Federal Trade Commission

Cigarette Report

for 2015

ISSUED: 2017

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. The 2015 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. (Altria); ITG Holdings USA Inc. (ITG); Reynolds American, Inc. (Reynolds); and Vector Group Ltd (Vector).[1]

II. TOTAL SALES AND ADVERTISING AND PROMOTIONAL EXPENDITURES

The total number of cigarettes reported sold by the major manufacturers, 244.2 billion in 2015, decreased by 9.6 billion units (3.8 percent) from 2014. Advertising and promotional expenditures increased during that same period, from $8.031 billion to $8.240 billion. The largest single category of these expenditures in 2015 was price discounts paid to cigarette retailers in order to reduce the price of cigarettes to consumers, which accounted for $5.447 billion (66.1 percent of total advertising and promotional expenditures).[2]

[1] The number and identity of the companies reporting cigarette data has varied over the 50 years that the Commission has issued these reports. For 2008 through 2014, the Commission's compulsory process orders were issued to Altria, Commonwealth Brands, Inc. (Commonwealth); Lorillard, Inc. (Lorillard), Reynolds, and Vector. In a transaction that finalized in June 2015, Reynolds acquired Lorillard and sold certain Reynolds and Lorillard brands to ITG Brands, LLC, which is a subsidiary of ITG, as is Commonwealth.

[2] The advertising and promotional expenditure figures contained in this report are in nominal dollars and have not been adjusted for inflation.

III. CIGARETTES SOLD AND GIVEN AWAY

Tables 1A through 1C display annual cigarette sales by the manufacturers to wholesalers and retailers. Table 1C displays the total number of cigarettes sold in the years 2011 through 2015. In 2015, the major cigarette manufacturers sold 244.2 billion cigarettes domestically, down from 253.8 billion in 2014. The Commission is not reporting the number of cigarettes given away[3] in 2015, because – as in 2011 through 2014 – only one company reported such giveaways.[4]

IV. ADVERTISING AND PROMOTIONAL EXPENDITURES BY CATEGORY

Tables 2A through 2F show the amounts spent on cigarette advertising and promotion for the years 1970, and 1975 through 2015.[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 cigarette samples), and also give the percentage of the total amount spent for each of the various types of advertising and promotion.[6]

Table 2F shows that overall, the major manufacturers spent $8.240 billion on cigarette

[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, 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] Because only one company reported giveaways, the Commission does not report this information in order to avoid potential disclosure of individual company data.

[5] 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.

[6] Since the last report was published, the Commission has learned that some cigarette advertising and promotion expenditures were previously misreported by one or more of the companies. These errors have been corrected in Tables 2D through 2F.

advertising and promotion in 2015, an increase from the $8.031 billion spent in 2014.[7]

The companies reported spending $22.5 million on magazine advertising in 2015, a decrease from the $50.0 million they spent in 2014. The Commission is not reporting the amount spent on newspaper advertising in 2015 because only one company reported spending in that category. Spending on "outdoor" advertising decreased from $2.2 million in 2014 to $2.0 million in 2015.[8] The companies reported spending $41.8 million for direct mail advertising in 2015, down from $46.2 million in 2014.[9] Spending on point-of-sale materials (ads posted at the retail location but excluding outdoor ads on retailer property), which was $45.8 million in 2014, decreased to $34.9 million in 2015.[10]

In 2015, the companies reported spending $5.447 billion on price discounts (payments made in order to reduce the price of cigarettes to consumers) to retailers and $1.502 billion on price

[7] Definitions of the advertising and promotional expenditure categories appear in the Appendix to this report. If only one company reported spending money on a particular type of advertising or promotion, that category appears as "N/A" and the expenditures 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 2015 on newspaper advertising, Internet advertising other than on the company's own websites, sampling, or promotional allowances paid other than to retailers or wholesalers.

[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.

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

[10] The Commission's orders for 2014 and 2015 did not collect 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.

discounts to wholesalers.[11] In 2014, expenditures in those categories were $5.564 billion and $1.201 billion, respectively. Retail and wholesale price discounts were the two largest expenditure categories in 2015, representing a combined 84.3 percent of total expenditures (66.1 percent and 18.2 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 $260.3 million in 2014 to $216.4 million in 2015. Spending on promotional allowances paid to cigarette wholesalers (*e.g.*, payments for volume rebates, incentive payments, value-added services, and promotional executions) declined from $363.3 million in 2014 to $356.7 million in 2015. The Commission is not reporting the amount spent on promotional allowances paid to persons other than retailers or wholesalers in 2015 because only one company reported spending in that category.

