few years PM has gotten its act together. They aren't so duplicitous and they're being more responsible. They're actually doing something to help kids and their futures. Working together we're going to get there. There's some common ground ... we want some of the same things.¹⁰⁷(Bates no. 2081235877)

Company documents also quote several major Wall Street analysts as praising the

campaign, predicting that the corporate advertisements for “a kinder, gentler Philip Morris”¹⁰⁸(Bates no. 2071041508) would move the company toward the mainstream of corporate America, improve its government lobbying efforts, and reduce the risk of large-scale punitive damage awards during trials.¹⁰⁸

Evaluation of the PM21 Advertising Campaign

As reported in tobacco industry documents, a market research firm evaluated the PM21 campaign by conducting random-digit-dial telephone surveys of a nationally representative sample of adults 18 years and older almost quarterly from September 1999 to September 2001.²³ The survey asked whether respondents had heard of “Philip Morris companies” and, if so, whether their opinion was favorable or unfavorable. It also measured agreement with specific positive statements about the company’s image and its defense in lawsuits. Data collection was suspended on September 11, 2001, before oversample interviews of the four target audiences had begun. Thus, the margin of error was ± 2 percentage points for all adults ($N = 2,078$), but ± 6 points for subsamples of active mothers, African Americans, Hispanics, and opinion leaders.

PM21 persuaded adults without pre-existing opinions of Philip Morris to think favorably about the company. However, the campaign failed to convince those with negative opinions to think otherwise. Between September 1999 and August 2001, the number of adults with favorable opinions of Philip Morris increased from 26% to 38%, but unfavorable opinions were unchanged (41% to 42%).²³ Throughout the campaign, approximately 50% of respondents said the positions the company takes when defending itself in lawsuits were somewhat or very believable. Unaided recall of television advertisements for Philip Morris companies

peaked at 45%, and advertisement awareness was associated with more favorable impressions of the sponsor. For example, compared with other adults, more adults who recalled PM21 advertisements agreed the company “is changing for the better,” “becoming a more responsible corporate citizen,” and “offering solutions to issues related to its products.”²³(Bates no. 2085220389)

However, advertisement awareness also was associated with an increase in unfavorable opinions of Philip Morris (from 37% to 44%), signaling a possible backlash against the campaign.

The campaign’s most dramatic impact was on African Americans, among whom favorable opinions of Philip Morris increased from 18% to 40%.²³ Smaller increases in favorable impressions among active mothers (32% to 37%) and Hispanics (31% to 33%) and a decrease among opinion leaders (41% to 38%) did not exceed the poll’s margin of error (± 6 points). In advertisements about food banks for the elderly and scholarship programs for youth, PM21 depicted tangible benefits to African Americans and used psychographic research about the lifestyles, activities, and passions of this audience to strengthen the emotional impact of these messages.¹⁰⁶

PM21 culminated with the company’s decision to rename itself the Altria Group, which went into effect in January 2003.²⁴ The name change represented the logical conclusion of the long-term efforts by Philip Morris to reposition its company in a more favorable light.

Hostility toward Philip Morris and the industry it represents appears to be softening. In an annual survey of corporate reputations that evaluates products and services, financial performance, workplace environment, leadership, social responsibility, and emotional appeal of the 60 most visible U.S. corporations, ratings for Philip Morris have improved. From

PM21: Preparing for a Backlash

Philip Morris believed criticism of its PM21 public relations campaign was inevitable, and its strategic response plan offered vivid descriptions of what might happen.^a So-called firestorm scenarios anticipated media events, such as the following:

- State attorney general convenes a press conference to “denounce PM21 advertisements as a PR scam, a back-door effort to advertise tobacco products, and a violation of the MSA [Master Settlement Agreement].”^a He demands that television networks refuse to run the advertisements or provide equal, free time for antitobacco advertising, and prohibits sports facilities that receive public funding from selling any Philip Morris products (e.g., Miller, Kraft, and Oscar Mayer).
- Prominent political and public health figures convene a press conference to announce a lawsuit to ban the advertisements, subpoena all records related to the effort, and propose legislative efforts to increase tobacco excise taxes to pay for new antismoking advertisements.
- Popular daytime talk show host devotes an entire week of shows to ask the question, “who are the people of Philip Morris?” and sponsors a “give back dirty money” fundraiser to collect money for organizations that receive Philip Morris contributions.
- Popular nighttime talk show host attacks the advertising campaign by producing mock advertisements with the tagline, “The people of Philip Morris—Sick, fat, drunk & dead.”^a

