

Tobacco Retailer Survey Summary

Purpose

Staff surveyed each of the City's 14 registered tobacco retailers to better understand the business impact of a potential moratorium of the sale of e-cigarettes, vaping products, flavored tobacco, and tobacco products.

Summary of Key Findings

- I. Out of 14 registered tobacco retailers:
 - a. Seven are gas stations
 - b. Four are grocery stores or supermarkets
 - c. Three are liquor or tobacco specialty stores
 - II. All 14 retailers sell Tobacco Products, or more generally, cigarettes
 - a. All 14 retailers have been selling cigarettes for at least five years; 10 of these retailers have been selling cigarettes for at least 20 years
 - b. Seven retailers estimate the average age of Tobacco only customers to range from 30-60+; one retailer estimates the average age to be less than 30
 - III. 11 of 14 retailers sell Flavored Tobacco, in addition to Tobacco Products
 - a. 10 retailers have been selling Flavored Tobacco for more than eight years; five of these retailers have been selling for more than 20 years
 - b. Eight retailers estimate the average age of a Flavored Tobacco customer to be above 30 years old; one estimates the average age to be less than 30
 - III. 9 out of 14 retailers sell E-Cigarettes or Vaping Products, in addition to Flavored Tobacco and Tobacco Products
 - a. Seven retailers have been selling E-Cigarettes or Vaping Products for less than three years; two retailers have been selling for more than five years
 - b. Six retailers estimate the average age of E-Cigarette or Vaping Products customers to be less than 30; two estimate the average age to be above 30 years old
 - IV. According to seven retailers, the average estimated total annual sales for all tobacco types was \$170,571
 - a. The estimates varied greatly; the lowest amount was declared as \$74,000, with the highest amount estimated at \$280,000
 - V. According to eight retailers, the average estimated total annual tobacco sales, as a percent of total business sales, was 23%
 - a. The estimates varied greatly for seven retailers; the lowest percentage was declared as 3%, whereas the highest estimate was stated as 70%, excluding the percentage of sales to be 90% as to prevent skewing the average of all retailers
 - VI. When all 14 tobacco retailers were asked if their current inventory of all tobacco items could be sold within six months:
 - a. Five confirmed that they would be able to;
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- b. Four stated that they would most likely or maybe be able to
- c. Three confirmed that they would not be able to
- d. Two stated that they were unable to answer

VII. When all 14 tobacco retailers were asked if they would be in favor of a ban on the sale of E-Cigarettes, Vaping Products, Flavored Tobacco, and Tobacco Products:

- a. One stated that they would be in favor of a ban
- b. Four stated that they would partially or potentially be in favor of a ban if it didn't hurt their business
- c. Four stated that they would not be in favor of a ban
- d. Five stated that they were unable to answer
- e. Of the nine retailers who provided an answer, both for and against a ban, the majority of businesses iterated the need for the ban to be applied against all retailers in the City, in addition to surrounding communities. The retailers proclaimed that doing so would be the only effective way to remove tobacco from the customers, as well as protecting the financial interests of Calabasas based retailers

Summary of Key Tobacco Retailer Comments

Many retailers explained that selling tobacco products, especially cigarettes, are not worth small profit margins when the regulations, sting operations, and taxes are taken into account. Most, if not all, of the City's retailers feel compelled to sell tobacco products as a result of their direct competitors doing so, not because of the financial gains.

Many retailers understood the negative health implications for both adults and children, and further proclaimed their desire to see their community members become healthier. That being said, retailers did not want the burden of removing tobacco from the public to be placed solely on their businesses when their customers would simply move on to another retailer in the surrounding areas to make their tobacco purchases.

All retailers, for and against a potential ban on the sale of tobacco products, were unified in their belief that the surrounding communities would also have to ban tobacco for their businesses to suffer less financially. Retailers explained that community members desire tobacco products and that the customer will move on to another business (outside of the City) as soon as a ban is implemented.

The primary cause for concern is that a ban would cause a compounding effect on loss of total revenue, no just tobacco revenue. Retailers explained that their business doesn't lose just a tobacco customer, rather, their businesses lose a customer for all of their products when they no longer walk through their doors. Retailers emphasized that tobacco customers rarely purchase just cigarettes. Rather, they will fill their gas tank, purchases drinks, food, and other miscellaneous items - all of which profit margins are much higher than tobacco products.

Two retailers stated that prohibiting tobacco sales would reduce their total business sales by 50%. One of these retailers, plus an additional one, stated that they would most likely have to close their business if the ban went into effect.

Retailers also had concerns about the effective date of any ban due to inventory orders that need to continuously be made, as well as inventory that may need to be sold.
