Federal Trade Commission

Cigarette Report

for 2018

ISSUED: 2019

I. INTRODUCTION

This report is the latest in a series on cigarette sales, advertising, and promotion that the Federal Trade Commission ("Commission") has prepared since 1967.

The tables appended to this report provide information on domestic cigarette sales and advertising and promotional activity by the largest manufacturers.[1] The 2018 sales and expenditure information in the tables was compiled from data contained in special reports submitted to the Commission pursuant to compulsory process by the parent companies of the major manufacturers of cigarettes sold in the United States: Altria Group, Inc.; ITG Holdings USA Inc.; Reynolds American, Inc.; and Vector Group Ltd.[2]

II. TOTAL SALES AND ADVERTISING AND PROMOTIONAL EXPENDITURES

The total number of cigarettes reported sold by the major manufacturers, 216.9 billion in 2018, decreased by 12.2 billion units (5.3 percent) from 2017. Advertising and promotional expenditures decreased during that same period, from $8.637 billion to $8.401 billion. The largest single category of these expenditures in 2018 was price discounts paid to cigarette retailers in order to reduce the price of cigarettes to consumers, which accounted for $6.155 billion (73.3 percent of total advertising and promotional expenditures).

III. CIGARETTES SOLD AND GIVEN AWAY

Tables 1A and 1B display the manufacturers' annual cigarette sales to wholesalers and

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[1] The data contained in the tables appended to this report are also in an electronic spreadsheet available at: https://www.ftc.gov/cigarettedata.

The advertising and promotional expenditure figures contained in this report and in the electronic spreadsheet are in nominal dollars and have not been adjusted for inflation.

[2] The number and identity of the companies reporting cigarette data has varied over the many years that the Commission has issued these reports.

retailers. Table 1B displays the total number of cigarettes sold and given away each year from 2001 through 2018. In 2018, the major cigarette manufacturers sold 216.9 billion cigarettes domestically, down from 229.1 billion in 2017. The Commission is not reporting the number of cigarettes given away[3] in 2017 or 2018 because only one company reported such giveaways.[4]

IV. ADVERTISING AND PROMOTIONAL EXPENDITURES BY CATEGORY

Tables 2A through 2G show the annual expenditures on cigarette advertising and promotion for the years 1970, and 1975 through 2018.[5] These tables list the amounts spent on the different types of media advertising (*e.g.*, magazines) and sales promotion activities (*e.g.*, distribution of coupons), and also give the percentages of the total amount spent for each of the various types of advertising and promotion.

Table 2G shows that overall, the major manufacturers spent $8.401 billion on cigarette advertising and promotion in 2018, a decrease from the $8.637 billion spent in 2017.[6]

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[3] Cigarettes given away include all cigarettes distributed for free, whether through sampling, coupons for free product, "buy 3 packs, get 1 free" type offers, consumer research programs, or otherwise, as long as those cigarettes were not reported as sold.

For years prior to 2001, the Commission required the manufacturers to report the number of cigarettes they sold but not the number they gave away. It is possible that in those earlier years, some manufacturers included in their sales figures some cigarettes that were actually given away.

[4] When only one company reports in a category, the Commission does not report this information in order to avoid potential disclosure of individual company data.

[5] The expenditure data reported in these tables were not collected in their present form until 1975, at which time the Commission asked the companies to re-report their 1970 expenditures using the then-new advertising and promotional expenditure categories.

The reported figures include all advertising and promotional expenditures related to cigarettes, regardless of whether such expenditures would constitute "commercial speech" or would be protected from law enforcement action under the First Amendment. They do not include the costs of employing full-time company employees or any overhead expenses attributable to the activities of such company employees.

[6] Definitions of the 2018 advertising and promotional expenditure categories appear in the

The Commission is not reporting the amount spent on newspaper advertising in 2018 because, as in each year since 2012, only one company reported spending in that category.[7] The companies reported spending $8.6 million on magazine advertising in 2018, a decrease from the $14.9 million they spent in 2017. Spending on "outdoor" advertising increased from $1.8 million in 2017 to $2.4 million in 2018.[8] Spending on point-of-sale materials (ads posted at the retail location but excluding outdoor ads on retailer property), which was $48.5 million in 2017, increased to $62.2 million in 2018. The companies reported spending $36.2 million for direct mail advertising in 2017, up from $34.6 million in 2017.[9]

In 2018, the companies reported spending $6.155 billion on price discounts (payments made in order to reduce the price of cigarettes to consumers) paid to retailers and $1.054 billion on price

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Appendix to this report.

[7] If only one company reported spending money on a particular type of advertising or promotion in a year, that category appears as "N/A" in the table; and the expenditures in that category are included in the "Other" category, to avoid potential disclosure of individual company data. For this reason, the Commission is not separately reporting the amounts spent in 2018 on newspaper advertising, promotional allowances paid other than to retailers or wholesalers, retail-value-added promotions involving bonus cigarettes, retail-value-added promotions involving non-cigarette items, or Internet advertising other than on the company's own websites.

[8] Since 2002, "outdoor" advertising has been defined to mean billboards; signs and placards in arenas, stadiums, and shopping malls (whether they are open air or enclosed); and any other advertisements placed outdoors, regardless of their size, including those on cigarette retailer property. Before 2002, "outdoor" advertising was not precisely defined and it was not clear that signs in arenas, stadiums, shopping malls, or on retailer property were to be reported in this category.

Starting with its orders for 2014, the Commission ceased collecting data on transit advertising (advertising on or in vehicles, bus stops, taxi stands, or transportation facilities) because the recipients of the orders had not reported expenditures on transit advertising since 2000.

[9] The companies are asked to report the cost of coupons sent by direct mail in the coupons category.

discounts paid to wholesalers.[10] In 2017, expenditures in those categories were $6.189 billion and $1.195 billion, respectively. Retail and wholesale price discounts were the two largest expenditure categories in 2018, representing a combined 85.8 percent of total expenditures (73.3 percent and 12.5 percent, respectively).

Spending on promotional allowances (intended to facilitate the sale or placement of cigarettes) paid to cigarette retailers (*e.g.*, payments for stocking, shelving, displaying, and merchandising brands, volume rebates, and incentive payments) decreased from $186.9 million in 2017 to $180.3 million in 2018. Spending on promotional allowances paid to cigarette wholesalers (*e.g.*, payments for volume rebates, incentive payments, value-added services, and promotional executions) declined from $376.1 million in 2017 to $337.5 million in 2018. The Commission is not reporting the amount spent on promotional allowances paid to persons other than retailers or wholesalers in 2018 because, as in each year since 2012, only one company reported spending in that category.

When price discounts and promotional allowances paid to cigarette retailers and wholesalers are combined, they total $7.727 billion, and account for 92.0 percent of all 2018 advertising and promotional expenditures.

The companies reported spending $207,000 on cigarette sampling in 2018.[11] In 2017, the

[10] Examples of price discounts include off-invoice discounts, buy downs, and voluntary price reductions.

[11] Although regulations promulgated by the Food and Drug Administration pursuant to the Family Smoking Prevention and Tobacco Control Act ("Tobacco Control Act") prohibited sampling effective in mid-2010, *see* 21 C.F.R. § 1140.16(d), companies have continued to report sampling expenditures because the Commission defines "sampling" to include the distribution of cigarettes for consumer testing or evaluation outside the company's facility.

Commission did not report the amount spent on cigarette sampling because only one company reported spending in that category.

In 2018, $61.6 million was spent on non-branded specialty item distribution in connection with the marketing or promotion of cigarettes, a decrease from the $79.5 million spent in 2017.[12]

The companies reported spending $28.8 million in 2018 on consumer engagement at retail locations open to underage individuals (*e.g.*, convenience stores), a decrease from the $36.0 million spent in 2017. They also reported spending $20.2 million in 2018 on consumer engagement in adult-only facilities, a decrease from the $47.3 million spent in 2017.

The companies reported that they spent no money in 2017 or 2018 on public entertainment events that take place in adult-only facilities (*e.g.*, sponsorship of bar nights or concerts) and display the name or logo of a company's cigarettes or otherwise refer to cigarettes. With its order for 2016,

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The Commission's compulsory process orders for 2017 clarified that expenditures associated with coupons for free cigarettes distributed during consumer engagement should be reported as "sampling," not consumer engagement.

[12] Specialty item distribution includes the practice of selling or giving to consumers non-cigarette items, such as T-shirts, caps, sunglasses, key chains, lighters, and sporting goods. When the distribution of such items is combined with the sale of cigarettes, such as when a non-cigarette item is blister-packed to packages of cigarettes, the associated expenditures are reported under retail-value-added.

