Retailer Behaviour with Respect to Youth Access to Electronic Cigarettes and Promotion Final Report

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Executive Summary

Introduction and Background

This is a survey of retail establishments in Canadian cities to determine the willingness of retailers to sell electronic cigarette (e-cigarette) products to youth and to gain a better understanding of e-cigarette product placement, accessibility and promotion at retail outlets in Canada. The purpose of this project is to gather information in a rapidly changing retail marketplace where there have been calls to regulate access to e-cigarette products. This survey was commissioned by Health Canada and as the Project Authority, Health Canada participated in the development of the survey instrument and data analysis and ultimately approved the survey instrument, analysis plan and reporting of this study.

Evidence has shown there is a growing consumer demand for e-cigarettes with more than 400 brands available on the global market today with sales of e-cigarettes and e-liquids in excess of US $6 billion dollars in 2014.[1] E-cigarettes are offered in a wide variety of formats and options, ranging from disposable products, to durable products that can be refilled with the vapor-producing liquid. The liquid is sold in a variety of flavours (with an array of options from fruit and candy flavours to tobacco flavours).

According to the latest results from the 2013 Canadian Tobacco, Alcohol and Drugs Survey (CTADS), 9% (N=2.5 million) of Canadians aged 15 years and older have tried an e-cigarette. Among youth aged 15 to 19, 20% (N=417,000) reported having ever tried an e-cigarette. Two-percent (2%, N=521,000) of Canadians used an e-cigarette in the past month. Among Canadian youth, 3% (N=54,000) said they had used an e-cigarette in the past 30 days.

Under the current legislative regime in Canada, e-cigarettes that contain nicotine and/or are marketed with a therapeutic claim (e.g., smoking cessation) are subject to the *Food and Drugs Act* and require authorization by Health Canada prior to sale based upon evidence of safety, quality and efficacy, as demonstrated by the manufacturer. At the beginning of the data collection period in July 2015, no e-cigarette product had been authorized pursuant to the *Food and Drugs Act.* E-cigarettes that do not contain nicotine and do not have therapeutic claims can be sold, but must meet the requirements that apply to consumer products pursuant to the *Canada Consumer Product Safety Act*.

Provincial Actions on e-Cigarette Products

In preparation for the fieldwork for this study, provincial legislation in all ten provinces relating to e-cigarettes was examined to determine the best approach for gathering the data. Data collection was designed in the spirit of discovering the “state of affairs” and not for the purpose of measuring compliance with any specific set of regulations.

Over the course of this study, the sales environment was subject to change in some provinces. Some provincial legislation came into effect one month prior to the fieldwork launch (in May 2015 or earlier). Some provincial measures relating to age restrictions and restrictions with respect to product accessibility, advertising and promotion at retail outlets came into effect during the course of the fieldwork, namely in New Brunswick and Nova Scotia. In Prince Edward Island, legislation was passed on July 1, 2015 and enacted on October 1, 2015. The implementation of these provincial measures may have changed the retail shop environment or the behaviour of retailers over the course of the study.

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[1] Source: Euromonitor http://blog.euromonitor.com/2015/06/vapor-devices-and-e-cigarettes-in-the-global-tobacco-market.html

Elsewhere, still no legislation exists with respect to e-cigarettes.

Research Objectives

The information in this report provides independent measurements of retailer behaviour. This study was designed to determine the willingness of retailers to sell e-cigarettes to youth, specifically measuring the proportion that refused to sell to the teens attempting to buy and the proportion who asked for identification. In addition, the study was designed to summarize findings with respect to e-cigarette placement, accessibility and promotion. In accomplishing these objectives, this study establishes a benchmark for future studies designed to observe retailer behaviour with respect to e-cigarettes as the regulatory climate adapts and matures in an environment where the product category is rapidly evolving.

Key Findings

The key results are based on a sample of 4,012 mystery shopper visits conducted at retail outlets in 20 regions across Canada, with representation in all of the ten provinces. The data was collected between July and October, 2015 and final results weighted according to the population of the 20 markets studied. At the time of data collection, only two of the ten provinces surveyed had enacted legislation that implemented age, advertising and promotion restrictions at retail outlets. The mystery shopping was conducted by teen evaluators aged 15, 16 and 17, working under the supervision of adult evaluators. The teens were asked to enter selected retail locations and conduct a series of observations leading up to an attempt to purchase an e-cigarette. A detailed methodology is provided in a separate section at the end of this report.

The key findings below are based on the survey results:

- The overall rate of refusal to sell e-cigarettes in Canada was 67%.
- Refusal to sell e-cigarettes was highest in Prince Edward Island (92%), New Brunswick (85%) and Manitoba (82%). The only province where refusal to sell e-cigarettes was significantly lower than the rate for the rest of Canada was Quebec (45%).
- There was a higher prevalence of a retail clerk refusing to sell an e-cigarette to youth aged 15 (78%) and 16 (72%), compared to teens aged 17 (59%).
- The rate of refusal to sell was significantly higher when youths attempted to purchase at grocery stores (77%), chain convenience stores (75%) and gas convenience stores (71%). The rate of refusal was significantly lower when youths attempted to purchase at independent convenience stores (53%).
- Refusal to sell e-cigarettes to youths was significantly lower when the store was near a school (58%) than when it was not near a school (69%).
- Nearly two-thirds (62%) of retailers had e-cigarette products primarily placed on a visual display within sight of the point of sale counter; however, these products remained inaccessible to the customer. Around one in five retail outlets kept e-cigarettes out of sight behind a tobacco screen or hidden below the counter (19%).
- Nationally, interior advertising was observed 30% of the time by youths in the stores. Promotions (communicating some form of incentive to purchase e-cigarettes) were observed 11% of the time. Advertising on the exterior of the stores was observed 6% of the time.
- The incidence of retailers selling e-cigarette products to young people was higher when there was the presence of interior advertising (45%), promotions (18%) and/or exterior advertising (8%).
- Prevalence of any advertising and promotions was significantly higher in Newfoundland and Labrador (76%), in Quebec (73%) and in Prince Edward Island (55%), than elsewhere in Canada.

Understanding this Report

The data from this study is intended strictly for information purposes and was not gathered for purposes of compliance monitoring or enforcement. The willingness of retailers to sell was based on the observation of certain overt actions, words and behaviour of the sales clerk just short of his/her ringing up the sale. These overt actions, words and behaviours, along with elements of e-cigarette product placement, accessibility and promotion at retail outlets were tracked using a standardized set of measures as part of a reporting questionnaire. A copy of this questionnaire is provided in the detailed methodology section at the end of this report.

The sample design is intended to yield reasonable estimates of retailer willingness to sell e-cigarettes to youth under specified conditions at the national and provincial levels. The regional data may be useful for understanding any sub-provincial and/or national trends; however, strong caution is suggested regarding comparisons between regions due to small sample size as teen evaluators were able to survey only a small number of retail outlets in some regions.

For practical reasons, it was not possible to impose in all regions the same controls for age and sex of teen evaluators that were imposed nationally. This may affect the results when reporting the regional data separately and not in an aggregated format as a national total.

The word “significant” is used throughout the report to denote statistically significant differences found within the data. These differences are significant at the 95% confidence level and have been indicated throughout the tables and figures in the detailed findings using either green and red shading or either a green or red outline.

In some instances comparisons are drawn between provincial results and the rest of Canada. In each instance, the province being examined has been removed from the “rest of Canada” comparator group. In doing so, “outlier” provinces that may be substantially above or below the average on a given measure may skew the results for this combined group of provinces (reported as the “rest of Canada”). Caution should be used when referring to significant differences between a province and the rest of Canada.

