

WSPM GROUP
EMPTY PACKS SURVEY
NORWAY 2020 Q4

February 2021



CONTENTS

EMPTY PACK SURVEY RESULTS Q4 2020:
NORWAY



01.



EXECUTIVE SUMMARY



02.



METHODOLOGY



03.



KEY RESULTS



04.



APPENDIX



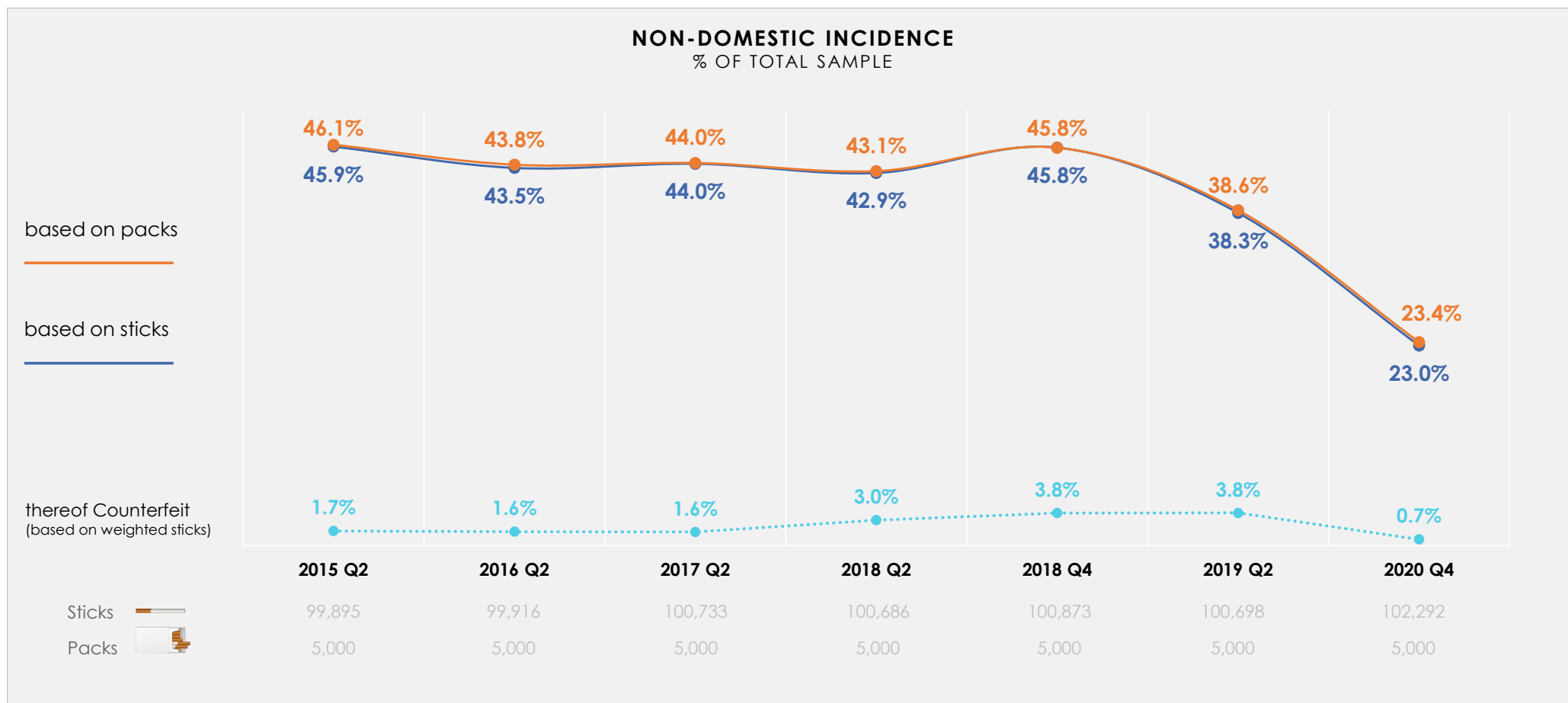
01.

