

# Trends in the Number and Type of U.S. Tobacco Retailers, 2000-2017

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Advancing Science & Practice in the Retail Environment

## BACKGROUND

### Why are tobacco retailers important?

Tobacco product retailers provide access to tobacco products and exposure to tobacco marketing. Geographic locations with more tobacco product retailers are associated with greater smoking and poor health outcomes like pulmonary disease.<sup>1-3</sup>

Several U.S. cities and states have implemented retail policies, such as bans on tobacco sales in pharmacies, caps on the number of tobacco retailers, or limits on new retailers near schools.



Unfortunately, there is no national licensing system for tobacco product retailers, making it difficult to analyze the changes to the number and composition of tobacco retailers.

### What does this study add?

We estimate annual measures of the number of tobacco product retailers in the U.S. between 2000-2017, the number of new tobacco retailers established, and the number of stores that go out of business or stop selling tobacco.

## METHODS

Using the annual National Establishment Time Series (NETS) database between 2000-2017, we implemented a 4 step protocol to identify likely tobacco product retailers across the U.S.:

- Include all retailers in store type categories where tobacco selling occurs frequently;
- Remove retailers known not to, presumed not to, or prohibited from, selling tobacco;
- Add retailers from store types not already listed that are known or presumed to be tobacco retailers; and
- Remove duplicate stores and corporate offices.

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## RESULTS

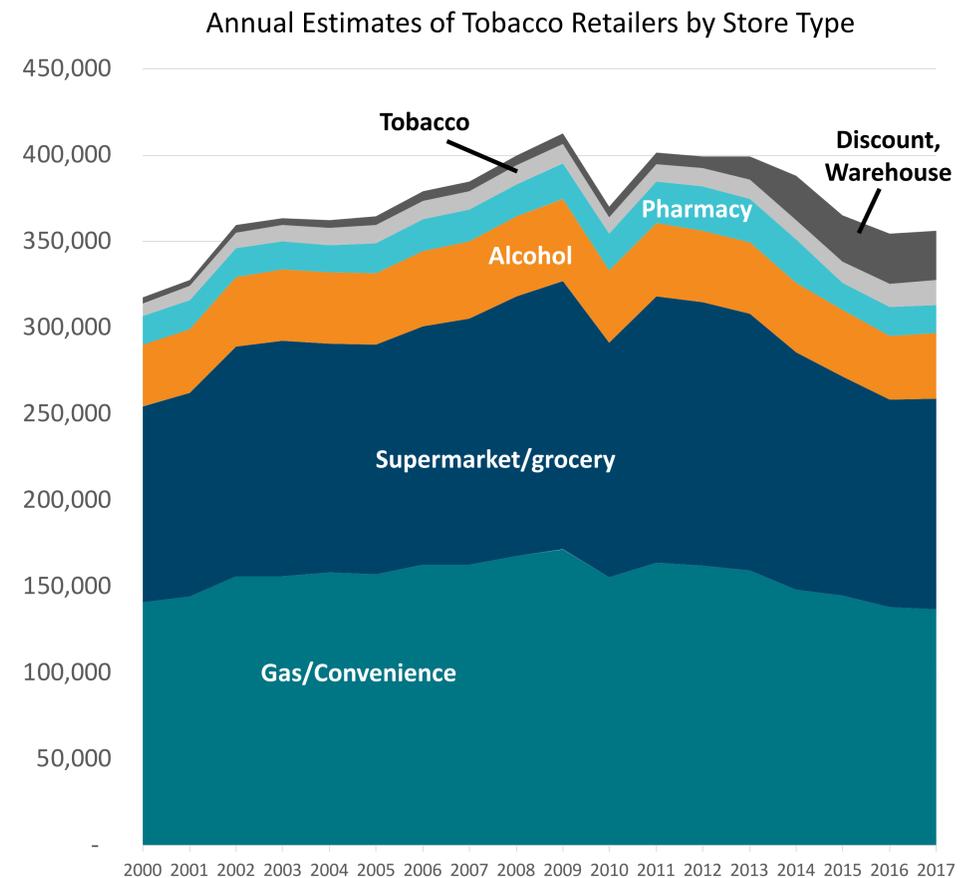
### Tobacco retailer trends

In 2017 there were an estimated 356,074 tobacco retailers in the United States. Each year between 2000-2017, there were more than 300,000 likely tobacco retailers in the U.S., with retailer numbers peaking at 412,536 at the start of 2009 just before the Great Recession.

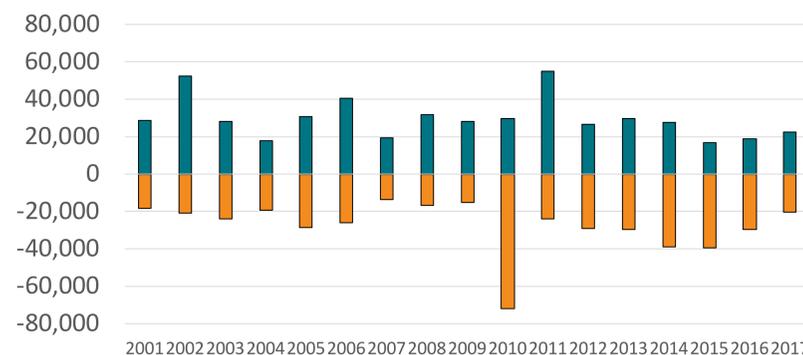
Gas/convenience stores and supermarket/grocery stores accounted for the vast majority of tobacco retailers in all time periods, comprising between 38-44% and 34-39% of all retailers, respectively.

Trends for several store types differed from the trend of all stores combined:

- There were fewer gas/convenience stores in 2017 than 2000.
- The number of pharmacies dropped after 2014, when CVS stopped selling tobacco.
- Tobacco selling discount stores quadrupled between 2012-2014 when some dollar stores began selling tobacco.



### Tobacco Market Entrances and Exits by Year



### Market Turnover

- On average, about 15% of the overall market opened or closed each year.
- More new tobacco retailers entered the market (annual average = 29,673) than exited (annual average = 27,404).
- Nearly 20% of retailers closed or left the market between 2009-2010 during the Great Recession, though a large number of retailers opened the following year.

## IMPLICATIONS

The high prevalence of gas and convenience stores poses a risk to potential tobacco users or those trying to quit. Gas and convenience stores are more likely to offer price promotions and contain more tobacco marketing materials than grocery stores, and nearly 70% of smokers report usually purchasing their cigarettes at gas and convenience stores.<sup>4-5</sup>

Changes in corporate and public policies may be making an impact on the availability of tobacco in the retail environment. The recent drop in tobacco selling pharmacies occurred as CVS stopped selling tobacco and more than 150 cities or counties banned the sale of tobacco in pharmacies. The increase in tobacco-selling discount stores occurred following the decision of Family Dollar and Dollar General to begin selling tobacco.

Market turnover data could inform local policy efforts. Our finding that about 7% of retailers go out of business each year may help jurisdictions implementing policies that rely on natural winnowing of retailers over time anticipate that rate of change.

### Key Findings

- The number of tobacco retailers grew by 30% from 2000-2009, followed a 14% drop over the next eight years.
- On average, about 8.3% of tobacco retailers enter the market each year, and 7% exit or stop selling tobacco.
- Retailer time trends vary by store type, suggesting an influence of corporate and public policies.

### Citations

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