

Swiss Advertising Ban Case Study

November 28, 1993

**"Swiss People have rejected by a substantial majority
a proposal to ban all advertising for
tobacco products and alcoholic beverages"**

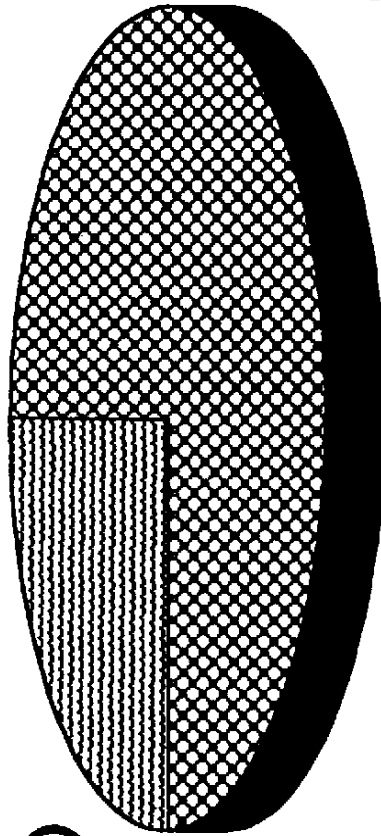
Switzerland

R.J. Reynolds Tobacco AG

Swiss Advertising Ban

Participation: 44.3% (2'030'823)

25.3%
(518'051)



74.7%
(1'512'772)

