Movie Moguls: British American Tobacco’s covert strategy to promote cigarettes in Eastern Europe†

Eric M. LeGresley1, Monique E. Muggli2, Richard D. Hurt3

Background: Though the cigarette companies have long publicly denied paying for product placement in films, the documentary evidence from the 1950s-1980s overwhelmingly suggests otherwise. Methods: Approximately 800,000 pages of previously secret internal corporate British American Tobacco Company documents were reviewed at the Minnesota Tobacco Document Depository from March 2003 through May 2005. Documents were also searched online at the various tobacco document collections between February 2004 and November 2004. Results: A small collection of internal corporate documents from British American Tobacco show that in the late 1990s the company evaluated investing in a movie destined for Eastern Europe. By being an investor, BAT could influence the alteration of the movie script to promote BAT’s brands, thus providing marketing opportunities without a clear violation of movie product placement restrictions. Conclusion: Future protocols to the WHO Framework Convention on Tobacco Control should seek to curtail more than just payment for tobacco product placement. More restrictive provisions will be needed to hinder creative strategies by the tobacco industry to continue tobacco promotion and trademark diversification through movies.

Keywords: British American Tobacco, smoking in movies, tobacco industry

Methods

The two major tobacco industry document depositories located near Guildford, UK, and in MN, USA, have been previously described.1-4 In accordance with the 1998 Minnesota tobacco litigation settlement, ~800,000 pages of British American Tobacco (BAT) documents dating mostly from 1996 to 2002, produced in United States v. Philip Morris et al., were deposited in MN, USA, during 2003–2005.5 Approximately 360 boxes (2400 pages/box) were reviewed, page by page, from March 2003 through May 2005. Documents were also searched online at the various tobacco document collections6,7 between February 2004 and November 2004. Searches included (i) the term ‘film/s’ being within the same paragraph as the term ‘market/ing’ and/or ‘brand’; (ii) London International Development Corporation and LIDC; (iii) Patrick Newman; (iv) Indian Poker; (v) Aquarius; and (vi) the term ‘film/s’ within the same paragraph as the term ‘Eastern Europe/eas’. Approximately 10 documents were identified in or near the document file entitled ‘Sponsorship Excluding F1 [Formula One Racing]’.

Limitations

Although the publicly available tobacco documents reviewed for this article represent an invaluable resource, there are several limitations to this work. First, despite extensive online searches of the documents produced by the various tobacco companies in the US litigation, no other investments by BAT in film production were identified and no comparable activity by other tobacco companies was uncovered. The absence of documentary evidence of comparable activity elsewhere by BAT or its competitors could indicate either that none transpired or, alternatively, that no documentary record of such activity was created or remains. The latter possibility has to be considered in light of the documented actions by members of the tobacco industry to conceal information.8,9 Second, since the lawsuit from which they were produced was based on the United States market, these publicly available documents likely do not represent a complete set of correspondences and reports relating to Eastern Europe. Third, although the 10 documents we report here are picked from hundreds of thousands of pages, we assert that this does not invalidate our findings. In order for our findings to be invalidated, other documents would have to directly contradict what we report here. We did not find such documents. Additionally, the isolated communications cited here involve high ranking executives within BAT, who would have the task of developing overarching marketing schemes and who would have the apparent authority to authorize any proposed marketing plans. Finally, personal contact was made with a central figure in the relevant documents, Mr Patrick Newman. Mr Newman answered a few initial questions about BAT’s involvement prior to ceasing to respond to further questions or requests for additional information.

Smoking in the movies

Promotion of smoking through the movies began when tobacco companies quietly paid Hollywood producers and/or film stars to have cigarette brands appear prominently in films.10 Though the cigarette companies have long publicly denied paying for product placement in films, including to the US Congress in the late 1980s,11 the documentary evidence from the 1950s to 1980s overwhelmingly suggests otherwise.12,13 Many European countries and the United States have prohibitions on paid tobacco product placement in film, either through legislation or voluntary agreements with the cigarette manufacturers.14,15 Despite these prohibitions and the tobacco industry’s own 2001 international marketing code limiting movie promotions,16 smoking scenes in recent Hollywood
films have increased to match those seen in 1950, when American smoking prevalence was twice that of today. Moreover, cigarette brand appearances are as common in films directed at children as they are for films geared for adults.

**Working behind the scenes**

Despite regulatory efforts to eliminate product placement in movies, could cigarette manufacturers have devised a scheme enabling them to deny paying product placement fees yet ensure that their cigarettes are prominently featured in a specific film? Yes. The solution: become an investor in the movie business. Certain BAT documents show that in the late 1990s BAT considered funding the production of a film. The available documents, however, end prior to BAT’s final decision, so it is uncertain whether the film ultimately was made and if so, whether it was with BAT’s participation. According to the film’s producer, the movie was never released and a written request for details of why the film was not released was unanswered by the producer (Personal Communication. Email from Eric LeGresley to Patrick Newman, LIDC. 25 February 2005).