When price discounts and promotional allowances paid to cigarette retailers and wholesalers are combined, they total $7.523 billion, and account for 91.3 percent of all 2015 spending.

The Commission is not reporting the amount spent in 2015 giving cigarette samples to the public ("sampling") because, as in 2014, only one company reported spending in that category.[12]

In 2015, $47.1 million was spent on non-branded specialty item distribution in connection

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

[12] Although regulations promulgated 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), one company has 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.

with the marketing or promotion of cigarettes, an increase from the $37.4 million spent in 2014.[13]

Expenditures for the adult-only public entertainment category decreased from $104.9 million in 2014 to $72.4 million in 2015. This category includes public entertainment events that take place in an adult-only facility (*e.g.*, sponsorship of bar nights or concerts) and display the name or logo of a company's cigarettes or otherwise refer to cigarettes.[14]

Since 2013, the companies have reported that they made no expenditures either on audio-visual advertising or on public entertainment events taking place outside of adult-only facilities and displaying the name or logo of a company's cigarettes or otherwise referring or relating to cigarettes.

As they have since 2010, all reporting companies stated that in 2015 they spent no money on

[13] 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 to not 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, since 2002, some of the companies misreported 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 2A through 2F 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.

[14] The Commission has learned that for many years the companies have been reporting consumer engagement in adult-only facilities under this adult-only public entertainment category even when such activities do not entail any entertainment. Also, at some point the companies stopped sponsoring any entertainment in adult-only facilities. We are unable to separate or distinguish prior expenditures on adult-only entertainment from adult-only consumer engagement.

sponsorships.[15] Since 2012, all the companies have also stated that they spent no money on endorsements and testimonials.

The companies reported spending $335.6 million on coupons to reduce the retail cost of cigarettes in 2015, an increase from the $254.8 million spent in 2014.[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 item is distributed at retail when the cigarettes are purchased. As they have each year since 2011, the companies reported spending no money in 2015 on retail-value-added involving bonus cigarettes. Similarly, each year since 2010, the companies reported spending no money on retail-value-added promotions involving non-cigarette items.[17] In 2015, the companies reported spending no money on telephone advertising, a decrease from the $65,000 they reported in 2014. 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.

In 2015, the companies reported spending $27.6 million on advertising on company websites, an increase from the $16.6 million they reported in 2014. As in 2014, the Commission is not separately reporting the amount spent in 2015 on Internet advertising other than company websites because only one company reported spending in that category.

The companies reported no spending in 2015 on "social media marketing on Web sites or

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

[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."

[17] Regulations promulgated pursuant to the Tobacco Control Act and effective since mid-2010 prohibit "offer[ing] any gift or item (other than cigarettes …) to any person purchasing cigarettes … in consideration of the purchase thereof …." S*ee* 21 C.F.R. § 1140.34(b).

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 these 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.[18] 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; in 2015, they spent $574,000 on advertising and promotion in connection with sports and sporting events. The Commission notes that its compulsory process orders for 2015 clarified for the first time 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.

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. The

[18] 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.

companies reported spending $2.3 million in 2015.[19] Over the previous nine years, they had reported expenditures of $57.7 million (2006), $20.7 million (2007), $11.5 million (2008), $8.1 million (2009), and $4.4 million (2010), $2.9 million (2011), $2.2 million (2012), $1.9 million (2013), and $1.7 million (2014). These figures do not include contributions to third parties that engage in such programs.

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 or television show in 2015, or paid money or any other form of compensation to anyone engaged in product placement in motion pictures or television shows. 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 or television show. Most of the companies reported that neither they nor 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. One company reported having video advertising on company-operated websites and allowing the posting of user-generated content on those websites.

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

[19] These expenditures are not included in the $8.240 billion reported in Table 2F (cigarette expenditures by category for 2015).

V. TAR YIELDS, FILTERS, LENGTH, AND FLAVOR

Tables 4A and 4B give the domestic market share of cigarettes with tar yields of 15 mg or less for the years 1967 through 2015. 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. (categories are presented cumulatively).