 Yes  No

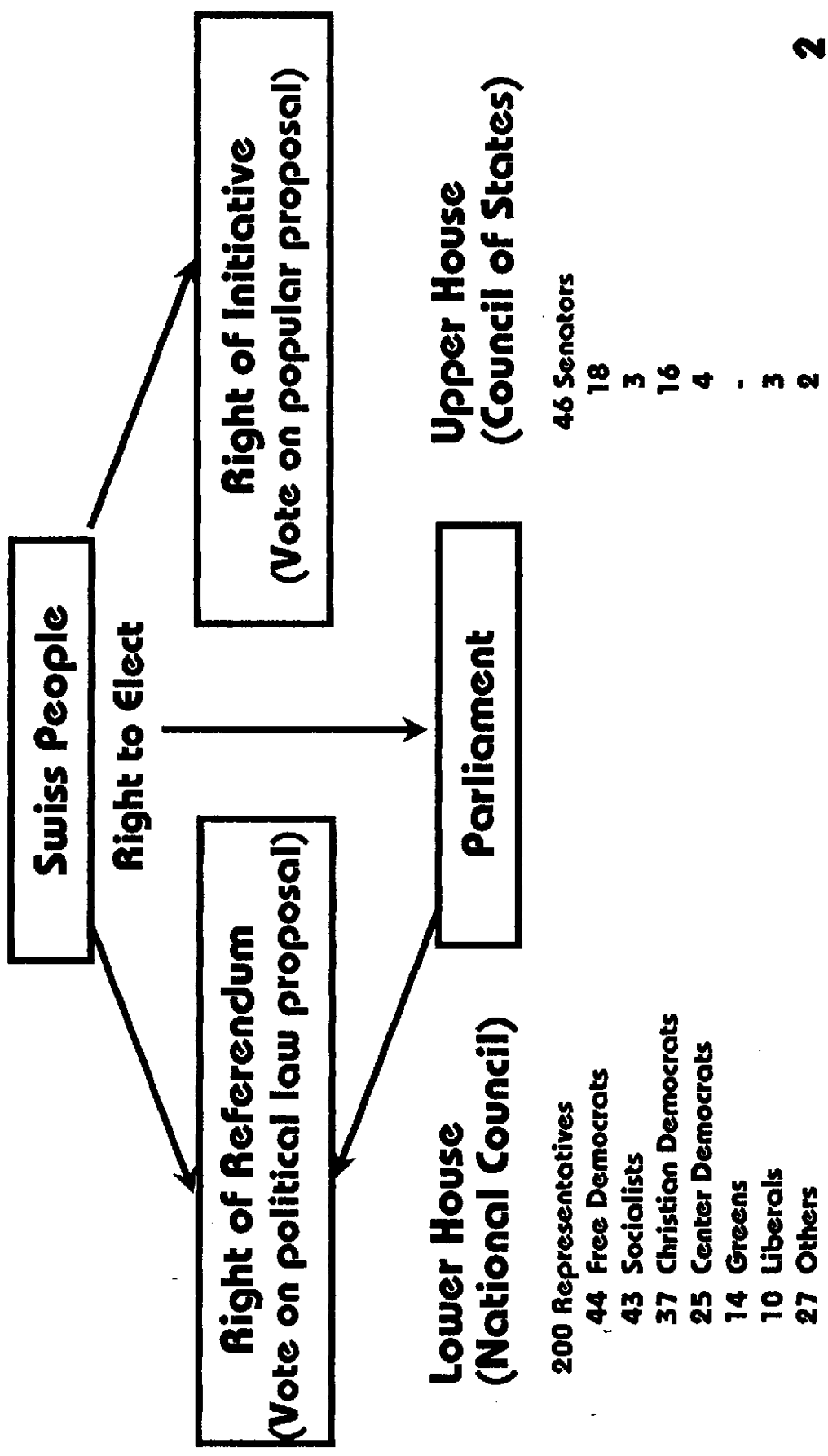
Switzerland

R.J. Reynolds Tobacco AG

9/333 24.18

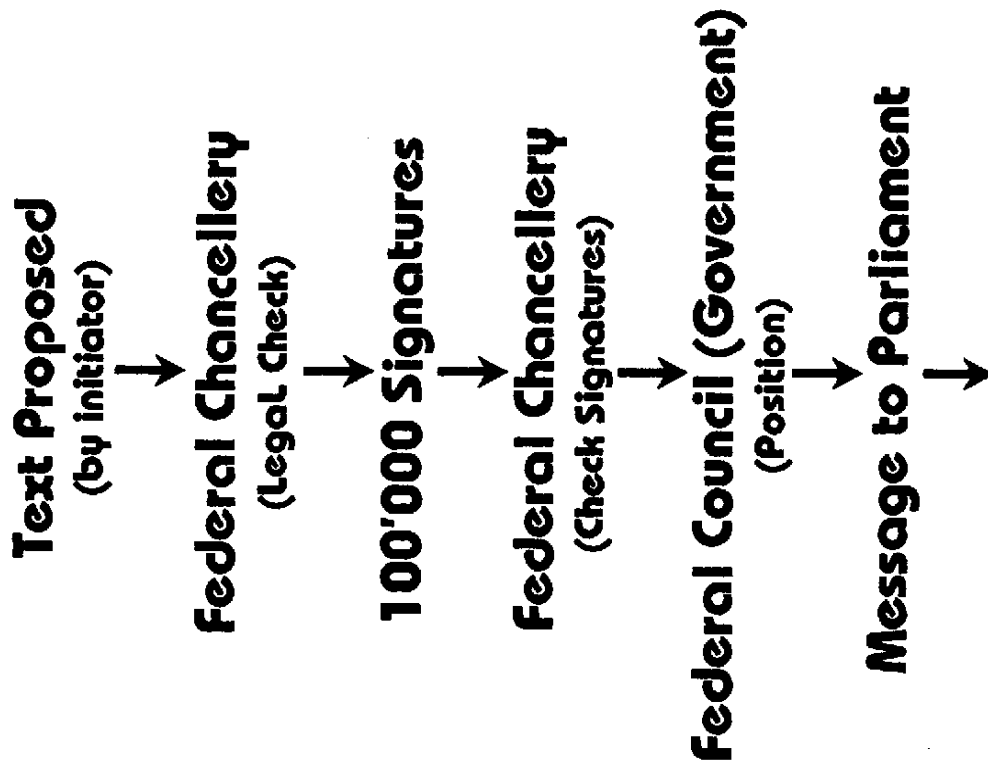
The Swiss Political System

"Direct Democracy"

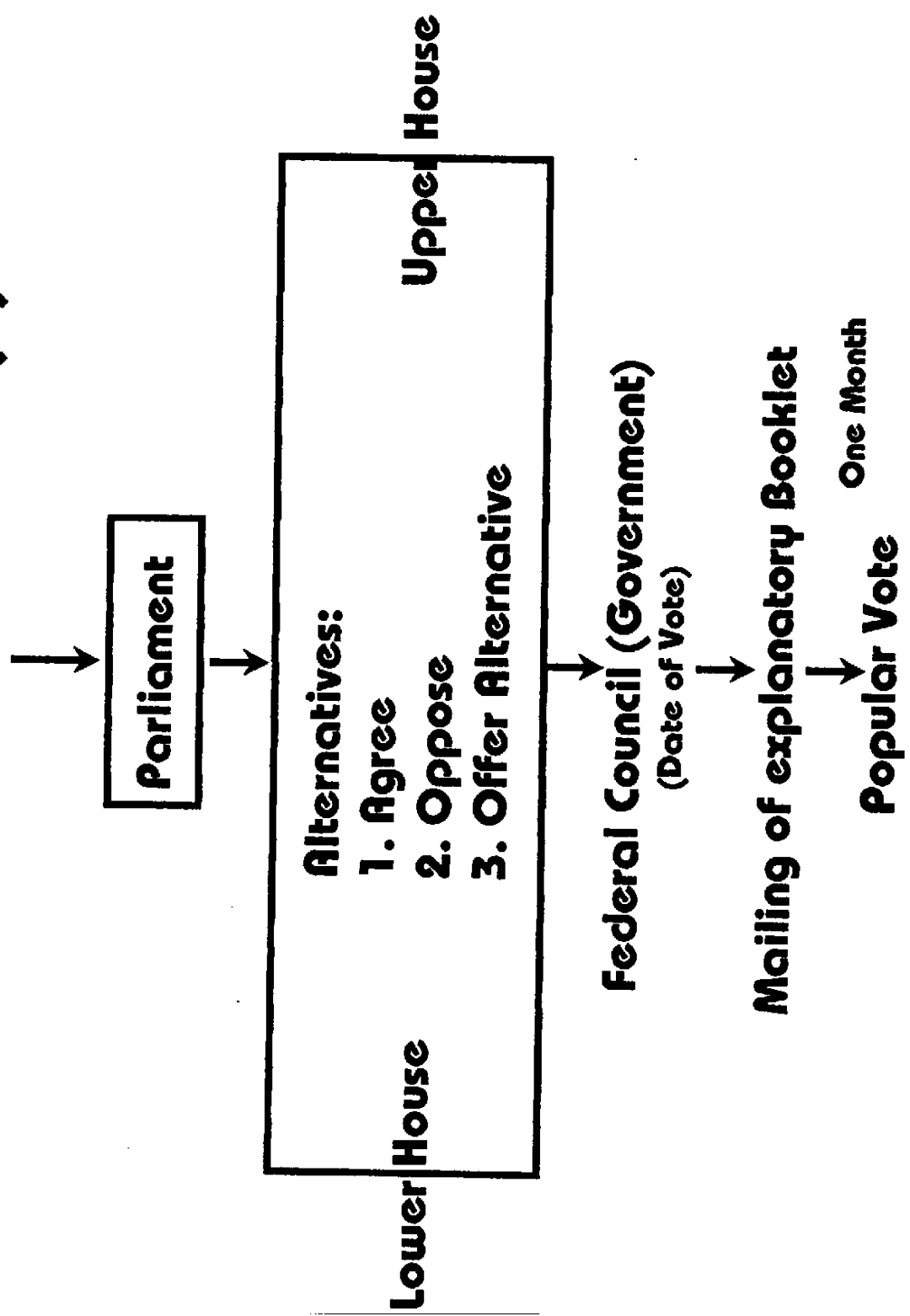


R.J. Reynolds Tobacco Co
Switzerland

Popular Initiative (1)