Detailed Findings

Refusal to Sell e-Cigarettes to a Youth

In Canada, the overall refusal to sell e-cigarettes to a youth was 67%. The refusal to sell varied significantly by province, with the rate of refusal significantly higher than the rest of Canada for Prince Edward Island (92%), New Brunswick (85%), Manitoba (82%), British Columbia (77%), Nova Scotia (76%), Alberta (74%), and Ontario (70%). The rate of refusal to sell e-cigarettes to a youth was significantly lower in Quebec (45%).

Table 1: Refusal to Sell e-Cigarettes, by Province

Region	% Refused to Sell
Total (n=4012)	**67%**
Prince Edward Island (n=47)	92%
New Brunswick (n=112)	85%
Manitoba (n=129)	82%
British Columbia (n=367)	77%
Nova Scotia (n=112)	76%
Newfoundland and Labrador (n=75)	76%
Alberta (n=668)	74%
Ontario (n=1448)	70%
Saskatchewan (n=104)	66%
Quebec (n=950)	45%

Green shading indicates significantly higher rates of refusal compared to the rest of Canada.
Red indicates significantly lower rates of refusal compared to the rest of Canada.

Within the regions, the rate of refusal to sell e-cigarettes to a youth was significantly higher than the rest of Canada for Abbotsford-Chilliwack (96%), Kingston (96%), Charlottetown-Summerside (92%), Saint John (89%), Kitchener (89%), Niagara-Hamilton (85%), Winnipeg (82%), Moncton (81%), Ottawa (81%), Calgary (81%), Regina (80%), Halifax (76%), and Vancouver (75%). The rate of refusal to sell e-cigarettes to a youth was significantly lower than the rest of Canada for the GTA (63%), Quebec City (54%), Sudbury (53%), and Montreal (43%).

Table 2: Refusal to Sell e-Cigarettes, by Region

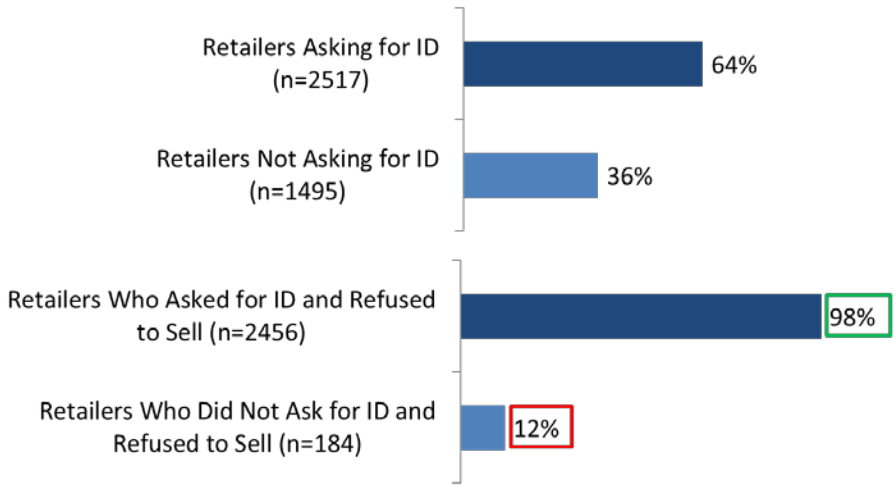
Region (sorted by highest to lowest)	% Refused to Sell
Total (n=4012)	**67%**
Abbotsford-Chilliwack, BC (n=49)	96%
Kingston, ON (n=48)	96%
Charlottetown-Summerside, PE (n=47)	92%
Saint John, NB (n=54)	89%
Kitchener, ON (n=53)	89%
Niagara-Hamilton, ON (n=72)	85%
Winnipeg, MB (n=129)	82%
Moncton, NB (n=58)	81%
Ottawa, ON (n=168)	81%
Calgary, AB (n=356)	81%
Regina, SK (n=50)	80%
Halifax, NS (n=112)	76%
St. John's, NL (n=75)	76%
Vancouver, BC (n=318)	75%
Edmonton, AB (n=312)	66%
GTA, ON (n=1058)	63%
Saskatoon, SK (n=54)	56%
Quebec City, QC (n=138)	54%
Sudbury, ON (n=51)	53%
Montreal, QC (n=810)	43%

Green shading indicates significantly higher rates of refusal compared to the rest of Canada.
Red indicates significantly lower rates of refusal compared to the rest of Canada.

Refusal to Sell e-Cigarettes to a Youth, Based on ID Check

Nationwide, 64% of youth who tried to purchase an e-cigarette product were asked to provide identification (ID) by the retail clerk. Among retailers who asked for ID, the rate of refusal to sell was 98%. Among those who did not ask for ID, only 12% refused to sell.

Figure 1: Refusal to Sell e-Cigarettes to a Youth, Based on ID Check



Refusal to sell based on a "no" response to the following question: "In your opinion, based on the actions and/or words of this retailer, do you think that the retailer was willing to sell you an e-cigarette product had you had the correct change?"

Indicates a result significantly higher than the alternative.

Indicates a result significantly lower than the alternative.

The prevalence of ID checks was highest in Prince Edward Island (94%), while it was significantly lower than the rest of Canada in Quebec (43%). Within the two provinces with an age restriction in place at the time of data collection, the prevalence of ID checks was 87% in New Brunswick and 75% in Nova Scotia, both rates significantly higher than that for the rest of Canada.

Table 3: Prevalence of ID Checks, by Province

Region	% Checked ID
Total (n=4012)	**64%**
Prince Edward Island (n=47)	94%
New Brunswick (n=112)	87%
Manitoba (n=129)	81%
British Columbia (n=367)	75%
Nova Scotia (n=112)	75%
Alberta (n=668)	70%
Ontario (n=1448)	66%
Saskatchewan (n=104)	63%
Newfoundland and Labrador (n=75)	60%
Quebec (n=950)	43%

Green shading indicates significantly higher prevalence of ID checks compared to the rest of Canada.
Red indicates significantly lower prevalence of ID checks compared to the rest of Canada.

By region, the prevalence of ID checks was highest in Abbotsford-Chilliwack (94%), Charlottetown-Summerside (94%) and Saint John, NB (93%), while it was significantly lower in the GTA (58%), Quebec City (54%), and Montreal (41%).