The tar yield data reported to the Commission appear to show decreases from 2014 to 2015 in the market share of cigarettes with tar yields of 3 mg or less, 6 mg or less, and 9 mg or less, and 15 mg or less. They also appear to show increases in the market share of cigarettes with tar yields of 12 mg or less. The Commission notes, however, that its compulsory process orders requesting data for 2011 through 2015 have required the companies only to report tar, nicotine, and carbon monoxide yield data that they have available; they were not required to conduct additional testing. Consequently, market share comparisons within these years or to previous years may not be reliable.

As shown in Tables 5A and 5B, filtered cigarettes have dominated the market since the Commission began collecting this information in 1963. Filtered cigarettes accounted for 99.8 percent of the market in 2015.

Tables 6A and 6B provide the market share of the various cigarette length categories. The King size (79-88 mm) category continues to be the biggest seller, with 53 percent of the market in 2015. This category is followed by the Long (94-101 mm) group, with 43 percent of the market.

Tables 7A and 7B give the market share of menthol and non-menthol cigarettes. In 2015, menthol cigarettes were 26% percent of the market, while non-menthols were 74% 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. In 2015, as in every year since 2008, 0.0% of the overall cigarette market disclosed tar yields on the pack. Therefore, as the Commission first noted in its Cigarette Report for 2011, Table 8B will not be updated unless and until the companies resume printing tar yields on their product packaging.

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	525.8	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 (2001-2010)
(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	0.05	282.1	(8.7)	(3.0)	***

* 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.

*** USDA ceased reporting these data.

† Because of rounding, changes from prior year's figures might only be approximate.

TABLE 1C

TOTAL DOMESTIC CIGARETTE UNITS SOLD (2011-2015)
(IN BILLIONS OF INDIVIDUAL CIGARETTES)

YEAR	UNITS SOLD*	UNITS CHANGE FROM PRIOR YEAR	PERCENT CHANGE FROM PRIOR YEAR†
2011	273.6	(8.6)	(3.0)
2012	267.7	(5.9)	(2.2)
2013	256.7	(11.0)	(4.1)
2014	253.8	(2.9)	(1.1)
2015	244.2	(9.6)	(3.8)

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

† Because of rounding, changes from prior year's figures might only be approximate.

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	$284,927	$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	$874,971	$1,083,425	$1,242,289	$1,547,658	$1,793,814	$1,900,771	$2,095,231	$2,476,441
	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

* 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%
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%
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%
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
	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

* 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.

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%
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%
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%
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
	100%	100%	100%	100%	100%	100%

* 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.

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%
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%
Direct Mail	$111,319	$92,978	$93,836	$51,844
	0.9%	0.6%	0.7%	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
	100.0%	100.0%	100.0%	100.0%

* 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.

† This expenditure was previously misreported due to an error by by one or more companies.

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 %	$165,780† 1.7%	$112,125† 1.3%	$108,369† 1.3%
Price Discounts	$9,205,107 73.7%	$7,699,362 70.9%	$7,171,092 72.1%	$6,672,428 78.2%	$6,490,833 80.7%
Promotional Allowances – Retailers	$434,239 3.5%	$454,898† 4.2%	$481,955† 4.8%	$429,981† 5.0%	$371,166† 4.6%
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%
Direct Mail	$102,353 0.8%	$81,929 0.8%	$89,920 0.9%	$68,891 0.8%	$56,482 0.7%
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%	$161,2313† 1.5%	$148,260† 1.5%	$126,354† 1.5%	$76,705† 1.0%
Total	$12,489,692	$10,864,767	$9,943,068	$8,531,375	$8,045,602

* 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 expenditure was previously misreported due to an error by by one or more companies.