Popular Initiative (2)

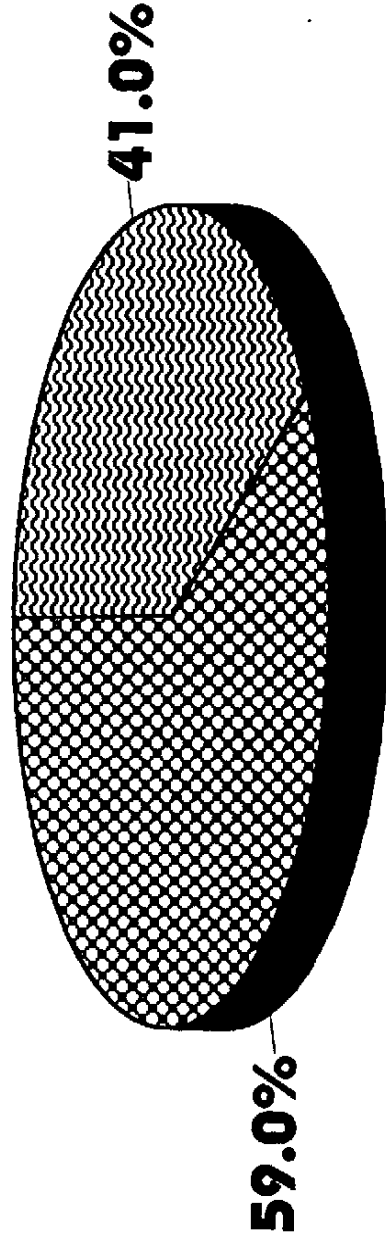


R.J. Reynolds Tobacco AG
Switzerland

R.J. Reynolds Tobacco AG
Switzerland

The 1979 "Guttempler" Initiative

Total Ad-Ban for Tobacco and Alcohol Rejected in Popular Votation



 Yes  No

Twin Initiatives

(Launch: April 12, 1988)

Tobacco

Ad-Ban
+

Earmarked Health Tax

Popular Initiative for the Prevention of Problems linked to Tobacco

- * At least one Percent of Tobacco Tax Revenues used for Prevention
- * Advertising for Tobacco Products prohibited
- * Advertising for Diversification prohibited
- * Aim to protect Youth and decrease overall Consumption

Alcohol

Ad-Ban

Popular Initiative for the Prevention of Problems linked to Alcohol

- * Advertising for Alcohol Products prohibited
- * Advertising for Diversification prohibited
- * Aim to protect Youth and decrease overall Consumption

Strategy (1)

- * Decision to press alternative Legislation aimed at Youth Protection rather than for outright Government Rejection of Ad Ban Initiative
- * "Sanitize" Industry Image: Redraft of Voluntary Code for Switzerland; withdrawal of most noticeable outdoor Materials
- * Decision to form "Tobacco and Alcohol" Coalition for Image Reasons; within Coalition, focus on Wine to take Advantage of Social Acceptability withing Swiss Society and Culture

Strategy (2)

- * Keep focus on overall Issue of Freedom of Speech**
- * Keep primary Role of Tobacco and Alcohol Industries in Background**
- * Engage in pro-active Behaviour with all political Actors at all Stages of political Process to prevent unfavourable political Compromise**

Tactics (1)

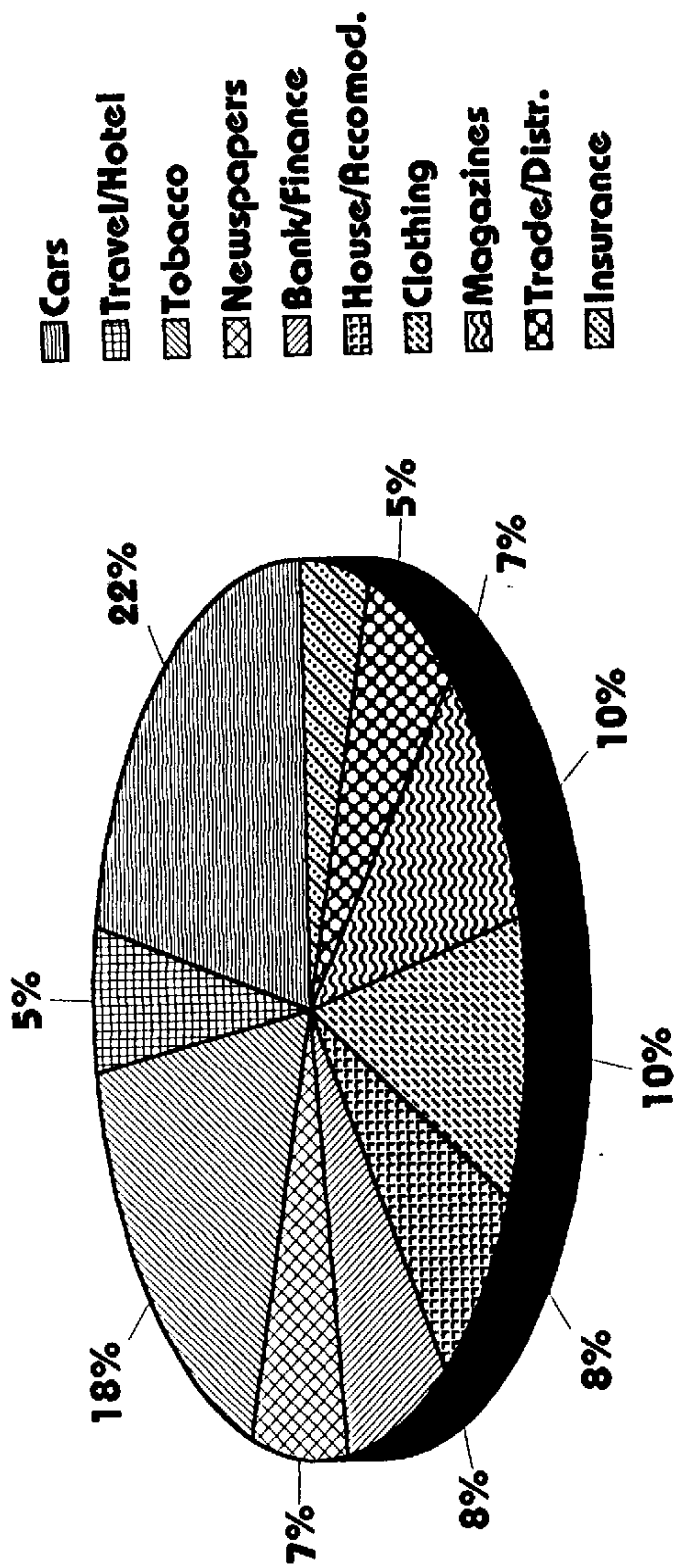
- * **Formation of Pro-advertising Coalition not linked to Tobacco and Alcohol**
- * **Derogation of Portion of Marketing Budget from large publications to smaller, regional Publications to win their Support, e.g. to reach older Voters**
- * **Media Briefing by third Parties only: Publishers, prominent Persons, Advertising Branch, etc.**