Pursuant to the 1998 Tobacco Master Settlement Agreement with the attorneys general of 46 states, major tobacco companies, including all those from which the Commission then collected cigarette advertising and promotional data, agreed not to distribute branded non-tobacco promotional items. Subsequently, the distribution of such items was also prohibited by regulations promulgated pursuant to the Tobacco Control Act. *See* 21 C.F.R. § 1140.34(a). Nevertheless, due to misunderstandings, some of the companies misreported for a number of years that they incurred expenses for branded specialty item distribution. Because all such expenditures were misreported, the Commission has deleted the branded specialty item distribution category from Tables 2D through 2G and reallocated the expenditures in that category pursuant to instructions from the individual companies. Where the companies were unable to properly reallocate the expenditures, they were moved to the "Other" expenditure category.

the Commission clarified that such events must include actual entertainment, as opposed to simply consumer engagement.[13]

For 2015 through 2018, the companies reported that they made no expenditures on public entertainment events taking place outside of adult-only facilities.

As they have since 2010, all reporting companies stated that in 2018 they spent no money on sponsorships.[14] Since 1989, all of the companies have stated that they spent no money on endorsements and testimonials.[15]

The companies reported spending $316.2 million in 2018 on coupons to reduce the retail cost of cigarettes, an increase from the $301.9 million spent in 2017.[16]

Retail-value-added expenditures are the costs associated with offers such as "buy one, get one free" and "buy three, get a free T-shirt," where the bonus is distributed to consumers at retail when the cigarettes are purchased. The Commission is not reporting the amounts spent in 2017 or 2018 on retail-value-added involving bonus cigarettes because only one company reported spending

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[13] The Commission learned that the companies had been reporting consumer engagement in adult-only facilities under this adult-only public entertainment category even when such activities did not entail any entertainment. Also, at some point, the companies stopped sponsoring any entertainment in adult-only facilities. We are unable to distinguish prior expenditures on adult-only entertainment from those on adult-only consumer engagement.

[14] Regulations promulgated pursuant to the Tobacco Control Act and effective since mid-2010 prohibit tobacco-brand sponsorships of "any athletic, musical, artistic, or other social or cultural event, or any entry or team in any event." 21 C.F.R. § 1140.34(c).

[15] The Commission's compulsory process orders for 2017 clarified that the "endorsements" category, which covers product placements, includes product placements in video games.

[16] When coupons are distributed for free cigarettes and no purchase is required to redeem them, such activities are reported as "sampling," not as "coupons."

The Commission's compulsory process orders for 2017 clarified that expenditures associated with coupons that reduce the retail cost of cigarettes should be reported in the "coupon" category, regardless of how the coupons are distributed or redeemed.

in that category.

Each year from 2010 until 2015, the companies reported spending no money on retail-value-added promotions involving non-cigarette items. In 2016, the Commission expanded this category to include discounts such as "buy two, save 20 cents per gallon of gasoline." The Commission is not reporting the amounts spent on retail-value-added expenditures for promotions involving free or discounted non-cigarette items in 2017 or 2018 because only one company reported spending in that category.

In 2018, the companies reported spending $23.6 million on advertising on company websites, a decrease from the $25.1 million they reported in 2017. As in 2017, the Commission is not separately reporting the amount spent in 2018 on Internet advertising other than on company websites because only one company reported spending in that category.

The companies reported making no expenditures on telephone advertising in 2018. This category includes costs associated with telemarketing calls or the operation of incoming telephone lines for consumers to participate in promotions or hear pre-recorded product messages. The Commission did not report spending on telephone advertising for 2017 because only one company reported spending in that category.

Since 2013, the companies have reported that they made no expenditures on audio-visual advertising.

The companies reported no spending in 2018 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," just as they have each year since the Commission started requesting such data in 2009.

The Commission also requires the cigarette manufacturers to report the amounts they spent

on advertising and promotion in connection with sports and sporting events.[17] This question is separate from, and duplicative of, the reporting of the individual advertising and promotion categories. For example, money spent on sponsorship of a sports team would be reported under the "sponsorship" category and as "sports and sporting events" expenditures. These expenditures are counted only once, however, in computing the companies' total advertising and promotional expenditures.

From 2010 through 2014, the companies reported that they did not spend any money advertising and promoting sports and sporting events. The Commission's compulsory process orders for 2015 clarified that the companies should report all advertising and promotional expenditures "connected with or related to" sports or sporting events, including cigarette sampling in an adult-only facility on the grounds or in the parking lot of a sports facility. In 2016, the orders further clarified that the companies should also report "consumer engagement" on the grounds or lot of a sports facility. The companies reported spending nothing in 2017 or 2018 connected with or related to sports or sporting events.

Since 2001, the Commission has required the manufacturers to report expenditures on advertisements directed to youth or their parents that are intended to reduce youth smoking. These expenditures have ranged from a high of $74.2 million in 2002 to a low of $1.6 million in 2018.[18] These figures do not include contributions to third parties that engage in such programs.

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[17] 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 cigarette company or any of its brands in a sports facility, on a scoreboard, or in conjunction with the reporting of sports results; and (3) functional promotional items (clothing, hats, etc.) connected with a sporting event.

[18] These expenditures are not included in the cigarette advertising and promotional expenditures reported in Tables 2C through 2G.

The cigarette 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, television show, or video game in 2018, or paid money or any other form of compensation to anyone engaged in product placement in motion pictures, television shows, or video games. 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 cigarette product or cigarette brand imagery in any motion picture, television show, or video game. The Commission asked the companies to report whether they or anyone working for them or on their behalf: (1) sought, solicited, granted approval, or otherwise gave permission for the appearance of any cigarette product or cigarette brand imagery in any video appearing on the Internet; or (2) engaged in social media marketing that promoted any cigarette brand or variety or used cigarette brand imagery. Two companies reported having video advertising on company-operated cigarette brand websites and one reported allowing the posting of user-generated content on such websites.

The expenditure data reported in Tables 2A through 2G were not collected in their present form until 1975. Therefore, Table 3 reports advertising expenditures from 1963 through 1974.

V. TAR YIELDS, FILTERS, LENGTH, AND FLAVOR

Tables 4A and 4B give the domestic market shares of cigarettes with tar yields of 15 mg or less among the major manufacturers for the years 1967 through 2016. The data for the years since 1982 are further broken down into sub-categories according to tar yields (*e.g.*, 3 mg or less, 6 mg or less, etc.), and the sub-categories are presented cumulatively. The Commission has ceased collecting tar yield data. The Commission also notes that its compulsory process orders requesting data for 2011 through 2016 required the companies only to report tar yield data that they had

available and did not require them to conduct testing. Consequently, share comparisons within those years or to previous years may not be reliable.

As shown in Tables 5A and 5B, filtered cigarettes have dominated the market among the major manufacturers since the Commission began collecting this information in 1963. Filtered cigarettes accounted for 99.7 percent of the market among the major manufacturers in 2018.

Tables 6A and 6B provide the share of the various cigarette length categories. The King size (79-88 mm) category continues to be the biggest seller, with 56 percent of the market among the major manufacturers in 2018. This category is followed by the Long (94-101 mm) group, with 41 percent.

Tables 7A and 7B give the market share of menthol and non-menthol cigarettes. In 2018, menthol cigarettes were 36 percent of the market among the major manufacturers, while non-menthols were 64 percent.

Table 8A shows the percentage of cigarettes that disclosed both tar and nicotine yields on their packs during the years 1994 through 2001; Table 8B shows the percentage that disclosed tar yields from 2002 to 2011. From 2008 to 2016, no major manufacturer disclosed tar yields on its cigarette packs. The Commission has ceased asking about on-pack tar or nicotine yield disclosures.