Table 4: Prevalence of ID Checks, by Region

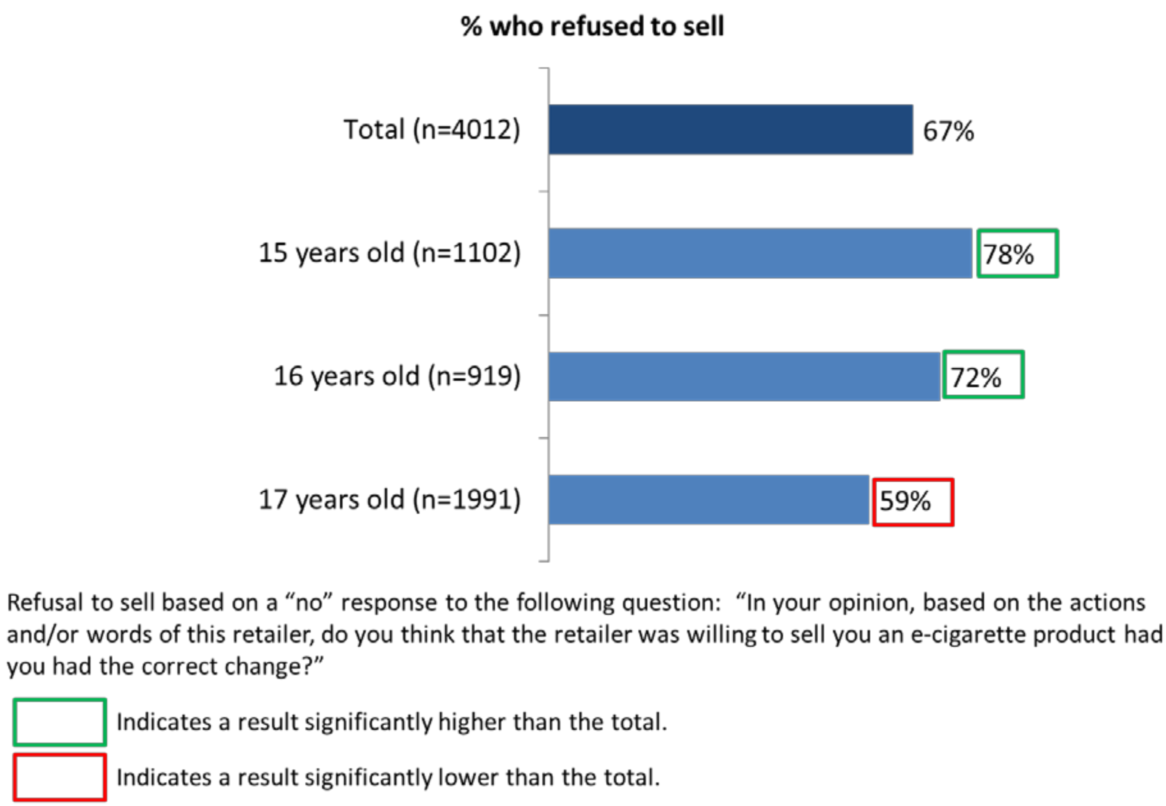
Region	% Checked ID
Total (n=4012)	**64%**
Abbotsford-Chilliwack, BC (n=49)	94%
Charlottetown-Summerside, PE (n=47)	94%
Saint John, NB (n=54)	93%
Kitchener, ON (n=53)	89%
Niagara-Hamilton, ON (n=72)	85%
Kingston, ON (n=48)	83%
Moncton, NB (n=58)	83%
Winnipeg, MB (n=129)	81%
Ottawa, ON (n=168)	79%
Calgary, AB (n=356)	76%
Regina, SK (n=50)	76%
Halifax, NS (n=112)	75%
Vancouver, BC (n=318)	73%
Edmonton, AB (n=312)	63%
St. John's, NL (n=75)	60%
GTA, ON (n=1058)	58%
Quebec City, QC (n=138)	54%
Saskatoon, SK (n=54)	54%
Sudbury, ON (n=51)	53%
Montreal, QC (n=810)	41%

Green shading indicates significantly higher prevalence of ID checks compared to the rest of Canada.
Red indicates significantly lower prevalence of ID checks compared to the rest of Canada.

Refusal to Sell e-Cigarettes, by Age of Youth

There was a higher prevalence of a retail clerk refusing to sell an e-cigarette to youth aged 15 (78%) and 16 (72%) compared to teens aged 17 (59%).

Figure 2: Refusal to Sell e-Cigarettes, by Age of Youth



Within the provinces, there was considerable variation in the prevalence of refusal to sell based on the age of the teen evaluator. Among the five provinces where there was enough sample for each of the three age groups to report, refusal to sell was significantly lower for each age group in Quebec: 15 (71%), 16 (60%) and 17 (24%), compared to refusal by age for the rest of Canada. In addition, refusal to sell was significantly lower for those aged 16 in Alberta (62%). On the contrary, refusal to sell by age was significantly higher for each of the age groups in British Columbia: 15 (90%), 16 (88%), and 17 (73%).

Table 5: Refusal to Sell e-Cigarettes, by Age of Youth – Provincial Results

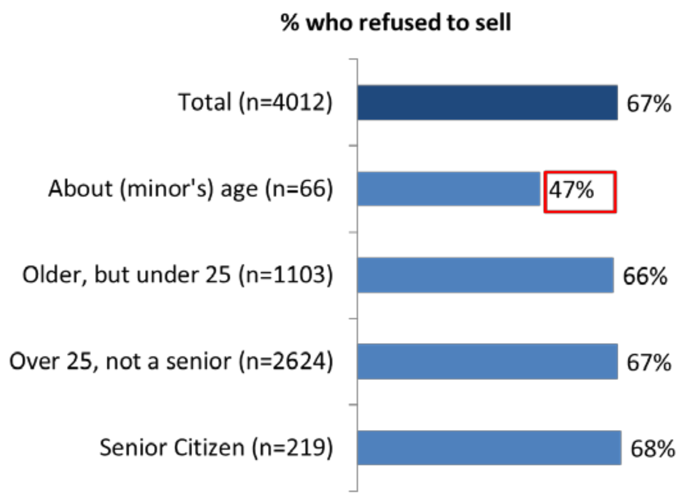
Region	15 years old	16 years old	17 years old
Total (n=4012)	**78%**	**72%**	**59%**
Newfoundland and Labrador (n=75)	87%	65%	N/A
Nova Scotia (n=112)	N/A	91%	60%
Prince Edward Island (n=47)	100%	83%	N/A
New Brunswick (n=112)	N/A	81%	89%
Quebec (n=950)	71%	60%	24%
Ontario (n=1448)	76%	84%	64%
Manitoba (n=129)	N/A	81%	83%
Saskatchewan (n=104)	83%	50%	68%
Alberta (n=668)	88%	62%	72%
British Columbia (n=367)	90%	88%	73%

Green shading indicates significantly higher rates of refusal compared to the rest of Canada.
Red indicates significantly lower rates of refusal compared to the rest of Canada.
"N/A" indicates instances where there were no mystery shop visits completed within a given category.

Refusal to Sell e-Cigarettes, by Age of Clerk

Overall, the rate of refusal to sell e-cigarettes to a youth was lower when the clerk was described as being about the youth's age (47%) compared to refusal to sell when the clerk appeared to be older.

Figure 3: Refusal to Sell e-Cigarettes, by Age of Clerk



Refusal to sell based on a "no" response to the following question: "In your opinion, based on the actions and/or words of this retailer, do you think that the retailer was willing to sell you an e-cigarette product had you had the correct change?"

Indicates a result significantly higher than the total.

Indicates a result significantly lower than the total.

Table 6: Refusal to Sell e-Cigarettes, by Age of Clerk – Provincial Results

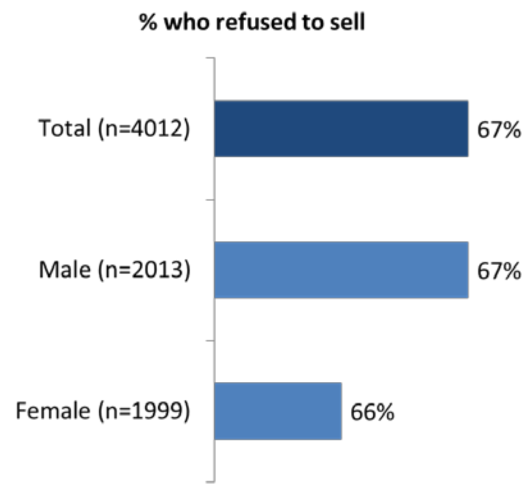
Region	About minor's age	Older, but under 25	Over 25, not Senior Citizen	Senior Citizen
Total (n=4012)	**47%**	**66%**	**67%**	**68%**
Newfoundland and Labrador (n=75)	N/A	72%	80%	67%
Nova Scotia (n=112)	N/A	69%	78%	100%
Prince Edward Island (n=47)	100%	96%	84%	100%
New Brunswick (n=112)	67%	83%	85%	100%
Quebec (n=950)	26%	46%	45%	56%
Ontario (n=1448)	33%	77%	68%	68%
Manitoba (n=129)	100%	75%	86%	100%
Saskatchewan (n=104)	N/A	70%	69%	26%
Alberta (n=668)	80%	69%	75%	78%
British Columbia (n=367)	100%	69%	79%	77%

Green shading indicates significantly higher rates of refusal compared to the rest of Canada.
Red indicates significantly lower rates of refusal compared to the rest of Canada.
"N/A" indicates instances where there were no completed mystery shop visits within a given category.