Tactics (2)

- * **Formation of regional/local Working Groups (Cantonal Committees)**
- * **Industry Tolerance Campaign - to balance the Tone of Public Debate and to portray the "Anti's" as immoderate**
- * **4-part Advertising Campaign with overlapping Timing, each with separate Message and managed by separate Committee**

Tobacco and Alcohol Advertising Expenditure in Switzerland

Advertising Expenditure by Industries (1991)

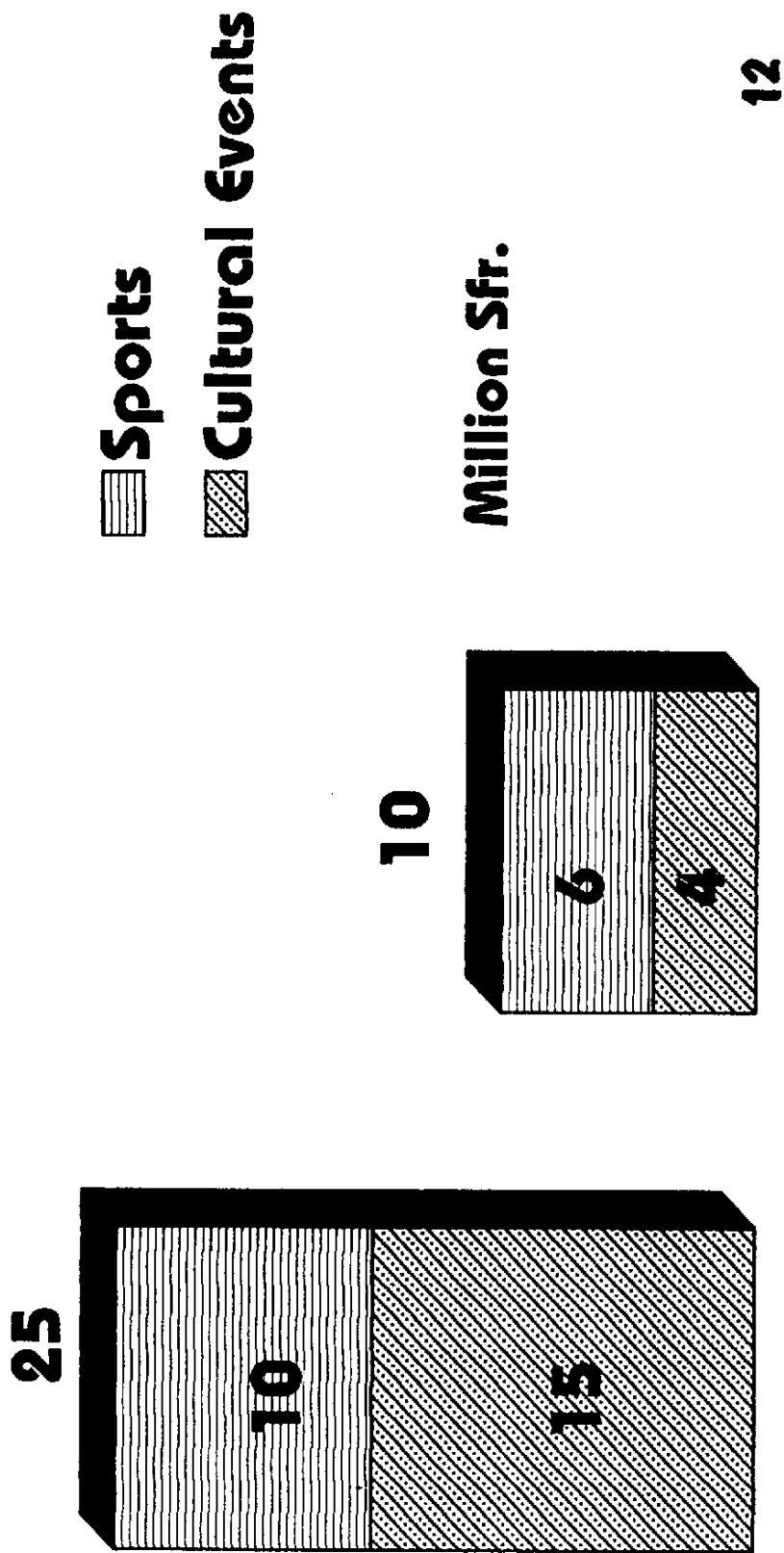


Switzerland

R.J. Reynolds Tobacco AG

51333 2417

Tobacco and Alcohol Sponsoring Expenditure (1991)



