Big Tobacco's Newest Billboards Are on the Pages of Its Magazines

By ACSH Staff — December 12, 1999

Page through *The Art of Simple Living*, a new magazine published by a division of Hearst Magazines, and notice that it looks like most feel-good women’s magazines. There is a profile of the pop singer Sarah McLachlan, an article about growing an indoor herb garden and step-by-step instructions for brewing tea.

But the careful reader will notice a difference between *Simple Living* and, say, *Mirabella*. Half of the advertising is for cigarettes: Carlton, Misty Lights, Kool and Capri. And then there is the tiny paragraph below the table of contents that notes the corporation, apart from Hearst Magazines, behind this women’s magazine: the Brown & Williamson Tobacco Corporation.

As tobacco companies face increasingly severe restrictions on how they advertise, they have found other ways to tout their products, and now they are drawing the major publishers of consumer magazines into their marketing fold.

Three tobacco giants -- Brown & Williamson, Philip Morris and R. J. Reynolds Tobacco -- have recently joined with Time Inc., Hearst Magazines, Hachette Filipacchi Magazines and EMAP Petersen to produce five magazines. In this arrangement, known as custom publishing, consumer publishers print magazines for corporate clients, which then distribute them free to customers or for nominal subscription rates.

Magazine publishers, which limit tobacco advertising in their consumer magazines, are more than happy to join the ventures as they ride the boom of custom publishing, a guaranteed profit-maker that has generated $650 million for the magazine industry so far this year, according to David Wilkofsky, the chairman of Wilkofsky Gruen Associates, a consulting firm that studies the magazine industry. And custom publishing is expected to generate close to $1 billion in 2000, according to a spokesman for the Custom Publishing Council, a division of the Magazine Publishers of America.

In most instances, the magazine content is produced by a staff specifically hired to create custom-published titles. In one case, Time Inc. has used the staff of the interior design magazine *Wallpaper* -- to produce *CML: The Camel Quarterly* for R. J. Reynolds.

For consumer magazine publishers, who are paid by the tobacco companies to create the magazines and are not subjected to the vagaries of newsstand sales and disappointing subscription levels, the arrangement is without financial risk.

Brown & Williamson publishes three magazines. Two are with Hearst -- *Flair* and *Simple Living* -- and the other with EMAP Petersen, titled *Real Edge*. Philip Morris publishes *Unlimited*, an outdoor
sport and adventure magazine, with Hachette Filipacchi. All were started in the last year, except for Unlimited, which appeared in 1996.

The magazines have a total circulation of about five million and are sent free, for now, to consumers whose names are taken from tobacco company databases. Reynolds and Brown & Williamson are considering charging for subscription eventually.

The magazines, which are sent either monthly or quarterly, are in some cases indistinguishable from their consumer counterparts. Real Edge reads like Maxim, a raunchy magazine for young men. There is even a section called "Stuff," the name of the section in Maxim that features electronic gadgetry and that inspired Maxim's sister publication, Stuff. Flair, produced by Brown & Williamson and Hearst and aimed at young women, features articles a reader might find in Mademoiselle, with titles like "What 'I Love You' Really Means" and "How to Have a Cocktail Party." Unlimited looks like Outside or Men's Journal. CML, the only magazine that clearly identifies itself as a tobacco-sponsored publication looks like Wallpaper.

But it is also the magazine that most clearly portrays smoking as a glamorous activity in its articles. Flair, Simple Living and Real Edge make a point to never mention smoking and depend on the ample tobacco advertising to get the message across. Unlimited never mentions cigarettes in the text. Its writers are given a list of guidelines governing what they can and cannot write about with the intention of not appealing to teenagers: no mention is to be made of smoking, cancer, illness of any kind, or any activity that people engaged in when they were under the age of 21.

Either way, by publishing custom magazines the tobacco companies are using subtle forms of advertising to reach customers. The tobacco companies clearly find this form of marketing necessary. As a result of a settlement with 46 states in November 1998, major tobacco companies were forced to withdraw all advertising from outdoor billboards. They can no longer sponsor sporting events with significant youth audiences -- including baseball, basketball, football, hockey and soccer. With very few exceptions, they can no longer sponsor concerts.

There is virtually no more of what is known as "out of home" advertising -- any advertising like a billboard or a banner at a sporting event that would reach an unwilling, or underage, consumer outside of the home. And the Food and Drug Administration is arguing before the Supreme Court to be allowed to prohibit the use of color or images in tobacco advertising in large-circulation magazines.

