



California STORE Campaign

**FORMATIVE RESEARCH
QUALITATIVE MANAGEMENT SUMMARY
FOR**

**The Public Health Institute
&
The California Medical
Association Foundation**

CONFIDENTIAL

**PREPARED BY:
COOPER ROBERTS RESEARCH, INC.
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PREFACE

This report presents the findings of a qualitative study designed to provide guidance to the Public Health Institute (PHI) and California Medical Association Foundation (CMAF) teams to develop strategies for a statewide campaign to reduce pro-tobacco messages and illegal sales to minors in the retail environment. The campaign is sponsored by the Tobacco Control Section of the California Department of Health Services. This project was made possible by funds received under Grant Numbers 99-85069 and 00-90381 with the California Department of Health Services, Tobacco Control Section.

The study is qualitative in nature and this report represents the interpretation of the researcher based upon discussions comprised of a total of 63 respondents in 11 focus groups across various market segments in California. The findings are intended for directional guidance and understanding. While we hope the respondents expressed views that are representative of the population addressed in the research, the opinions and attitudes are not statistically projectable.

Ellen Feighery and Christine Fenlon provided background information and day-to-day direction to Cooper Roberts Research, Inc. All groups, except those among Chinese retailers, were conducted and analyzed by Patricia Vaughan Jones of Cooper Roberts Research. Sophie Lin moderated the Chinese retailer groups.

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INTRODUCTION

BACKGROUND/OBJECTIVES

The Public Health Institute (PHI) and the California Medical Association Foundation (CMAF) are members of a workgroup convened by the Tobacco Control Section of the California Department of Health Services to develop a statewide campaign to reduce pro-tobacco messages and illegal sales of tobacco to minors in retail outlets throughout the State of California. The purposes of this research were to learn about the retail environment with regard to tobacco advertising and sales and to discover retailers' receptivity to modify their store policies and practices to achieve the campaign goals.

Specific objectives of the study included:

- Understand current store policies and clerk training regarding tobacco sales;
- Identify current problems retailers face concerning tobacco sales to minors;
- Explore methods to help retailers avoid tobacco sales to minors;
- Examine the role tobacco sales play in the retail environment;
- Identify the types of promotions, advertising and product placement that is most effective in retail outlets;
- Understand provisions of contractual agreements between tobacco companies and retailers;
- Determine how much knowledge of and involvement with the tobacco manufacturers' contracts exists at the chain store management level;
- Explore various concepts, such as, requiring a tobacco license for retail stores, instituting governmental regulation of tobacco prices and introducing health-related and illegal tobacco sales warning counter-top advertising inside retail outlets; and
- Confirm retailers' awareness and knowledge of current tobacco laws effecting the retail environment.

METHODOLOGY

Eleven mini-focus groups were conducted among retailers and clerks throughout the State of California (San Francisco, Sacramento, Fresno and Santa Monica). The sponsor of the research was not identified. The length of each focus group was about two hours long and was, on average, comprised of six respondents. Respondents were paid honorariums ranging from \$75 for clerks to \$150 for storeowners and managers for their participation in the research.

The screening questionnaire, discussion guides, proposed health messages and respondent profiles can be found in the Appendix to the report.

RESPONDENT QUALIFICATIONS

All respondents were qualified as follows:

- Have at least one year retail experience in the current store;
- Store sells cigarettes and/or tobacco (no volume requirements);
- Store has in-store advertising for tobacco products;
- Are knowledgeable about the tobacco products in the store

The different types of groups recruited include:

- Eight groups of owners and/or managers from independent or independent-franchise stores, such as corner groceries, convenience mini-marts (with and without gas) and liquor stores. These respondents are responsible for negotiating agreements with vendors, sales representatives, distributors and wholesalers for the purchase of tobacco products.
 - Six of these groups were conducted among respondents without any ethnic background requirement (two groups each in San Francisco, Sacramento and Fresno). See respondent profiles for actual ethnic breakdowns.
 - Two of these groups were conducted in San Francisco among English-speaking respondents of Chinese descent.
- One group of store managers from retail supermarket or grocery supply chains in the Los Angeles area.
- Two groups of clerks from chain and independent stores in the Los Angeles area. Almost all of these clerks are not related to the owner of the store where they work.

GROUP DISCUSSION TOPICS

Issues regarding 'sales to minors' were discussed in seven groups (four among independent managers/owners, two among clerks and one among chain store managers). 'Point-of-sale' Advertising issues were discussed in five of the groups (four among independent managers/owners and one among chain store managers).

	Sales to Minors	Point-of-Sale Advertising
Owners/Mangers of Independent Stores		
San Francisco (mix of ethnic backgrounds)	1	1
San Francisco (Chinese)	1	1
Sacramento	1	1
Fresno	1	1
Clerks		
Los Angeles	2	
Chain Store Managers		
Los Angeles (both topics discussed in group)	.5	.5

DIFFERENCES IN RESPONSES OF RESPONDENTS

The few differences in attitude noted in this report are driven primarily by the type of store (independent vs. franchise vs. chain) and the volume of tobacco sales rather than from the various geographic localities and ethnic backgrounds involved in the study.