TABLE 1A

TOTAL DOMESTIC CIGARETTE UNIT SALES (1963-2000)
(IN BILLIONS OF INDIVIDUAL CIGARETTES)

YEAR	TOTAL SALES REPORTED BY CIGARETTE MANUFACTURERS*	UNIT CHANGE FROM PRIOR YEAR	% CHANGE FROM PRIOR YEAR	USDA CIGARETTE CONSUMPTION ESTIMATES
1963	516.5	–	–	523.9
1964	505.0	(11.5)	(2.2)	511.2
1965	521.1	16.1	3.2	528.7
1966	529.9	8.8	1.7	541.2
1967	535.8	5.9	1.1	549.2
1968	540.3	4.5	.8	545.7
1969	527.9	(12.4)	(2.3)	528.9
1970	534.2	6.3	1.1	536.4
1971	547.2	13.0	2.4	555.1
1972	561.7	14.5	2.7	566.8
1973	584.7	23.0	4.1	589.7
1974	594.5	9.8	1.7	599.0
1975	603.2	8.7	1.5	607.2
1976	609.9	6.7	1.1	613.5
1977	612.6	2.7	.4	617.0
1978	615.3	2.7	.4	616.0
1979	621.8	6.5	1.1	621.5
1980	628.2	6.4	1.0	631.5
1981	636.5	8.3	1.3	640.0
1982	632.5	(4.0)	(.6)	634.0
1983	603.6	(28.9)	(4.6)	600.0
1984	608.4	4.8	.8	600.4
1985	599.3	(9.1)	(1.5)	594.0
1986	586.4	(12.9)	(2.2)	583.8
1987	575.4	(11.0)	(1.9)	575.0
1988	560.7	(14.7)	(2.6)	562.5
1989	525.6	(35.1)	(6.3)	540.0
1990	523.7	(1.9)	(.4)	525.0
1991	510.9	(12.8)	(2.4)	510.0
1992	506.4	(4.5)	(.9)	500.0
1993	461.4	(45.0)	(8.9)	485.0
1994	490.2	28.8	6.2	486.0
1995	482.3	(7.9)	(1.6)	487.0
1996	484.1	1.8	0.4	487.0
1997	478.6	(5.5)	(1.1)	480.0
1998	458.6	(20.1)	(4.2)	465.0
1999	411.3	(47.2)	(10.3)	435.0
2000	413.9	2.6	.6	430.0

* Cigarettes sold by manufacturers to wholesalers and retailers within the U.S. and to armed forces personnel stationed outside the U.S.

TABLE 1B

TOTAL DOMESTIC CIGARETTE UNITS SOLD AND GIVEN AWAY (2001-2018)
(IN BILLIONS OF INDIVIDUAL CIGARETTES)

YEAR	UNITS SOLD*	UNITS GIVEN AWAY**	TOTAL NUMBER SOLD AND GIVEN AWAY AS REPORTED BY MANUFACTURERS	UNIT CHANGE IN SOLD (AND GIVEN AWAY) FROM PRIOR YEAR***	PERCENT CHANGE IN SOLD (AND GIVEN AWAY) FROM PRIOR YEAR***	USDA CIGARETTE CONSUMPTION ESTIMATES
2001	398.3	3.9	402.2	–	–	425.0
2002	376.4	11.1	387.4	(14.8)	(3.7)	415.0
2003	360.5	7.1	367.6	(19.8)	(5.1)	400.0
2004	361.3	2.1	363.4	(4.2)	(1.1)	388.0
2005	351.6	3.0	354.6	(8.8)	(2.4)	376.0
2006	343.3	7.2	350.5	(4.1)	(1.2)	371.0
2007	337.7	5.0	342.8	(7.7)	(2.2)	****
2008	320.0	2.7	322.6	(20.2)	(5.9)	****
2009	290.6	0.1	290.7	(31.9)	(9.9)	****
2010	282.9	0.1	282.9	(7.8)	(2.7)	****
2011	274.4	N/A	N/A	(8.5)	(3.0)	****
2012	268.4	N/A	N/A	(6.0)	(2.2)	****
2013	255.2	N/A	N/A	(13.1)	(4.9)	****
2014	254.7	N/A	N/A	(0.5)	(0.2)	****
2015	246.0†	N/A	N/A	(8.7)†	(3.4)†	****
2016	240.5	0.01	240.5	(5.5)†	(2.2)†	****
2017	229.1	N/A	N/A	(11.4)	(4.7)	****
2018	216.9	N/A	N/A	(12.2)	(5.3)	****

* Cigarettes sold by manufacturers to wholesalers and retailers within the U.S. and to armed forces personnel stationed outside the U.S.

** Cigarettes given away within the U.S. and to armed forces personnel stationed outside the U.S. Prior to 2001, the Commission did not ask about cigarettes given away, although some cigarettes given away might have been reported as sold.

*** For 2002 through 2010, the changes reported are cigarettes sold and given away, combined. For 2011 through 2018, the changes reported are in cigarettes sold.

**** USDA ceased reporting these data.

† This figure has been corrected.

TABLE 2A

DOMESTIC CIGARETTE ADVERTISING AND PROMOTIONAL EXPENDITURES FOR YEARS 1970, 1975-1985 (DOLLARS IN THOUSANDS)*

	1970	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
Newspapers	$14,026	$104,460	$155,808	$190,677	$186,947	$240,978	$304,380	$358,096	$282,897	$200,563	$193,519	$203,527
	3.9%	21.3%	24.4%	24.5%	21.4%	22.2%	24.5%	23.1%	15.8%	10.6%	9.2%	8.2%
Magazines	$50,018	$131,199	$148,032	$173,296	$184,236	$257,715	$266,208	$291,227	$349,229	$388,365	$425,912	$395,129
	13.9%	26.6%	23.2%	22.2%	21.1%	23.8%	21.4%	18.8%	19.5%	20.4%	20.3%	16.0%
Outdoor	$7,338	$84,329	$102,689	$120,338	$149,010	$162,966	$193,333	$228,081	$266,925	$295,226	$284,972	$300,233
	2.0%	17.2%	16.1%	15.4%	17.0%	15.0%	15.6%	14.7%	14.9%	15.5%	13.6%	12.1%
Transit	$5,354	$10,852	$19,341	$21,530	$22,899	$21,151	$26,160	$21,931	$24,135	$26,652	$25,817	$33,136
	1.5%	2.2%	3.0%	2.8%	2.6%	2.1%	2.0%	1.4%	1.3%	1.4%	1.2%	1.3%
Point-of-Sale	$11,663	$35,317	$44,176	$46,220	$57,384	$66,096	$79,799	$98,968	$116,954	$170,059	$167,279	$142,921
	3.2%	7.2%	6.9%	5.9%	6.6%	6.1%	6.4%	6.4%	6.5%	8.9%	8.0%	5.8%
Promotional Allowances	$33,789	$72,018	$82,523	$108,227	$125,148	$137,111	$179,094	$229,077	$272,269	$366,153	$363,247	$548,877
	9.4%	14.7%	12.9%	13.9%	14.3%	12.7%	14.4%	14.8%	15.2%	19.3%	17.3%	22.2%
Sampling Distribution	$11,775	$24,196	$40,390	$47,683	$47,376	$64,286	$50,459	$81,522	$141,178	$125,968	$148,031	$140,565
	3.3%	4.9%	6.3%	6.1%	5.4%	5.9%	4.1%	5.3%	7.9%	6.6%	7.1%	5.7%
Specialty Item Distribution	$5,652	$10,088	$20,030	$35,797	$48,281	$62,029	$69,248	$115,107	$95,246	$127,186	$140,431	$211,429
	2.6%	2.1%	3.1%	4.6%	5.5%	5.7%	5.6%	7.5%	5.3%	6.6%	6.7%	8.5%
Public Entertainment	$544	$8,484	$7,946	$9,538	$11,590	$10,783	$16,914	$37,423	$63,168	$76,648	$59,988	$57,581
	0.2%	1.7%	1.3%	1.2%	1.3%	1.0%	1.4%	2.4%	3.5%	4.0%	2.9%	2.3%
Other**	$220,841	$10,311	$18,182	$26,157	$42,100	$60,310	$56,694	$86,226	$181,813	$123,951	$286,035	$443,043
	61.1%	2.0%	2.8%	3.4%	4.8%	5.6%	4.6%	5.6%	10.1%	6.5%	13.7%	17.9%
Total	$361,000	$491,254	$639,117	$779,463	$874,972	$1,083,425	$1,242,288	$1,547,658	$1,793,814	$1,900,771	$2,095,231	$2,476,441

* Because of rounding, sums of percentages may not equal 100 percent.

** Includes TV and Radio advertising expenditures of $207,324,000 and $12,492,000, respectively, for 1970. Broadcast advertising was banned after January 1, 1971. Expenditures for direct mail, endorsements, testimonials, and audio-visual are included in the “Other” category to avoid potential disclosure of individual company data.