Refusal to Sell e-Cigarettes, by Sex of Youth

For Canada, there were no significant differences in the rate of refusal to sell to youth regardless of whether they were male (67%) or female (66%).

Figure 4: Refusal to Sell e-Cigarettes, by Sex of Youth



Refusal to sell based on a "no" response to the following question: "In your opinion, based on the actions and/or words of this retailer, do you think that the retailer was willing to sell you an e-cigarette product had you had the correct change?"

Indicates a result significantly higher than the total.

Indicates a result significantly lower than the total.

There was a significant difference in refusal to sell e-Cigarettes to youths based on their sex in four provinces. In Nova Scotia (91%), Newfoundland and Labrador (87%) and British Columbia (85%) there was a higher prevalence of refusal to sell to female teen evaluators; and in Ontario (73%), a higher prevalence of refusal to sell to males.

Table 7: Refusal to Sell e-Cigarettes, by Sex of Youth – Provincial Results

Region	Male	Female
Total (n=4012)	**67%**	**66%**
Newfoundland and Labrador (n=75)	65%	87%
Nova Scotia (n=112)	60%	91%
Prince Edward Island (n=47)	100%	83%
New Brunswick (n=112)	81%	89%
Quebec (n=950)	48%	42%
Ontario (n=1448)	73%	67%
Manitoba (n=129)	84%	80%
Saskatchewan (n=104)	64%	69%
Alberta (n=668)	74%	73%
British Columbia (n=367)	66%	85%

Green shading indicates significantly higher rates of refusal compared to youth of the opposite sex.
Red indicates significantly lower rates of refusal compared to youth of the opposite sex.

At the regional level, there was a higher prevalence of refusal to sell to males than to females in Calgary (84%), the GTA (70%), and Montreal (49%). The prevalence of retailers refusing to sell to females was higher than males in Halifax (91%), St. John's, NL (87%), Vancouver (83%), and Edmonton (75%).

Table 8: Refusal to Sell e-Cigarettes, by Sex of Youth – Regional Results

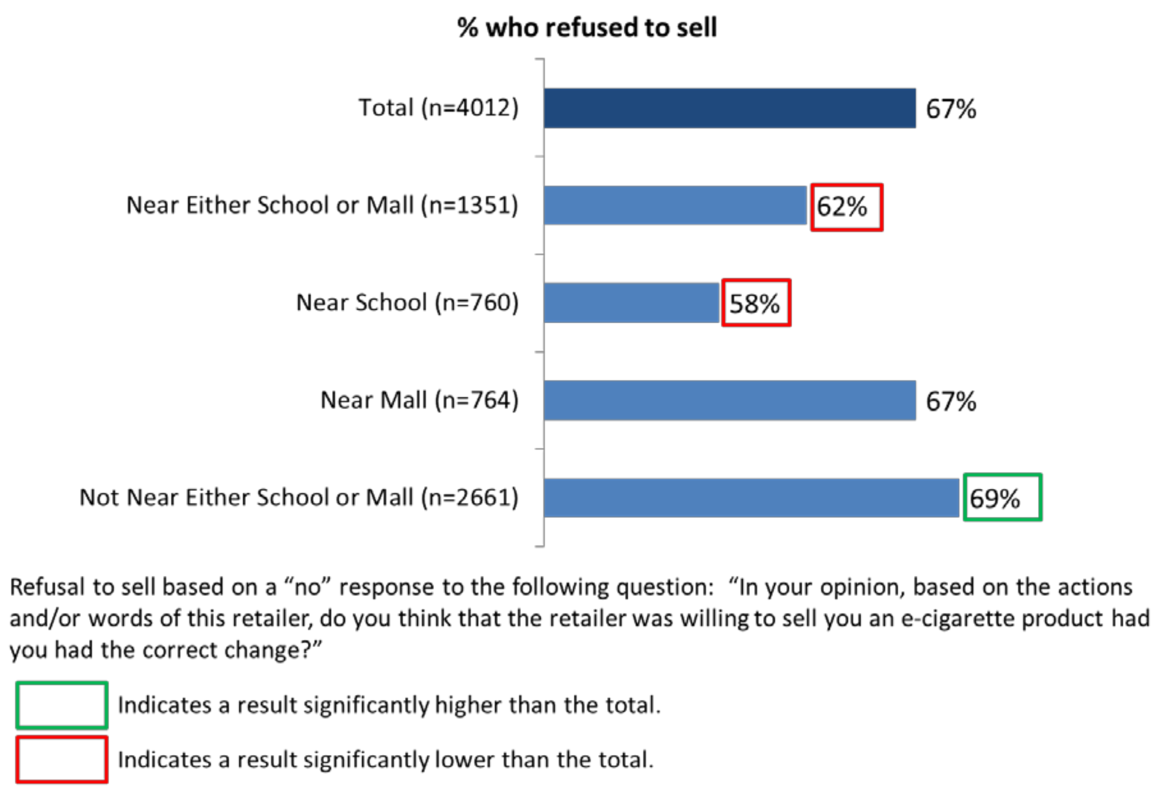
Region	Male	Female
Total (n=4012)	**67%**	**66%**
St. John's, NL (n=75)	65%	87%
Charlottetown-Summerside, PE (n=47)	100%	83%
Moncton, NB (n=58)	81%	N/A
Saint John, NB (n=54)	N/A	89%
Halifax, NS (n=112)	60%	91%
Montreal, QC (n=810)	49%	39%
Quebec City, QC (n=138)	47%	62%
Ottawa, ON (n=168)	85%	79%
Kingston, ON (n=48)	N/A	96%
GTA, ON (n=1058)	70%	56%
Niagara-Hamilton, ON (n=72)	77%	100%
Kitchener, ON (n=53)	85%	93%
Sudbury, ON (n=51)	53%	N/A
Winnipeg, MB (n=129)	84%	80%
Regina, SK (n=50)	76%	84%
Saskatoon, SK (n=54)	52%	58%
Calgary, AB (n=356)	84%	66%
Edmonton, AB (n=312)	53%	75%
Vancouver, BC (n=318)	66%	83%
Abbotsford-Chilliwack, BC (n=49)	N/A	96%

Green shading indicates significantly higher rates of refusal compared to youth of the opposite sex.
Red indicates significantly lower rates of refusal compared to youth of the opposite sex.
"N/A" indicates instances where there were no refusals within a given category of mystery shop visits.

Refusal to Sell e-Cigarettes, by Proximity to Schools and/or Malls

Mystery shoppers were asked to note when a retail outlet visited was near either a school or a mall (i.e., within a 300-metre perimeter). Nationally, refusal to sell e-cigarettes to a youth was significantly lower when the store was near a school (58%) than when it was not, and there was no significant difference when the store was near a mall (67%). The rate of refusal to sell was significantly higher in stores not located near either schools or malls (69%).

Figure 5: Refusal to Sell e-Cigarettes, by Proximity to a School or Mall



At the provincial level, the rate of refusal to sell was significantly lower in Quebec, whether near a school/mall or not. More than half of the teen evaluators in Quebec reported the clerk was willing to sell them an e-cigarette when the location was near a school (63%) or a mall (59%). For the provinces of Manitoba (84%), Alberta (78%), British Columbia (76%) and Ontario (67%), refusal to sell when the store was within proximity of a school was significantly higher compared to the rest of Canada.

Table 9: Refusal to Sell e-Cigarettes, by Proximity to School or Mall – Provincial Results

Region	Near Either School/Mall	Near School	Near Mall	Near Neither
Total (n=4012)	**62%**	**58%**	**67%**	**69%**
Newfoundland and Labrador (n=75)	69%	75%	67%	78%
Nova Scotia (n=112)	75%	50%	92%	76%
Prince Edward Island (n=47)	88%	67%	100%	92%
New Brunswick (n=112)	88%	89%	88%	84%
Quebec (n=950)	38%	37%	41%	51%
Ontario (n=1448)	68%	67%	70%	71%
Manitoba (n=129)	84%	84%	88%	81%
Saskatchewan (n=104)	73%	67%	77%	62%
Alberta (n=668)	67%	78%	65%	76%
British Columbia (n=367)	76%	76%	79%	78%

Green shading indicates significantly higher rates of refusal compared to the rest of Canada.
Red indicates significantly lower rates of refusal compared to the rest of Canada.