EXECUTIVE SUMMARY

SALES TO MINORS

Attitudes about Potential Illegal Tobacco Sales

Worries about potential illegal sales to minors appear to be more of an issue for owners of small independent stores than it is for chain store managers or clerks.

- ◆ Independent storeowners are concerned that their businesses will be fined and that they may potentially lose the 'right' to sell tobacco products.
- ◆ The chain stores and their clerks appear to feel fairly confident that due to their tobacco training programs and their cash register scanners, they are less likely to make an illegal tobacco sale.
- ◆ Clerks, however, are concerned that they could lose their job if they make an illegal tobacco sale. Those that risk losing their job on the first offense feel this consequence is too harsh for making a mistake.

While Independent retailers genuinely want to make sure their tobacco sales are legal, they feel very strongly that the burden to prevent illegal sales to minors and the consequences of such sales are unfairly their responsibility.

- ◆ Retailers say that the underage youth who try to purchase tobacco products are intentionally breaking the law and should be punished accordingly.
- ◆ Retailers say that various factors that are out of their control, such as fake IDs, could result in a mistaken illegal sale to a minor.

Problems Faced by Retailers Regarding Tobacco Sales

Retailers are somewhat in agreement about the types of problems they face during the course of selling tobacco products. These include:

- ◆ Customers who use unfamiliar identification, such as, out-of state licenses, passports or military IDs make their jobs harder. They have to spend more time searching for the birth date or it is harder to tell if the identification is legitimate.
 - States, such as California, which have instituted the blue or red line to determine the correct age for tobacco and liquor sales make their jobs easier to check identification.
 - Retailers and clerks say that they cannot be expected to be experts at judging whether or not an ID is fake.
- ◆ Almost all retailers have experienced verbal abuse because they asked for identification or refused to sell tobacco to suspected minors. A few retailers mention that the

aggressive behavior sometimes becomes physical, such as; the customer throws or kicks things in the store.

- ◆ Some customers get offended when they are asked to show identification, even if they are of legal age.
- ◆ Customers claim they do not have their identification with them.
- ◆ Retailers mention that the underage customers sometimes ask adults to purchase tobacco for them. This puts the retailer in an awkward position of accusing adult customers of buying for the minor.

Clerk Training

The clerk training for tobacco sales varies from informal verbal instructions at independent stores to it being a component of a more formal three to five day overall training for cashiers at chain stores.

- ◆ Typically, retailers go over the rules about checking for identification for tobacco sales, explain the consequences for the clerk if an illegal sale is made and many require clerks to sign a document indicating that they understand the rules and consequences.
- ◆ Among the chain and franchise stores, many incorporate instructional videos into their tobacco-training regime. These videos may show a sting operation and how to check for identification. A few independent stores mention showing a 'We Card' training video to their clerks.
- ◆ Some independent retailers send their clerks to the LEAD training provided by ABC, for training on how to recognize fake identification.

The 'rules' about when to card an individual buying tobacco products vary across all types of retail outlets. While for many, it is store policy to ask for identification if the customer appears to be 25 or 27 years or younger, other stores may card anyone who looks to be under 35 years of age.

Most retailers provide some sort of paper or electronic calendar to aid clerks in determining the correct birth date for legal tobacco sales.

How to Prevent Sales to Minors

Most retailers feel that the most important message to convey to their clerks to prevent sales to minors is that the clerk will be fined and/or fired for doing so. However, others feel that using positive reinforcement, such as, paying a bonus for doing a good job or receiving recognition from authorities, is the best approach for gaining the clerk's cooperation in this matter.

- ◆ Storeowners, managers and clerks all agree that recognizing the clerk for 'passing' a sting operation would serve as a positive reinforcement to clerks, as well as, a warning that stings can occur in their stores.

All chain stores and most independently owned franchise stores use cash register scanners as a tool in preventing sales to minors. These scanners prompt a clerk to ask for ID or require that a birth date be entered into the system, which is an effective tool for retailers in ensuring that customers are screened when purchasing tobacco products.

- ◆ While most ‘mom and pop’ independent stores do not have scanners, presumably due to the cost, they recognize that they would be useful for them too.

Storeowners, managers and clerks all agree that recognizing the clerk for ‘passing’ a sting operation would serve as a positive reinforcement to clerks, as well as, a warning that stings can occur in their stores.

Almost all owners and managers feel that inserting messages about tobacco sales into paycheck envelopes would not be an effective way to prevent sales to minors. Clerks say that rotating various messages in the break room would be more effective than paycheck messages.

Reaction to Health Messages

Most retailers and clerks feel that posting health-related signage inside stores will not deter minors from trying to purchase tobacco products.