TABLE 2B

DOMESTIC CIGARETTE ADVERTISING AND PROMOTIONAL EXPENDITURES FOR YEARS 1986-1995 (DOLLARS IN THOUSANDS)*

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
Newspapers	$119,629	$95,810	$105,783	$76,993	$71,174	$48,212	$35,467	$36,220	$24,143	$19,122
	5.0%	3.7%	3.2%	2.1%	1.8%	1.0%	0.7%	0.6%	0.5%	0.4%
Magazines	$340,160	$317,748	$355,055	$380,393	$328,143	$278,110	$237,061	$235,253	$251,644	$248,848
	14.3%	12.3%	10.8%	10.5%	8.2%	6.0%	4.5%	3.9%	5.2%	5.1%
Outdoor	$301,822	$269,778	$319,293	$358,583	$375,627	$386,165	$295,657	$231,481	$240,024	$273,664
	12.7%	10.5%	9.7%	9.9%	9.4%	8.3%	5.7%	3.8%	5.0%	5.6%
Transit	$34,725	$35,822	$44,379	$52,294	$60,249	$60,163	$53,293	$39,117	$29,323	$22,543
	1.5%	1.4%	1.4%	1.4%	1.5%	1.3%	1.0%	0.6%	0.6%	0.5%
Point-of-Sale	$135,541	$153,494	$222,289	$241,809	$303,855	$344,580	$366,036	$400,943	$342,650	$259,035
	5.7%	5.9%	6.8%	6.7%	7.6%	7.4%	7.0%	6.6%	7.1%	5.3%
Direct Mail	$187,057	$187,931	$42,545	$45,498	$51,875	$65,002	$34,345	$31,463	$31,187	$34,618
	7.9%	7.3%	1.3%	1.3%	1.3%	1.4%	0.7%	0.5%	0.7%	0.7%
Promotional Allowances	$630,036	$702,430	$879,703	$999,843	$1,021,427	$1,156,280	$1,514,026	$1,557,635	$1,678,917	$1,865,657
	26.4%	27.2%	26.9%	27.6%	25.6%	24.9%	28.9%	25.8%	34.7%	38.1%
Sampling Distribution	$98,866	$55,020	$74,511	$57,771	$100,893	$56,970	$49,315	$40,202	$6,974	$13,836
	4.1%	2.1%	2.3%	1.6%	2.5%	1.2%	0.9%	0.7%	0.1%	0.3%
Specialty Item Distribution	$210,128	$391,351	$190,003	$262,432	$307,037	$184,348	$339,997	$755,780	$850,810	$665,173
	8.8%	15.2%	5.8%	7.3%	7.7%	4.0%	6.5%	12.5%	17.6%	13.6%
Public Entertainment	$71,439	$71,389	$88,072	$92,120	$125,094	$118,622	$89,739	$84,276	$81,292	$110,669
	3.0%	2.8%	2.7%	2.5%	3.1%	2.6%	1.7%	1.4%	1.7%	2.3%
Endorsements & Testimonials	$384	$376	$781	$0	$0	$0	$0	$0	$0	$0
	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Coupons & Retail-Value-Added	**	**	$874,127	$959,965	$1,183,798	$1,882,905	$2,175,373	$2,559,387	$1,248,896	$1,348,378
			26.7%	26.5%	29.6%	40.4%	41.6%	42.4%	25.8%	27.5%
Other***	$252,570	$299,355	$78,366	$89,290	$62,917	$68,758	$41,608	$63,680	$47,672	$33,680
	10.0%	11.6%	2.4%	2.5%	1.6%	1.5%	0.8%	1.2%	1.0%	0.7%
Total	$2,382,357	$2,580,504	$3,274,853	$3,616,993	$3,992,008	$4,650,114	$5,231,917	$6,035,437	$4,833,532	$4,895,223
Sports & Sporting Events****			$84,000	$97,900	$108.700	$102,000	$81,900	$78,000	$76,000	$83,000

* Because of rounding, sums of percentages may not equal 100 percent.

** Prior to 1988, the Commission did not specifically collect information on Coupons & Retail-Value-Added.

*** Expenditures for audio-visual are included in the "Other" category to avoid potential disclosure of individual company data.

**** These Sports & Sporting Event Expenditures are rounded to the nearest million dollars, except for those for 1989, 1990, and 1992, which are rounded to the nearest hundred thousand dollars.

TABLE 2C

DOMESTIC CIGARETTE ADVERTISING AND PROMOTIONAL EXPENDITURES
FOR YEARS 1996-2001 (DOLLARS IN THOUSANDS)*

	1996	1997	1998	1999	2000	2001
Newspapers	$14,067	$16,980	$29,444	$50,952	$51,652	$31,676
	0.3%	0.3%	0.4%	0.6%	0.5%	0.3%
Magazines	$243,046	$236,950	$281,296	$377,364	$294,916	$172,853
	4.8%	4.2%	4.2%	4.6%	3.1%	1.5%
Outdoor	$292,261	$295,334	$294,721	$53,787	$9,262	$8,241
	5.7%	5.2%	4.4%	0.7%	0.1%	0.1%
Transit	$28,865	$26,407	$40,158	$5,573	$4	$0
	0.6%	0.5%	0.6%	0.1%	0.0%	0.0%
Point-of-Sale	$252,619	$305,360	$290,739	$329,429	$347,038	$284,319
	4.9%	5.4%	4.3%	4.0%	3.6%	2.5%
Direct Mail	$38,703	$37,310	$57,772	$94,610	$92,902	$133,947
	0.8%	0.7%	0.9%	1.2%	1.0%	1.2%
Promotional Allowances	$2,150,838	$2,438,468	$2,878,919	$3,542,950	$3,913,997	$4,452,709
	42.1%	43.1%	42.8%	43.0%	40.8%	39.7%
Sampling Distribution	$15,945	$22,065	$14,436	$33,711	$22,330	$17,175
	0.3%	0.4%	0.2%	0.4%	0.2%	0.2%
Specialty Item Distribution	$544,345	$512,602	$355,835	$335,680	$327,826	$333,394
	10.7%	9.6%	5.3%	4.1%	3.4%	3.0%
Public Entertainment	$171,177	$195,203	$248,536	$267,379	$309,610	$312,366
	3.4%	3.4%	3.7%	3.3%	3.2%	2.8%
Endorsements & Testimonials	$0	$0	$0	$0	$0	$0
	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Coupons		$552,550	$624,199	$531,004	$705,299	$602,110
		9.8%	9.3%	6.5%	7.4%	5.4%
	$1,308,708**					
Retail-Value-Added	25.6%	$970,363	$1,555,391	$2,559,883	$3,453,446	$4,761,792
		17.1%	23.1%	31.1%	36.0%	42.5%
Internet	$432	$215	$125	$651	$949	$841
	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other***	$46,696	$50,207	$61,584	$54,658	$63,395	$104,797
	0.9%	1.0%	0.9%	0.7%	0.7%	0.9%
Total	$5,107,700	$5,660,014	$6,733,157	$8,237,631	$9,592,627	$11,216,220
Sports & Sporting Events****	$85,000	$121,400	$125,600	$113,600	$127,900	$110,600

* Because of rounding, sums of percentages may not equal 100 percent.

** Prior to 1997, Coupons and Retail-Value-Added were reported as a single category.

*** Expenditures for audio-visual are included in the "Other" category to avoid potential disclosure of individual company data.

**** These Sports & Sporting Event Expenditures are rounded to the nearest hundred thousand dollars, except for those for 1996, which are rounded to the nearest million dollars.

TABLE 2D DOMESTIC CIGARETTE ADVERTISING AND PROMOTIONAL EXPENDITURES FOR YEARS 2002-2005 (DOLLARS IN THOUSANDS)*				
	2002	2003	2004	2005
Newspapers	$25,538	$8,251	$4,913	$1,589
	0.2%	0.1%	0.0%	0.0%
Magazines	$106,853	$156,394	$95,700	$44,777
	0.9%	1.0%	0.7%	0.3%
Outdoor	$24,192	$32,599	$17,135	$9,821
	0.2%	0.2%	0.1%	0.0%
Transit	$0	$0	$0	$0
	0.0%	0.0%	0.0%	0.0%
Point-of-Sale	$260,902	$165,573	$163,621	$182,192
	2.1%	1.1%	1.2%	1.4%
Direct Mail	$111,319	$92,978	$93,836	$51,844
	0.9%	0.6%	0.7%	0.0%
Price Discounts	$7,873,835	$10,808,239	$10,932,198	$9,776,069
	63.2%	71.4%	77.3%	74.6%
Promotional Allowances – Retailers	$1,333,097	$1,229,327	$542,212	$435,830
	10.7%	8.1%	3.8%	3.3%
Promotional Allowances – Wholesalers	$446,327	$683,067	$387,757	$410,364
	3.6%	4.5%	2.7%	3.1%
Promotional Allowances – Other	$2,767	$2,786	$1,323	$1,493
	0.0%	0.0%	0.0%	0.0%
Sampling Distribution	$28,777	$17,853	$11,649	$17,211
	0.2%	0.1%	0.0%	0.1%
Specialty Item Distribution - Non-Branded	$174,201	$254,956	$216,577	$225,279
	1.4%	1.7%	1.5%	1.7%
Public Entertainment – Adult-Only	$219,016	$150,889	$140,137	$214,075
	1.8%	1.0%	1.0%	1.6%
Public Entertainment – General-Audience	$34,089	$32,849	$115	$152
	0.3%	0.2%	0.0%	0.0%
Sponsorships	$54,247	$31,371	$28,231	$30,575
	0.4%	0.2%	0.2%	0.2%
Endorsements & Testimonials	$0	$0	$0	$0
	0.0%	0.0%	0.0%	0.0%
Coupons	$522,246	$650,653	$751,762	$870,137
	4.2%	4.3%	5.3%	6.6%
Retail-Value-Added – Bonus Cigarettes	$1,060,304	$677,308	$636,221	$725,009
	8.5%	4.5%	4.5%	5.5%
Retail-Value-Added – Non-Cigarette Bonus	$24,727	$20,535	$14,342	$7,526
	0.2%	0.1%	0.1%	0.0%
Company Website	$940	$2,851	$1,401	$2,675
	0.0%	0.0%	0.0%	0.0%
Internet – Other	$0	$0	$0	$0
	0.0%	0.0%	0.0%	0.0%
Telephone	$679	$760	$346	$59
	0.0%	0.0%	0.0%	0.0%
Other**	$162,302	$126,758	$110,381	$104,280
	1.3%	0.8%	0.8%	0.8%
Total	$12,466,358	$15,145,998	$14,149,857	$13,110,955
Sports & Sporting Events***	$109,700	$62,800	$28,200	$30,600

