

Socio-Economic Variation in Price Minimizing Behaviors: Findings from the International Tobacco Control (ITC) Four Country Survey

Andrea S. Licht, Andrew J. Hyland, Richard J. O'Connor, Frank J. Chaloupka, Ron Borland, Geoffrey T. Fong, Nigar Nargis and K. Michael Cummings

Abstract

This paper examines how socio-economic status (SES) modifies how smokers adjust to changes in the price of tobacco products through utilization of multiple price minimizing techniques. Data come from the International Tobacco Control Policy Evaluation (ITC) Four Country Survey, nationally representative samples of adult smokers and includes respondents from Canada, the United States, the United Kingdom and Australia. Cross-sectional analyses were completed among 8,243 respondents (7,038 current smokers) from the survey wave conducted between October 2006 and February 2007. Analyses examined predictors of purchasing from low/untaxed sources, using discount cigarettes or roll-your-own (RYO) tobacco, purchasing cigarettes in cartons, and engaging in high levels of price and tax avoidance at last purchase. All analyses tested for interactions with SES and were weighted to account for changing and under-represented demographics. Relatively high levels of price and tax avoidance behaviors were present; 8% reported buying from low or untaxed source; 36% used discount or generic brands, 13.5% used RYO tobacco, 29% reported purchasing cartons, and 63% reported using at least one of these high price avoidance behaviors. Respondents categorized as having low SES were approximately 26% less likely to report using low or untaxed sources and 43% less likely to purchase tobacco by the carton. However, respondents with low SES were 85% more likely to report using discount brands/RYO compared to participants with higher SES. Overall, lower SES smokers were 25% more likely to engage in at least one or more tax avoidance behaviors compared to their higher SES counterparts. Price and tax avoidance behaviors are relatively common among smokers of all SES strata, but strategies differed with higher SES groups more likely to report traveling to a low-tax location to avoid paying higher prices, purchase duty free tobacco, and purchase by cartons instead of packs all of which were less commonly reported by low SES smokers. Because of the strategies lower SES respondents are more likely to use, reducing price differentials between discount and premium brands may have a greater impact on them, potentially increasing the likelihood of quitting.

Keywords: tobacco; policy; price; tax; socio-economic status

Recommended Citation:

Licht AS, Hyland AJ, O'Connor RJ, Chaloupka FJ, Borland R, Fong GT, et al. Socio-economic variation in price minimizing behaviors: findings from the International Tobacco Control (ITC) Four Country Survey. *International journal of environmental research and public health* 2011 Jan;8(1):234-252.

Link to PDF: <http://www.mdpi.com/1660-4601/8/1/234>