

Since the ban on smoking in public places was introduced in England a year ago, cigarette sales have dropped 6% according to new figures released this week by market research company Nielsen.

In total, smokers bought 2.1 billion fewer cigarettes in Britain in the 10 months from July last year to April 2008 than they did for the same period in 2006/07. 92% (1.93 billion cigarettes) of this decline was driven by sales in England and Wales with a further 220 million fewer sticks bought in Scotland, where the ban was introduced a year earlier.

Jake Shepherd, Marketing Director at Nielsen commented, "In addition to the smoking ban, cigarette sales have been hit by new legislation which outlaws the sale of tobacco to under-18's which came into effect in October 2007 and increasing duty on tobacco which is pricing cash strapped smokers out of the market. Nielsen expects that the full year sales decline will amount to some 2.6 billion cigarettes fewer than was sold in the year before the smoking ban was introduced."

Sales of beers and spirits have also suffered. In the 9 months from July 2007 to March 2008 volume sales of alcohol fell 8% year on year in the On trade in England & Wales. Before the ban sales were falling at a steady 3% year on year. The wet summer of 2007 has added to the downturn but Nielsen analysts estimate that just under half of the 8% decline can be attributed to the smoking ban. Data from a Nielsen survey polled before the ban came into effect showed that 60% of people thought they would be more likely to visit a pub once it was non-smoking, but when this survey was re-polled several

months after the ban had been in place, only 45% said they would be more likely to visit now pubs were non-smoking. In fact, 44% of people said they visit licensed premises less often than they did before the ban was in place.

Shepherd continued, "Nielsen estimates that around 175 million fewer pints have been drunk in the last year in England and Wales as a direct result of the smoking ban. The winter months were particularly bad – sales fell 9.3% through November to January when smokers would have been reluctant to stand outside in the cold to have a cigarette."

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Jake Shepherd, Director of Marketing and Communication, Nielsen UK

Sales of wine however, have not been as badly hit. Sales here have gone from -2% before the ban to -4% since the ban. Shepherd added, "Wine has held up somewhat better than other drinks, probably benefiting from the increasing importance of food and women to the On trade. In Scotland we have seen the sales of both tobacco and alcohol (out of home) stabilise during the second year of the ban being in force so we do not expect these decline rates to continue in the long term.

Investment into outdoor smoking areas has been considerable and most consumers have now adapted to the change."

There was a big push to encourage smokers to quit over 2007. Nielsen Media tracked advertising spend from manufacturers of smoking cessation products such as nicotine patches or gum - £18 million was spent on advertising this type of product in 2007, with £6 million of this focused around the time the smoking ban was introduced in England. The government, also, ploughed investment into anti-smoking strategies with over £6million being spent on quitting advice and health service advertising.

*Notes: Scotland Smoking Ban introduced 26th March 2006, Wales Smoking Ban introduced in 2nd April 2007, England Smoking Ban introduced in 1st July 2007*

*Tobacco data is sourced from Nielsen's Market Track Tobacco service which monitors the sales of tobacco from Grocery Multiples, Co-ops, Multiple Forecourts, Off Licenses, Symbol groups and Independents. On trade data sourced from Nielsen's On Trade Audit which monitors the sales of alcohol from a nationwide network of Pubs, Clubs, Bars, Restaurants, Hotels and other premises which hold a license for the sale of alcohol for on-premise consumption. Data represents sales in 130,000 On trade outlets nationwide. Advertising data sourced from Nielsen Media. Survey data sourced from a Nielsen Homescan Panel Survey which questioned over 5,000 respondents about drinking and lifestyle habits, survey polled in June and October 2007.*