By region, the lowest rate of refusal to sell e-cigarettes occurred in Montreal when the store was near a school (35%) or near a mall (41%). For Ottawa (81%), Winnipeg (84%) and Vancouver (76%), the rate of refusal to sell at a retail location within proximity of a school was significantly higher.

Table 10: Refusal to Sell e-Cigarettes, by Proximity to School or Mall – Regional Results

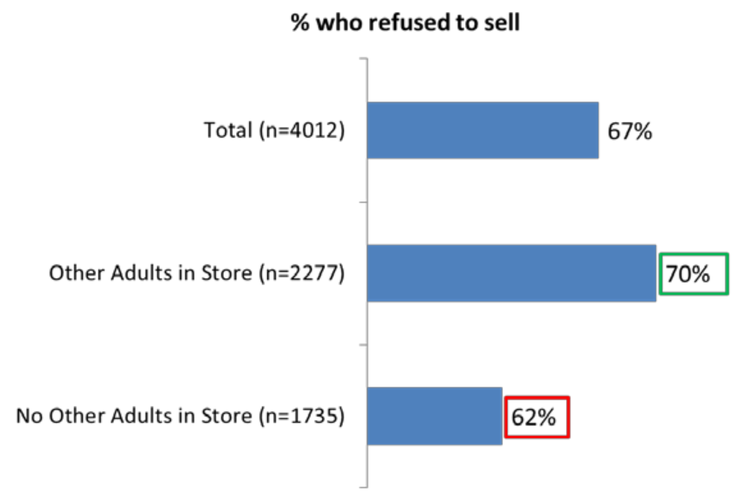
Region	Near Either School/Mall	Near School	Near Mall	Near Neither
Total (n=4012)	**62%**	**58%**	**67%**	**69%**
St. John's, NL (n=75)	69%	75%	67%	78%
Charlottetown-Summerside, PE (n=47)	88%	67%	100%	92%
Moncton, NB (n=58)	90%	86%	100%	79%
Saint John, NB (n=54)	86%	100%	80%	89%
Halifax, NS (n=112)	75%	50%	92%	76%
Montreal, QC (n=810)	36%	35%	41%	49%
Quebec City, QC (n=138)	48%	50%	43%	58%
Ottawa, ON (n=168)	81%	81%	82%	81%
Kingston, ON (n=48)	92%	92%	N/A	97%
GTA, ON (n=1058)	60%	53%	64%	64%
Niagara-Hamilton, ON (n=72)	75%	100%	71%	86%
Kitchener, ON (n=53)	86%	85%	87%	100%
Sudbury, ON (n=51)	52%	50%	53%	53%
Winnipeg, MB (n=129)	84%	84%	88%	81%
Regina, SK (n=50)	79%	83%	77%	81%
Saskatoon, SK (n=54)	63%	54%	75%	53%
Calgary, AB (n=356)	71%	87%	63%	83%
Edmonton, AB (n=312)	64%	72%	66%	67%
Vancouver, BC (n=318)	75%	76%	77%	75%
Abbotsford-Chilliwack, BC (n=49)	90%	N/A	90%	100%

Green shading indicates significantly higher rates of refusal compared to other categories of proximity.
Red indicates significantly lower rates of refusal compared to other categories of proximity.
"N/A" indicates instances where there were no refusals within a given category of mystery shop visits.

Refusal to Sell e-Cigarettes, by Presence of Other Adults in the Store

Nationally, the rate of refusal to sell was significantly higher when other adults were present in the store (70%) compared to when no other adult was present (62%).

Figure 6: Refusal to Sell e-Cigarettes, by Presence of Other Adults in the Store



Refusal to sell based on a "no" response to the following question: "In your opinion, based on the actions and/or words of this retailer, do you think that the retailer was willing to sell you an e-cigarette product had you had the correct change?"

Indicates a result significantly higher than the total.

Indicates a result significantly lower than the total.

Refusal to sell when other adults were in the store was significantly higher in New Brunswick (96%), British Columbia (82%) and Alberta (79%).

Table 11: Refusal to Sell e-Cigarettes, by Presence of Other Adults in the Store – Provincial Results

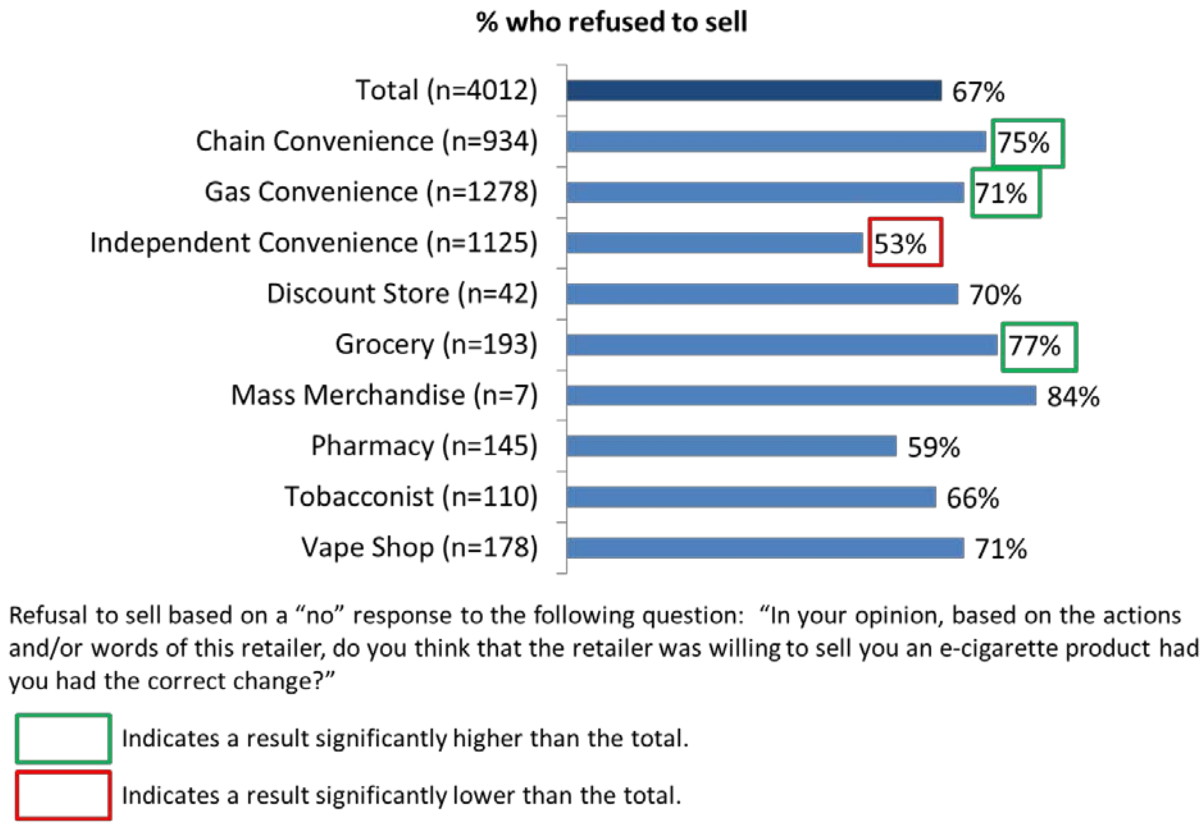
Region	Other Adults in the Store	No Other Adults in the Store
Total (n=4012)	**70%**	**62%**
Newfoundland and Labrador (n=75)	77%	73%
Nova Scotia (n=112)	77%	75%
Prince Edward Island (n=47)	88%	96%
New Brunswick (n=112)	96%	69%
Quebec (n=950)	45%	46%
Ontario (n=1448)	72%	68%
Manitoba (n=129)	84%	79%
Saskatchewan (n=104)	65%	70%
Alberta (n=668)	79%	68%
British Columbia (n=367)	82%	67%

Green shading indicates significantly higher rates of refusal compared to the rest of Canada.
Red indicates significantly lower rates of refusal compared to the rest of Canada.