- ◆ Most respondents feel that the underage person has already decided to smoke before he enters their store.
- ◆ Retailers say that it is not their responsibility, nor is their store the appropriate place to educate customers about the dangers of smoking. They feel this responsibility and education should come from the family and the school system.
- ◆ Retailers worry that the health-oriented signage may conflict with their contracts with the tobacco manufacturers and/or offend their adult customers.

When clerks are asked, they agree that messages about the fines and consequences for clerks would be the most effective messages for clerks. They feel that health-related messages would not have much of an impact on clerks’ attitudes about sales to minors. On the other hand, they feel that the messages with shocking statistics might help change minors’ attitudes about smoking.

Several retailers suggest that an advertising campaign should be developed using teen idols, such as rap groups or Brittany Spears, as spokespersons for anti-tobacco or healthful messages. They say if the idols say and act as if it is not cool to smoke, it could be a deterrent to teens wanting to smoke.

Tobacco License

Two distinct opinions are given on tobacco licenses. Most chain managers say that requiring a tobacco license may help reduce the sale of tobacco to minors and that its purchase would simply be part of the cost of doing business. Many independent storeowners and managers, however, feel any additional license fees are too much. Once a fee of \$100 is mentioned, most

of the small independents feel that is not a great sum and that it may be an effective tool in reducing illegal sales to minors.

- ◆ A few independent store owners say they would be more enthusiastic if the money would be used in a productive manner, such as, educating youth about the dangers of smoking or arresting youth who try to purchase tobacco.
- ◆ If the license *must* be purchased, most retailers support a flat fee for the license rather than one that is volume-based.

Tobacco Laws

While most independent retailers receive information on new tobacco laws from the tobacco company representatives a few indicate getting information from the State. Chain stores receive their information from their corporate headquarters.

Most retailers are not familiar with either the name of or the exact requirements for most of the laws or local ordinances that effect tobacco sales in their stores.

Community

Almost all retailers feel their store plays an important role in the community, whether it is the source of items purchased regularly or in an emergency. Many of the stores, in the study, are in neighborhoods where they have repeat customers who they know.

Several retailers have had customers or church groups ask them to change the display of products in their stores that they found offensive. Several storeowners say they either removed or hid adult publications from the view of children in their stores. One chain removed large beer displays from the front windows in response to the community's concern about its impact on the neighborhood children.

While retailers say they will listen to concerns or complaints from community groups, their first priority is running their business for a profit. They are open to discussing valid concerns, particularly, if the customers asking for changes are those who patronize their business regularly. If the request will cause them to lose money or customers, they are less likely to be responsive to the request.

As far as being asked to restrict tobacco ads or to replace them with health messages in the store, retailers (particularly independent storeowners or managers) are less receptive. While many retailers do not appreciate others telling them how to run their business, others feel that it may interfere with their tobacco contracts and/or offend customers who smoke. Retailers tend to react more favorably to the type of 'health' message that offers help for those that want it, such as, an 800 number for those who want to quit smoking.

POINT-OF-SALE ADVERTISING

Tobacco Sales

Tobacco sales play an important role in the bottom line of most independent and franchise stores because of the proportion of sales they represent and because of the foot traffic they generate for additional sales of other items in the store.

- ◆ For some franchise convenience stores, tobacco products represent as much as 50% to 60% of their total sales. On average, this percentage falls somewhere between 20% and 30%. This percentage, however, can be as low as 5% for small corner grocery stores in urban markets.
- ◆ Cigarettes, which are low profit margin products, act as a 'loss leader' product to help sell high profit margin items.
- ◆ Tobacco customers generate more sales for independent stores than non-tobacco customers because they come to the store frequently and purchase other items while in the store.

While cigarette sales represent a much smaller proportion of total sales for grocery chain stores (2%, on average), the average volume of sales is much greater than that of independent stores (600+ cartons vs. 200 cartons, respectively).

In-store Advertising

Beer, soda and chips are the most heavily advertised products inside stores across all markets and store types. Cigarettes and liquor round out this top tier of advertised products in the independent stores, but not the chain stores.

- ◆ In-store advertising increases sales of the product advertised and sales of related products or items in close proximity to the sale item.
- ◆ Advertising that is closest to the front counter makes the biggest impact on sales.
- ◆ Advertising that notes a sale price is the most effective.

Tobacco companies appear to be making an effort to remove branded functional items, such as clocks or penny trays from stores. They have directed stores to remove them and they no longer give the items to stores. Presumably because they have not been directed to remove them, some stores still have the items.

Tobacco Promotions

Price reductions (sales) and multi-pack discounts, such as 'buy two and get one free', are the most prevalent and effective promotions offered for cigarettes. Any one promotion lasts about one to three months and there is usually some cigarette product 'on promotion.' Almost all

sales and promotions are instigated by the tobacco companies because merchants cannot afford to put these low profit items on sale.