EXECUTIVE SUMMARY

QUARTER 4, 2020



EXECUTIVE SUMMARY: NON-DOMESTIC TREND



TOTAL SAMPLE = DOMESTIC AND NON-DOMESTIC PACKS
EPS NORWAY – 2020 Q4

EXECUTIVE SUMMARY: KEY MESSAGES



Industry overview

- Non-domestic incidence decreased to 23.0% (vs 38.3% in Q2 2019, 45.8% in Q4 2018).
- Counterfeit incidence decreased to 0.7% (3.8%, 3.8%).
- Main non-domestic brands found were (excl. counterfeit):
 - MARLBORO (PMI) with 11.6% of all packs collected (18.7%, 18.2%).
 - PRINCE (BAT) with 2.2% (3.3%, 3.8%).
 - L&M (PMI) with 1.5% (1.8%, 2.3%).
 - WINSTON (JTI) with 1.4% of all packs collected (1.7%, 2.0%).
 - CAMEL (JTI) with 1.0% of all packs collected (1.6%, 2.0%).
- Main non-domestic market variants found were (excl. counterfeit):
 - DUTY FREE with 6.6% of all packs collected (13.1%, 14.3%).
 - SWEDEN with 5.6% (7.3%, 9.1%).
 - POLAND with 4.7% (2.9%, 4.1%).
 - LITHUANIA with 0.9% of all packs collected (2.4%, 1.3%).
 - BELARUS with 0.9% of all packs collected (0.0%, 0.3%).
- Highest non-domestic incidence was found in cities OSLO at 27.2% (39.6%, 53.3%), in FREDRIKSTAD at 23.8% (38.8%, 44.6%), and BERGEN at 22.9% (38.0%, 44.9%).



EXECUTIVE SUMMARY: KEY VARIANCES

% OF TOTAL SAMPLE Based on number of sticks

— Total: 102,292 sticks (5,000 packs)

	2020 Q4	2019 Q2	2018 Q4
NON-DOMESTIC INCIDENCE	23.0%	38.3%	45.8%
MAIN MARKET VARIANTS (excl. counterfeit)			
DUTY FREE	6.6%	13.1%	14.3%
SWEDEN	5.6%	7.3%	9.1%
POLAND	4.7%	2.9%	4.1%
MAIN BRAND FAMILIES (excl. counterfeit)			
MARLBORO (PMI)	11.6%	18.7%	18.2%
PRINCE (BAT)	2.2%	3.3%	3.8%
L&M (PMI)	1.5%	1.8%	2.3%
MAIN CITIES			
OSLO	27.2%	39.6%	53.3%
FREDRIKSTAD	23.8%	38.8%	44.6%
BERGEN	22.9%	38.0%	44.9%
COUNTERFEIT INCIDENCE			
TOTAL COUNTERFEIT INCIDENCE	0.7%	3.8%	3.8%
JTI	0.5%	0.9%	1.0%
PMI	0.1%	1.2%	2.1%
BAT	0.0%	1.7%	0.3%
IMPERIAL TOBACCO	0.0%	—	0.4%



EXECUTIVE SUMMARY: INFLOW MATRIX

% OF TOTAL SAMPLE Based on number of sticks

— Total: 102,292 sticks (5,000 packs)

MAIN INFLOWS

	COUNTERFEIT	DUTY FREE	SWEDEN	POLAND	LITHUANIA	BELARUS	OTHERS	TOTAL	2019 Q2	2018 Q4
MARLBORO (PMI)	0.1%	4.4%	2.4%	2.9%	0.7%	0.0%	1.2%	11.7%	19.7%	20.2%
PRINCE (BAT)	0.0%	0.8%	1.3%	—	—	—	0.1%	2.2%	4.9%	4.2%
WINSTON (JTI)	0.5%	0.3%	0.6%	0.3%	0.1%	0.0%	0.2%	2.0%	2.6%	2.9%
L&M (PMI)	—	0.4%	0.2%	0.6%	0.0%	—	0.3%	1.5%	1.9%	2.4%
CAMEL (JTI)	—	0.3%	0.3%	0.2%	0.1%	—	0.2%	1.0%	1.6%	2.0%
KENT (BAT)	—	0.1%	0.2%	—	0.0%	—	0.3%	0.6%	1.2%	2.0%
OTHER	0.0%	0.4%	0.6%	0.7%	0.0%	0.8%	1.4%	4.0%	6.3%	12.2%
Total	0.7%	6.6%	5.6%	4.7%	0.9%	0.9%	3.6%	23.0%	38.3%	45.8%
2019 Q2	3.8%	13.1%	7.3%	2.9%	2.4%	0.0%	8.8%	38.3%		
2018 Q4	3.8%	14.3%	9.1%	4.1%	1.3%	0.3%	13.0%	45.8%		

02.

METHODOLOGY

QUARTER 4, 2020



OBJECTIVES, PROVISIONS, LIMITATIONS

OBJECTIVES

Provide an indication on the incidence of non-domestic or illicit cigarettes consumed in NORWAY:

- Tax-paid and non-tax paid cigarettes from other countries
- Counterfeit cigarettes
- Gain information related to non-domestic or counterfeit cigarettes by: Manufacturer, City, Brand family, Market variant

PROVISIONS

- Participating companies: British American Tobacco (BAT), Imperial Tobacco (ITL), Japan Tobacco International (JTI) and Philip Morris International (PMI)
- Participating companies provided financial support for this study. WSPM Group conducted the empty pack collection independently. The market variant of all collected packs and the authenticity of the collected packs bearing their packs trademarks were examined by the participating companies
- WSPM Group assumed limited responsibility for the report findings and conclusion. The objectives and limitations of the report are set out on this page. Should any party choose to rely on the report, they do so at their own risk.
- Non-domestic includes legal allowances

LIMITATIONS

- Homes and workplaces are not covered
- No information on counterfeit incidence of non-participating companies
- The survey is designed to focus on trends rather than incidence at a single point in time

RESEARCH APPROACH



METHOD

Random collection from streets & public bins. Any brand, any market variant.