* Because of rounding, sums of percentages may not equal 100 percent.

** Expenditures for audio-visual are included in the "Other" category to avoid potential disclosure of individual company data.

*** These Sports & Sporting Event Expenditures are rounded to the nearest hundred thousand dollars.

TABLE 2E

CIGARETTE ADVERTISING AND PROMOTIONAL EXPENDITURES FOR 2006-2010
(DOLLARS IN THOUSANDS)*

	2006	2007	2008	2009	2010
Newspapers	N/A **	N/A **	$169 0.0%	N/A **	N/A **
Magazines	$50,293 0.0%	$47,203 0.4%	$25,478 0.3%	$36,680 0.4%	$46,463 0.6%
Outdoor	$935 0.0%	$3,041 0.0%	$2,045 0.0%	$1,812 0.0%	$1,744 0.0%
Transit	$0 0.0%	$0 0.0%	$0 0.0%	$0 0.0%	$0 0.0%
Point-of-Sale	$242,625 1.9%	$200,785 1.8 %	$165,870 1.7%	$112,125 1.3%	$108,369 1.3%
Direct Mail	$102,353 0.8%	$81,929 0.8%	$89,920 0.9%	$68,891 0.8%	$56,482 0.7%
Price Discounts	$9,205,107 73.7%	$7,699,362 70.9%	$7,171,092 72.1%	$6,672,428 78.2%	$6,492,381 80.6%
Promotional Allowances – Retailers	$434,239 3.5%	$454,898 4.2%	$481,955 4.8%	$429,981 5.0%	$376,805 4.7%
Promotional Allowances – Wholesalers	$471,204 3.8%	$479,032 4.4%	$448,461 4.5%	$449,006 5.3%	$410,370 5.1%
Promotional Allowances – Other	N/A **	N/A **	$1,245 0.0%	$965 0.0%	$210 0.0%
Sampling Distribution	$29,431 0.2%	$48,719 0.4%	$54,261 0.5%	$23,784 0.3%	$22,166 0.3%
Specialty Item Distribution – Non-Branded	$163,761 1.3%	$160,047 1.5%	$93,798 0.9%	$74,956 0.9%	$65,574 0.8%
Public Entertainment – Adult-Only	$168,098 1.3%	$160,104 1.5%	$154,749 1.5%	$134,328 1.6%	$138,889 1.7%
Public Entertainment – General-Audience	N/A **	N/A **	N/A **	N/A **	N/A **
Sponsorships	N/A **	N/A **	N/A **	N/A **	$0 0.0%
Endorsements & Testimonials	$0 0.0%	$0 0.0%	$0 0.0%	$0 0.0%	$0 0.0%
Coupons	$625,777 5.0%	$366,779 3.4%	$359,793 3.6%	$371,028 4.3%	$235,802 2.9%
Retail-Value-Added – Bonus Cigarettes	$817,792 6.5%	$981,566 9.0%	$721,818 7.3%	$11,736 0.1%	N/A **
Retail-Value-Added – Non-Cigarette Bonus	$14,642 0.1%	$17,720 0.1%	$10,983 0.1%	N/A **	$0 0.0%
Company Website	$6,497 0.1%	$2,351 0.0%	$13,172 0.1%	$18,300 0.2%	$20,829 0.3%
Internet – Other	$0 0.0%	N/A **	N/A **	N/A **	N/A **
Telephone	N/A **	N/A **	N/A **	N/A **	N/A **
Audio-Visual	$0 0.0%	$0 0.0%	$0 0.0%	$0 0.0%	$0 0.0%
Social Media				$0 0.0%	$0 0.0%
Other**	$156,938 1.3%	$161,231 1.5%	$148,260 1.5%	$126,354 1.5%	$76,705 1.0%
Total	$12,489,692	$10,864,768	$9,943,068	$8,532,375	$8,052,790
Sports & Sporting Events***	N/A	$33,200	$37,300	N/A	$0

* Because of rounding, sums of percentages may not equal 100 percent.

** Expenditures denoted "N/A" are included in the "Other" category to avoid potential disclosure of individual company data.

*** These Sports & Sporting Event Expenditures are rounded to the nearest hundred thousand dollars.

TABLE 2F

CIGARETTE ADVERTISING AND PROMOTIONAL EXPENDITURES FOR 2011-2015
(DOLLARS IN THOUSANDS)*

	2011	2012	2013	2014	2015
Newspapers	$549 0.0%	N/A **	N/A **	N/A **	N/A **
Magazines	$23,254 0.3%	$27,943 0.3%	$50,610 0.6%	$49,976 0.6%	$22,463 0.3%
Outdoor	$3,100 0.0%	$2,211 0.0%	$2,268 0.0%	$2,216 0.0%	$2,020 0.0%
Transit	$0 0.0%	$0 0.0%	$0 0.0%		
Point-of-Sale	$78,280 0.9%	$69,560 0.8%	$60,658 0.7%	$47,484 0.6%	$36,374 0.4%
Direct Mail	$51,491 0.6%	$45,582 0.5%	$38,294 0.4%	$46,193 0.6%	$41,831 0.5%
Price Discounts – Retailers‡	$7,001,717 83.6%	$7,807,477 85.1%	$7,648,571 84.9%	$5,565,093 68.9%	$5,448,562 65.6%
Price Discounts – Wholesalers‡				$1,201,986 14.9%	$1,502,637 18.1%
Promotional Allowances – Retailers	$360,334 4.3%	$337,521 3.7%	$293,971 3.3%	$261,411 3.2%	$217,159 2.6%
Promotional Allowances – Wholesalers	$401,006 4.8%	$391,146 4.3%	$400,004 4.4%	$365,836 4.5%	$356,730 4.3%
Promotional Allowances – Other	$204 0.0%	N/A **	N/A **	N/A **	N/A **
Sampling Distribution	N/A **	N/A **	N/A **	N/A **	N/A **
Specialty Item Distribution - Non-Branded	$44,394 0.5%	$46,912 0.5%	$57,061 0.6%	$58,248 0.7%	$79,359 1.0%
Public Entertainment – Adult-Only	$133,134 1.6%	$118,995 1.3%	$105,072 1.2%	$104,898 1.3%	$72,422 0.9%
Public Entertainment – General-Audience	$0 0.0%	N/A **	N/A **	N/A **	$0 0.0%
Sponsorships	$0 0.0%	$0 0.0%	$0 0.0%	$0 0.0%	$0 0.0%
Endorsements & Testimonials	$0 0.0%	$0 0.0%	$0 0.0%	$0 0.0%	$0 0.0%
Coupons	$171,222 2.0%	$239,618 2.6%	$257,507 2.9%	$262,753 3.3%	$345,626 4.2%
Retail-Value-Added – Bonus Cigarettes	$0 0.0%	$0 0.0%	$0 0.0%	$0 0.0%	$0 0.0%
Retail-Value-Added – Non-Cigarette Bonus	$0 0.0%	$0 0.0%	$0 0.0%	$0 0.0%	$0 0.0%
Company Website	$21,898 0.3%	$21,403 0.2%	$15,402 0.2%	$16,632 0.2%	$31,253 0.4%
Internet – Other	N/A **	$1,309 0.0%	$5,441 0.1%	$5,410 0.1%	N/A **
Telephone	N/A **	N/A **	N/A **	$65 0.0%	$0 0.0%
Audio-Visual	$0 0.0%	N/A **	$0 0.0%	$0 0.0%	$0 0.0%
Social Media	$0 0.0%	$0 0.0%	$0 0.0%	$0 0.0%	$0 0.0%
Other**	$82,678 1.0%	$66,734 0.7%	$69,371 0.8%	$83,773 1.0%	$147,132 1.8%
Total	$8,373,260	$9,176,411	$9,004,229	$8,071,975	$8,303,569
Sports & Sporting Events	$0	$0	$0	$0	$574

* Because of rounding, sums of percentages may not equal 100 percent.

