













2021 because only one company reported spending in that category. The companies reported spending \$347,000 in that category in 2020.

Each year from 2011 until 2015, the companies reported spending no money on retail-value-added promotions involving non-smokeless tobacco items. In 2016, the Commission expanded the category to include discounts such as “buy two, save 20 cents per gallon of gasoline.” The companies reported no spending in the category in 2020 or 2021.

In 2021, the companies reported spending \$3.6 million for advertising on company websites and \$4.6 million on Internet advertising other than on their own websites. In 2020, those figures were \$3.5 million and \$4.6 million, respectively.

As they have each year since 2008, the companies reported no spending in 2021 on telephone advertising<sup>12</sup> or audio-visual advertising.

The compulsory-process orders issued by the Commission since 2009 have asked the companies to report spending on 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. The companies reported spending \$169,000 on social-media marketing in 2021, a decrease from the \$256,000 they spent in 2020.

The Commission also requires the smokeless tobacco manufacturers to report the total amount of money they spent on advertising and promotion in connection with sports and sporting

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<sup>12</sup> This expenditure 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.

events.<sup>13</sup> Expenditures in connection with sports and sporting events, which had been as high as \$26.6 million in 1998, were \$21,000 in 2021, down from \$377,000 in 2020.

The companies reported spending \$489,000 in 2021 on ads directed to youth or their parents that were intended to reduce youth use of smokeless tobacco products.<sup>14</sup>

Smokeless tobacco manufacturers reported that, in 2021, 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, 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 or solicited the appearance of any smokeless tobacco product or smokeless tobacco brand imagery in any motion picture, television show, or video game. All companies reported having video advertising on company-operated brand websites. With respect to social-media marketing, two companies reported having smokeless tobacco brand Facebook accounts; three reported having brand Instagram accounts; one reported

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<sup>13</sup> The Commission's question about "sports and sporting events" has always asked the companies to report 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, or training facilities; (2) advertising in the name of the smokeless tobacco 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. The Commission's compulsory-process orders for 2015 clarified that the companies should report expenditures on smokeless tobacco sampling in an adult-only facility on the grounds or in the parking lot of a sports facility. The orders for 2016 further clarified that the companies should also report "consumer engagement" on the grounds or lot of a sports facility. The question about sports and sporting events is separate from, and duplicative of, the reporting of the individual advertising and promotion categories.

<sup>14</sup> These expenditures are not included in the figures reported in Table 3J (advertising and promotional expenditures by category).



allowing the posting of user-generated content on company-operated brand websites. One company reported having video advertising on its brand Instagram account. One company reported having video advertising on YouTube. The companies reported that otherwise, neither they nor anyone working for them or on their behalf sought, solicited, granted approval, or otherwise gave permission for the appearance of any smokeless tobacco product or smokeless tobacco brand imagery in any video appearing on the Internet.

#### **IV. SMOKELESS TOBACCO SALES AND ADVERTISING AND PROMOTIONAL EXPENDITURES BY TOBACCO TYPE**

The Commission historically has reported sales and advertising expenditures for several different types of smokeless tobacco products, including dry snuff, moist snuff, plug/twist, and loose-leaf chewing tobacco. Since 2008, the Commission also has required the companies to provide data for snus and dissolvable smokeless tobacco products. Tables 4A through 4F present details on sales and advertising and promotional expenditures by type of smokeless tobacco.

Between 2020 and 2021, sales of loose-leaf chewing tobacco, plug/twist chewing tobacco, scotch/dry snuff, and snus decreased in terms of pounds sold. Moist snuff pounds sold decreased from 109.5 million pounds in 2020 to 105.7 million pounds in 2021. The number of pounds of moist snuff sold again exceeded the combined sales of all other kinds of smokeless tobacco. The companies reported that they had no sales of dissolvable smokeless tobacco products in 2021.