Nevertheless, the movie plan was an excellent fit for BAT’s agenda for expanding into Eastern Europe. Following the political collapse of the Eastern Bloc, BAT, along with the other transnational tobacco companies moved expeditiously into these newly available markets. It was a crucial time both for governments throughout Eastern Europe and for the cigarette manufacturers. Most socio-economic indicators in Eastern Europe were well below their Western European neighbours, and effective tobacco control was only just emerging.

The ending of the cold war and the opening up of Eastern Europe perhaps offered the best political opportunity in a couple of generations to improve the public health situation in the region. However, at the same time governments needed to obtain foreign direct investment, making investment by the tobacco companies attractive. A significant challenge to entering this emerging market, however, was occurring due to a growing international movement to restrict direct tobacco advertising in print and electronic media. Therefore, other promotional options would have to be developed to fuel expansion into the Eastern European market.

BAT documents from 1996 show an interest in using movies for tobacco promotion in several Eastern European countries. For example, a tobacco executive suggested that movies in Hungary could reach a young urban market segment, to which BAT’s marketing director, Jimmi Rembiszewski, responded positively for the promotion of BAT’s Kent brand. About the same time BAT also considered using movies as the medium in Romania to launch its Lucky Strike brand in that market.

Consistent with the identified opportunity that movies offered for cigarette brand promotion in 1997 and 1998, BAT evaluated becoming an investor in a film then bearing the working title ‘Aquarius’, later called ‘Indian Poker’. Patrick Newman, the UK-based founder of the London International Development Corporation, was the film’s producer. The film’s development and production, like many films, was transnational in nature: despite being filmed primarily in Britain, the film’s setting would be in Eastern Europe. So, too, would be the key distribution and promotional campaigns.

In return for providing the money to make the film, BAT would not only share in the profits and receive a reduction of British taxes, but also receive cigarette marketing opportunities:

The plan is for BAT to guarantee the film’s budget of £2.25 million. In return BAT will receive... a range of media and marketing opportunities in 28 target territories in Eastern Europe and former USSR... The film’s producer also reported that 85% of the anticipated audience would be ‘young adults’ and that BAT would have ‘exclusive rights to position its chosen [cigarette] brand in association with every aspect of the movie exploitation’, including launch parties, etc., which were expected to be aired on television. The number of showings of the film was calculated as over 52 000, with each showing including a BAT sponsorship message in addition to the movie. Even the admission tickets were to bear a BAT brand name and logo.

But the visible association of BAT cigarettes with the film was not to be limited to post-production activities. BAT cigarettes and brand imagery were to be imbedded in the film itself. Making the initial formal contact with BAT, Patrick Newman writes to BAT’s finance director, Keith Dunt, describing the proposed film:

[The movie] is a film noir/classic action adventure movie in which the heroine smokes; it would be very much in her character to smoke Lucky Strike.

Stating the obvious, Newman continues:

If we were to secure product placement of the Lucky Strike (sic) or other suitable BAT brand in the film, this would be of significant international benefit to BAT...

The initial reaction by BAT, written by Keith Dunt as marginalia on Patrick Newman’s letter, was entirely positive stating: ‘This is what we were looking for.’ Others inside BAT, though conditionally supportive of de facto product placement within films through investment, apparently wanted a more nuanced approach: One copy of the 7 August 1997 Newman letter to Dunt contains unsigned marginalia stating that BAT’s marketing director, Jimmi Rembiszewski (JR), wants to proceed discretely with product placement (PP) when the company undertakes tobacco trademark diversification (TMD) through the financing of a motion picture:

Worldwide – JR said NO to PP Back a film to get a) income (i.e. TMD) b) promo rights for TM c) promo rights for brands where legally acceptable BUT make the PP element ‘incidental and discrete’! Involves JR, he’s the one who will have to stand in court & swear no [one] paid for PP. [Emphasis in original]

Rembiszewski’s ‘discrete’ strategy for using movies to promote cigarettes is an astute move: make an independent case for profitability flowing from the use of the trademark (as opposed to the product), and do not saturate the film with your product imagery, something that will just draw unwanted attention. This would place BAT’s cigarette brand imagery onto screens seen by millions of young people yet would do so in a manner that would, in all likelihood, help the company deflect criticism. In this manner, BAT would at least have a tenable public relations response should their participation come under public scrutiny. It would also narrowly put BAT’s actions just within the letter of their promise, stated on the company’s website launch in 2001 with an introduction by Rembiszewski himself, that ‘No payment shall be made for the placement of advertising or tobacco product in any film produced for viewing by the general public.’