TIMINGS

Fieldwork:
01 - 16 Oct, 2020

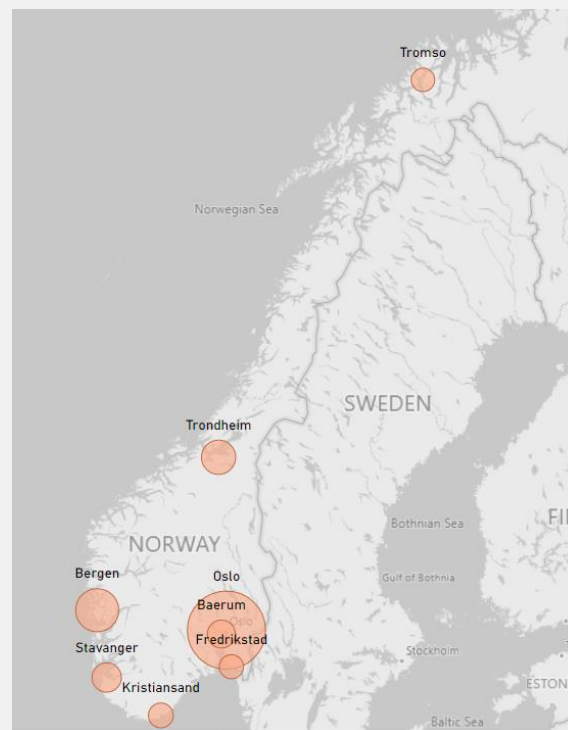
REPORTING

The results are calculated based on number of sticks equivalent to the number of packs collected.

COVID-19 – At the time of the collection in each city there were no restrictions that limited the collection operation. Public gatherings were limited to 20 people and bars and pubs were not permitted to open past midnight. All travelers arriving into the country from countries with more than 20 confirmed new COVID-19 cases per 100,000 population in the previous two weeks were required to quarantine on arrival. Oslo authorities announced tighter restrictions came into effect in the city as of September 29, including a ban on indoor events with over 50 participants.