Campaign Advertising Strategy

1. Pre-Campaign (18 - 3 Months before Vote)

- * Economic Impact of an Ad Ban on individual Swiss Voter

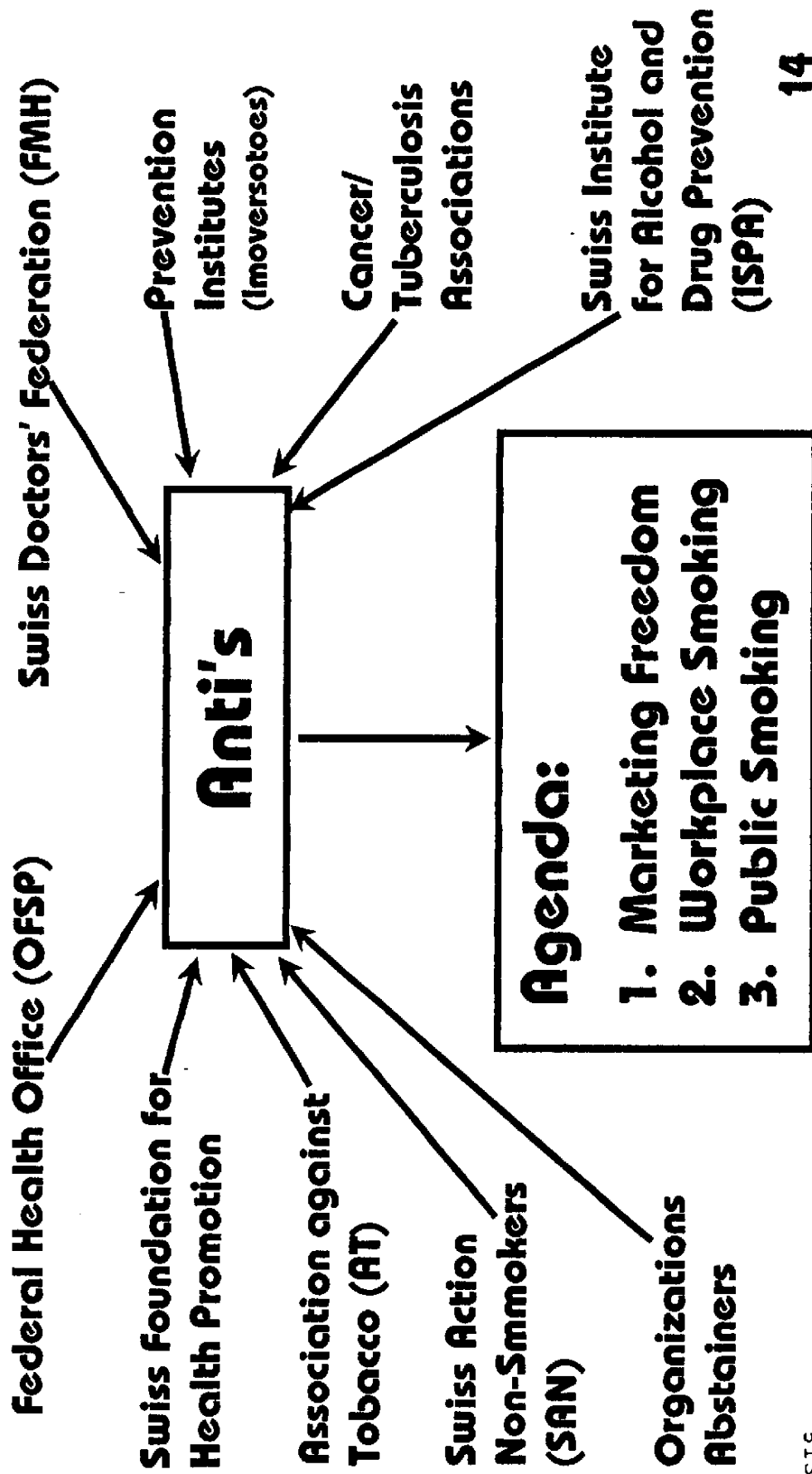
2. Tolerance Campaign (5 - 3 Months before Vote)

- * aimed at moderating Tone of Public Debate, and to portray Ad Ban Proponents as excessive and emotional

3. Main (Votation) Campaign (2 - 0 Months before Vote)

- * Inefficacy of Ad Bans
- * Personal Freedom Arguments ("Ayatollah")
- * Free Speech Arguments