**Coming soon to a theatre near you?**

The strategy BAT considered, of becoming an investor in the movie business follows the industry’s decades-long effort to circumvent meaningful regulation. As a result, BAT was...
posed to deliver more of the same to the movie-going public in selected markets: glamorous stars puffing away. That any communications inside BAT exist as of 1998 attesting to this strategy shows that the cigarette companies cannot be relied upon to follow their own voluntary codes designed to regulate cigarette promotion in the movies.

Any effective response to the promotional impact of smoking in movies needs to protect impressionable youth from movies depicting smoking. Limiting access of young age groups to sex and violence in film is a longstanding Hollywood practice. The simple and effective national solution, one supported by numerous health groups, is to give a ‘Restricted’ rating to movies with cigarette smoking, thereby limiting admission to moviegoers of 18 years and older.23 This would leave tobacco companies free to invest in movies, but not to invest in children.

**Lessons for the international regulation of movies**

Desirable as national approaches are to reducing tobacco promotion through the movies, in isolation, they will be insufficient. The motion picture business is international in production and transnational in distribution as satellites and other broadcast media deliver an increasing amount of movie content to viewers. As BAT’s proposed *Indian Poker* film project demonstrates, in order to be truly effective, international measures will be necessary. For example, additional promotional opportunities for BAT included both a television documentary about the making of the film and the potential to broadcast the film on television once the theatre release was over.34 Those television broadcasts would, of course, cross national borders into neighbouring countries leaving it beyond the domestic regulatory reach of individual countries. Moreover, the BAT project planned to have a British financier, British producer, and a British location film shoot. Although produced for Eastern European audiences, it is not readily apparent how an Eastern European country in isolation could adequately safeguard against precisely the manner of tobacco promotion BAT was considering.

The World Health Organization has assigned the promotion of smoking in movies a high priority by designating ‘tobacco free film’ as the subject of World No Tobacco Day 2003.35 Thus, there has been an expectation that the WHO-sponsored Framework Convention for Tobacco Control (FCTC)36 would deal with the problem. The FCTC is in its early stages, with protocols (ancillary agreements that set out detailed obligations consistent with and in addition to those in the central framework treaty) currently under discussion. Existing language regarding tobacco advertising bans in the current FCTC are adequately broad to permit future protocols to prohibit tobacco promotion through the movies, including the sort of ruse BAT was considering for Eastern Europe. To do so, however, any FCTC protocol relating to tobacco promotion in movies will require astute legal drafting.

Although both an industry-wide 2001 international marketing code11 and the 1998 Master Settlement Agreement between the tobacco industry and the majority of the US states12 bar cigarette advertising in movies, BAT documents show that the company could nevertheless find creative ways around these restrictions. If carried out by the tobacco companies, such actions suggest that FCTC protocols should not only consider the tobacco industry’s current means of cigarette promotion through movie product placement, but also future scenarios of the industry’s evolving marketing and promotional innovations to use movies to attract young consumers. This requires a change in approach: FCTC protocols should focus primarily on the effects of industry action rather than the precise manner of industry action.

For legal drafting of the FCTC protocols, this can be most readily achieved by setting out what is permitted rather than what is prohibited, thereby reducing opportunities for the cigarette companies to devise new means to subvert the regulatory intent. Taking this approach is especially important in an international context. With domestic legislation, a country might ban action ‘A’, leading the tobacco company to undertake action ‘B’ with the same result. The legislature may then revisit the issue and also ban ‘B’. Internationally this approach will be vastly more problematic. For every evasive tact taken but not previously prohibited, the parties to the FCTC protocol would have to get together to amend the international treaty, and then implement that change in their respective domestic laws. This would likely lead to inaction and ineffectuality. In the realm of international tobacco control, where new ground is currently being covered through the FCTC, adopting new approaches is warranted.

**Acknowledgement**

This work was supported by NIH grant R01 CA90791: Tobacco Industry Documents on ETS—The Next Front.

**Key points**

- Internal corporate documents from British American Tobacco (BAT) show that the company evaluated investing in a movie destined for Eastern Europe in the late 1990s.
- As an investor, BAT’s brands could be effectively promoted without violating movie product placement restrictions.
- FCTC protocols should set out what is permitted rather than what is prohibited in the area of tobacco and movie, thereby reducing opportunities for the cigarette companies to devise new means to subvert the regulatory intent.

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Organizations supporting this approach include, inter alia, the World Heart Organization, the American Medical Association, the American Heart Association, and the American Lung Association. Available at: http://www.smokefreemovies.ucsf.edu/solution/index.html. Last accessed December 2004.


Received 30 March 2005, accepted 31 January 2006