Moist snuff also continued to generate more revenue than any other type of smokeless tobacco. In 2021, sales of moist snuff were \$4.49 billion, representing 90.5 percent of total smokeless tobacco sales.

Tables 4A through 4F also indicate that moist snuff continued to receive the greatest advertising and promotional support. In 2021, the companies spent \$538.1 million promoting

moist snuff, compared to \$5.8 million for loose-leaf chewing tobacco, \$174,000 for plug/twist chewing tobacco, \$569,000 for scotch/dry snuff, and \$12.5 million for snus.<sup>15</sup>

Tables 5A through 5F present details about the number of units sold in packages of various sizes for each type of smokeless tobacco product. For plug/twist chewing tobacco, scotch/dry snuff, and moist snuff, more packages weighing one ounce to less than two ounces were sold in 2021 than any other size. For loose-leaf chewing tobacco, more packages weighing two ounces to less than five ounces were sold in 2021 than any other size. More packages of snus weighing less than one ounce were sold in 2021 than any other size.

## **V. SMOKELESS TOBACCO SALES BY FLAVOR CATEGORY**

Tables 6A and 6B present details about the flavors of smokeless tobacco products sold. For 2020, the Commission began asking the companies to report the flavors of their smokeless tobacco products. In 2021, tobacco flavored (that is, no added flavor) smokeless tobacco products comprised 46.5% of sales in terms of pounds sold and 43.2% in terms of dollar sales. Menthol flavored smokeless tobacco products (*e.g.*, mint, spearmint, wintergreen) comprised 50.7% of sales in terms of pounds sold and 54.1% in terms of dollar sales. Fruit flavored smokeless tobacco products (*e.g.*, apple, blackberry, cherry, citrus, peach) comprised 2.7% of

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<sup>15</sup> The companies also spend money advertising and promoting smokeless tobacco brands that encompass more than one type of product (*e.g.*, moist snuff and snus) or on non-brand specific smokeless tobacco advertising. Such advertising and promotional expenditures are included in the totals set forth in Tables 1A and 1B, but might not be included in Tables 4A through 4F.

Beginning with the orders for 2015 data, the Commission's compulsory process orders have provided that advertising and promotional expenditures for brands having more than one product type but with a dominant product type representing 95% or more of brand sales should be reported under the brand's dominant product type. In earlier years, some companies could have also reported some of their brands' advertising and promotional expenditures under those brands' dominant varieties.

sales in terms of pounds sold and dollar sales. Alcohol flavored (*e.g.*, tequila, whiskey) and other flavored (*e.g.*, butternut, licorice) smokeless tobacco products comprised 0.06% of sales in terms of pounds sold and 0.02% in terms of dollar sales.

## **VI. NICOTINE LOZENGES AND NICOTINE POUCHES**

In 2020, the Commission began asking the companies whether they sold nicotine lozenges or nicotine pouches not containing tobacco. All of the smokeless tobacco manufacturers indicated that they or a related company sold nicotine lozenges or nicotine pouches not containing tobacco in the United States in 2020 and 2021. Together, they sold \$422.7 million of such products in 2020 and \$804.8 million in 2021.













































**TABLE 4D-1**  
**SMOKELESS TOBACCO SALES AND ADVERTISING AND PROMOTIONAL EXPENDITURES**  
**BY TOBACCO TYPE FOR 1986–2015**