Anti-Tobacco Organizations



Switzerland

R.J. Reynolds Tobacco Co

51333 2420

The Coalition against Ad Bans: Overview

Switzerland

R.J. Reynolds Tobacco AG

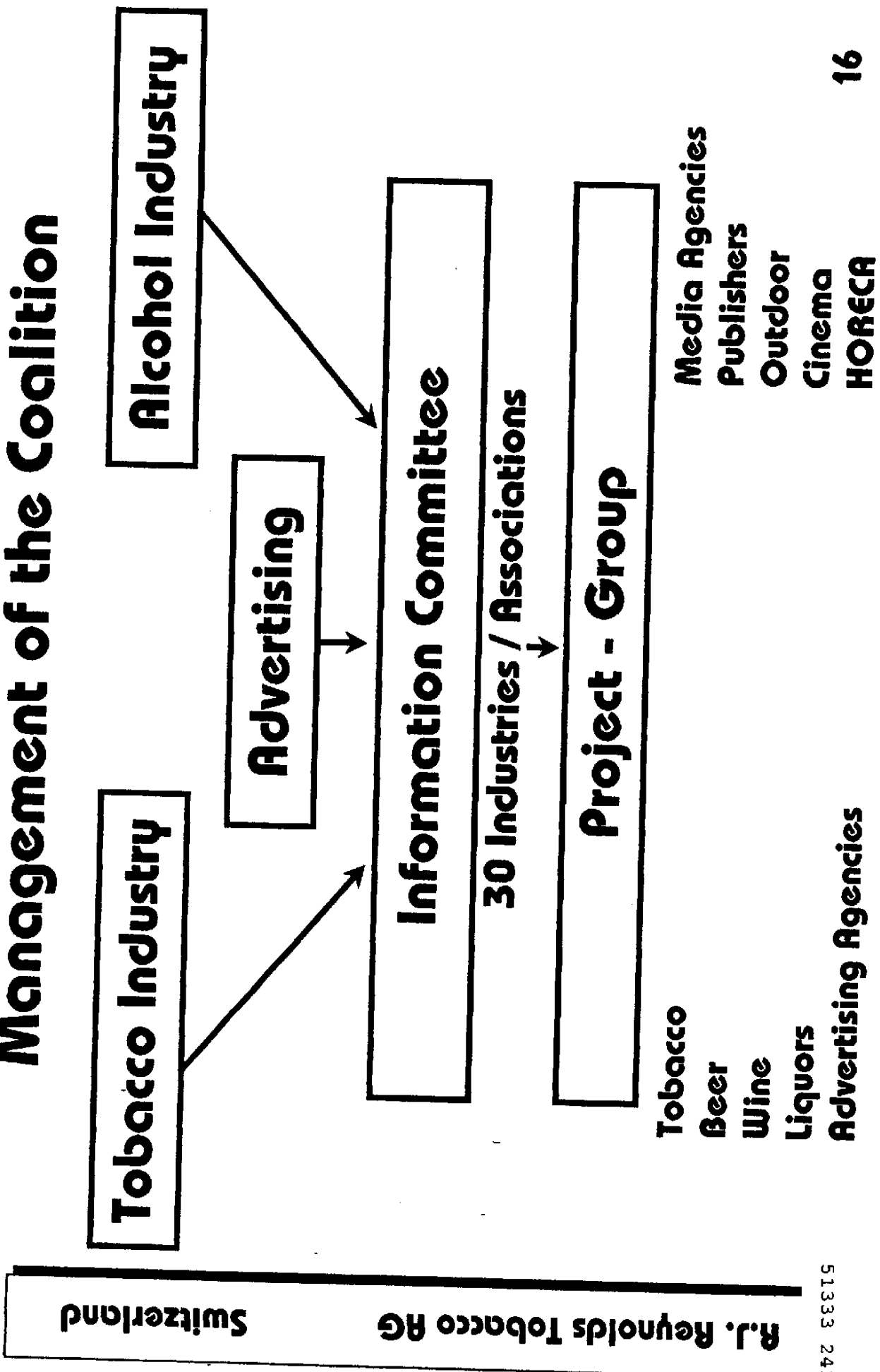
Tobacco Industry

Alcohol Industry

- * Advertising Agencies
- * Outdoor Companies
- * Advertisers
- * Media Agencies
- * Cinemas
- * Publishers

- * Printers
- * Trade
- * Department Stores
- * HORECA
- * Leading Economic Organizations

