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## Ethics Pops up, Economy Constrains: Ethical Dilemma of Tobacco Retailers in Selling Cigarette to Minors

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### Abstract

The paper investigates whether there is any ethical dilemma for the retailers of tobacco products to sell cigarettes to minors or not. With the study of secondary data and primary data coming from 60 retailers and 20 experts from Khulna City, Dhaka City, and Savar, the research concludes that in addition to the focus on retailers, policy makers have to think about mass awareness, mass education, proper implementation of laws, and availability of tobacco products to minors in order to reduce smoking by minors. Though not spontaneous, around 80 percent retailers find it unethical to sell cigarette to minors who is now 37 percent of the total market with 16 percent growth rate per year.

**Keywords:** Retailers, Ethics, Smoking, Minor Smoker, Tobacco Market, Bangladesh

### 1.0. Introduction

Globally, tobacco has long been representing the largest preventable cause of death. A hundred million people died in the last century for tobacco-related causes (Zakaria, 2010) and this death toll will reach at ten million people per year by 2030 (Peto and Lopez, 2001). Middle and low income countries like Bangladesh are quite vulnerable to this (Zakaria, 2010) and tobacco related deaths in these countries might reach as high as 70% (Zakaria, 2010; Peto and Lopez, 2001) of total tobacco caused deaths in the world. This figure aware the various actors especially governments around the globe and some countries like USA, New Zealand, Russia already started to regulate the tobacco market in terms of tobacco use, production, and marketing while some other countries plan to introduce strict anti smoking laws and regulations soon.

Tobacco producers find it a real threat and start both lobbying (Twigg, 2008) and deceiving (PATH Canada, 2001) the market. They try to give a message to the regulators that they take enough care for the non-smokers and minor smokers through deceptive but visibly positive campaign (PATH Canada, 2001) and lobbying groups who lobby and make the system more volatile followed by the non-adoption of real time functioning anti tobacco regulations (Twigg, 2008).

In Bangladesh, 18<sup>th</sup> and 4<sup>th</sup> highest tobacco producer in the world and South East Asia respectively, 43.3% people (15 years and above) use tobacco in either smoking or other forms (GTSS, 2009). Smoking includes 44.7% men, 1.5% women, and 23% overall adult in the country (GTSS, 2009) while smokeless tobacco use corresponds to 26.4% men, 27.9% women, and 27.2 overall adults in the country (GTSS, 2009). Common smoking items include cigarette, Bidi, Hukkah while smokeless items include Zarda, Sada Pata, Gul etc. In 2004, World Health Organization (WHO) concluded that tobacco use is liable for 57,000 deaths and 382,000 disabilities in Bangladesh.

To reduce the continuously growing concern on tobacco use and health disaster, Bangladesh government imposed ban on public smoking, cigarette advertising, and public display of tobacco products. But the market responds in the opposite way; cigarette sales increase along with the rate of smoking over time. Giant cigarette producers like British American Tobacco (BAT) has increased their sales target in Bangladesh. Question arises why does it happen when there are lots of campaigns to make people understand that smoking is just a waste of total resources at the end.

Exploratory research concludes that to stop smoking by mass, law can't be the sole component to try with for a meaningful conclusion in Bangladesh. It also suggests that availability of tobacco products through an

well established supply chain, low level of mass education, lack of awareness, high unemployment rate, young generation's attraction to the tobacco products because of the seduction by friends, seniors, and family members etc. are some of the major factors for which rate of smoking could not be reduced over time in Bangladesh.

Two segments of smokers have been identified in the exploratory research. In one segment people do smoke because they are already accustomed to it and it has become a habit of them. They treat smoking as something routine in daily life. People mostly more than 18 years of age with own income fall in this segment. Second segment includes new smokers along with amateur smokers, and infrequent smokers. A significant portion of these new smokers is teenager and a significant portion of these teenagers is not yet adult. Therefore the situation is a direct threat for the country because in Bangladesh tobacco related death has been at an alarming height already with a red signal for future if the situation does not turn into positive.

This research sheds light on the lower most part of the supply chain of tobacco products i.e. retailers. Various social phenomenon contributing to the addiction of smoking have been ignored in this research after a thought that it takes a large period to change a social system and therefore research starts from the availability of the tobacco products with an inception that scarcity/unavailability of tobacco products might bring a positive result at least in the short term in Bangladesh to reduce the smoking rate. Therefore cigarette retailers are the focal point because of their ever-increasing role in the distribution system.