**MOIST SNUFF**

	Pounds Sold	Dollar Sales	Advertising and Promotional Expenditures*
1986	36,135,332	\$438,287,565	\$43,348,158
1987	36,298,658	\$483,973,268	\$38,550,429
1988	39,433,696	\$539,704,480	\$40,655,096
1989	41,017,414	\$602,647,971	\$44,701,195
1990	43,775,709	\$697,790,232	\$52,778,476
1991	46,187,101	\$817,242,793	\$63,970,584
1992	48,509,020	\$940,991,044	\$70,449,029
1993	50,201,159	\$1,060,781,973	\$71,516,385
1994	52,028,416	\$1,200,533,723	\$79,955,661
1995	53,136,063	\$1,320,802,382	\$81,961,909
1996	54,884,154	\$1,381,544,888	\$86,398,835
1997	55,278,825	\$1,404,444,279	\$103,647,547
1998	56,186,478	\$1,482,337,489	\$117,334,705
1999	58,472,906	\$1,578,102,586	\$147,349,374
2000	61,481,958	\$1,632,408,551	\$207,770,666
2001	63,888,848	\$1,765,423,249	\$218,663,983
2002	66,176,208	\$1,988,748,212	\$209,278,000
2003	68,942,374	\$2,111,664,009	\$211,070,000
2004	73,052,096	\$2,225,327,215	\$194,396,000
2005	75,670,894	\$2,225,309,220	\$210,430,000
2006	77,437,057	\$2,206,085,179	\$308,456,000
2007	82,236,628	\$2,306,606,093	\$350,621,000
2008	84,014,810	\$2,377,001,759	\$287,315,000
2009	87,582,722	\$2,192,418,669	\$313,711,000
2010	92,591,210	\$2,344,536,640	\$257,872,000
2011	96,555,072	\$2,513,178,807	\$305,791,000
2012	100,711,669	\$2,644,719,348	\$345,420,000
2013	104,483,081	\$2,844,764,226	\$410,895,000
2014	105,681,317	\$2,996,051,491	\$497,143,000
2015	108,443,334	\$3,252,841,636	\$605,886,000

\* Advertising and promotional expenditures since 2002 are rounded to the nearest \$1,000.



**TABLE 4D-2  
SMOKELESS TOBACCO SALES AND ADVERTISING AND PROMOTIONAL EXPENDITURES  
BY TOBACCO TYPE FOR 2016–2021**

**MOIST SNUFF**

	Pounds Sold	Dollar Sales	Advertising and Promotional Expenditures*
2016	111,504,328	\$3,545,006,638	\$678,662,000
2017	111,922,862	\$3,760,123,055	\$662,471,000
2018	110,314,593	\$3,919,724,350	\$615,674,000
2019	108,459,069	\$4,067,123,585	\$539,160,000
2020	109,462,140	\$4,353,435,257	\$533,056,000
2021	105,733,097	\$4,486,792,750	\$538,065,000

\* Advertising and promotional expenditures since 2002 are rounded to the nearest \$1,000.

**TABLE 4E**  
**SMOKELESS TOBACCO SALES AND ADVERTISING AND PROMOTIONAL EXPENDITURES**  
**BY TOBACCO TYPE FOR 2008–2021**

**SNUS**

	Pounds Sold	Dollar Sales	Advertising and Promotional Expenditures*
2008	170,527	\$9,148,659	\$58,763,000
2009	482,909	\$49,807,528	\$106,415,000
2010	818,913	\$81,786,519	\$57,394,000
2011	1,052,675	\$77,999,446	\$13,703,000
2012	1,291,182	\$99,104,325	\$55,593,000
2013	1,192,881	\$84,594,698	\$51,163,000
2014	1,230,967	\$93,040,562	\$47,392,000
2015	1,375,678	\$106,883,288	\$40,812,000
2016	1,520,576	\$124,657,085	\$39,530,000
2017	1,611,087	\$140,072,884	\$33,008,000
2018	1,712,052	\$155,110,378	\$24,759,000
2019	1,731,258	\$169,450,822	\$17,378,000
2020	1,704,471	\$179,092,938	\$15,459,000
2021	1,640,503	\$187,128,785	\$12,533,000

\* Advertising and promotional expenditures since 2002 are rounded to the nearest \$1,000.