** Expenditures denoted "N/A" are included in the "Other" category to avoid potential disclosure of individual company data.

‡ Prior to 2014, price discounts were not broken down by whether they were paid to retailers or wholesalers.

TABLE 2G

CIGARETTE ADVERTISING AND PROMOTIONAL EXPENDITURES FOR 2016-2018
(DOLLARS IN THOUSANDS)*

	2016	2017	2018
Newspapers	N/A **	N/A **	N/A **
Magazines	$19,948 0.2%	$14,944 0.2%	$8,567 0.1%
Outdoor	$1,662 0.0%	$1,780 0.0%	$2,391 0.0%
Point-of-Sale	$51,941 0.6%	$48,482 0.6%	$62,232 0.7%
Direct Mail	$39,979 0.5%	$34,599 0.4%	$36,160 0.4%
Price Discounts – Retailers	$5,806,108 66.7%	$6,188,802 71.7%	$6,154,985 73.3%
Price Discounts – Wholesalers	$1,440,776 16.5%	$1,194,915 13.8 %	$1,054,327 12.5 %
Promotional Allowances – Retailers	$228,828 2.6%	$186,855 2.2%	$180,253 2.1%
Promotional Allowances – Wholesalers	$395,929 4.5%	$376,125 4.4%	$337,502 4.0%
Promotional Allowances – Other	N/A **	N/A **	N/A **
Sampling Distribution	$53 0.0%	N/A **	$207 0.0%
Specialty Item Distribution - Non-Branded	$96,044 1.1%	$79,512 0.9%	$61,568 0.7%
Consumer Engagement - Retail	$38,219 0.4%	$35,987 0.4%	$28,815 0.3%
Consumer Engagement – Adult-Only	$66,116 0.8%	$47,290 0.5%	$20,168 0.2%
Public Entertainment – Adult-Only	N/A **	$0 0.0%	$0 0.0%
Public Entertainment – General-Audience	$0 0.0%	$0 0.0%	$0 0.0%
Sponsorships	$0 0.0%	$0 0.0%	$0 0.0%
Endorsements & Testimonials	$0 0.0%	$0 0.0%	$0 0.0%
Coupons	$379,631 4.4%	$301,914 3.5%	$316,185 3.8%
Retail-Value-Added – Bonus Cigarettes	$0 0.0%	N/A† **	N/A **
Retail-Value-Added – Non-Cigarette Bonus	$633 0.0%	N/A **	N/A **
Company Website	$27,701 0.3%	$25,084 0.3%	$23,626 0.3%
Internet – Other	N/A **	N/A **	N/A **
Telephone	N/A **	N/A **	$0 0.0%
Audio-Visual	$0 0.0%	$0 0.0%	$0 0.0%
Social Media	$0 0.0%	$0 0.0%	$0 0.0%
Other**	$112,666 1.3%	$100,546 1.2%	$114,367 1.4%
Total	$8,706,234	$8,636,833	$8,401,354
Sports & Sporting Events	$498	$0	$0

* Because of rounding, sums of percentages may not equal 100 percent.

** Expenditures denoted "N/A" are included in the "Other" category to avoid potential disclosure of individual company data.

† This figure has been corrected.

TABLE 3

DOMESTIC CIGARETTE ADVERTISING EXPENDITURES
BY MEDIA FOR YEARS 1963 - 1974*
(MILLIONS OF DOLLARS)

YEAR	TV	RADIO	NEWSPAPER	MAGAZINES	DIRECT	BILLBOARD/ POSTER/ OUTDOOR/ TRANSIT	OTHER	TOTAL
1963	151.7	31.6	45.6		13.2		7.4	249.5
1964	170.2	25.5	45.2		14.6		5.8	261.3
1965	175.6	24.8	41.9		14.7		6.0	263.0
1966	198.0	31.3	43.4		17.9		6.9	297.5
1967	226.9	17.5	41.2		20.3		6.0	311.9
1968	217.2	21.3	44.6		21.6		6.0	310.7
1969	221.3	13.6	48.7		13.4		8.9	305.9
1970	205.0	12.4	14.7	49.5	16.9	11.7	4.5	314.7
1971	2.2	0	59.3	98.3	27.0	60.6	4.2	251.6
1972	0	0	63.1	96.1	22.9	67.5	8.0	257.6
1973	0	0	65.3	92.4	15.2	63.2	11.4	247.5
1974	0	0	80.5	114.6	31.1	71.4	9.2	306.8

* For 1963 through 1974, the reporting companies did not report promotional activities which they did not consider to be advertising. The data reported in Tables 2 through 2G were not collected in their present form until 1975. Thus, Table 3, which reports cigarette advertising expenditures from 1963 through 1974, has been retained in this report for comparative purposes.

TABLE 4A
DOMESTIC MARKET SHARE OF CIGARETTES BY TAR YIELD
(1967-1990)

Year	Market share of cigarettes having tar yields of:				
	15 mg. or less	12 mg. or less	9 mg. or less	6 mg. or less	3 mg. or less
1967	2.0%				
1968	2.5%				
1969	3.0%				
1970	3.6%				
1971	3.8%				
1972	6.6%				
1973	8.9%				
1974	8.9%				
1975	13.5%				
1976	15.9%				
1977	22.7%				
1978	27.5%				
1979	40.9%				
1980	44.8%	34.4%	16.8%	7.3%	3.3%
1981	56.0%	40.1%	24.6%	9.6%	3.7%
1982	52.2%	43.8%	27.8%	8.9%	2.9%
1983	53.1%	44.9%	27.9%	9.4%	3.1%
1984	51.0%	43.4%	26.3%	9.4%	2.9%
1985	51.9%	43.1%	25.3%	8.4%	2.3%
1986	52.6%	44.5%	22.3%	9.9%	2.6%
1987	55.4%	47.8%	20.2%	10.0%	2.5%
1988	54.2%	48.7%	20.1%	10.7%	3.1%
1989	55.1%	48.4%	21.5%	11.4%	2.4%
1990	60.6%	51.5%	25.5%	12.2%	2.8%

TABLE 4B
DOMESTIC MARKET SHARE OF CIGARETTES BY TAR YIELD
(1991-2016)

Year	Market share of cigarettes having tar yields of:				
	15 mg. or less	12 mg. or less	9 mg. or less	6 mg. or less	3 mg. or less
1991	60.5%	52.6%	22.0%	12.7%	2.6%
1992	68.7%	52.9%	24.9%	12.7%	2.5%
1993	66.5%	53.3%	23.4%	12.6%	1.9%
1994	71.2%	53.7%	23.1%	12.3%	2.1%
1995	72.7%	53.6%	27.1%	12.2%	2.2%
1996	67.4%	55.5%	22.3%	11.9%	1.9%
1997	70.2%	55.6%	21.9%	11.5%	1.7%
1998	81.9%	56.8%	22.9%	13.2%	1.6%
1999	86.6%	57.4%	25.3%	13.6%	1.6%
2000	87.1%	50.4%	23.7%	13.6%	1.3%
2001	85.2%	58.1%	22.6%	13.2%	1.0%
2002	84.9%	58.2%	22.5%	12.9%	0.9%
2003	84.9%	59.5%	22.5%	12.6%	0.8%
2004	84.8%	57.7%	19.2%	11.5%	0.8%
2005	83.5%	58.4%	18.7%	11.5%	0.6%
2006	84.4%	57.7%	19.5%	11.1%	0.5%
2007	82.7%	57.3%	19.6%	10.7%	0.4%
2008	84.3%	57.6%	18.0%	10.3%	0.3%
2009	74.7%	54.4%	15.5%	9.6%	0.3%
2010	86.3%	53.8%	12.9%	8.2%	0.2%
2011*	94.1%	53.3%	12.2%	7.9%	0.2%
2012*	88.6%	51.6%	15.5%	8.2%	0.2%
2013*	87.3%	51.7%	14.0%	7.4%	0.2%
2014*	83.3%	49.0%	16.7%	6.9%	0.2%
2015*	86.6%†	50.54%†	14.9%†	6.7%†	0.2%
2016*	87.9%	52.2%	16.7%	6.7%	0.2%

* Prior to 2011, the companies were required to submit tar, nicotine, and carbon monoxide yield data for every cigarette variety they sold. From 2011 through 2016, the companies were only required to submit data in their possession or control; the Commission has not required them to test their cigarettes. As a result, market share comparisons both within a given year and to previous years might no longer be accurate.