GEOGRAPHY

- The largest 8 cities
- 30.8% coverage of population

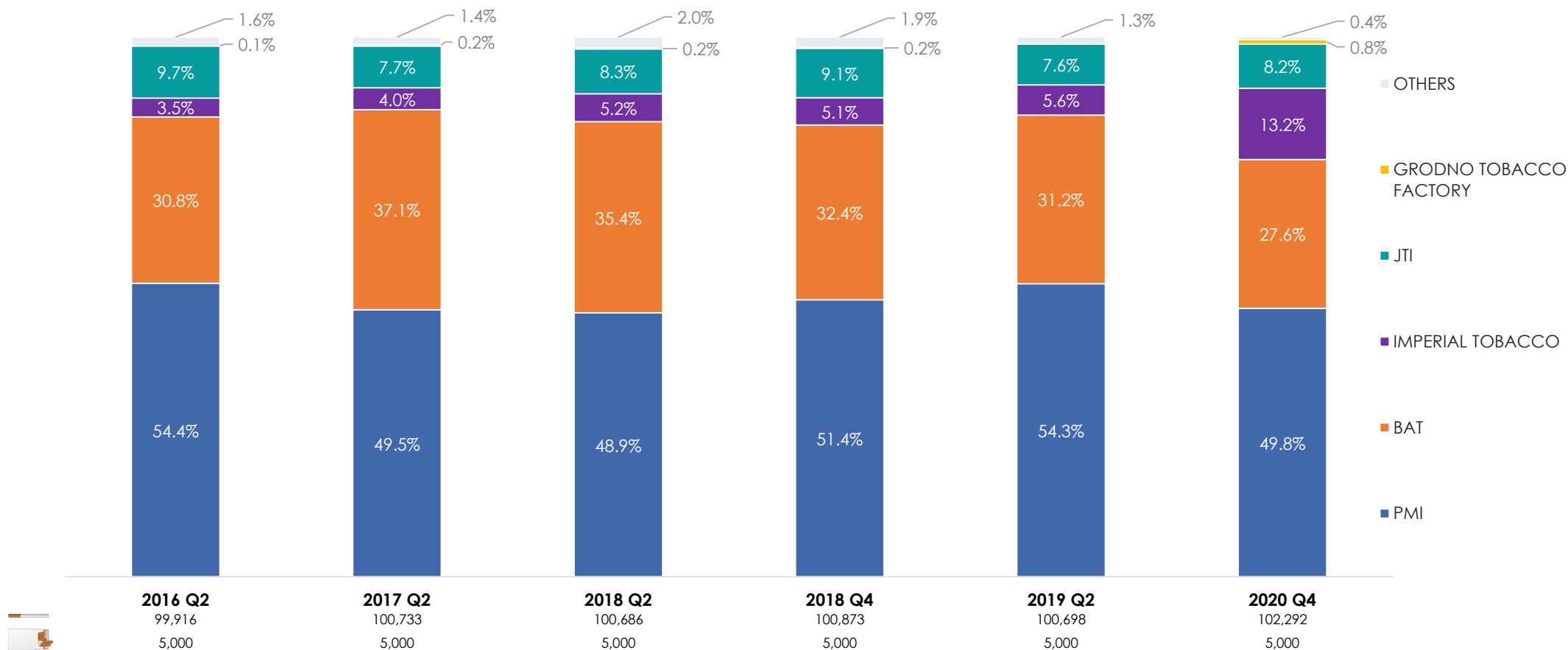


Region	Population Covered	Sample	Weighted Sample
Oslo	634,463	2,012	2,012
Bergen	271,949	866	866
Trondheim	182,035	579	579
Stavanger	130,754	419	419
Baerum	118,588	376	376
Kristiansand	85,983	273	273
Fredrikstad	77,591	248	248
Tromsø	71,590	227	227
Total Sample	1,572,953	5,000	5,000



SAMPLE COMPOSITION: SHARE BY COMPANY

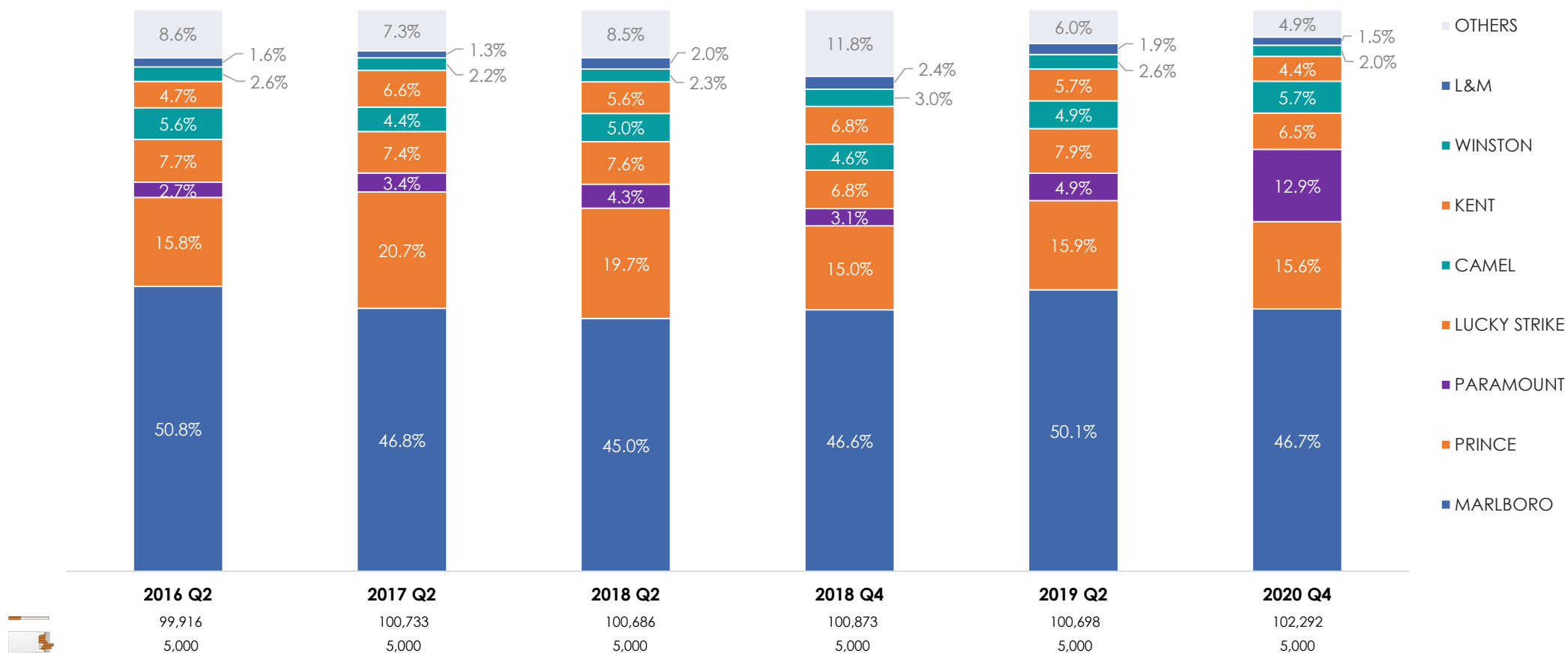
% OF TOTAL SAMPLE Based on number of sticks





SAMPLE COMPOSITION: SHARE BY BRAND

% OF TOTAL SAMPLE Based on number of sticks





03.