Refusal to Sell e-Cigarettes, by Retail Channel

The rate of refusal to sell e-cigarettes was highest at grocery outlets (77%), followed by chain convenience outlets (75%) and gas convenience outlets (71%), and lowest at independent convenience outlets (53%). There was no significant difference in refusal to sell at vape shops (71%) compared to all other retail channels combined.

Figure 7: Refusal to Sell e-Cigarettes, by Retail Channel



The large majority (83%) of mystery shops were conducted at gas (31%), chain (24%) or independent convenience retail outlets (28%). Nationally, among these three retail convenience channels, refusal to sell e-cigarettes was significantly lower at independent convenience outlets (53%) compared to chain convenience (75%) and gas convenience outlets (71%), where the rate of refusal was higher.

Table 12: Refusal to Sell e-Cigarettes, by Retail Channel – Provincial Results

Region	Chain Convenience	Gas Convenience	Independent Convenience
Total (n=4012)	**75%**	**71%**	**53%**
Newfoundland and Labrador (n=75)	67%	78%	85%
Nova Scotia (n=112)	63%	80%	66%
Prince Edward Island (n=47)	89%	96%	80%
New Brunswick (n=112)	80%	92%	78%
Quebec (n=950)	55%	47%	39%
Ontario (n=1448)	76%	77%	60%
Manitoba (n=129)	98%	71%	50%
Saskatchewan (n=104)	89%	56%	57%
Alberta (n=668)	84%	70%	54%
British Columbia (n=367)	79%	83%	58%

Green shading indicates significantly higher rates of refusal compared to other retail channels.
Red indicates significantly lower rates of refusal compared to other retail channels.

Location of e-Cigarettes in Retail Outlet

Within the retail environment, e-cigarette products were primarily placed on a visual display within sight of the point of sale counter, but remained inaccessible to the customer (62%). Around one in five retail outlets kept e-cigarettes out of sight behind a tobacco screen or hidden below the counter (19%), while slightly fewer featured a visual self-service display at the point of sale counter (15%).

While most retail outlets across Canada predominantly featured a visual display at the point of sale that was inaccessible to the customer, there was some variation in the display of e-cigarette products across the provinces. The prevalence of a visual self-service display of e-cigarette products at point of sale was higher at retail outlets in Ontario (20%) and Quebec (18%) compared to the retail outlets in the rest of Canada, while prevalence of a visual self-service display at point of sale was lowest in the provinces of Nova Scotia (2%) and New Brunswick (4%). The percentage of retailers who kept e-cigarette products out of sight behind a tobacco screen or hidden below the counter was the highest in the province of Nova Scotia (81%), followed by New Brunswick (65%), the two provinces where a display ban was in place at the time of data collection. Prevalence of a visual display within sight of the point of sale, but inaccessible to the customer, was higher compared to the rest of Canada in the provinces of Manitoba (81%) and Quebec (69%).

Table 13: Location of e-Cigarettes in Retail Outlet, by Province

Region	% Visual display with sight of POS, but inaccessible	% Out of sight behind tobacco screen / below counter	% Visual self-service display at POS counter	% Other location^
Total (n=4012)	**62%**	**19%**	**15%**	**4%**
Manitoba (n=129)	81%	12%	7%	N/A
Prince Edward Island (n=47)	72%	13%	13%	2%
Newfoundland and Labrador (n=75)	72%	12%	13%	3%
Quebec (n=950)	69%	11%	18%	2%
Alberta (n=668)	65%	24%	11%	1%
Ontario (n=1448)	63%	12%	20%	6%
Saskatchewan (n=104)	54%	29%	12%	5%
British Columbia (n=367)	49%	43%	6%	2%
New Brunswick (n=112)	30%	65%	4%	1%
Nova Scotia (n=112)	17%	81%	2%	N/A

Green shading indicates significantly higher prevalence of e-cigarette display feature compared to the rest of Canada.
Red indicates significantly lower prevalence of e-cigarette display feature compared to the rest of Canada.
"N/A" indicates instances where there was no such display feature present.
^ Includes response options "Self-service display not at POS counter but elsewhere in the store" and "Other location".

Observations on Advertising and Promotions

Nationally, in-store advertising was observed by 30% of adult evaluators. Promotions (communicating some form of incentive to purchase e-cigarettes) were observed by 11% of adult evaluators. Advertising on the exterior of the stores was observed only by 6% of the adults. Together, over one-third (35%) of retail outlets had some form of advertising or promotion of e-cigarette products.

The incidence of selling e-cigarettes to a youth was higher when there was a presence of in-store advertising (45%), promotions (18%) and exterior advertising (8%). The incidence of refusals was higher in retail outlets where fewer promotions or advertisements were observed.

Table 14: Observations of Advertising and Promotions

Form of Advertising Present	Total	When Sale Allowed	When Sale Refused
In-Store	**30%**	45%	22%
Promotions	**11%**	18%	7%
Exterior	**6%**	8%	5%

Green shading indicates significantly higher prevalence of promotion/advertising present when sale allowed compared to when sale refused.
Red indicates significantly lower prevalence of promotion/advertising present when sale allowed compared to when sale refused.

At the provincial level, the prevalence of in-store advertising was higher in Quebec (70%), in Newfoundland and Labrador (60%) and in Prince Edward Island (49%) compared to the rest of Canada. Although there were e-cigarette promotion and advertising restrictions in place for the provinces of New Brunswick (NB) and Nova Scotia (NS) at the time of data collection, it was reported by mystery shopping teams that nearly one-quarter (22%) of retail outlets in NB had some form of advertising or promotion and 8% in NS. Overall, the prevalence of *any* advertising (interior or exterior) and promotions was higher in Newfoundland and Labrador (76%), Quebec (73%) and Prince Edward Island (55%) compared to the rest of Canada.

Table 15: Observations on Advertising and Promotions – Provincial Results

Region	In-store Advertising	Promotions	Exterior Advertising
Total (n=4012)	**30%**	**11%**	**6%**
Newfoundland and Labrador (n=75)	60%	29%	7%
Nova Scotia (n=112)	3%	4%	5%
Prince Edward Island (n=47)	49%	6%	9%
New Brunswick (n=112)	22%	4%	2%
Quebec (n=950)	70%	23%	7%
Ontario (n=1448)	23%	8%	8%
Manitoba (n=129)	7%	5%	2%
Saskatchewan (n=104)	20%	15%	5%
Alberta (n=668)	14%	3%	2%
British Columbia (n=367)	7%	5%	4%

Green shading indicates significantly higher prevalence of in-store advertising and promotions compared to the rest of Canada. Red indicates significantly lower prevalence of in-store advertising and promotion compared to the rest of Canada.

Conclusions

Currently, there are strict controls in Canada that limit tobacco display and tobacco access, including sales to youth, advertising and promotion, at retail outlets. The latest tobacco retailer behaviour survey results showed a retailer willingness to refuse the sale of traditional tobacco products to youth 85% of the time.[2]

Considering that at the time of data collection only two of the ten provinces surveyed had enacted legislation that implemented age, advertising and promotion restrictions of e-cigarette sales at retail outlets, two out of every three (67%) Canadian retailers were unwilling to sell e-cigarettes to a youth.