† This figure has been corrected.

TABLE 5A

DOMESTIC MARKET SHARE OF FILTER AND NON-FILTER CIGARETTES
(1963-1986)

YEAR	NON-FILTER	FILTER	CHARCOAL	NON-CHARCOAL
1963	42%	58%	*	*
1964	39%	61%	*	*
1965	36%	64%	*	*
1966	32%	68%	*	*
1967	28%	72%	*	*
1968	26%	74%	6%	68%
1969	23%	77%	6%	71%
1970	20%	80%	6%	74%
1971	18%	82%	6%	76%
1972	16%	84%	6%	78%
1973	15%	85%	5%	80%
1974	14%	86%	5%	81%
1975	13%	87%	5%	82%
1976	12%	88%	4%	84%
1977	10%	90%	4%	86%
1978	10%	90%	3%	87%
1979	9%	91%	3%	88%
1980	8%	92%	3%	89%
1981	8%	92%	2%	90%
1982	7%	93%	2%	91%
1983	7%	93%	2%	91%
1984	7%	93%	2%	91%
1985	6%	94%	1%	93%
1986	6%	94%	1%	93%

* Figures for charcoal filter cigarettes for the years 1963 through 1967 were not obtained.

TABLE 5B

DOMESTIC MARKET SHARE OF FILTER AND NON-FILTER CIGARETTES
(1987-2018)

YEAR	NON-FILTER	FILTER
1987	4%	96%
1988	5%	95%
1989	5%	95%
1990	5%	95%
1991	4%	96%
1992	3%	97%
1993	3%	97%
1994	3%	97%
1995	3%	97%
1996	3%	97%
1997	2%	98%
1998	2%	98%
1999	2%	98%
2000	2%	98%
2001	2%	98%
2002	2%	98%
2003	1%	99%
2004	1%	99%
2005	1%	99%
2006	1%	99%
2007	1%	99%
2008	1%	99%
2009	0.5%	99.5%
2010	0.6%	99.4%
2011	0.5%	99.5%
2012	0.4%	99.6%
2013	0.4%	99.6%
2014	0.4%	99.6%
2015	0.3%†	99.7%†
2016	0.3%	99.7%
2017	0.3%	99.7%
2018	0.3%	99.7%

† This figure has been corrected.

TABLE 6A

DOMESTIC MARKET SHARE OF CIGARETTES BY LENGTH IN MILLIMETERS
(1967-2010)

YEAR	68-72 mm	79-88 mm (King)	94-101 mm (Long)	110-121 mm
1967	14%	77%	9%	---
1968	12%	74%	13%	---
1969	11%	74%	16%	---
1970	9%	73%	18%	---
1971	8%	72%	20%	---
1972	8%	71%	21%	---
1973	7%	71%	22%	---
1974	6%	71%	23%	--- *
1975	6%	69%	24%	1%
1976	5%	69%	24%	2%
1977	5%	67%	26%	2%
1978	5%	65%	27%	2%
1979	4%	65%	30%	2%
1980	3%	63%	32%	2%
1981	3%	62%	33%	2%
1982	3%	61%	34%	2%
1983	3%	60%	34%	2%
1984	3%	59%	36%	2%
1985	3%	58%	37%	2%
1986	2%	58%	37%	3%
1987	2%	57%	38%	3%
1988	2%	57%	38%	2%
1989	2%	57%	39%	2%
1990	2%	57%	39%	2%
1991	2%	56%	40%	2%
1992	2%	56%	41%	2%
1993	1%	55%	42%	2%
1994	1%	56%	41%	2%
1995	1%	57%	40%	2%
1996	1%	57%	40%	2%
1997	1%	58%	39%	2%
1998	1%	59%	38%	2%
1999	1%	59%	38%	2%
2000	1%	60%	37%	2%
2001	1%	60%	38%	1%
2002	1%	61%	37%	2%
2003	1%	61%	36%	2%
2004	1%	62%	35%	2%
2005	1%	62%	35%	2%
2006	1%	62%	35%	2%
2007	1%	65%	32%	2%
2008	2%	61%	34%	2%
2009	2%	61%	35%	2%
2010	3%	59%	36%	2%

* The 110-121 mm length was combined with 94-101 mm length.

TABLE 6B
DOMESTIC MARKET SHARE OF CIGARETTES BY LENGTH IN MILLIMETERS
(2011-2018)

YEAR	68-72 mm	79-88 mm (King)	94-101 mm (Long)	110-121 mm
2011	3%	57%	38%	2%
2012	3%	57%	39%	1%
2013*	3%	57%	39%	1%
2014	3%	58%	38%	1%
2015	3%	56%†	40%†	1%
2016	3%	56%	40%	1%
2017	3%	56%	41%	1%
2018	3%	56%	41%	1%

* The table does not report the less than 0.1% share of cigarettes sold in 2013 with a 93 mm length.
† This figure has been corrected.

TABLE 7A

DOMESTIC MARKET SHARE OF MENTHOL AND NON-MENTHOL CIGARETTES
(1963-2000)

YEAR	MENTHOL	NON-MENTHOL
1963	16%	84%
1964	16%	84%
1965	18%	82%
1966	19%	81%
1967	20%	80%
1968	21%	79%
1969	22%	78%
1970	23%	77%
1971	24%	76%
1972	24%	76%
1973	25%	75%
1974	27%	73%
1975	27%	73%
1976	28%	72%
1977	28%	72%
1978	28%	72%
1979	29%	71%
1980	28%	72%
1981	28%	72%
1982	29%	71%
1983	28%	72%
1984	28%	72%
1985	28%	72%
1986	28%	72%
1987	28%	72%
1988	28%	72%
1989	27%	73%
1990	26%	74%
1991	27%	73%
1992	26%	74%
1993	26%	74%
1994	25%	75%
1995	25%	75%
1996	25%	75%
1997	25%	75%
1998	26%	74%
1999	26%	74%
2000	26%	74%

TABLE 7B

DOMESTIC MARKET SHARE OF MENTHOL AND NON-MENTHOL CIGARETTES
(2001-2018)

YEAR	MENTHOL	NON-MENTHOL
2001	26%	74%
2002	27%	73%
2003	27%	73%
2004	27%	73%
2005	27%	73%
2006	28%	72%
2007	29%	71%
2008	27%	73%
2009	29%	71%
2010	31%	69%
2011	32%	68%
2012	33%	67%
2013	34%	66%
2014	33%	67%
2015	34%†	66%†
2016	35%	65%
2017	36%	64%
2018	36%	64%

† This figure has been corrected.

TABLE 8A

DISCLOSURE OF TAR AND NICOTINE RATINGS ON CIGARETTE PACKS (1994-2001)

		1994	1995	1996	1997	1998	1999	2000	2001
% of cigarettes sold that disclose ratings on the pack		6.3%	6.3%	6.1%	5.8%	5.3%	4.1%	3.6%	1.8%
more than 15 mg. tar	share of varieties in tar group	28.8%	27.3%	32.7%	29.8%	18.0%	13.4%	12.9%	14.8%
	% that discloses ratings on pack	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
12-15 mg. tar	share of varieties in tar group	19.3%	21.0%	15.3%	16.7%	29.1%	32.5%	39.0%	29.7%
	% that discloses ratings on pack	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%
8-11 mg. tar	share of varieties in tar group	38.6%	38.7%	39.2%	41.0%	39.4%	40.3%	33.9%	42.1%
	% that discloses ratings on pack	2.4%	2.8%	2.6%	2.3%	3.2%	1.6%	0.7%	1.0%
4-7 mg. tar	share of varieties in tar group	11.2%	10.8%	10.9%	10.8%	11.9%	12.2%	12.9%	12.5%
	% that discloses ratings on pack	30.7%	30.1%	29.3%	28.6%	20.7%	16.2%	16.5%	3.7%
3 mg. tar or less	share of varieties in tar group	2.1%	2.2%	1.9%	1.7%	1.6%	1.6%	1.3%	1.0%
	% that discloses ratings on pack	91.8%	89.1%	97.2%	97.3%	97.4%	92.3%	92.0%	87.9%