## **2.0 Methodology**

The research incorporates both primary and secondary data. While varied journals, publications, research reports, and Internet were the sources of secondary data, primary data has been collected from 60 cigarette sellers selling cigarettes in Khulna City, surroundings of Khulna city, Dhaka City, and Savar. The respondents have been interviewed face to face with a predesigned questionnaire (added in appendix-01) in a simple random fashion. To enrich the inputs, data collection included observation of selling activities in shops while collecting data. The research is enriched by the opinions of 20 experts that include medical doctors, university professors, psychiatrists, and researchers in the field.

## **4.0 Results**

### *4.1. An Expanding Retail Market Dominated by Young Uneducated Poor Male*

Since the last couple of years tobacco industry has been facing lots of obstacles in doing business around the globe including Bangladesh. But the players in the industry did not sit idle, rather they have modified the situation in their favor and companies like British American Tobacco set their selling target highest ever in Bangladesh (informal discussion with BAT employees, 2010). Retail outlet that keeps cigarette or start keeping cigarette increases by 27% (survey, 2010) per year in the areas from which data have been collected. Around 63% retailers are aged below 30 and around 12% of them are aged below 18 i.e. minors. Therefore minors' participation in retailing might not be alarming at this moment but bears the risk of polluting the society because of the networks these minor retailers secure and thus deserves attention. Around 95% retailers have been found male meaning that female participation in cigarette retailing is still insignificant.

Tea stall and grocery shops are two major destinations for cigarette purchase and among the stores 90% are permanent shops. Though shops are permanent in type, cigarette is not the main selling item in either tea stall or grocery stores. Both of them keep cigarette as associated products because keeping cigarettes increases their turnover, increases shop visits by customers, and selling cigarette requires small amount of investment. In addition to that, these shops are small enough to depend on some regular customers which amounts 200 per day and demand from these regular customers force the outlets to sell cigarettes. However demand for cigarettes in these outlets is more or less constant. About 52% shops sell 20 or fewer packets of cigarettes per day; combining this with the finding of 200 customers per day concludes that the sellers sell

cigarettes by sticks, the main opportunity for the minors to buy cigarette. Around 80% of the retailers are either illiterate or completed primary education only.

#### *4.2. Minor Smokers Represent a Significant Market Segment*

Observation and the interviews with the respondents conclude that around 37% of the total customers are minor and 60% of the minor smokers are adolescents while the rest are aged below 13 years. This is a huge risk for the community because minor smokers are mostly illiterate (41%) and poor (60%) meaning that a vulnerable part of the society is exposed to more volatility. Though an insignificant number of minor girls do smoke, the number is increasing day by day. Annual growth rate of minor smokers is about 16%, which combined with the 37% market share fact allures the retailers to stay in this sector. Though there are varied reasons why do minors start smoking, passive smoking at home was cited by most respondents, 65%.

#### *4.3. Ethics pops up, Economy Constrains*

The socio-cultural values in Bangladesh are supposed to stop people from smoking, but the reality is not quite inline. Why do people smoke? Lots of researches have been done so far around the globe on this same issue. That's why this research skips that issue and rather focuses on the cigarette sellers to explore the relationship in between the personal characteristics and thinking of the cigarette sellers and the ways to stop overall smoking rate; most importantly smoking by minors in Bangladesh.

Study shows that around 35% retailers do smoke and 65% don't smoke while 95% retailers sell cigarettes to minors. Figures-01 & 02 (please refer to the end part of the paper) explains why retailers smoker or don't smoke. The scenario becomes complex with the finding that 80% retailers think that selling cigarettes to minor is unethical. Around 97% (58 out of 60) respondents claim that they don't encourage minors to smoke and they believe that minors do smoke with their own responsibility. But there is no proof that retailers discourage minor smokers to smoke.

Surprisingly 20% retailers opine that selling cigarettes is ethical for them. They place more importance on the survival of themselves and their family rather than protecting minors from smoking. Their family is dependent on their income which comes partially from cigarette selling. This portion of retailers think that without satisfying one's basic needs at minimum, one can't exercise individual ethics let alone societal ethics. Figure-03 (please refer to the end part of the paper) shows some other reasons why some retailers find selling cigarettes ethical.

However majority (80%) of the retailers think selling cigarettes is unethical. One of the reasons for which they feel so is that they think smoking helps in morality degradation. Figure-04 (please refer to the end part of the paper) presents the relevant details.