Management of the Coalition



R.J. Reynolds Tobacco AG
Switzerland

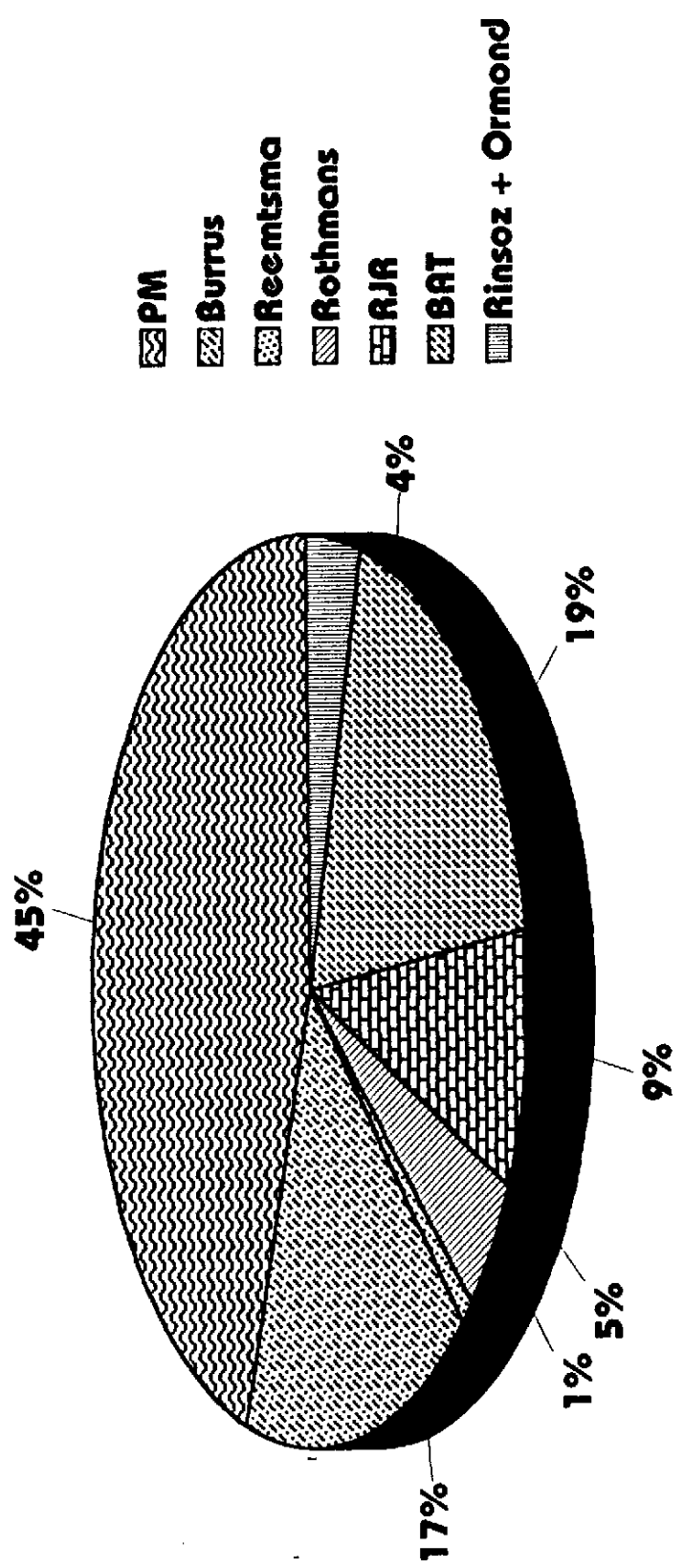
51333 2422

The National Manufacturers Association

CISC

7 Companies

R.J. Reynolds Tobacco AG
Switzerland



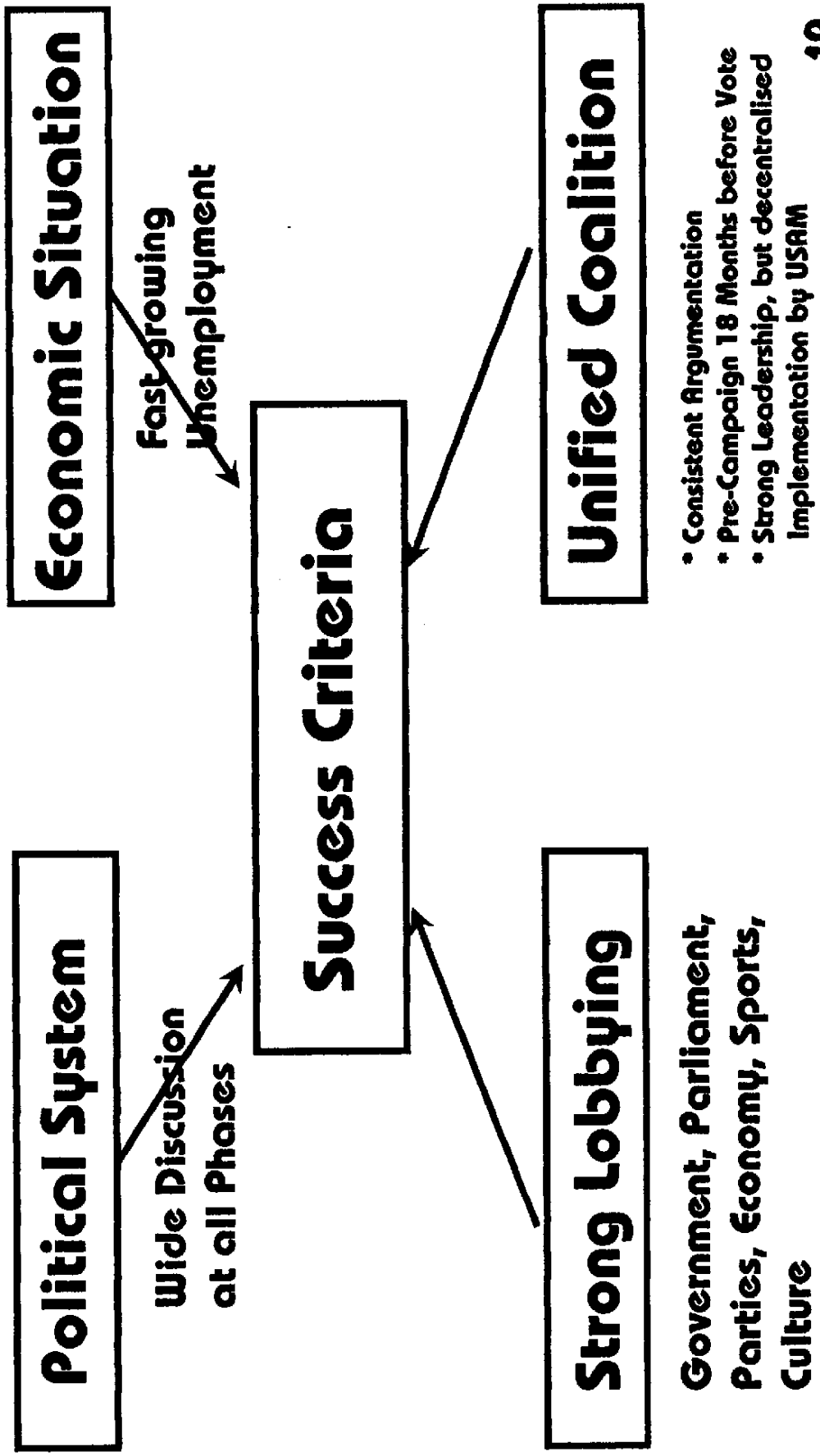
1993 Market Shares

Project Groups Tasks

- * **Define Argumentation Action Platform**
- * **Develop Communication tools, and in particular:**
 - **Media Campaigns**
 - **Information Print Material**
 - **PR Activities**
 - **Lobbying Activities**
- * **Direct the Implementation of all Activities**
- * **Monitor Activities of the Initiative Committee (Anti's)**
- * **Run Public Opinion Polls**