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%	$50,609 0.6%	$49,972 0.6%	$22,463 0.3%
Outdoor	$3,100 0.0%	$2,211 0.0%	$2,268 0.0%	$2,207 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%	$58,659† 0.7%	$45,789† 0.6%	$34,870 0.4%
Price Discounts – Retailers‡	$6,996,942 83.6%	$7,802,044 85.1%	$7,642,442† 85.4%	$5,563,669† 69.3%	$5,447,438 66.1%
Price Discounts – Wholesalers‡				$1,201,301 15.0%	$1,502,315 18.2%
Promotional Allowances – Retailers	$356,991 4.3%	$335,129 3.7%	$291,334 3.3%	$260,254 3.2%	$216,362 2.6%
Promotional Allowances – Wholesalers	$401,006 4.8%	$391,146 4.3%	$397,182 4.4%	$363,300 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%	$25,116 0.3%	$29,504 0.3%	$37,381† 0.5%	$47,099† 0.6%
Public Entertainment – Adult-Only	$133,134† 1.6%	$140,791† 1.5%	$104,647 1.2%	$104,898 1.3%	$72,422 0.9%
Public Entertainment – General-Audience	$0 0.0%	N/A **	$0 0.0%	$0 0.0%	$0 0.0%
Sponsorships	$0 0.0%	$0 0.0%	$0 0.0%	$0 0.0%	$0 0.0%
Endorsements & Testimonials	$0 0.0%	N/A **	$0 0.0%	$0 0.0%	$0 0.0%
Direct Mail	$51,491 0.6%	$45,582 0.5%	$38,294 0.4%	$46,193 0.6%	$41,831 0.5%
Coupons	$171,222 2.0%	$239,618 2.6%	$248,833 2.8%	$254,768† 3.2%	$335,599 4.1%
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%	$27,612 0.3%
Internet – Other	N/A **	$1,309 0.0%	N/A **	N/A **	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**	$82,665† 1.0%	$66,828† 0.7%	$69,844† 0.8%	$84,953† 1.1%	$132,969 1.6%
Total	$8,364,791†	$9,168,680†	$8,949,017†	$8,031,494†	$8,239,731

* 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.

† This expenditure was previously misreported due to an error by by one or more companies.

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	311.5
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

* The data reported in Tables 2 through 2F 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%				
1981	56.0%				
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
(1991-2015)

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	86.4%	53.8%	12.9%	8.3%	0.2%
2011*	94.2%	53.4%	12.2%	8.0%	0.2%
2012*	88.8%	54.8%	20.7%	13.0%	5.0%
2013*	87.3%	52.7%	14.0%	7.4%	0.3%
2014*	85.1%	50.4%	18.8%	7.5%	0.7%
2015*	84.5%	52.4%	14.8%	7.2%	0.2%

* Prior to 2011, the companies were required to submit tar, nicotine, and carbon monoxide 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.

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%	77%
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
(1987-2015)

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	0.5%	99.5%
2011	0.4%	99.6%
2012	0.3%	99.7%
2013	0.3%	99.7%
2014	0.3%	99.7%
2015	0.2%	99.8%

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
(2011-2015)

YEAR	68-72 mm	79-88 mm (King)	94-101 mm (Long)	110-121 mm
2011	3%	57%	38%	2%
2012	3%	56%	39%	1%
2013*	3%	57%	39%	1%
2014	3%	57%	38%	1%
2015	3%	53%	43%	1%

* The table does not report the less than 0.1% share of cigarettes with a 93 mm length.

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 – 2015)

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	31%	69%
2013	31%	69%
2014	30%	70%
2015	26%	74%

TABLE 8A

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

		1994	1995	1996	1997	1998	1999	2000	2001
% of overall market that discloses 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	market 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	market 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	market 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	market 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	market 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
% of overall market 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	market share of varieties in group	15.1%	15.1%	15.2%	16.5%	15.5%	17.3%	15.7%	25.2%	13.6%	5.8%
	% 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	market 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	market share of varieties in group	43.0%	43.2%	42.5%	43.3%	44.5%	44.3%	43.7%	41.8%	43.9%	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	market share of varieties in group	12.2%	12.0%	11.2%	11.3%	10.9%	10.5%	10.3%	9.7%	8.7%	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	market 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 every one of 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

2015 Advertising and Promotional Expenditure Categories

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

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

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.

Point-of-Sale: Point-of-sale advertisements; but excluding expenditures in connection with outdoor advertising, sampling, specialty item distribution, public entertainment, endorsements, sponsorships, coupons, and retail-value-added.

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: 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 item (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 does 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.

Direct Mail: Direct mail advertising; but excluding expenditures in connection with sampling, specialty item distribution, public entertainment, endorsements, sponsorships, coupons, retail-value-added, and Internet advertising.

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.

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.

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 non-cigarettes items (*e.g.*, buy two packs, get a cigarette lighter), including all expenditures and costs associated with the value added to the purchase of cigarettes.

Coupons: All costs associated with coupons for the reduction of the retail cost of cigarettes, whether redeemed at the point-of-sale or by mail, 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.

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

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

Company Website: All expenditures associated with advertising on any company Internet website.

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

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