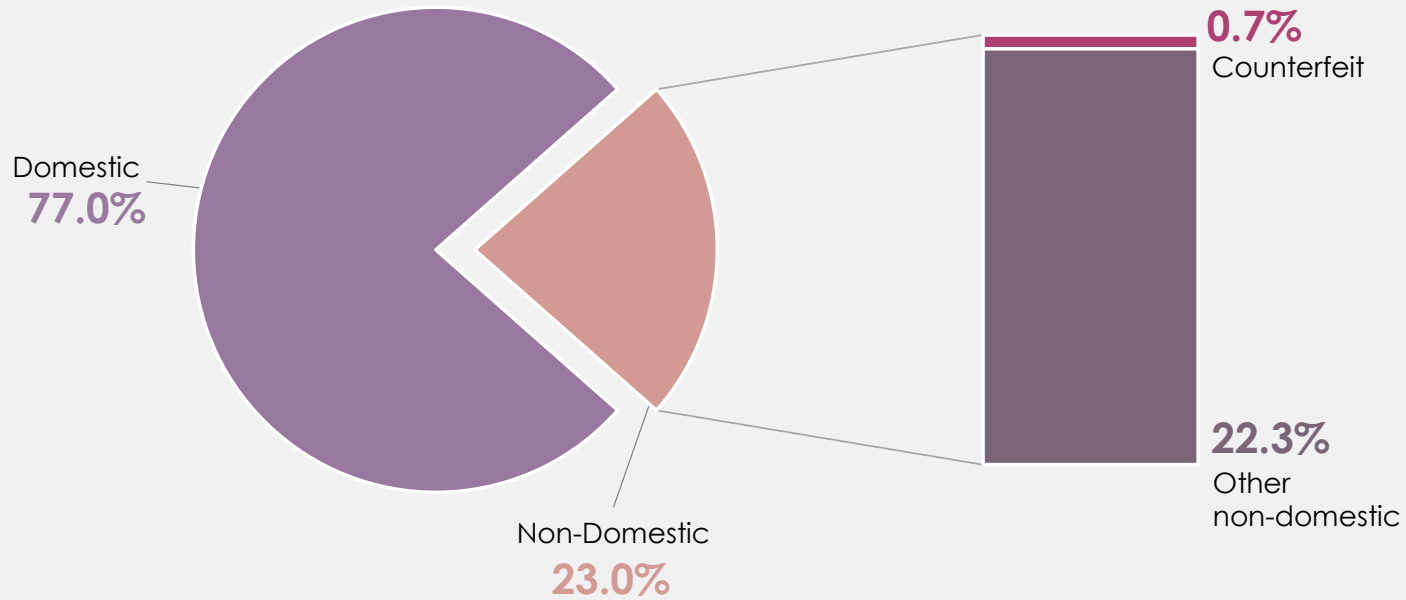
KEY RESULTS - BASE

QUARTER 3, 2020



NON-DOMESTIC: CATEGORIES

NON-DOMESTIC INCIDENCE CATEGORIES
% OF TOTAL SAMPLE

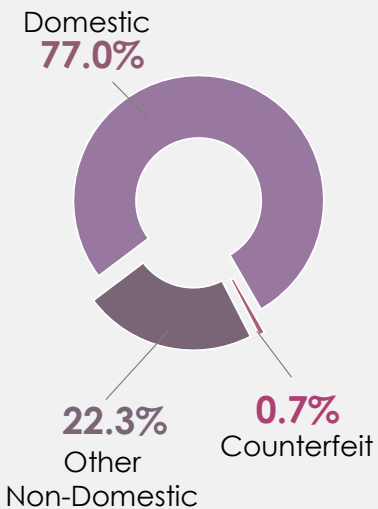


Total: 102,292 sticks (5,000 packs)



