



Tighter controls on vape marketing due, but gaps remain

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Summary

New vaping regulations that reduce the visibility and marketing of vaping products will come into effect on 17 June. While these measures will limit promotions that have appealed to young people, vaping companies have anticipated the new restrictions by offloading stock using value-based and referral promotions. This Briefing illustrates those promotions, explains how they work, and outlines regulatory gaps that still require attention. We call for further work to reduce vape store numbers and density, and introduce more proportionate regulation of smoked tobacco products, which remain the most harmful way to access nicotine.

What changes are coming?

On 17 June 2025, new vaping legislation that reduces ongoing marketing of vaping products will come into effect in Aotearoa New Zealand (NZ). The changes include disallowing

window displays that promote vaping products to passers-by, including children and young people. Disposable vaping products, associated with rapid increases in vaping among young people, will no longer be permitted. However, recent media reports suggest new hybrid disposables, which comply with the new law, may circumvent this measure, and careful monitoring will be required to identify emerging loopholes.

Online <u>vape product advertising</u> will change as internet sites may no longer display product images. Nor will specialist vape retailers (or their websites) be able to give away free products, offer product discounts, provide rewards (e.g., cash rebates), run loyalty programmes, or offer games to people who buy vaping products. For many, it will seem remarkable that vaping product manufacturers may currently use these promotions, which are reminiscent of the <u>collectible cards inside tobacco packages</u> that helped normalise smoking among <u>children in the first half of the 20th century</u>.¹

What do marketers gain from promoting brand visibility and using sales promotions?

Marketers have long recognised the importance of brands' visibility. For example, marketers pay fees to gain facings and eye level positions for their brands in supermarkets. Offering free products reduces the risk of purchase for consumers, while product discounts and rewards help instil regular purchase patterns, encourage stockpiling, and avoid defection to other brands.

We found widespread use of giveaways and sponsorship when vaping products were first introduced,² and a recent scoping review found social media sites feature extensive vaping product promotions.³ We have also noted similarities between the in-store marketing strategies used for vaping products and those formerly used to promote tobacco products.⁴

How are vaping manufacturers responding to the new regulations?

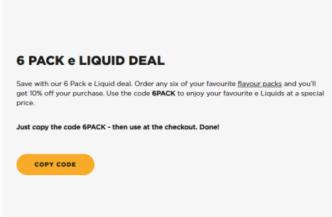
At least one tobacco company, British American Tobacco (BAT), has <u>updated</u> its e-cigarette customers, noting the impending changes and encouraging customers to "<u>Make sure you're signed up to receive updates now, so you can take advantage of special offers before then!" (archived version)</u>



https://vuse.co.nz/pages/promotions-and-offers [Downloaded 9 June, 2025; archived version]

BAT's markets the Vuse brand and its website features several "special offers", including a "give and get" referral promotion, which offers people who "introduce" friends a "reward". In this case, the promotion offers referrers a \$15 rebate on their next order, a strategy that helps maintain purchase patterns. The terms and conditions state that referred friends must not be existing Vuse members; when these friends share their email address, they will receive a code enabling them to claim a free Vuse vape pen and \$15 off their first order when they purchase at least \$30 worth of Vuse products via the Vuse website. These campaigns help expand a brand's potential customer base and have been used previously by vaping companies.²

Referral campaigns like the Vuse promotion effectively promote vaping products to new customers through current ones, thus going beyond rules currently in place that limit marketing to existing users only. Furthermore, these promotions normalise vaping by framing it as an enjoyable social practice shared by friends. It is also not clear how referral promotions verify that people "referred" currently smoke or vape. In addition to disallowing marketing to new customers, the law does not permit anyone to encourage someone who is not already an existing customer to use a vaping product.





https://vuse.co.nz/pages/promotions-and-offers [Downloaded 9 June, 2025; archived version]

Bulk purchase discounts use a different type of financial incentive to encourage "upsizing", prompting customers to buy more product than they would typically purchase. This strategy encourages stockpiling, which supports continued product use, and provides marketers with opportunities to trial new flavours.



The bonus pack offer typically sets a high purchase threshold (here, eight packs) and, like price discount offers, promotes "upsizing", stockpiling, and ongoing consumption.

Retailers have previously run illegal promotions to offload stock that was no longer compliant with updated regulations. While BAT's promotions are not yet illegal, so long as they do not continue once the updated regulations are introduced, they illustrate how vape product marketing has led to rapid prevalence.

What further measures should the Government introduce?

We commend the introduction of the new restrictions on vape product marketing, which are long overdue and that will help reframe vaping products as devices with a very specific target: people who smoke. However, monitoring and enforcement will also be crucial to ensure high levels of compliance, particularly given online sites may receive less attention than physical retail outlets.

Furthermore, the new measures do nothing to limit the number or density of retail outlets selling vaping products; nor do they reduce these outlets' clustering in low-income communities. As of 05 June 2025, Aotearoa has 1311 specialist vape stores. Waterman et al. found 29% of schools in New Zealand had a specialist vape store within five minutes' walk, a figure likely to under-estimate availability as it does not include general vape retailers, many of whom operate near schools. Regulators should consider reducing vape store density and phasing out those stores operating near schools, marae or areas where young people congregate.

While pivotal to introduce measures that protect young people, the Government should also regulate and reduce the supply of smoked tobacco, which remains widely available and requires no licence. After all, the Smokefree 2025 goal has the dual aim of reducing smoking prevalence **and** tobacco supply to minimal levels.

What this Briefing adds

- New regulations will limit vape products' visibility and restrict how they are promoted and potentially reduce marketers' ability to target young people.
- Vaping product manufacturers have anticipated the regulatory changes by using value and referral promotions to offload products and increase their market base.
- Although the new regulations will help close regulatory loopholes, important gaps remain, particularly the widespread availability of vaping products.

Implications for policy and practice

- Detailed monitoring and enforcement will be required to ensure compliance with the new regulations and to identify product innovations that undermine the regulations' intent.
- Further progress is required in two areas: the widespread availability of vaping products and the growing inconsistency between the regulation of smoked tobacco and vaping products.

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