In fact, a *Tonight Show* spoof of Philip Morris advertising portrayed the demise of an American family brought about by corporate donations of Marlboro cigarettes, Miller beer, and Kraft cheese, but it preserved the original tagline (“Working to make a difference”).^b In addition, the American Legacy Foundation produced a parody of the advertisement about Philip Morris’s support for the MSA, refuting the company’s claim to have significantly changed its business practices.^c

Other media also criticized the hypocrisy of the corporate image advertising. A single television commercial, estimated to cost \$1 million, dramatized the company’s food donation for Kosovar refugees—a five-ton food drop of Kraft macaroni and cheese that was valued at approximately \$125,000.^d Moreover, the company spent substantially less money on annual charitable contributions than it spent to advertise its largesse: \$60 million versus \$108 million, respectively, in 1999;^e and \$125 million versus \$142 million, respectively, in 2000.^{f,g} Ultimately, this type of negative publicity did not engender the boycotts, lawsuits, or tax increases that Philip Morris feared most.

^aPhilip Morris. PM21 overview. 4 Sep 1999. Philip Morris. Bates No. 207823617/6287. <http://legacy.library.ucsf.edu/tid/gds75c00>.

^b*Tonight Show* NBC. 2001. *Request line/tobacco companies*. Videocassette. San Francisco: Video Monitoring Services of America.

^cHealton, C. 2001. Big tobacco’s broken vows. *Advertising Age*, February 5.

^dBranch, S. 2001. Philip Morris’ ad on macaroni and peace: Kosovo tale narrows gap between philanthropy, publicity. *Wall Street Journal*, July 24.

^eDorfman, L. 2001. Polishing its image or preventing domestic violence: What’s Philip Morris really doing? *Off Our Backs*, November.

^fBruno, K. 2001. Philip Morris: Killing to make a difference. <http://www.corpwatch.org/article.php?id=217>.

^gChronicle of Philanthropy. 2001. Gifts and grants: Charitable giving at 96 major corporations. http://philanthropy.com/premium/corpgiving/2001corp_page.php?Corp_ID-1009.

its 1999 designation as having “the worst reputation in America,” the company rose to 48th place in 2004, surpassing companies such as AT&T and American Airlines.¹⁰⁹ In previous years, Philip Morris never ranked above 52 out of 60. In 2003, its reputation surpassed only those tainted by the specter of bankruptcy or criminal indictment (e.g., Martha Stewart Living Omnimedia, Kmart, Global Crossing, WorldCom, and Enron, in descending order) and that of another tobacco company (R.J. Reynolds).¹¹⁰ Moreover, public opinion regards the tobacco industry as less culpable than it once did. The percentage of U.S. adults who describe tobacco companies as completely or mostly to blame for health problems caused by smoking decreased from a high of 30% in 1999 to 22% in 2004, the lowest percentage yet reported.¹¹¹ Fewer than one-half of U.S. adults surveyed think that tobacco companies require more government regulation—the percentage decreased from 44% in 2003 to 42% in 2004.¹¹⁰

In summary, the PM21 campaign is an integrated marketing campaign designed to improve public perceptions of the Philip Morris company. Key segments were targeted, including African Americans, Hispanics, opinion leaders, and active mothers. Public opinion research showed high overall awareness of the campaign (45% unaided recall). Among those with prior existing negative opinions of Philip Morris, opinions remained unchanged. However, adults without prior existing opinions of Philip Morris revealed an increase in positive associations with the company. African Americans, in particular, showed an increase in favorable opinions as a result of the integrated campaign. The combination of evidence from industry documents about PM21 and other research reviewed in this chapter indicate that U.S. tobacco companies have used corporate sponsorship and advertising to enhance their credibility. Tobacco industry documents should be examined to learn

what strategies were used to accomplish these goals, to aid the design of effective tobacco control campaigns.

Summary

Compared with many consumer product manufacturers, the very nature of the tobacco industry's product leaves it with substantial challenges in public image and perception. Studies have found that both adults and adolescents perceive the tobacco industry as dishonest and hold it in low esteem. In response to these concerns, tobacco companies have moved aggressively toward corporate public relations efforts aimed at building the public images and brand identities of their firms, spending hundreds of millions of dollars in the process. This chapter examines two such areas whose impact has been studied through research: corporate sponsorship and corporate advertising.

Research reviewed in this chapter suggests that corporate image campaigns have been successful in reducing negative perceptions of the tobacco industry. While research investigating the role of tobacco sponsorship in reducing negative perceptions has not been done, in other industries research shows that sponsorships build positive brand associations and reduce negative brand associations. Evidence for the effects of corporate advertising on perceptions does exist for the tobacco industry. Studies reviewed in this chapter have found that corporate advertising reduces perceptions among adolescents and young adults that the tobacco companies are dishonest and culpable for adolescent smoking, and, among adults, increases favorability ratings for the individual company, such as Philip Morris.