**TABLE 4F**  
**SMOKELESS TOBACCO SALES AND ADVERTISING AND PROMOTIONAL EXPENDITURES**  
**BY TOBACCO TYPE FOR 2011–2021**

**DISSOLVABLE**

	Pounds Sold	Dollar Sales	Advertising and Promotional Expenditures*
2011	1,439	\$190,489	\$0
2012	1,427	\$185,665	\$0
2013	89	\$12,741	\$0
2014	N/A	N/A	N/A
2015	N/A	N/A	N/A
2016	N/A	N/A	\$0
2017	0	\$0	\$0
2018	0	N/A	N/A
2019	0	N/A	\$0
2020	0	\$0	\$0
2021	0	N/A	\$0

\* Advertising and promotional expenditures since 2002 are rounded to the nearest \$1,000.

**TABLE 5A  
NUMBER OF UNITS SOLD – BY PACKAGE SIZE  
FOR 2002–2021**

**LOOSE-LEAF CHEWING TOBACCO**

	Less than 1 oz.	1 oz. to less than 2 oz.	2 oz. to less than 5 oz.	5 oz. to less than 10 oz.	10 oz. to less than 15 oz.	15 oz. or more
<b>2002</b>	0	699,115	203,476,178	5,426,568	0	2,800
<b>2003</b>	0	658,495	191,761,704	6,750,937	0	286,274
<b>2004</b>	0	542,335	180,401,587	7,586,542	0	2,002,084
<b>2005</b>	0	448,644	165,667,992	6,859,556	0	2,157,700
<b>2006</b>	0	376,297	156,832,421	6,163,226	684	2,507,750
<b>2007</b>	365,706	317,120	150,399,964	5,039,908	164	2,615,539
<b>2008</b>	265,853	259,488	134,883,519	4,896,761	(1,440)	2,783,493
<b>2009</b>	0	237,408	119,369,974	3,967,490	0	2,884,625
<b>2010</b>	0	229,811	105,990,232	4,161,772	0	3,073,317
<b>2011</b>	0	206,628	96,674,759	4,073,250	0	3,125,682
<b>2012</b>	0	171,483	88,422,555	3,868,324	0	3,383,938
<b>2013</b>	0	160,992	84,014,098	3,612,208	0	3,284,546
<b>2014</b>	0	147,600	77,905,391	3,382,547	0	3,304,393
<b>2015</b>	360	131,436	72,272,672	3,029,598	0	3,275,510
<b>2016</b>	0	118,368	75,525,669	2,759,408	0	3,207,272
<b>2017</b>	0	103,806	69,676,377	2,546,595	0	3,276,987
<b>2018</b>	0	99,026	65,569,010	2,149,368	0	3,116,172
<b>2019</b>	0	82,224	64,848,027	1,767,919	0	2,931,050
<b>2020</b>	0	540,636	58,672,491	1,513,069	0	3,048,285
<b>2021</b>	0	62,928	54,905,117	1,219,683	0	2,880,686

**TABLE 5B  
NUMBER OF UNITS SOLD – BY PACKAGE SIZE  
FOR 2002–2021**

**PLUG/TWIST CHEWING TOBACCO**

	Less than 1 oz.	1 oz. to less than 2 oz.	2 oz. to less than 5 oz.	5 oz. to less than 10 oz.	10 oz. to less than 15 oz.	15 oz. or more
<b>2002</b>	0	9,789,738	8,013,482	0	0	0
<b>2003</b>	3,960	9,057,230	7,417,331	0	0	1,184
<b>2004</b>	172,596	8,121,211	6,825,354	0	0	7,591
<b>2005</b>	229,638	7,388,766	6,041,214	0	0	7,848
<b>2006</b>	219,732	6,382,398	1,275,303	0	0	1,518
<b>2007</b>	0	6,113,798	1,107,983	0	0	3,991
<b>2008</b>	(2,976)	5,723,997	1,093,135	0	0	3,353
<b>2009</b>	170,808	4,623,964	3,599,939	0	0	2,001
<b>2010</b>	37,932	4,080,855	3,150,940	0	0	616
<b>2011</b>	0	3,652,275	2,847,632	0	0	0
<b>2012</b>	0	3,303,543	2,461,582	0	0	0
<b>2013</b>	0	3,042,595	2,226,817	0	0	0
<b>2014</b>	0	2,637,007	1,954,549	0	0	0
<b>2015</b>	0	2,482,787	1,609,244	0	0	0
<b>2016</b>	0	2,140,596	1,590,848	0	0	0
<b>2017</b>	0	1,878,031	1,486,017	0	0	0
<b>2018</b>	0	1,738,129	1,238,407	0	0	0
<b>2019</b>	41,176	1,307,674	1,047,137	0	0	0
<b>2020</b>	25,126	1,384,284	1,222,385	0	0	0
<b>2021</b>	(269)	1,041,028	778,367	0	0	0