- ◆ The price reduction is almost always due to a buydown for which the retailer is reimbursed for the amount of the discount per pack after the sale ends.
 - Typically, tobacco companies review the purchase invoices at the store against the product sold to determine the amount of the reimbursement for the buydown. Several retailers, however, mention that in some cases the distributor provides the store's purchase information directly to the tobacco company. This practice bypasses the need to check the store's invoices and potentially shifts more 'control' from the retailer to the tobacco manufacturer.
 - Chain managers are not aware of tobacco buydowns. Several of these managers, however, are aware of a similar strategy used by beverage companies that reimburse them using 'backstage' money.

Product Advertising and Placement

In independent stores, the tobacco product itself has become the primary advertising for the brand.

Because of various regulations limiting store signage and counter-top displays, the placement and percentage of the product on the shelving behind the counter has become the focus of competitors vying for the prime position in the store.

- ◆ The highest bidder among tobacco companies will win the right to put their products in the 'first' or most visible position in the store. In most stores, this position is on the top or 'eye level' shelf. In most independent stores, this shelving is behind the front counter; in chain supermarkets, the shelving is in a clear cabinet at the front of the store that is accessible to all the clerks.
- ◆ Some independent retailers still have counter-top cigarette displays or small racks, but they are not self-serve.
 - All retailers agree that the removal of self-serve displays has been a very positive change for them because it eliminates almost all theft of cigarettes.

Retailers have mixed reactions about being 'asked' by the tobacco companies to put products and signs in specific places in the stores. While the pragmatic storeowners look forward to the tobacco company paying them for each 'request' that it makes, other storeowners find it annoying and intrusive. There is general agreement that the retailer can usually negotiate with a tobacco company representative about where marketing materials should be placed inside the store.

Contracts

There are many types and levels of contracts offered by tobacco companies.

- ◆ The all-encompassing contract attempts to control as much of the store space and as many promotions as it can.

- This type of contract specifies the total percentage of merchandise displayed for the contracting tobacco manufacturer's brands, which brands will be sold, where the brands should be placed in the store and the amount of money offered for racks, displays, buydowns and other promotions.
 - The retailer would most likely be required to carry the whole line of products from the contracting tobacco company, even the poor selling brands.
 - This type of contract would be based upon the volume of tobacco sold at the store. That is, retailers with greater cigarette sales volume are offered a higher category contract. The higher the category, the more money the retailer receives for each component of the contract.
 - Philip Morris or R.J. Reynolds offer this type of contract more often than other smaller tobacco companies.
- ◆ The exclusive contract is a more 'stringent' type of the all-encompassing contract and stores receive larger payments for the various components than if they were non-exclusive.
 - In this type of contract, the tobacco company provides the rack and shelving. Only their product is displayed on it or that company's products occupy the 'first' position on the rack or shelving.
 - The percentage of space allocated or the number of facings required depends upon the market share held by that brand in the area.
 - No signage or promotions for other brands are allowed during the special promotion period, which is usually 30 days.
 - ◆ Tobacco companies also offer 'less involved' contracts for individual buydowns or special promotions that are not necessarily tied with the all-encompassing volume-based contracts. The smaller players, Brown / Williamson and Lorillard, are more likely to offer the retailers multi-pack discount promotions, such as the 'buy two packs and get one pack' displays. The Newport coupons on individual packs are also offered and they do not require a contract.
 - ◆ For either type of contract, the tobacco company would most likely give the retailer temporary displays and signs to post for items on sale or promotion. Displays can also be provided even if there is no sale. Either way, the retailer is paid for using the display. Some retailers refer to this as a monthly payment.

While chain managers are aware that contracts or 'deals' are struck between the tobacco companies and their corporate headquarters, they are not aware of the terms negotiated. They receive instructions about pricing, promotions and product placement from their corporate offices.

Governmental Regulation of Tobacco Prices

Except for independent neighborhood stores in San Francisco, most independent storeowners and managers are opposed to the idea of the government setting the price of tobacco products.

- ◆ Owners of smaller stores recognize that governmental control of pricing could be an advantage to them over the larger high volume stores or chains.
- ◆ The high volume stores, however, feel that it would unfairly take away the competitive advantage they have worked to build for their business.
- ◆ Most storeowners are resistant to the idea simply because they do not want to be told the price at which they must sell products in their stores.

Chain store managers do not feel that governmental control over the price of cigarettes will impact their business a great deal.

Removing Counter Displays and Advertising

Retailers are reluctant to remove any items, such as, displays or pricing advertising, which are often part of their contracts with the tobacco companies and they may be paid to display them. In addition, these items help increase their sales of all items, not just tobacco.

- ◆ While retailers want to be responsive to their community, they must make sure that the request will not hurt their business or offend other customers.

Most retailers say they do not currently have tobacco advertising below three feet in their stores or near products, such as candy, that children purchase. Those who have signs in this type of area say they would be willing to move them to another location.

DETAILED FINDINGS

I. SALES TO MINORS

Independent Retailers in San Francisco, Sacramento and Fresno

Problems Faced by Retailers Regarding Tobacco Sales

Overall, many of the problems Independent storeowners and managers face with selling tobacco to minors are similar to those faced by chain managers. However, the problems are more top of mind for the independent retailers.

“It’s the hardest part of running a business.” (San Francisco)

“I worry about it in California with the ‘three strikes and you’re out.’ It’s important in my business.” (San Francisco)

A few problems independent retailers mention include:

- Some customers show aggressive or unpleasant behavior toward clerks.

“Sometimes they use the f-word and make racial remarks or throw things down on the floor (if you tell youth you won’t sell cigarettes to them).” (Sacramento)

“They get mad at the clerk if they don’t have their ID with them. Sometimes they’re rude to you – or kick the door.” (Fresno)

“I had a clerk get beaten up because he wouldn’t sell to a customer.” (Fresno)

- Some customers are offended when they are asked for identification.

“They get offended if you’ve just checked them the day before and then ask again.” (Fresno)

- Out-of-state licenses, military IDs and passports are harder to verify that they are not fake than are California IDs. Only a few retailers mention having the out-of-state identification book.

“We worry about fake IDs, especially the Navy, Army or out-of-state IDs. It’s hard to find the birth date on them.” (Fresno)

“You can’t control fake IDs.” (Sacramento)

“California has two different driver’s licenses and they’re always changing them. The out-of-state licenses are different and I don’t have a copy of the book with the out-of-state ads.” (San Francisco)

- Several retailers appreciate the ease of use of the California ID due to the red and blue lines that indicate the age of the individual.

“The red line on the ID tells you how many years before the kid is 18 years old. That helps figure it out.” (San Francisco)

*The California ID is easy and fast. It has a blue line to indicate the date.”
(Fresno)*

- A few retailers mention the problem of the customer saying that he does not have his ID with him. Sometimes they will ask someone else to buy cigarettes for them.

“People come in without an ID. They send someone else in to buy for them. If we see that situation, we don’t sell to the second person.” (Sacramento)

“When you say no, they run out and give the money to an adult.” (San Francisco)

- One respondent mentions that as the younger customers’ looks change due to age or a new hairstyle, it makes it hard for the clerk to know for sure that the ID is a good one.

“The problem with the ID is if the picture looks different- he’s getting older, he’s shaved his head or mustache.” (San Francisco)

Clerk Training

For most independent stores, the clerk training is less formal than that of chain stores. The independent franchises, that are part of a chain, appear to offer a few more training materials.

- Many of the retailers simply tell their clerks they must card customers for tobacco and alcohol.

“Every day I tell them to card minors.” (San Francisco)

- A few retailers mention receiving training videos from the franchise chain or from Philip Morris or RJ Reynolds.

“I show them the video, then work with them for 2-3 weeks and show them how to check the ID.” (Fresno)

“Corporate sends the videos, but no other official training.” (Fresno)

- A few retailers mention that they attended ABC seminars or received information from ABC that showed them how to train their clerks.

“I signed up for the ABC-LEAD training about alcohol and tobacco control.” (San Francisco)

“ABC furnishes information on how to train the clerks. There are about 4-5 pages of information.” (San Francisco)

- Some retailers provide materials for their employees to read about various store policies, including tobacco and alcohol issues. Employees are required to sign off that they have read and understand the rules.

“I have a three-page station policy. It goes over everything, including the laws and carding rules.” (Fresno)

“In their orientation, we go over the laws – in simple language and in legalese. It says it’s an affidavit on the bottom. They sign it and we give them a copy.” (Fresno)

- A few retailers from franchise stores say that the corporation sends them quarterly newsletters information about the 'We Card' program and signs.
- One retailer, who has a training background from Arco, puts her clerks through a more thorough training than most of the independent retailers. In addition to the 'We Card' video, she conducts role-plays and uses photographs of different faces to test the clerks to determine which are of legal age and which ones are not.

"I do a two-hour orientation. One hour is on cigarettes. We practice and do role-plays in the group on how to check IDs and how to tell which to check. I use photographs of men, women, kids, those that are thin, heavy, have a mustache to test them. They find out they're not as good as they thought they were in determining which ones are of age." (Sacramento)

Regarding sales to minors training for clerks, the major points covered include:

- The customers must be 18 years old for cigarettes and 21 years old for alcohol.
"It's not rocket science. It's pretty clear- 18 years for cigarettes and 21 for alcohol." (San Francisco)
- Retailers use a variety of age limits for determining when to ask for an ID. Some card anyone who looks to be 25 years or younger, while others use 26 years, 27 years, 30 years or 35 years.
"We card anyone who looks under 35 years of age and we have a sign that says we card anyone under 27 years old. We use that sign if someone gives us a bad time about it." (Sacramento)
"If a customer is new and looks 25 years or younger, I card him." (San Francisco)
"Need to card anyone who looks 26 years or younger." (Fresno)
- Clerks are told about fines they and/or the store would be responsible for and what will happen to them if they sell tobacco to a minor. In many cases, the clerk is told they would be fired if they sell to a minor.
"If they don't follow the rule, they'll be fired." (San Francisco)
- Clerks are told about the State stings.
- One retailer in Sacramento mentions that if he is suspicious about an ID or photo, he asks the customer to sign their name to see if it matches the ID.

Cash Register Scanners

Some of the stores in Fresno and Sacramento use cash register scanners. Most of these stores are independently owned franchises. A few of the scanners are only set for inventory control and a few have a system built in that requires an ID check by the clerk.

- Two respondents in Fresno have the type of scanner that is somewhat proactive. That is, when a tobacco product is first scanned, the machine tells the clerk the correct year,

the clerk must ask to see an ID and then press 'yes' for the birth date or the register will not work.

- Retailers, who use scanners, say that it makes it easier for the clerk. Those who do not have them think it would be a useful tool.

How to Avoid Sales to Minors

Most storeowners and managers feel their first line of defense in avoiding tobacco sales to minors is the clerk in the store. They feel the best way to prevent sales to minors is to penalize the clerk for failure and/or to reward the clerk for success.

- Some retailers feel that the fines should be stiff for the clerks.
"The cashier is the biggest deterrent. They have to have a reason to care. They'd remember a strong penalty like \$1,000." (Sacramento)
"They should increase the fines to the clerk." (Fresno)
"The employee needs to know they will get fined. There should be stiff penalties, including jail." (San Francisco)
"We train our employees not to make a mistake by making them pay for them. If the money comes out of their pocket, it doesn't happen again." (Fresno)
- Other retailers suggest giving clerks positive reinforcement for not selling to minors, whether it is a monetary payment or recognition from law enforcement.
"The clerks get a commission if they don't cash bad checks or sell to a minor." (Fresno)
"I use incentive rewards. When I see a clerk handle a tough situation, I give them a \$10 bonus or free gas." (Sacramento)
"You need to offer some sort of reward to the clerk for not selling to minors – instead of a punishment. But, then who will keep track of it? Who will pay for it? The clerk should get a bonus of \$100 for doing well." (San Francisco)
"The problem is you only know when you make a mistake. When ABC comes by, they send a letter saying that you passed. They tell you the time of day, so you know the clerk. Instead of sending a letter, they should do it on the spot for immediate recognition. Do it for tobacco too." (San Francisco)
"It would be good to advertise who has done a good job - to give positive rather than negative feedback. Around here, you get your name in the newspaper if you make a bad sale." (Sacramento)
- A few retailers also suggest that there be more 'presence' from law enforcement to help them convince their clerks that enforcing these laws is important. They suggest that law enforcement or the State should send documentation to be posted for employees to see the laws and fines.
"A letter from law enforcement to put in the employee area." (Fresno)
"Written documentation from the State would show that the rules are 'official' and not just store policy." (Fresno)

- Having tools that would help the clerk check the date are recommended, whether it is simply the color-coded lines on IDs, a calendar or a scanner that reminds the clerk to check the ID. One respondent suggests having a statue or face on the cash register that asks for the ID every time, so that it depersonalizes having the clerk ask.

*“Machines that must check the ID before the sale is made would be helpful.”
(Sacramento)*

“California and other states that have the blue and red lines on the birth date make it easy to check.” (Fresno)

“The red line on the ID helps me figure out the date.” (San Francisco)

*“If the statue or face asks 100% of the time, it will take the pressure off of the clerk.”
(San Francisco)*

“I give them a calendar that spells out the year – it’s easy for the clerk and the customer.” (San Francisco)

- One respondent suggests sending clerks to a seminar sponsored by the tobacco companies that would show the clerks the risks of selling to minors.

“Pay the clerks to attend (a seminar) to get the message across – at the tobacco industry’s expense.” (San Francisco)

- One respondent in Sacramento suggests having the clerks wear a badge that says ‘we card’ or some other anti-tobacco message.

Some respondents suggest that minors and those who buy cigarettes for minors should be prosecuted. Many retailers feel strongly that the retailer is being inappropriately penalized, while the youth are not being penalized for trying to purchase tobacco products.

“Minors found smoking should be cited by law enforcement.” (Sacramento)

“There should be penalties for those who buy for minors.” (Sacramento)

“It creates a problem for you (when the kid gets someone else to buy for them). Our job isn’t to police the adults.” (San Francisco)

“If someone can be fined for walking down the street under the influence of alcohol, why not a kid smoking?” (Fresno)

“The fines to the minors need to be higher – it is ridiculous – they are the ones breaking the law.” (Fresno)

“The pressure is on the wrong person; we’re the scapegoat. It’s easy for them to come after us if the cashier or owner makes an honest mistake and sells to a minor. We don’t even make much money on cigarettes.” (Fresno)

“They should do something to the person trying to purchase cigarettes. We’re not law enforcement.” (Sacramento)

There are mixed reactions to the idea of inserting tobacco law or health messages in employee paycheck envelopes. Respondents in Sacramento appear to be more accepting of this idea than those in Fresno. This question was not asked in San Francisco.

"It works pretty well. I already do it for some laws." (Sacramento)

"It would only be useful if the law were new or possibly to remind them about the fines." (Fresno)

Retailers are not particularly enthusiastic that posting anti-smoking or health messages in employee break rooms would be effective. Some of the stores are too small to have such rooms.

Health Messages for Minors

Retailers have mixed reactions to the idea of posting health messages in their stores as a way to deter youth from trying to buy tobacco.

- Several respondents suggest that signs or advertising campaigns should include messages from teen idols.

"If the industry is really serious about not selling to minors, they should do an ad campaign with teenage idols – Backstreet Boys, Christine Aguiilar, whoever appeals to teens only. Someone they admire and will listen to. It would make our job easier if they would get the message across that it is not cool to smoke." (San Francisco)

"They did that with baseball players- they all used to chew tobacco. Then they got involved in discouraging kids from doing it. How do you get Bob Dylan or Tom Petty to do that? By time the kids are 12 or 15, they want to do what the idols do." (Sacramento)

- Some retailers, however, feel that signs in their stores will have no effect on youth. They say these youngsters have made up their minds before they come into the store. They feel that the issue should be addressed at home or in the schools.

"It's not our business to tell kids that it's killing you. It's a place of business. I can't offend the adult customers." (San Francisco)

"The problem starts with the families. Anything from us won't solve the problem." (San Francisco)

- Others say the signs should warn the youth of legal consequences for trying to purchase tobacco or for smoking.

"They should say that we will report them to the police. But, then will the police follow through in Fresno?" (Fresno)

- One respondent raises the question of stores being hypocritical if they post anti-smoking signs when they sell tobacco in their store.

"If 20%-30% of your sales are tobacco, wouldn't it be hypocritical to put health messages up?" (Fresno)

When respondents are shown the proposed functional items that have health messages on them, several react more favorably to the idea. They do not feel that these items are threatening to their other customers. Most of the respondents like the clock, as it would also serve a useful purpose.

“The clock is a different ballgame. It spells it right out. Everyone looks at the clock. You’d need a different message on it for kids though.” (San Francisco)

“The clock is good. Everyone comes in and asks what the time is.” (Sacramento)

“Enjoy healthy living is nice, but it won’t impact kids.” (Sacramento)

Awareness of Tobacco Laws

Like the chain managers, independent retailers are aware that they are not supposed to sell tobacco to those under 18 years of age. However, they are not particularly knowledgeable about the names of the laws. They are somewhat aware of some of the content of the laws regarding tobacco sales or at least what they perceive to be the content of the laws. A few of the things they mention about the laws include:

- The clerk and the store can be fined for selling to a minor. The first offense is \$250.
- The minor can be fined.
- The State of California runs stings. If the decoy comes into the store and is 24 years of age, the store still must card him.
- No tobacco signs for cigarettes are allowed outside or touching the window of the store.
- One retailer thinks there is some rule about being close to schools.
- No smoking is allowed inside the store.
- No self-serve tobacco displays are allowed, which is a change that retailers like.

“Removing the self-service racks was the best thing that happened. They were rammed down our throats by the tobacco companies to hook young kids who would steal them. They’re against the law because of the consent decree the Federal Government signed with the tobacco companies.” (Sacramento)

Source of Tobacco Law Information

Many retailers say they are informed about new tobacco laws by the State or the tobacco companies. Others mention convenience store or merchant magazines or newsletters, news (media) reports, word of mouth or distributors as being sources of information for them.

“The tobacco companies are good at keeping you informed- they send out brochures.” (San Francisco)

“It mainly comes from the State, but the tobacco companies supplement.” (San Francisco)

“In the mail from the (State) Health Department.” (Fresno)

Several retailers say they would prefer to receive information about the laws from one source. A few retailers say that whoever is making or changing the law should inform them.

“One single source (of information) would be good.” (Sacramento)

“If info only came from one agency – we get so much mail from different agencies.” (Fresno)

*“If the government is making laws, they should provide us with copies of them.”
(Sacramento)*

- Other suggested sources of information about laws include:
 - E-mail
 - Web site
 - With quarterly taxes
 - Local law enforcement
 - Wholesalers
 - Video
 - CD-ROM

Tobacco License

Retailers view the proposed license to sell tobacco as being another way for the government to collect money from them without making any difference in limiting the sale of tobacco to minors. A few retailers might react more favorably if the money were to be used for education or to arrest youth who try to purchase tobacco.

