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South Korea: 'KT&G Sangsang Univ.' employs education for marketing

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Ever since Korea opened its market to the transnational tobacco companies in 1988, KT&G (Korea Tomorrow & Global), the now-privatised state tobacco monopoly, has steadily lost market share. Using aggressive and creative marketing tactics, the transnational tobacco companies have increased their market share in Korea from 2.9% in 1988 to 41.7% in 2009.¹ Korea restricts cigarette advertising and marketing, prohibiting outdoor signage, free sampling outdoors, and advertisements on TV and radio and in newspapers, while allowing cigarette promotions in cigarette retail shops and magazines (except magazines directed at women or youth) and sponsorship of social, cultural, musical, athletic and other specific events (except events directed at women or youth).²

In 2003, KT&G created 'KT&G Sangsang Univ.' (KT&G 상상 Univ.). The word 'Sangsang' (상상) means 'imagination'. Although it is called a 'Univ.', KT&G Sangsang Univ. is not a university; it appears to be a part of KT&G. There is no official information available from KT&G and KT&G Sangsang Univ. about the formal business relationship between the two bodies. We telephoned KT&G Sangsang Univ. to ask what their specific business relationship with KT&G was, but they refused to answer the question. Hence, we investigated the telephone numbers and location of KT&G Sangsang Univ. and found that it is located in KT&G's Seoul office building and its fax number is in the range of KT&G's telephone numbers, 02-3404-4XXX.

KT&G Sangsang Univ. reinforces KT&G's corporate social responsibility (CSR) activities.³ However, its primary function is to serve as a marketing tool to approach Korean college students aged 19–27 years who belong to the group with the highest smoking rate. (The smoking rate of young Korean adults aged 20–29 years is 53% in men and 11.6% in women.⁴) Historically, this population group was intensively targeted by the tobacco industry worldwide.⁵ Since 1988, young Korean adults, in particular, women, have also been targeted by the industry.⁶

There are three key programmes run by KT&G Sangsang Univ. First, it offers short-term courses (normally for a duration of 1 month) for college students in popular topics including photography, music, movie-making, dancing and acting.⁷ While the courses are not free, they are inexpensive (costing about 40 000–50 000 won, approximately US\$40–50).⁷ KT&G Sangsang Univ. also offers 6-or 7-week marketing classes highlighting KT&G's tobacco marketing strategies (eg, building brand image, defining target groups, designing

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product packaging) using its particular tobacco brands as teaching exemplars (figure 1). On completing the course, students receive a formal certificate from KT&G Sangsang Univ., potentially increasing their post-college marketability. Although the current tobacco-related regulations in Korea restrict advertising of tobacco brands to cigarette retail shops and specific magazines, the marketing classes at KT&G Sangsang Univ. enjoy unregulated use of the company's brand images.

Second, KT&G Sangsang Univ. recruits student volunteers for KT&G CSR programmes run by the KT&G Social Welfare Foundation, which KT&G established in 2003 as a not-for-profit legal entity to systemise KT&G's CSR programmes, including overseas aid programmes and volunteer activities in rural communities.¹⁰ For example, during the summer vacation the recruited student volunteers help farmers run their farms, visit other developing countries to educate people and help build schools and houses.¹¹ These are attractive programmes for college students who must obtain volunteer credits to graduate. By satisfying this need, KT&G builds relationships with young adults. These favourable relationships promote positive attitudes towards the tobacco industry, which has been associated with increased smoking and decreased intention to quit among young adults in the USA.^{12,13}

Third, KT&G Sangsang Univ. provides a membership service to any college student over 19 years (the legal age for purchasing cigarettes) that offers discounts on movies, concerts, food, bars, clothing, private education and cosmetics. As of October 2011, 60 companies including Korea Ginseng Corporation (a KT&G subsidiary), Novotel (an international hotel chain) and other small businesses that are popular among young Korean adults were part of this programme. This membership programme allows KT&G to collect personal contact information, including email and postal addresses and telephone numbers; the kind of direct-to-consumer marketing that such lists support has been increasingly important in the USA.¹⁴

In 2005, British America Tobacco (BAT) launched its 'BAT Leadership Academy' for college students following KT&G's lead. The 2-week programme provided lectures and intensive leadership training courses to third and fourth grade college students. However, the programmes did not last long, ending in 2005.¹⁵

Previous research has found that the tobacco industry's CSR activities are used to overcome the social unacceptability of tobacco and smoking,¹⁶ rebuild company credibility,¹⁷ improve employee morale¹⁸ and secure access to policy makers.¹⁹ In addition to these functions, KT&G Sangsang Univ. has expanded the scope of its CSR activities to support KT&G marketing, including brand promotion. Considering that KT&G Sangsang Univ.'s marketing courses are not conducted in cigarette retail shops and that many of its 'students' are women, it is apparent that its activities are only exploiting the loopholes in Korea's National Health Promotion Act.

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Figure 1.

During KT&G Sangsang Univ.'s marketing course the instructor introduces and uses KT&G's top brand, Raison, as an example of a popular and successful brand. (The real image of the brand is shown below.⁸) The Korean words on the screen read 'How to define a hit brand?' and the words on the signboard next to the presenter read 'The world is our market'.⁹ This figure is produced in colour in the online journal—please visit the website to view the colour figure.