Refusal to sell e-cigarettes was highest in Prince Edward Island (92%), New Brunswick (85%) and Manitoba (82%), and was significantly lower than the rest of Canada in the province of Quebec (45%).

The prevalence of retailers checking for ID was the highest in Prince Edward Island (94%), New Brunswick (87%), and Manitoba (81%). The only province where the prevalence of an ID check was lower than that for the rest of Canada was Quebec (43%). Together, the two provinces with age restrictions in place (New Brunswick and Nova Scotia) had a higher prevalence of retailers checking for ID (81%), compared to the prevalence among all other provinces combined, where no age restrictions were in place (69%).

The same two provinces with youth restrictions in place during data collection had also implemented restrictions on advertising and promotion at retail outlets. Together, the prevalence of any advertising and/or promotion of e-cigarettes were significantly lower in the provinces with restrictions in place (15%) compared to the remaining provinces with no restrictions (36%). The provinces with the highest prevalence of advertising and promotion at retail outlets included Newfoundland and Labrador (76%), Quebec (73%) and Prince Edward Island (55%).

E-cigarette restrictions in place covering all provinces and territories could provide similar retailer behaviour results consistent with those associated with traditional tobacco products.

[2] Health Canada, Evaluation of Retailers' Behaviour Towards Certain Youth Access-to-Tobacco Restrictions (2014). Based on n=5,539 Mystery Shop visits conducted by Ipsos Reid & CRG Mystery Shopping.

Detailed Methodology

Universe Study and Sample

Prior to collecting the data for this project in the summer of 2015, a "Universe" study of the retail environment of outlets that sell e-cigarette products was carried out. The purpose of the Universe Study was to suggest ways of arriving at a new frame that considers current legislation and current population distribution by retail channel. This study focused on "brick-and-mortar" e-cigarette retailers.

The following resources and methodologies were used to determine the number of e-cigarette retailers in each region:

- Internet Searches: Google Maps, Google Web, Bing, and Yellow Pages;
- Telephone calls to potential retailers; and
- In-store field checks.

A targeted national sample of retailers was selected from best-available "Universe" estimates across each of the 20 regions. The "Universe" included all retail outlets that sell e-cigarettes based on the best available information. A total of 6,220 locations were identified as potential e-cigarette vendors, of which 4,012 locations were randomly selected to be assessed.

Nine retail channels were included as potential e-cigarette vendors. Convenience outlets accounted for the bulk of the database of e-cigarette retailers (83%). Discount stores, grocery and mass merchandisers accounted for another 13%, with pharmacies and specialty stores each at 4%.

The dispersion of outlets by retail channel is representative of the "Universe". For the sake of capturing data from as many outlets as possible in the specialty stores retail channel, an attempt was made to survey all vape stores and tobacconists. The targeted and end-result sample dispersion are shown in the table below:

Table 16: Sample Distribution, by Retail Channel

Retail Channel	Targeted Sample Dispersion 2015	End-Result Sample Dispersion 2015
Gas and Convenience (GC)	**79%**	**83%**
Chain Convenience	22%	23%
Gas Convenience	27%	28%
Independent Convenience	30%	32%
Discount, Grocery, Mass Merchandise (DGM)	**13%**	**6%**
Discount Stores	2%	1%
Grocery	10%	5%
Mass Merchandisers	1%	0%
Pharmacy	**4%**	**4%**
Specialty Stores	**4%**	**7%**
Tobacconists	2%	4%
Vape Stores	2%	3%

The final determination of the retail channel was established by the adult evaluator upon the final visit.

Some retail establishments have several crossover uses; therefore, it was important to establish criteria for classifying each store.

- A store was classified as a gas convenience if it was a gas bar or convenience store that sold gas, whether it was a chain convenience partner or the company's own banner, e.g., a Mac's convenience paired up with a Petro Canada, or a mass merchandiser such as Canadian Tire, if the e-cigarettes were sold at the Canadian Tire Gas Bar.
- A store was classified as a chain convenience if it had five or more locations of the identical store name in the database and did not sell gas.
- A store was classified as an independent convenience if it did not belong to a chain and did not sell gas.
- A store was classified as grocery if the e-cigarettes were sold at the courtesy counter within the store or in a separate unit attached to the store, e.g., Holy Smoke's attached to a Loblaws.
- If a grocery store sold e-cigarettes near the Nicotine Replacement Therapy (NRT) products at the pharmacy within the grocery store, then the location was classified as a pharmacy.
- A discount merchandiser was a store such as Giant Tiger, The Bargain Shop or a dollar store.
- A mass merchandiser was a Walmart.
- A pharmacy was an independent freestanding or mall drug store, or a pharmacy in a mass merchandise store or grocery store that sold the e-cigarettes.
- A store was classified as a tobacconist if smoking products were its main source of business and occupied the majority of the sales floor space. Otherwise, if it was a variety store with a tobacco section, it was classified as an independent convenience.
- A vape store was a store that specialized in e-cigarette products.

The procedures for substituting stores were these, in descending order of priority:

1. Within a given city, attempt to find a replacement store of the same retail channel as the original;
2. If no store of the same retail channel was available for substitution, find a store from any of the remaining retail channels within the major category, whichever was in closest proximity to the original;
3. If no substitute stores of any retail channel were available within the major category, another store from another category was chosen;
4. If no substitute stores of any retail channel were available within the original city, the original store was replaced with a store of the original retail channel within another city in the same province; and
5. If no substitute stores of any retail channel were available within the original city and province, the original store was replaced with a store of the original retail channel within another city outside the province, wherever availability of stores was greatest.

Excluded from the "Universe" of e-cigarette retailers were head shops or vape stores that present a risky environment for the teen; as well as bars, hotels or other establishments that were not typically classified as retail outlets. Because this study focused on "brick-and-mortar" e-cigarette retailers, online e-cigarette retailers were excluded.

Apart from considerations around market and sales channel, the sample was also controlled for the age and sex of the teen evaluators. Half of the national sample was visited by boys and half by girls. By age, 50% of the national sample of retail outlets was visited by boys or girls 17 years of age; 23% by 16 year olds, and 27% by 15 year olds. As much as possible, these distribution objectives were targeted within individual regions and across retail channel. However, there are regions and store types where the number of sample stores was too small to accommodate a full mix of boys and girls across each age group. In these cases, the sample was assigned to one or more teens of pre-determined age and sex, evenly distributing the sample across the nation.

Scope

Preparations for this study began in May 2015. The fieldwork took place over 15 weeks, starting at the beginning of July and ending mid-October 2015. One important prerequisite of the city selection was to ensure representation of at least one city from each of Canada's ten provinces.

A total of 20 regions were selected from 10 provinces across Canada. The regions in this study are comprised of the largest populated cities within each province. These regions account for 60% of Canada's population.

In the best interest of cost effectiveness and accessibility for survey teams, twin cities were also selected when the sample size for a single city, representing a province, was too low, e.g., Summerside was added to the Charlottetown, Prince Edward Island (PE) sample.

The Greater Toronto Area (GTA) includes some surrounding cities, not necessarily part of the official boundaries of the defined areas (e.g., Whitby and Oshawa are not officially part of the GTA, but are included in the GTA study area and is part of the region's results).

The regions are:

1. St. John's, NL
2. Charlottetown-Summerside, PE
3. Moncton, NB
4. Saint John, NB
5. Halifax, NS
6. Montreal, QC
7. Quebec City, QC
8. Kitchener-Waterloo-Guelph-Cambridge, ON
9. Niagara-Hamilton, ON
10. Greater Toronto Area (GTA), ON
11. Kingston, ON
12. Ottawa, ON
13. Sudbury, ON
14. Winnipeg, MB
15. Regina, SK
16. Saskatoon, SK
17. Edmonton, AB
18. Calgary, AB
19. Vancouver, BC
20. Abbottsford-Chilliwack, BC

Fieldwork Operations

An observation team made up of one adult evaluator (over 19 years of age) and one teen evaluator (either 15, 16 or 17 years of age) visited each selected retailer within their assigned area.
Each team member had designated responsibilities and worked independently from one another. The adult dropped the teen off out of sight of the store and entered the store alone. The teen observed e-cigarette placement, accessibility, advertising or promotion. They also observed the counter clerk's age and sex.