About 32% (19 of 60) retailers are willing to switch to other business conditioned to that the new business will offer them same turnover at minimum. They care for a better and healthy society, but the majority (63%) of the retailers refuse to switch because they think their switch will not produce anything positive along with the fact that it will reduce the sales of the associated products like tea, coffee, betel leaves etc. Around 5% retailers are indifferent. Figure-05 (please refer to the end part of the paper) describes the scenario in more details.

On the other hand these retailers do not want to loose the market of minor smokers which is currently 37% with an approximate growth rate of 16% per year. However 30% retailers say that stopping selling cigarettes to minors will not affect their business while 70% say they would be affected.

## **5.0. Discussions**

Study concludes in favor of the retailers' moderate willingness to cooperate to minimize smoking especially minors' smoking in the country. But this willingness is not spontaneous, its kind of if required we would help. Therefore, it might not be sufficient enough to stop minor smoking, but it can be the beginning step.

One must consider the retailers' side also; if they stop selling cigarettes their business with which their survival is positively correlated is in jeopardy. Other measures can be added with this retailers' willingness to solve the problem. Probable measures include laws and regulation, mass awareness and education, restrictions on retailers etc.

Development of new laws or regulations is of course important, proper implementation of the laws and regulations is rather important along with a careful eye on the gaps in laws/regulations. Historically tobacco producers take the advantage of the gray areas of laws and do their business quite strongly. It demotivates the stakeholders like retailers to trust on law and they don't believe that law can be a solution. In Bangladesh 85% (51 out of 60) retailers think that existing laws are not enough to stop smoking by minors. They also doubt on the government intention to minimize the effects of smoking or tobacco business in the country. Figure-06 (please refer to the end part of the paper) is an illustration of Bangladesh scenario.

Tobacco producers always try to deceive the market by offering various services, in their language to discourage smoking. But question arise about their real intention. In Bangladesh, in July 2001, BAT introduced 'Youth Smoking Prevention Campaign'. The contents of the campaign are one 30 seconds TV ad, three one-minute radio ad, billboard, and sticker. After introducing all the campaign elements, expert raised the question about the intent of the campaign because from the campaign elements it's very doubtful what BAT actually wants to gain from it. In each advertisement smoking was portrayed as something alluring and for adults only. Young people got stimuli from this campaign as all the young people especially minors always dream to be treated as an adult. They become rather more attracted to smoking in their pursuit of being adult. Although indirectly the campaign creates a gray area by presenting a theme that *smoking is for adult or a sign of adulthood*. Through a billboard BAT tried to discourage the youth to smoke. But in the billboard, the smoker was more visible, smarter looking, and lively compared to the one who does not smoke. Who one should believe the young people will attract to? Unfortunately none of the ad said smoking is bad for all.

BAT and other tobacco companies sponsor varied events including concerts in Bangladesh. The young people mostly attend these events and tobacco producers always try keeping their image fresh and lively in the memory of these young people. Because they want these young people today to be the replacement of their current customer base one day in future. The companies are quite strategic to sponsor the events where young people are the majority of the audience. BAT sponsors some educational programs like *Battle of Minds* in the top business schools in Bangladesh. They also offer trees to the coastal area people for the purpose of plantation at free of cost. All of these activities are corporate social responsibilities in their language, but observations reveal that these activities refresh the memory of the smokers and create smokers brand loyal to the BAT brands.

In case of *Battle of Minds* competition, trained BAT executives arrange some seminars and present the BAT and its operations in such a way that business graduates feel at the highest level to work for BAT. They end up with a very sweet memory of the BAT after the seminar. These executives never talk about the smoking or the negative effects of smoking, but they refresh the memory by showing symbols, BAT production images, images of delivery trucks containing logo of varied tobacco products etc. In case of tree plantation, though it helps the environment, its claimed that its used for the promotional purposes. Experts argue that because of legal restriction on public advertising, BAT adopted a new way of indirect advertising of tobacco products. These companies know that the young people are affected (Efroymsen, 2001) by the lucrative and funny advertisements (PATH Canada, 2001) and use those to enhance or to create an image in young minds, the very first step to grab/create a market. Government and the regulator have to consider these micro level issues to find a success.