The tobacco industry has produced magazines before but the current crop are different. "Before, they were overt magazines about tobacco, with titles like 'Philip Morris Magazine,' " said Dr. Elizabeth Whelan, the president of the American Council on Science and Health, who has studied tobacco advertising in magazines for two decades. "Now they have created their own set of magazines with their own sets of rules. They will always find a way of advertising, no matter what the ban."

The tobacco companies have been preparing for the day of curtailed magazine advertising. In an internal memo dated July 8, 1998, R. J. Reynolds laid out its plans for a hip magazine, since introduced as CML. It listed, as an objective, "To prepare for a regulated environment by filling a communication gap among 21- to 34-year-old adult smokers when key pubs may no longer
contain tobacco advertising in color."

The memo emphasized that "the Camel presence will be under the radar, although not invisible."
The proposed magazine, the memo said, should not "come across as a big promotional vehicle
which 21- to 34-year-old consumers will resent."

"Regulations or not, this idea works," it added. "The magazine is a targeted vehicle that can be
placed into a single consumer's hands. It's an experience that can last longer than exposure to an
ad and the momentum can be sustained from issue to issue. It's a relationship-builder."

That relationship is what the tobacco companies are seeking. In their own magazines, they get to
advertise their products as much as they want. Most American consumer magazines keep tobacco
advertising to about 3 percent of total advertising, according to Mary McGeachy, a spokeswoman
for the Publishers Information Bureau. Hachette Filipacchi -- which publishes 28 magazines,
including Elle, Mirabella and George -- as a whole allotted about 2.5 percent of its advertising
pages for tobacco advertising last year, said a Hachette spokesman. Approximately 3.5 percent of
the advertising in Time Inc. magazines is tobacco-related, said a Time Inc. spokesman, and
Hearst said it kept tobacco ads to 1 percent this year.

John Heironimus, vice president for premium niche brands at Brown & Williamson, said the
company was producing its three magazines to present consumers with more tobacco advertising
in the context of what looks like a standard consumer magazine. The Brown & Williamson
magazines do offer other advertising, not related to the company, making the magazine appear
like regular consumer publications.

Explaining the value of the custom publications, Mr. Heironimus of Brown & Williamson said: "We
are still allowed to advertise in almost any magazine. The problem with them is that they are
inefficient because at least three-quarters of the readership don't smoke. By producing our own
magazines, we are eliminating a huge inefficiency right off the bat. The second efficiency is that
we can put any number of our brands in our own magazine."

Brown & Williamson's Simple Living and Flair ask readers to fill out two-page surveys that ask
questions about household income and preferred cigarette brand, and a two-page ad in Simple
Living asks readers to send in a photocopy of their driver's license in exchange for free Brown &
Williamson gifts.

Dr. Ron Davis, the former director of the Centers for Disease Control and Prevention's Office on
Smoking and Health and the director of the Center for Health Promotion and Disease Prevention
in Detroit, said that as cigarette advertising becomes more limited, the industry will always look for
novel channels through which to spend its marketing dollars. "As the image of the cigarette
companies and the industry as a whole continues to plummet, they will find more under-the-table
methods to promote their views -- subliminal advertising, to borrow from 1960's jargon," he said.

In the pages of CML, a serialized novel shows cartoon caricatures of the fictional protagonists
smoking and sipping champagne, or smoking in moments of personal triumph. The text of the
novel also depicts smoking as lending power or courage. As one character faces a daunting job
interview, instead of fleeing, she smokes: "She squared her shoulders, squashed out her fifth
cigarette of the morning, and walked through the building's imposing, revolving doors. 'Here goes. I've absolutely nothing to lose,' she thought."

When asked if there was any discomfort for a company like Time to publish a magazine affiliated with a tobacco giant, Peter Costiglio, a spokesman for Time Inc., said: "The simple institutional answer is no. We see the magazine as directed at an audience that because of age and demographic can make their own decisions about tobacco."

To the researchers who study tobacco and the media, the marriage between consumer publishers and tobacco companies is an unending cause for concern.

"I taught myself never to say I hate the cigarette companies because they are brilliant," Dr. Whelan said. "They are brilliant manipulators. They look at obstacles and ingeniously come up with a way around them. A new magazine here, a new campaign there. They are always and will always be 20 years ahead of us. I think that is significant for people who think we are winning the war against the tobacco companies, because to imagine that we are is just naive."