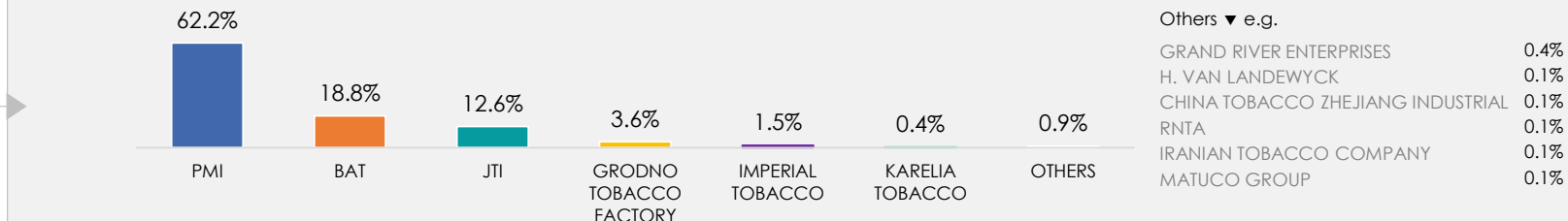
OTHER NON-DOMESTIC: BREAKDOWN

NON-DOMESTIC INCIDENCE % OF TOTAL SAMPLE

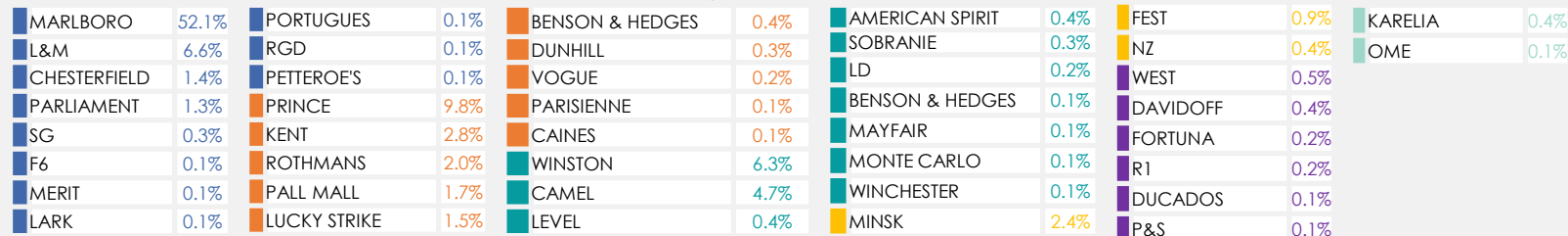


Total: 22,792 sticks (1,134 packs)