In Bangladesh because of the low rate of literacy people don't know the negative sides of smoking in full details. Also government does not push the tobacco companies to reveal all the negatives effects of smoking. Therefore, there is an ever increasing information asymmetry in the market which demands efforts toward the mass level awareness development and enhancement of education. People start smoking mostly below age 20 and the major introduction on smoking comes from family and friends. Therefore, in case of minor, family and friends need to be more careful while they smoke. Academic institution should add tobacco

related issues to the curriculum to discourage the people at young age by portraying the harms of smoking. Government can force the tobacco companies put pictorial warnings on the cigarette packet. This has been adopted by many countries including Brazil, Singapore, Malaysia, Thailand, Australia etc. They got huge success with this and focus on the installing new images when people get used to with the existing ones (The New Paper, 2009). A study in USA, Canada, Australia, and UK by International Tobacco Control found that pictorial warnings increase the knowledge of mass people about the harms of smoking (ITC, 2009). Another study by Elliott and Shanahan Research (2008) concluded that 77% and 75% respondents in 2005 and 2006 respectively find the pictorial warning important.

Media and other actors like NGOs, movie stars, politicians, reference groups in the society etc. can enhance the mass awareness level. Prothom-Alo with their slogan 'Say not to addiction' earned attraction countrywide while 'we don't smoke' slogan of couple of NGOs and anti smoking group Adhunik created mass level awareness around the country.

Availability of the tobacco products contributes to the high rate of smoking in the country. Its really surprising that with the increase of the cigarette price, demand for cigarette does not decrease. Rather it creates opportunity for some other producers to enter into the market. For example, when the price of Gold Leaf got increased, products like Sheikh, Star, Nasir Gold made their way into the market. Therefore significant focus should be given to the supply chain of the tobacco products. In this research, while dealing with retailers faction of the supply chain, it has been found that economic incapability of the retailers force them to sell cigarettes to all including minors. Of course economy of retailers is an important issue, but the long term survival of the nation should get more focus. These people are the direct contact for the customers and they can create the difference in tobacco business. So the retailers have to be handled properly to minimize the availability of tobacco products to minor. In many western countries like Sweden, minors can't buy cigarette without the help of others. These countries don't sell cigarette by stick and retailers don't sell cigarette to young people without seeing their national ID containing date of birth.

## **6.0. Conclusion and Recommendations**

Study suggests that the retailers are somehow bound to sell the cigarettes as without selling cigarettes their earning decreases from both cigarette and the associated products. On the other hand, because of illiteracy or ignorance, even though they don't like selling cigarettes to minors they sell and they can't visualize the negative effects of this in long term. Therefore, they have the moral support, but require strict law enforcement and the development of mass level awareness. Total society has to work together; government alone can't succeed in this case. However, some of the specific recommendations are given in point.

- Ban should be imposed on selling cigarettes by stick. It will constrain minors' economic capability to purchase a packet of cigarette
- Visible display and public notices should be there to inform the mass the selling cigarette to minors is prohibited
- Laws and regulations have to be implemented properly. Retailers must not sell cigarettes to the minors
- If a retailer is found guilty of selling cigarette to minors, after initial punishment his/her right to do business should be shut off
- It should be mandatory for the retailers to check the age in case they sell cigarette to young people
- Free and discount coupons of tobacco products should be banned as they encourage the minors and young people to buy cigarette
- Comprehensive ban should be imposed on tobacco companies sponsoring any public event

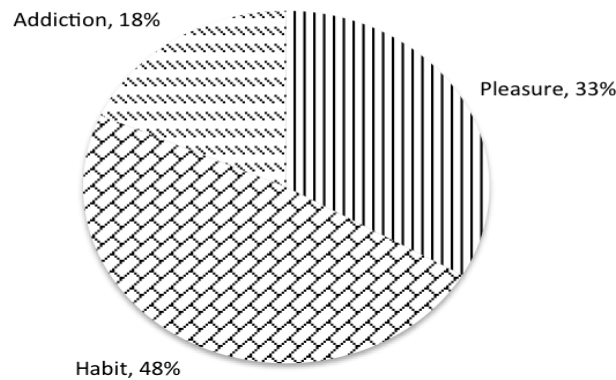
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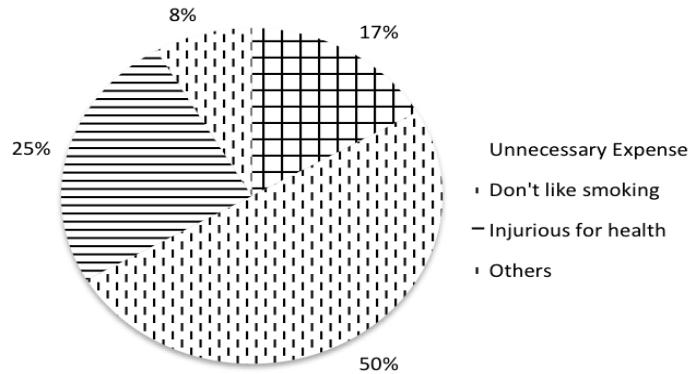
**Figure-01:** Why do retailers smoke?