Reasons for Victory

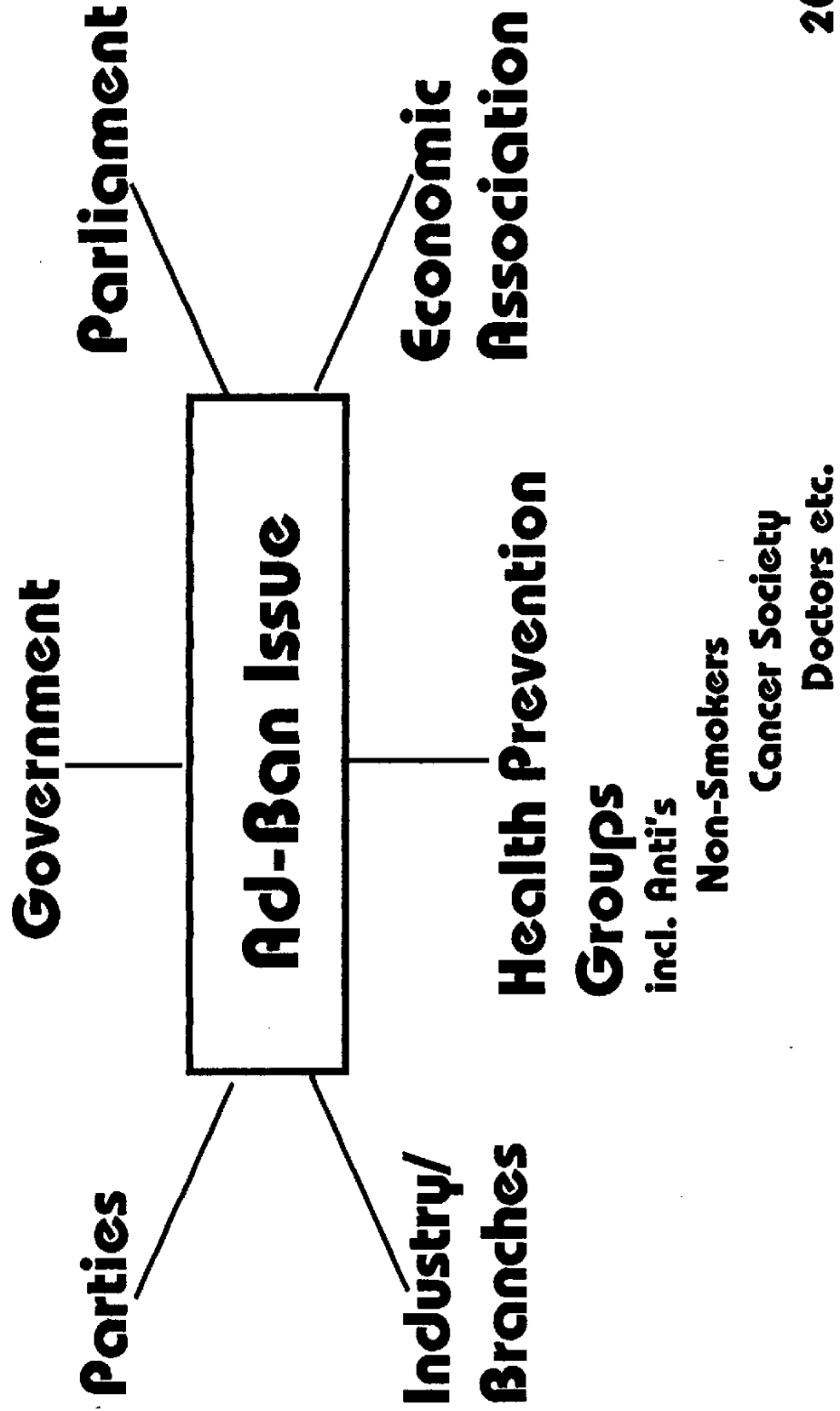
R.J. Reynolds Tobacco AG
Switzerland



**Government, Parliament,
Parties, Economy, Sports,
Culture**

- Consistent Argumentation
- Pre-Campaign 18 Months before Vote
- Strong Leadership, but decentralised Implementation by USAM

Broad Participation in Issue Discussion



Switzerland

R.J. Reynolds Tobacco AG

51333 2426

The final 100 Days

- * **Government sent explanatory brochure to households with "Nein" Recommendation. Text based on Industry Arguments**
- * **Votation Campaign launched**
- * **Internal Measures (RJRTAG) to encourage local Influence by Employees; Presentations to local and regional Political Parties, Service Clubs, etc.**
- * **Federal Council TV and Radio Message advising a "No-No" vote**

Tobacco Advertising Threat (on Federal Level)

Tobacco (and Alcohol) Initiative Art. 32 sexes (new)

- 1. At least one Percent of the Revenues from the Taxation of Tobacco has to be used in conjunction with the Cantons, for the Prevention of Tobacco related Diseases.**
- 2. Advertising for Tobacco Products and their Brands is prohibited. This is the same for all Services and goods that look like or make think of them as to Word, Picture or Sound. Federal Legislation can allow limited Exceptions in special Cases.**

Transitory Dispositions:

The Ban on Advertising as described in Article 32 sexes will become effective at the latest three Years after the Acceptance of the constitutional Bill.

Infringements of this Ban on Advertising will be punished until penal Provisions on the Law of Application Level come into Force according to Article 57, para. 2, lit. A of the Federal Law on Alcohol.

Switzerland

R.J. Reynolds Tobacco Co