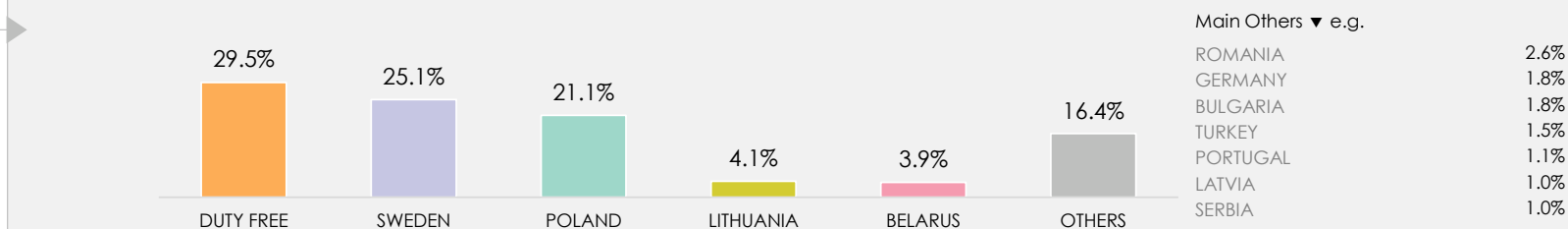
SPLIT BY COMPANY % OF OTHER NON-DOMESTIC SAMPLE



SPLIT BY MAIN BRAND % OF OTHER NON-DOMESTIC SAMPLE

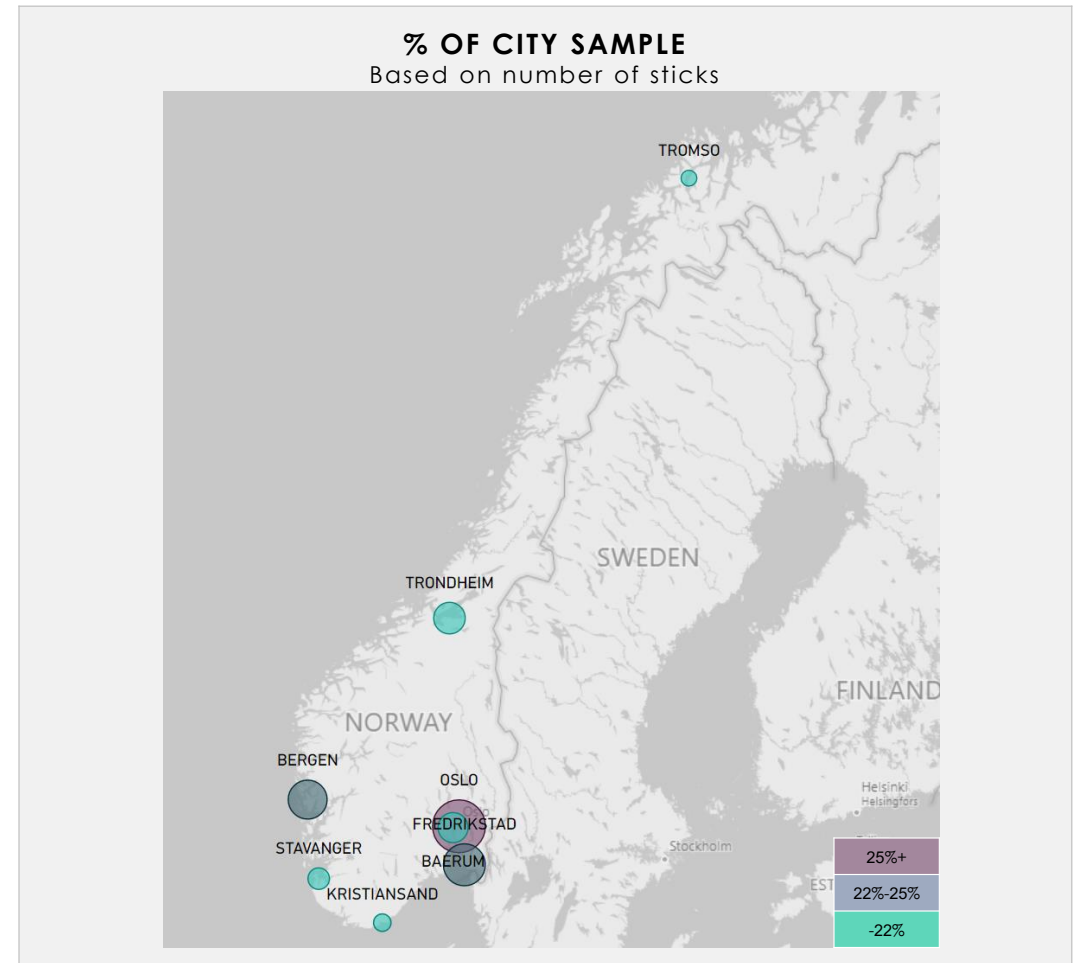
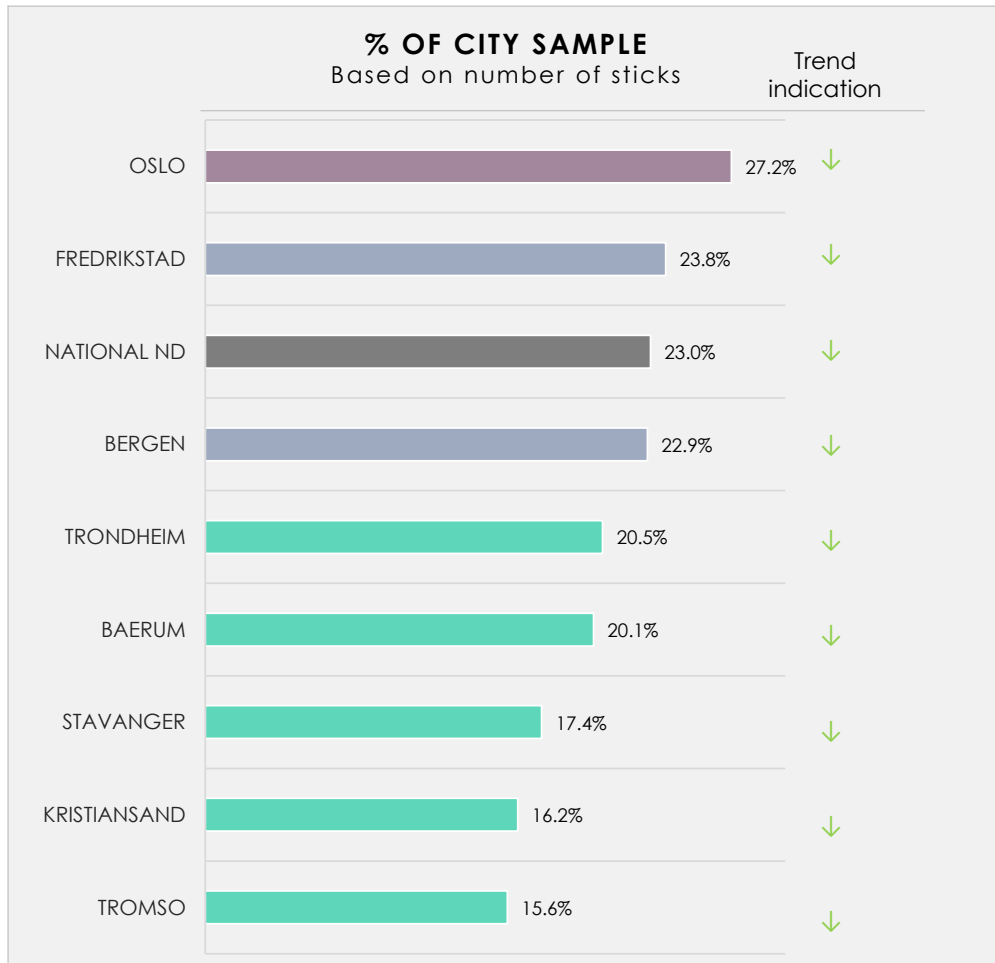