Also important are the effects of corporate sponsorship and corporate advertising on the sale and use of tobacco products,

intentions to start smoking, intentions to quit smoking, and susceptibility of smokers to claims about “lower risk” cigarettes. In studies of youth smoking prevention programs (reported in more detail in chapter 12), those programs advertised by tobacco companies and targeted to parents were found to be ineffective, or in some cases, were found to increase older adolescents’ intentions to smoke, increase approval of smoking, and result in a higher likelihood of smoking behavior. More research is needed to determine the effects of other forms of corporate advertising and tobacco sponsorship on smoking intentions and behavior. In industries other than tobacco, increased consumer perceptions of corporate social responsibility and other favorable associations with a company have been linked to increased interest in and sales of products made by those companies. In the tobacco industry, the effect of public relations campaigns on adolescents’ and young adults’ intentions to start smoking, on smokers’ intentions to quit smoking, and on sales of tobacco products are important issues for future research.

Perhaps most important are the effects that softening negative attitudes and improving public image perceptions of cigarette companies may have on legislation, jury awards, public support, and consumer activism. Some evidence exists that patrons of corporate sponsors have felt an obligation, or even felt compelled, to voice support for the tobacco sponsor in opposing smoking bans. Industry documents show that the tobacco industry motives for youth smoking prevention programs include discouraging legislation that restricts or bans tobacco sales or marketing activities. Tobacco companies’ public relations efforts may be a key strategy for providing the legal and regulatory buffer against anti-industry legislation. These efforts could have tangible effects on tobacco companies’ ability to fight legislation and litigation affecting their sales and marketing activities, which,

in turn, ultimately may affect the public’s exposure to tobacco. The effects of tobacco public relations efforts on public resistance to tobacco control policies also need further study.

Discussions are needed about how to acquire accurate and topical data on corporate sponsorship and corporate advertising. Tobacco product advertising has been increasingly restricted over time. It remains subject to substantial monitoring by federal agencies (most notably the FTC) and some control through the MSA. A similar level of surveillance and oversight does not exist for corporate image advertising and public relations efforts, which, nonetheless, may affect public attitudes and behavior toward smoking through their effects on company credibility, social responsibility, or other favorable associations.

Given its history of corporate image concerns and investment of significant resources to improve its image, the tobacco industry’s use of the media for public relations purposes warrants greater scrutiny. One possible direction is for the FTC or another agency to monitor the tobacco companies’ annual expenditures to advertise and promote their corporate brands as it does for their cigarette brands (see chapter 8 for a discussion of government regulation). Future research should continue to measure public opinion of tobacco companies, public support for tobacco control policies, and their relationship to corporate advertising exposure. Combined with research on the impact of these corporate public relations efforts, here and abroad, it is possible to better understand the relationships among tobacco industry public relations efforts, smoking, and public health.

Finally, the global impact of these types of public relations activities represents another important area for future study. This chapter focuses on examples from the U.S. media, and these lessons may or may

not be applicable worldwide. Similar work is needed in other countries and especially in Asia and Africa, where smoking prevalence is increasing and a dramatic rise in morbidity and mortality is anticipated.¹¹² Future research should examine how multinational tobacco corporations use public relations advertising to manage corporate images in other markets and compare the reputation and performance of the tobacco industry in the United States and other countries.

Conclusions

1. Corporate sponsorship of events and social causes represents a key public relations strategy for major tobacco companies, which spent more than \$360 million on these efforts in 2003. Key targets included sporting events, antihunger organizations, and arts and minority organizations. These efforts have been used, in certain cases, to influence opinion leaders who benefit from such sponsorship.
2. Corporate image campaigns by tobacco companies have highlighted their charitable work in the community and have promoted their youth smoking prevention programs; at times, corporate spending on these campaigns has vastly exceeded the amount actually given to the charities. These campaigns have reduced perceptions among adolescents and adults that tobacco companies are dishonest and culpable for adolescent smoking, and among adults, have increased perceptions of responsible marketing practices and favorable ratings for the individual companies.
3. Tobacco industry youth smoking prevention campaigns have been generally ineffective in reducing youth smoking. Moreover, they may even have increased smoking in some subgroups of youth.
4. Tobacco industry public relations efforts such as corporate sponsorship and advertising may make audiences more resistant to criticism of the industry, may mitigate jurors' negative views toward the industry, and may weaken public or legislative support for tobacco control policies.
5. Systematic monitoring and descriptions of tobacco companies' activities and expenditures for corporate sponsorship and advertising are needed to better understand the impact of these activities on the public image of tobacco companies, on consumers' smoking intentions and behaviors, and on the image of sponsored events and causes.

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