**Source:** Primary data collection, 2010

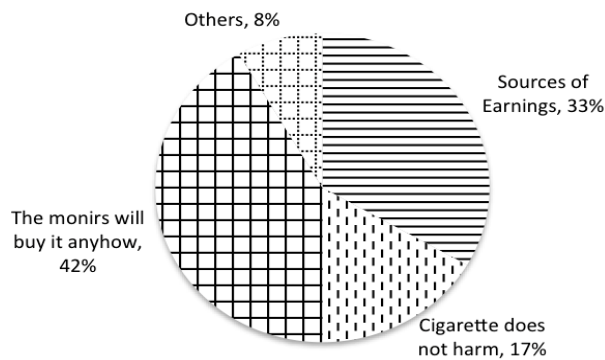


**Figure-02: Why don't retailers smoke?**



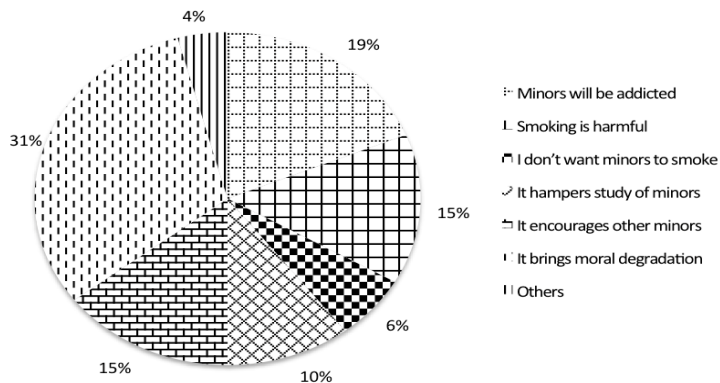
Source: Primary data collection, 2010

**Figure-03: Why selling cigarette is ethical**

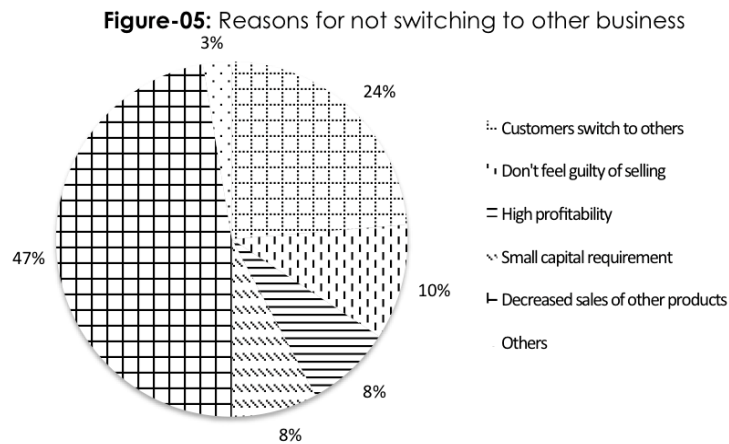


Source: Primary data collection, 2010

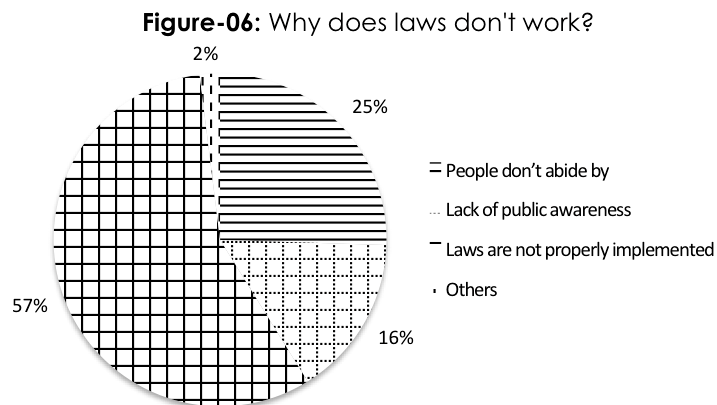
**Figure-04: Why selling cigarette is unethical**



Source: Primary data collection, 2010



Source: Primary data collection, 2010



Source: Primary data collection, 2010

**Appendix-01: Questionnaire**

**Dear Respondent:**

With an aim to determine the current condition of cigarette retailing and the role of ethics in cigarette selling in Bangladesh we are conducting this survey as part of an academic research. Your co-operation will lead us to a meaningful conclusion. Please read the following questions carefully and either fill up or put tick (✓) mark accordingly. Also please don't hesitate to write any of your comments in the blank space.



**Personal Information**

Name				
Gender:	<input type="radio"/> Male		<input type="radio"/> Female	
Age (years):	<input type="radio"/> 18-30	<input type="radio"/> 30-45	<input type="radio"/> 45-60	<input type="radio"/> 60+
Marital Status:	<input type="radio"/> Single	<input type="radio"/> Married	<input type="radio"/> Divorced	<input type="radio"/> Widow
Education:	<input type="radio"/> Illiterate	<input type="radio"/> Primary (One to Five)	<input type="radio"/> Secondary (Six to HSC)	<input type="radio"/> Higher (HSC+)
Location	<input type="radio"/> Khulna	<input type="radio"/> Dhaka	<input type="radio"/> Savar	

**Business Information**

Type of Business	<input type="radio"/> Tea Stall	<input type="radio"/> Canteen	<input type="radio"/> Grocery
	<input type="radio"/> Hawker	<input type="radio"/> Cigarette Shop	<input type="radio"/> Small Stationary
	<input type="radio"/> Others (Please Specify):.....		
Monthly Turnover (BDT)	<input type="radio"/> >2000	<input type="radio"/> 2000-10000	<input type="radio"/> 10000-20000
	<input type="radio"/> 20000-30000	<input type="radio"/> 30000+	
Outlet Type	<input type="radio"/> Permanent	<input type="radio"/> Temporary	<input type="radio"/> Floating
Core Business	<input type="radio"/> Cigarette	<input type="radio"/> Others	
Cigarette Buyers per day	<input type="radio"/> >200	<input type="radio"/> 200-400	<input type="radio"/> 400-600
	<input type="radio"/> 600-800	<input type="radio"/> 800-1000	<input type="radio"/> 1000+
Number of packets sold per day	<input type="radio"/> >10	<input type="radio"/> 10-20	<input type="radio"/> 20-30
	<input type="radio"/> 30-40	<input type="radio"/> 40-50	<input type="radio"/> 50+

**Smoking and Selling Cigarettes**

- 01** Do you smoke?  Yes  No
- 01(a)** If **YES** why? (Please specify):.....
- 01(b)** If **NO** why? (Please specify):.....
- 01(c)** When you don't smoke why do you let others to smoke by selling cigarette?
- 02** Do you sell cigarette to minors?  Yes  No
- 02(a)** If **YES**
- What percentage of your customers are minors?
  - What is the growth rate of new minor customers per month?
  - Why do you sell cigarettes to minors?
    - It brings money
    - Don't bother about the issue
    - If you don't sell others will do
    - Others (Please Specify):.....
  - Age pattern of minor cigarette buyers in years
 

<input type="radio"/> <7	<input type="radio"/> 7-10	<input type="radio"/> 10-13	<input type="radio"/> 13-18
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  - Gender of the minor cigarette buyers
    - Male; Percentage...

- Female; Percentage.....
  - iv) Educational quality of minor customers
    - Illiterate; Percentage.....
    - Primary (One to Five); Percentage.....
    - Secondary (Six to HSC); Percentage.....
    - Higher (HSC+); Percentage.....
  - v) Family Background of the minor customers
    - Homeless; Percentage.....
    - Poor; Percentage.....
    - Middle Class; Percentage.....
    - Upper Middle Class; Percentage.....
    - Rich; Percentage.....
  - vi) Who company the minor customers i.e. peer effects
    - Come Alone; Percentage.....
    - Come with peers; Percentage.....
- 02(b)** If **NO** why?
- Minors will be addicted
  - It encourages other minors
  - Smoking is harmful
  - Others:.....
  - It hampers study
  - I don't want minors to smoke
  - It degrades morality
- 03** Do you think selling cigarettes to minors is ethical?  
○ Yes; why?..... ○ No; why?.....
- 04** Do you encourage minors to buy cigarettes?  
○ Yes; why?..... ○ No; why?.....
- 05** Does the sales decrease significantly if you don't sell cigarettes to minors?  
○ Yes; why?..... ○ No; why?.....
- 06** With the available opportunity of other business having equal turnover, will you switch?  
○ Yes; why?..... ○ No; why?.....
- 07** Are the existing laws enough to discourage or stop smoking especially for minors?  
○ Yes; why?..... ○ No; why?.....
- 08** What new initiative do you suggest in this regard? .....

*Thank you very much for your co-operation!*

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