**TABLE 5C**  
**NUMBER OF UNITS SOLD – BY PACKAGE SIZE**  
**FOR 2002–2021**

**SCOTCH/DRY SNUFF**

	Less than 1 oz.	1 oz. to less than 2 oz.	2 oz. to less than 5 oz.	5 oz. to less than 10 oz.	10 oz. to less than 15 oz.	15 oz. or more
<b>2002</b>	833,184	17,320,899	4,679,645	1,201,840	15,735	33,400
<b>2003</b>	800,640	16,092,214	4,388,662	1,097,114	15,936	34,994
<b>2004</b>	764,064	15,023,756	3,813,417	1,058,787	15,456	49,512
<b>2005</b>	734,976	13,637,790	3,303,851	1,042,565	14,064	47,134
<b>2006</b>	655,712	12,376,413	3,025,288	972,826	13,891	16,356
<b>2007</b>	1,676,174	10,804,273	2,531,367	697,253	0	23,213
<b>2008</b>	598,464	10,557,468	2,538,033	844,505	0	21,147
<b>2009</b>	535,212	9,470,599	2,254,555	728,551	(1)	18,411
<b>2010</b>	245,548	8,927,259	2,116,879	629,343	0	9,955
<b>2011</b>	(799)	8,400,578	1,964,342	559,138	0	(16)
<b>2012</b>	0	7,919,271	1,958,110	247,347	0	(4)
<b>2013</b>	0	7,438,306	1,899,643	152,538	0	0
<b>2014</b>	0	6,922,729	1,721,405	141,020	0	0
<b>2015</b>	0	6,355,018	1,548,028	127,868	0	0
<b>2016</b>	0	5,861,197	1,408,764	114,298	0	0
<b>2017</b>	0	5,368,265	1,260,834	97,605	0	0
<b>2018</b>	0	4,896,491	1,140,331	82,297	0	0
<b>2019</b>	0	5,281,025	1,278,986	72,172	0	0
<b>2020</b>	0	4,454,511	925,577	27,956	0	0
<b>2021</b>	0	4,440,430	838,152	9,896	0	0

**TABLE 5D**  
**NUMBER OF UNITS SOLD – BY PACKAGE SIZE**  
**FOR 2002–2021**

**MOIST SNUFF**

	Less than 1 oz.	1 oz. to less than 2 oz.	2 oz. to less than 5 oz.	5 oz. to less than 10 oz.	10 oz. to less than 15 oz.	15 oz. or more
<b>2002</b>	24,561,076	859,285,595	0	0	0	0
<b>2003</b>	37,078,414	892,925,591	0	0	0	30,984
<b>2004</b>	41,769,081	935,536,000	0	0	0	58,830
<b>2005</b>	46,142,758	958,614,204	0	0	0	62,706
<b>2006</b>	48,576,464	975,274,937	0	0	0	26,753
<b>2007</b>	60,274,128	1,039,156,919	612	0	6,186	44,416
<b>2008</b>	71,986,220	1,056,217,422	771	0	54,452	18,772
<b>2009</b>	89,001,023	1,083,725,965	550,216	0	511,175	12,245
<b>2010</b>	103,531,063	1,134,785,681	141,808	0	1,193,327	3,358
<b>2011</b>	121,589,821	1,176,205,839	(37,824)	0	1,618,546	0
<b>2012</b>	140,723,199	1,208,434,824	163,636	0	2,544,526	0
<b>2013</b>	162,500,285	1,228,602,023	154,242	325,501	3,505,261	0
<b>2014</b>	181,561,165	1,224,327,539	107,184	501,770	4,077,255	0
<b>2015</b>	204,008,337	1,239,287,768	9,538	738,893	4,443,748	0
<b>2016</b>	230,557,286	1,258,020,977	226,250	566,059	4,792,990	6,072
<b>2017</b>	240,404,414	1,250,319,743	363,999	462,930	5,173,936	70,128
<b>2018</b>	248,503,857	1,219,800,593	(58,957)	342,249	5,589,300	75,137
<b>2019</b>	255,592,446	1,181,992,893	18,482	307,458	6,449,940	67,656
<b>2020</b>	261,308,375	1,175,116,052	14,862	637,535	7,687,322	64,320
<b>2021</b>	251,183,088	1,129,617,283	11,972	155,957	8,238,260	56,208

**TABLE 5E**  
**NUMBER OF UNITS SOLD – BY PACKAGE SIZE**  
**FOR 2008–2021**

**SNUS**

	Less than 1 oz.	1 oz. to less than 2 oz.	2 oz. to less than 5 oz.	5 oz. to less than 10 oz.	10 oz. to less than 15 oz.	15 oz. or more
<b>2008</b>	4,385,317	21,788	0	0	0	0
<b>2009</b>	31,838,153	58,252	0	0	0	0
<b>2010</b>	61,204,305	75,650	0	0	0	0
<b>2011</b>	45,384,110	79,763	0	0	0	0
<b>2012</b>	57,288,162	97,347	0	0	0	0
<b>2013</b>	43,916,293	42,956	0	0	0	0
<b>2014</b>	42,802,484	54,806	0	0	0	0
<b>2015</b>	46,965,737	49,662	0	0	0	0
<b>2016</b>	51,105,870	45,826	0	0	0	0
<b>2017</b>	53,835,237	2,323	0	0	0	0
<b>2018</b>	56,380,814	(6,703)	0	0	0	0
<b>2019</b>	56,902,054	(13,325)	0	0	0	0
<b>2020</b>	59,029,260	(14,085)	0	0	0	0
<b>2021</b>	57,376,764	(11,792)	0	0	0	0



**TABLE 5F**  
**NUMBER OF UNITS SOLD – BY PACKAGE SIZE**  
**FOR 2011–2021**

**DISSOLVABLE**

	Less than 1 oz.	1 oz. to less than 2 oz.	2 oz. to less than 5 oz.	5 oz. to less than 10 oz.	10 oz. to less than 15 oz.	15 oz. or more
<b>2011</b>	155,964	0	0	0	0	0
<b>2012</b>	143,224	0	0	0	0	0
<b>2013</b>	10,220	0	0	0	0	0
<b>2014</b>	N/A	0	0	0	0	0
<b>2015</b>	N/A	0	0	0	0	0
<b>2016</b>	N/A	0	0	0	0	0
<b>2017</b>	0	0	0	0	0	0
<b>2018</b>	N/A	0	0	0	0	0
<b>2019</b>	N/A	0	0	0	0	0
<b>2020</b>	N/A	0	0	0	0	0
<b>2021</b>	N/A	0	0	0	0	0

**TABLES 6A AND 6B  
SALES BY FLAVORING  
FOR 2020-2021**

**TABLE 6A - POUNDS SOLD AND PERCENTAGES**

	Tobacco flavored	Menthol	Fruit	Alcohol	Other*
<b>2020</b>	58,776,845	64,374,304	3,566,044	90,963	20,105
<b>%</b>	46.3%	50.8%	2.8%	0.1%	0.0%
<b>2021</b>	56,674,971	61,827,554	3,335,729	79,151	40,472
<b>%</b>	46.5%	50.7%	2.7%	0.1%	0.0%

**TABLE 6B - DOLLARS SOLD AND PERCENTAGES**

	Tobacco flavored	Menthol	Fruit	Alcohol	Other*
<b>2020</b>	\$2,090,637,071	\$2,611,456,068	\$118,924,160	\$974,018	\$282,035
<b>%</b>	43.4%	54.2%	2.5%	0%	0%
<b>2021</b>	\$2,143,844,646	\$2,681,220,158	\$131,731,614	\$868,929	\$450,303
<b>%</b>	43.2%	54.1%	2.7%	0.0%	0.0%

\* Other flavored products include products that do not fit in one of the other flavor categories and combination products that fit in more than one of the other flavor categories.

## APPENDIX

### 2021 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 smokeless tobacco 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 – Retail:** Price discounts paid to smokeless tobacco retailers in order to reduce the price of smokeless tobacco to consumers, including off-invoice discounts, buy-downs, voluntary price reductions, and trade programs; but excluding retail-value-added expenditures for promotions involving free smokeless tobacco and expenditures involving coupons.

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

**Promotional Allowances – Retail:** Promotional allowances paid to smokeless tobacco retailers in order to facilitate the sale or placement of any smokeless tobacco product, including payments for stocking, shelving, displaying, and merchandising brands; volume rebates; incentive payments; and the cost of smokeless tobacco product given for free to retailers 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 – Wholesale:** Promotional allowances paid to smokeless tobacco wholesalers in order to facilitate the sale or placement of any smokeless tobacco product, 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, and price discounts.

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

**Sampling:** Sampling of smokeless tobacco products, including the cost of the smokeless tobacco, all associated excise taxes, and the costs of organizing, promoting, and conducting sampling. Sampling includes the distribution of smokeless tobacco products for consumer testing or evaluation when consumers are able to use the smokeless tobacco outside of a facility owned or operated by the company, but not the cost of actual clinical testing or market research associated with such smokeless tobacco distributions. Sampling also includes the distribution of coupons for free smokeless tobacco, when no purchase or payment is required to obtain the coupons or the smokeless tobacco product.

**Specialty Item Distribution – Non-Branded:** All costs of distributing any items (other than smokeless tobacco products, items the sole function of which is to advertise or promote smokeless tobacco products, 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 smokeless tobacco product, including the cost of the items distributed but subtracting any payments received for the item. The costs associated with distributing non-smokeless tobacco 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 smokeless tobacco-product 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 the company's smokeless tobacco products or otherwise referring or relating to smokeless tobacco, which take place in an adult-only facility, including all expenditures made by the company in promoting 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 smokeless tobacco products or otherwise referring or relating to smokeless tobacco, which do not take place in an adult-only facility, including all expenditures made by the company in promoting 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 smokeless tobacco products, 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 smokeless tobacco and no purchase or payment is required to obtain the coupons or the smokeless tobacco, these activities are considered to be sampling and not couponing.

**Retail-value-added – Bonus Smokeless Tobacco:** Retail-value-added expenditures for promotions involving free smokeless tobacco products (*e.g.*, buy two, get one free), whether or not the free smokeless tobacco products are physically bundled together with the purchased smokeless tobacco products, including all expenditures and costs associated with the value added to the purchase of smokeless tobacco products (*e.g.*, excise taxes paid for the free smokeless tobacco product).

**Retail-value-added – Non-Smokeless Tobacco Bonus:** Retail-value-added expenditures for promotions involving free or discounted non-smokeless tobacco product (*e.g.*, buy two packs, get a free key chain or buy two, save 20 cents per gallon of gasoline), including all expenditures and costs associated with the value added to the purchase of smokeless tobacco products.

**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 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 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 smokeless tobacco 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, or training facilities; (ii) all expenditures for advertising in the name of the company or any of its smokeless tobacco product 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 smokeless tobacco product 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.