After exiting the store and leaving the premises, the teen entered the store, located the e-cigarettes and took one for purchase. If the product was not self-serve, or was concealed to the customers, the teen asked the counter clerk for a disposable e-cigarette. In a vape store or a store that did not sell disposables, the teen asked for a starter kit.

The teen observed whether the clerk asked for ID and their age. The teen was instructed to not have ID on her/him and, if asked her/his age, was to state that s/he was 19 years old. The teen only made ***an attempt to purchase*** and never followed through with the purchase. The teen was instructed to not carry more than loose change in her/his pocket, no wallet or purse, and to pretend to not have enough money to buy the item if the retailer showed willingness to sell. Upon completion of the interaction, the teen was to act polite, not challenge the retailer, thank her/him and exit the premises. They were to pose as typical customers and do nothing to betray the true nature of their work.

The adult and teen each had a section of the report to complete for each store. They did so in an online reporting system called "SASSIE", either from their mobile device or a home computer. The questions that formed the report in the online system are available in the Appendix.

Sample Weighting

The sample was weighted according to the population of the 20 Census Metropolitan Areas (CMAs) included in the research. The table below compares the field results obtained with the population characteristics as per the 2011 Census. Together, the 20 CMAs included in the study represent 60.8% of the national population (of 33,476,688).

Table 17: Sample Weighting

	Field Results		Population Characteristics	
	Unweighted Base	Unweighted %	CMA Population	Population %
St. John's, NL	75	1.9%	196,966	1.0%
Charlottetown-Summerside, PE	47	1.2%	80,975	0.4%
Moncton, NB	58	1.4%	138,644	0.7%
Saint John, NB	54	1.3%	127,761	0.6%
Halifax, NE	112	2.8%	390,328	1.9%
Montreal, QC	810	20.2%	3,824,221	18.8%
Quebec City, QC	138	3.4%	765,706	3.8%
Ottawa, ON	168	4.2%	1,236,324	6.1%
Kingston, ON	48	1.2%	159,561	0.8%
GTA, ON	1058	26.4%	5,538,064	27.2%
Niagara-Hamilton, ON	72	1.8%	1,113,237	5.5%
Kitchener, ON	53	1.3%	477,160	2.3%
Sudbury, ON	51	1.3%	160,770	0.8%
Winnipeg, MB	129	3.2%	730,018	3.6%
Regina, SK	50	1.2%	210,556	1.0%
Saskatoon, SK	54	1.3%	260,600	1.3%
Calgary, AB	356	8.9%	1,214,839	6.0%
Edmonton, AB	312	7.8%	1,159,869	5.7%
Vancouver, CB	318	7.9%	2,313,328	11.4%
Abbotsford-Chilliwack, CB	49	1.2%	262,499	1.3%
Total Population Covered:			**20,361,426**	**60.8%**

Appendix

Mystery Shopping Software Reporting Tool

Health Canada 2015: E-cigarette Retail Study	
Question	**Answer**
I confirm that I have read the shop guidelines for this assignment. (Link is located at the top left corner of this form, highlighted in blue). I agree to follow the guidelines when completing this shop and understand that failure to do so means I will not be paid for this shop.	Yes No
RETAILER AND LOCATION INFORMATION	
If you did not use GeoVerify, please upload a picture of the location you visited.	
Upload a picture taken of the location here:	
Your Region:	Select One
1. Are the details in the LOCATION INFO in the upper right corner of this report accurate for this location and report?	Yes No
2. Please confirm the Class of Trade and Specified Store Type: *Grocery inside (e-cigarettes sold inside at courtesy counter); Grocery Separate (e-cigarettes sold from a separate unit operated by the grocery store); Pharmacy inside grocery store (e-cigarettes sold at the pharmacy counter)*	1-Chain Convenience 2-Gas Convenience 3-Independent Convenience 4-Discount Store 5-Grocery Inside 5-Grocery Separate 6-Mass Merchandiser 7-Pharmacy Inside Grocery Store 7-Pharmacy/Drug Store 8-Tobacconist 9-Vape/Specialty Shop
3. Is the store within a 300 metre perimeter of:	
School	Yes No
Mall	Yes No
4. Date of Audit:	

5. What time did you arrive at the store?	00 : 00
ACCESSIBILITY, PLACEMENT AND PROMOTION	
6. Where are the electronic cigarette products being kept within the retail environment?	○ Visual self-service display at the POS counter ○ Visual display within sight at POS counter but inaccessible (i.e. behind counter, not self-service) ○ Out of sight behind a tobacco screen or hidden below the counter ○ Self-service display not at POS counter but elsewhere in the store ○ Other location
Question 7 applies only to Pharmacies and will only appear if Pharmacy was answered as one of the classes of trade in Question 2.	
	○ Yes ○ No
8. Did you notice any promotion of e-cigarettes (e.g. a posted price, or a noted “special price”, “special offer”, “cents-off”, “reduced price”, “save $x.xx”, a BOGO deal, “starter kit” price, health claims)?	○ Yes ○ No
9. Did you notice the presence of interior advertising (i.e. posters, shelf labels, shelving units, portable displays that hold e-cigarette individual products or “displays”)?	○ Yes ○ No
10. Did you notice the presence of exterior advertising (e.g. print ads or posters)?	○ Yes ○ No
Please describe where the e-cigarettes were displayed and what, if any, promotions or advertisements you observed. *If none, indicate "None were observed."*	

ATTEMPT TO PURCHASE	
Please confirm that you have verified the accuracy and completeness of the youth's fieldwork and report content prior to submitting this report.	Yes No
11. Did you/will you have school today?	Yes No
12. Sex of minor:	Male Female
13. Age of minor:	15 16 17
14. Sex of clerk who served you:	Male Female
15. Age of clerk who served you:	about your age older than you but probably under 25 over 25 but not a senior citizen senior citizen
16. Were there **adult** customers anywhere in the store at the time of your attempted purchase?	Yes No
17. Did the retailer ask your age?	Yes No
18. Did the retailer ask for ID?	Yes No
19. Was the retailer suspicious of you at all (doubted your age)?	Yes No
20. Did the retailer ask who the e-cigarette or starter kit was for?	Yes No
21. Did the retailer draw your attention to an age restriction sign or say you have to be a specific minimum age to buy e-cigarette products? *This may be the law (Nova Scotia, New Brunswick) or simply store policy.*	Yes No

22. Did the retailer tell you the price of the attempted transaction?	◯ Yes ◯ No
23. Did the retailer select the e-cigarette products and put them on the counter for sale? (In non self-serve situations.) *Mark N/A if you had the product in-hand first.*	◯ Yes ◯ No ◯ N/A
24. Was the retailer ready to ring up the purchase?	◯ Yes ◯ No
25. Did the retailer make any comments/suggestions regarding other types of e-cigarette products for sale (I.e. other brands, products that contain nicotine, etc.)?	◯ Yes ◯ No
26. Once the clerk realized you did not have enough money to complete the transaction, did the clerk offer to sell you a less expensive product? *Mark "No" if they didn't offer you anything else, but you DID have to pretend you didn't have enough money. Mark "N/A" if neither happened.*	◯ Yes ◯ No ◯ N/A

RETAILER'S WILLINGNESS TO SELL

27. In your opinion, based on the actions and/or words of this retailer, do you think that the retailer was willing to sell you an e-cigarette product had you had the correct change?	◯ Yes ◯ No

Comment on your experience: