

# **STUDY OF CIGARETTE CONSUMPTION HABITS IN THE SANTIAGO METROPOLITAN AREA**

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## **Executive Summary**

The purpose of this report is to present the results of the "Study of Cigarette Consumption Habits in the Santiago Metropolitan Area," the aim of which is to gain an insight into the consumption habits and patterns of smokers living in this area, in addition to inquiring into the cigarette black market and its magnitude in this area of the country.

The information was collected through an in-person survey in different parts of Greater Santiago, which was designed and executed by the University of Chile Microdata Center. The survey was directed specifically at smokers, where in addition to collecting information on their tobacco consumption habits, photographs were taken of the cigarette packs of those polled to identify their origin (illegal or contraband), along with other features.

The final sample was composed of 810 smokers between the ages of 13 and 88 years. Adjusting the base for an expansion factor, it consists in 50.02% women, 3.2% are minors, 48.96% are between 18 and 40 years old, 42.53% are people between 41 and 60 years of age and 5.29% are over 60 years old. The majority of those surveyed (76.4%) are working; in terms of education, 42% completed secondary school and 50.27% have some sort of university or higher education. Regarding the respondents' municipality of residence, they are distributed with different levels of concentration among 42 of the 52 municipalities belonging to the Metropolitan Region, where those with the highest concentration were Puente Alto (10.70%), Santiago (8.48%), La Florida (5.82%), Maipú (4.62%) and Pudahuel (4.58%).

The results show that 10.9% of smokers were consuming cigarettes of illicit origins at the moment of the survey, a percentage that is higher among men. Disaggregated by age groups, consumption of smuggled brands was greater among older smokers (over 60 years), followed by the youngest ones (between 13 and 17 years). In addition, those who consumed smuggled brands reported consuming a larger number of cigarettes per day than did those who were consuming legal cigarettes (an average of 13.04 versus 8.74).

Significant differences were also found between the prices of legal cigarettes versus contraband: the average price paid by the smokers of brands of illicit origins was CLP 61.19 per cigarette, less than half the CLP 160.11 paid by the smokers of legal cigarettes. In addition, smuggled brands reported prices ranging from CLP 49.5 per cigarette to CLP 160, while legal cigarettes present a range of between CLP 95 and CLP 400.

To achieve a more technical analysis, two logistical estimates were made: one on the likelihood of choosing black market cigarettes and another on the likelihood of choosing flavored varieties. In the former, we found that the smokers' age, price preference, and the number of cigarettes smoked daily have a positive relationship with the decision to consume black market brands, while the labor situation (in the event of being employed) and higher levels of education reported negative relationships.

Regarding the logistical regression on the probability of choosing flavored varieties, it was found that the smokers' age, their time as a smoker, price preference and the number of cigarettes per day have a negative influence on the decision to choose flavored cigarettes, while women showed a higher likelihood to choose flavored varieties

Among the conclusions regarding the illegal cigarette trade, one that stands out is **the estimated 10.9% prevalence of contraband in the Santiago Metropolitan Area** (a figure that contrasts with the 24% estimated by the industry<sup>1</sup>). Male smokers stand out as the most likely to choose smuggled brands, as are older consumers (with evidence that the youngest ones could be, too; or those who tend to have lower incomes) and those who smoke cigarettes on a daily basis.

On flavored varieties, one thing that stands out is that younger smokers (and those who started smoking a short time ago) are more likely to prefer these varieties; this probability diminishes in both cases as the number of years (age and as smokers)

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<sup>1</sup> <http://www.latercera.com/noticia/cnc-calcula-22-comercio-ilicito-cigarrillos-pais/>

increases. In addition, women are more likely to prefer flavored cigarettes, while those with price preferences will be less likely to prefer these varieties.