“It’s just another way to collect money from us. It wouldn’t help with sales to minors.” (Fresno)

“I don’t like the idea. It’s not going to deter the kid.” (Sacramento)

“I don’t think we should have another license. The government is taking our money for this and that.” (Sacramento)

“What would they do with the money? Is it for education? The tobacco industry has enough money to provide education.” (San Francisco)

“Don’t burden the retailer too much.” (San Francisco)

“If they’re going to take the \$100 and arrest minors who were smoking, I would be fine with it. If they’re just going to take our money – absolutely not!” (Fresno)

- A few retailers think they are paying for a license already.

“I think something is on the books now – if you’re caught more than three times, you can’t sell anymore.” (San Francisco)

“Basically we do it now. We give the ATF \$250 for the privilege of selling cigarettes.” (Sacramento)

- If the license must be required, most retailers say it should be levied as a standard flat fee.

“A flat rate would be fair if all are the same.” (San Francisco)

- A few respondents point out that, to be fair to the smaller stores, it should be based upon volume of sales.

“(The fee should be) based on volume. If one store sells 100 cartons a day and another only 1 carton. It would be a tough rate schedule to figure out.” (Sacramento)

- Once respondents hear that the proposed fee may be only \$100, a few are not quite as resistant to the idea.

“It’s reasonable. The business would absorb the cost.” (San Francisco)

Community Relations

Almost all storeowners and managers say they have repeat customers who come into their stores regularly and that the store plays an important role in their neighborhood.

“We know their names, their kids, their grandkids. We support the kids, the car washes, etc.” (Sacramento)

“We see some customers several times a day.” (San Francisco)

“We’re very important to the neighborhood. They come for a quick emergency like aspirin, water, eggs, lemon, etc.” (San Francisco)

“Parking is difficult in this neighborhood, so it’s hard for them to shop at Safeway and find a place to unload the groceries.” (San Francisco)

Several retailers say they have experienced customers asking them to make a change in their stores. Most of them have complied, as the requests tended to be around the topic of adult or sexual orientation publications.

“Two or three families came to me about the adult magazines, so I took them out.” (San Francisco)

“Many years ago adult magazines were on the regular rack. The churches sent letters and asked us to remove them. Now they are behind the counter or covered.” (Fresno)

“Someone had asked us to put out a freebie newspaper that I never looked at. Then the Presbyterian Church told us they’d tell their congregation not to shop at our store unless we removed the papers. After I looked at it and saw that it was about homosexuals, I removed them.” (Sacramento)

While retailers say they would listen to concerns or complaints from community groups, running their business for profit is their first priority.

“If it’s something I can do to make a change, I’ll try to do it. But, I believe everyone should have the right to choose and we’re in business to make money.” (San Francisco)

“I’d listen to them to get the information. You welcome anyone who takes the time to tell you about things in your store. You want to save that customer.” (Sacramento)

“If it makes sense. It depends upon the reason and why they’re asking.” (Fresno)

As far as restricting tobacco ads or replacing them with health ads, retailers react more defensively about other people telling them how to run their business.

“I won’t stop selling cigarettes. I’m not breaking the law. If you start with cigarettes, you open it to beer, wine, liquor.” (San Francisco)

“If I could get away without carrying tobacco, I would. But, for every two people who don’t want it, 20 do. You’d lose so many sales. Those who come in to buy cigarettes, buy something else, including cigarettes lighters that have a high margin on them.” (Sacramento)

“Smokers don’t like to see those 800 number signs about smoking.” (Fresno)

Recognizing Stings

Retailers in Sacramento explain how they can tell when a young person is part of a sting operation. The stings they describe are primarily for beer, not tobacco. The following are clues for them:

- The youth already has his license or ID in his hand, pulls it out quickly when asked or he has it in his pocket rather than in his wallet.
“A real customer would have to dig in his wallet.”
- The youth does not argue with the retailer.
“(A real customer) will do whatever he can to not show it to you.”
- The retailer can see the van outside and the adult walking toward the building.
- The youth usually brings a single can of beer to the counter and nothing else.

Clerks in Los Angeles

Problems Faced by Store Clerks

While the major concern of the clerks regarding selling cigarettes to minors is that they could lose their jobs, they do not appear to feel that ‘dealing’ with potential underage customers is a huge problem for them. That is, those from chain stores tend to feel that the rules and the scanners that are in place in their chains cover the bases. Clerks from independent stores say they can “just tell” when they should card someone and they claim to check IDs consistently.

- There appears to be a sense that underage youth are not coming to their stores to try to buy cigarettes as often as they try to buy beer or liquor.
“Our problem is more with beer.”
“There’s a lot of education in schools. The kids don’t even try to buy tobacco so much now – it’s alcohol they try to buy.”

A few problems that clerks mention that come up when they ask to check for identification include:

- The customer claims they do not have the ID with them.
“They don’t want to show any ID. They say they left it at home or don’t have it with them.”