TABLE 8B
DISCLOSURE OF TAR RATINGS ON CIGARETTE PACKS (2002-2011)*

		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
% that discloses ratings on the pack		1.4%	1.2%	1.2%	0.9%	0.8%	0.8%	0.0%	0.0%	0.0%	0.0%
more than 15 mg. tar	share of varieties in group	15.1%	15.1%	15.2%	16.5%	15.5%	17.3%	15.7%	25.2%	13.7%	5.9%
	% that discloses ratings on pack	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
12-15 mg. tar	share of varieties in group	28.8%	28.9%	30.3%	28.3%	28.4%	27.4%	29.9%	23.1%	33.5%	46.5%
	% that discloses ratings on pack	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
8-11 mg. tar	share of varieties in group	43.0%	43.2%	42.5%	43.3%	44.5%	44.3%	43.7%	41.8%	43.8%	38.8%
	% that discloses ratings on pack	0.9%	0.8%	0.7%	0.6%	0.5%	0.5%	0.0%	0.0%	0.0%	0.0%
4-7 mg. tar	share of varieties in group	12.2%	12.0%	11.2%	11.3%	10.9%	10.5%	10.3%	9.7%	8.6%	8.6%
	% that discloses ratings on pack	1.8%	1.5%	1.5%	1.2%	1.0%	0.8%	0.0%	0.0%	0.0%	0.0%
3 mg. tar or less	share of varieties in group	0.9%	0.8%	0.8%	0.6%	0.5%	0.4%	0.3%	0.3%	0.2%	0.2%
	% that discloses ratings on pack	88.7%	89.9%	91.6%	90.7%	94.9%	100.0%	0.0%	0.0%	0.0%	0.0%

* Prior to 2011, the companies were required to submit tar yield data for every cigarette variety they sold. Since 2011, the companies have only been required to submit data in their possession or control; the Commission has not required them to test their cigarettes. As a result, market share comparisons both within a given year and to previous years might no longer be accurate. Given that and the fact that since 2008 the companies have reported that they have not disclosed tar ratings on any of their packs, the Commission will no longer be updating this table.

APPENDIX

2018 Advertising and Promotional Expenditure Categories

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

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

Outdoor: Billboards; signs and placards in arenas, stadiums, and shopping malls, whether they are open air or enclosed; and any other advertisements placed outdoors, regardless of their size, including those on cigarette retailer property; but excluding expenditures in connection with sampling, consumer engagement, specialty item distribution, public entertainment, endorsements, sponsorships, coupons, and retail-value-added.

Point-of-Sale: Point-of-sale advertisements, that is, materials displayed or distributed at a retail location; but excluding expenditures in connection with outdoor advertising, sampling, consumer engagement, specialty item distribution, public entertainment, endorsements, sponsorships, coupons, and retail-value-added.

Direct Mail: Direct mail advertising; but excluding expenditures in connection with sampling, consumer engagement, specialty item distribution, public entertainment, endorsements, sponsorships, coupons, retail-value-added, and Internet advertising not on the company website.

Price Discounts – Retailers: Price discounts paid to cigarette retailers in order to reduce the price of cigarettes to consumers, including off-invoice discounts, buy-downs, voluntary price reductions, and trade programs; but excluding retail-value-added expenditures for promotions involving free cigarettes and expenditures involving coupons.

Price Discounts – Wholesalers: Price discounts paid to cigarette wholesalers in order to reduce the price of cigarettes to consumers, including off-invoice discounts, buy-downs, voluntary price reductions, and trade programs; but excluding retail-value-added expenditures for promotions involving free cigarettes and expenditures involving coupons.

Promotional Allowances – Retailers: Promotional allowances paid to cigarette retailers in order to facilitate the sale or placement of any cigarette, including payments for stocking, shelving, displaying, and merchandising brands, volume rebates, incentive payments, and the cost of cigarettes given to retailers for free for subsequent sale to consumers; but excluding expenditures in connection with newspapers, magazines, outdoor, audio-visual, direct mail, point-of-sale, and price discounts.

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

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

Sampling Distribution: Sampling of cigarettes, including the cost of the cigarettes, all associated excise taxes and increased costs under the Master Settlement Agreement, and the cost of organizing, promoting, and conducting sampling. Sampling includes the distribution of cigarettes for consumer testing or evaluation when consumers are able to smoke the cigarettes outside of a facility operated by the company, but not the cost of actual clinical testing or market research associated with such cigarette distributions. Sampling also includes the distribution of coupons for free cigarettes, when no purchase or payment is required to obtain the coupons or cigarettes.

Specialty Item Distribution – Non-Branded: All costs of distributing any items (other than cigarettes, items the sole function of which is to advertise or promote cigarettes, or written or electronic publications), whether distributed by sale, redemption of coupons, or otherwise, that do not bear the name, logo, or an image of any portion of the package of any brand or variety of cigarette, including the cost of the items distributed but subtracting any payments received for the item. The costs associated with distributing non-cigarette items in connection with sampling or retail-value-added programs are reported in those categories, not as specialty item distribution.

Consumer Engagement – Retail: All costs of consumer engagement at cigarette retail locations open to underage individuals, including any third-party agency fees, but excluding the cost of coupons distributed in the course of consumer engagement activities.

Consumer Engagement – Adult-Only: All costs of consumer engagement of smokers in adult-only facilities, including any third-party agency fees, but excluding the cost of coupons distributed in the course of consumer engagement activities.

Public Entertainment – Adult-Only: Public entertainment events bearing or otherwise displaying the name or logo or an image of any portion of the package of any of a company's cigarettes or otherwise referring or relating to cigarettes, which take place in an adult-only facility, including all expenditures made by the company in promoting and/or sponsoring such events; but excluding expenditures in connection with adult-only consumer engagement. Such events must include entertainment, as opposed to simply consumer engagement.

Public Entertainment – General-Audience: Public entertainment events bearing or otherwise displaying the name or logo or an image of any portion of the package of any of a company's cigarettes or otherwise referring or relating to cigarettes, which do not take place in an adult-only

facility, including all expenditures made by the company in promoting and/or sponsoring such events. Such events must include entertainment, as opposed to simply consumer engagement.

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

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

Coupons: All costs associated with coupons for the reduction of the retail cost of cigarettes, regardless of how they are distributed or redeemed, including all costs associated with advertising or promotion, design, printing, distribution, and redemption. However, when coupons are distributed for free cigarettes and no purchase or payment is required to obtain the coupons or the cigarettes, these activities are considered to be sampling and not couponing.

Retail-Value-Added – Bonus Cigarettes: Retail-value-added expenditures for promotions involving free cigarettes (*e.g.*, buy two packs, get one free), whether or not the free cigarettes are physically bundled together with the purchased cigarettes, including all expenditures and costs associated with the value added to the purchase of cigarettes (*e.g.*, excise taxes paid for the free cigarettes and increased costs under the Master Settlement Agreement).

Retail-Value-Added – Non-Cigarette Bonus: Retail-value-added expenditures for promotions involving free or discounted non-cigarette product (*e.g.*, buy two, get a cigarette lighter or buy two, save 20 cents per gallon of gasoline), including all expenditures and costs associated with the value added to the purchase of cigarettes.

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 costs associated with 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 websites or other online services or communities, including but not limited to social networking sites, microblogging sites, content-sharing sites, and blogs.

Audio-visual: Audio-visual or video advertising on any medium of electronic communication not subject to the Federal Communications Commission's jurisdiction, including screens at motion picture theaters, video cassettes or DVDs, and television screens or monitors in stores; but excluding expenditures in connection with Internet advertising.

Other: Advertising and promotional expenditures not covered by another category. To the extent

that third-party agency fees relating to cigarette advertising, merchandising, or promotion cannot be divided based on the materials to which they relate, they should be reported in this category.

Sports and Sporting Events: All advertising and promotional expenditures connected with or related to sports or sporting events, including, but not limited to: (i) the sponsoring, advertising, or promotion of sports or sporting events, support of an individual, group, or sports team, and purchase of or support for sports equipment, uniforms, sports facilities and/or training facilities; (ii) all expenditures for advertising in the name of the company or any of its cigarette brands in a sports facility, on a scoreboard or in conjunction with the reporting of sports results; (iii) all expenditures connected with functional promotional items (*e.g.*, hats or posters) provided at or in connection with a sporting event; and (iv) all expenditures associated with cigarette sampling or consumer engagement in connection with a sporting event, including sampling or consumer engagement in an adult-only facility in the grounds or parking lot of a sports facility. "Sports and sporting events" includes, but is not limited to, football, basketball, baseball, hockey, tennis, wrestling, karate, judo, weight lifting, volleyball, skiing, skating, sailing, boating, equestrian, 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.