SPLIT BY MARKET VARIANT % OF OTHER NON-DOMESTIC SAMPLE



EMPTY PACK SURVEY Q4 2020: NORWAY

NON-DOMESTIC: BY CITY



EMPTY PACK SURVEY Q4 2020: NORWAY



NON-DOMESTIC: BY MAIN BRAND FAMILY & CITY

% OF TOTAL SAMPLE Based on number of sticks

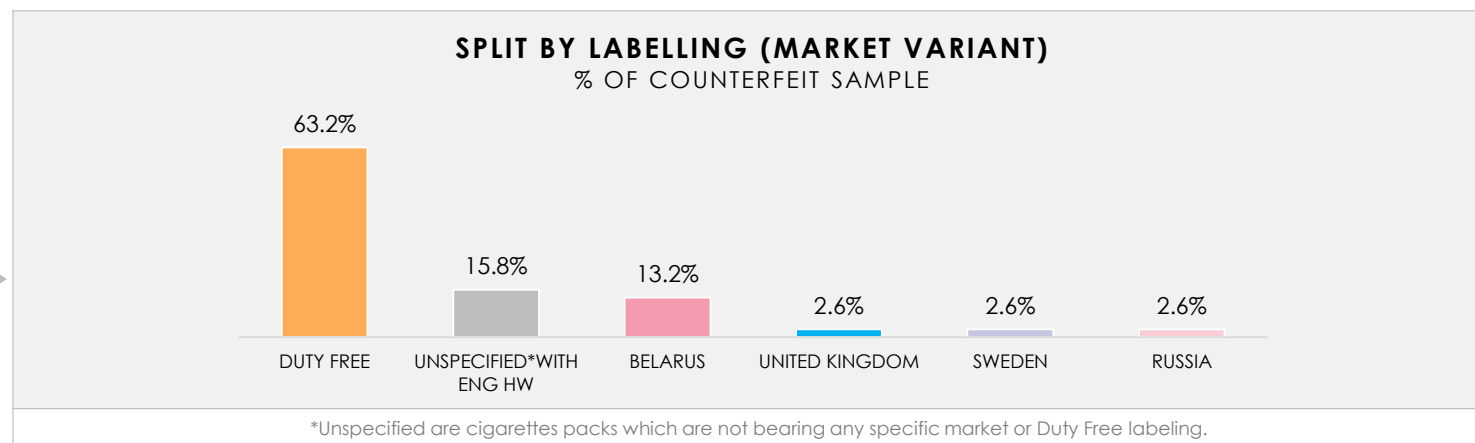
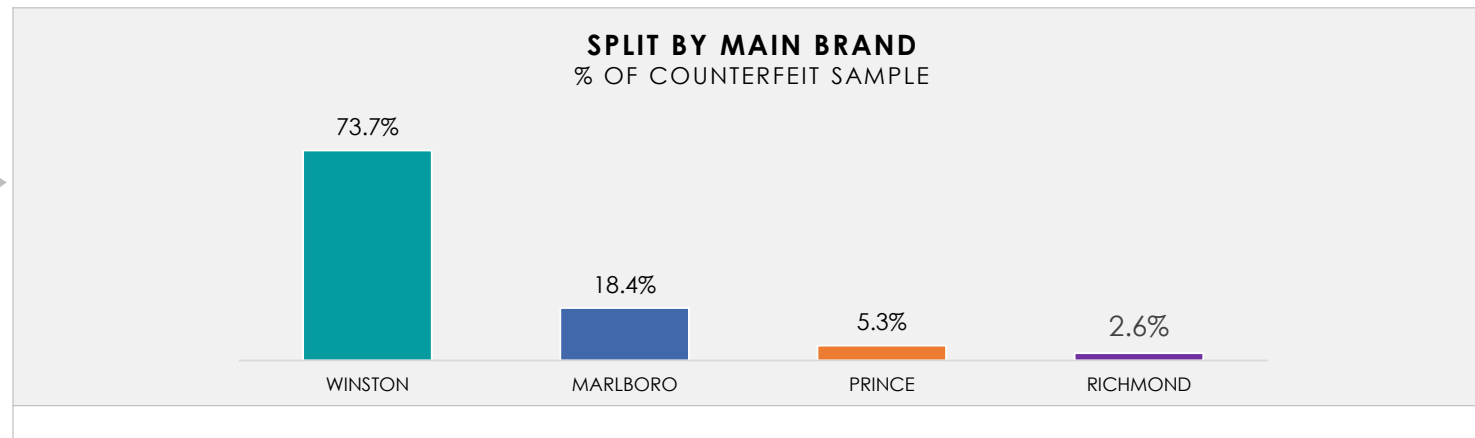
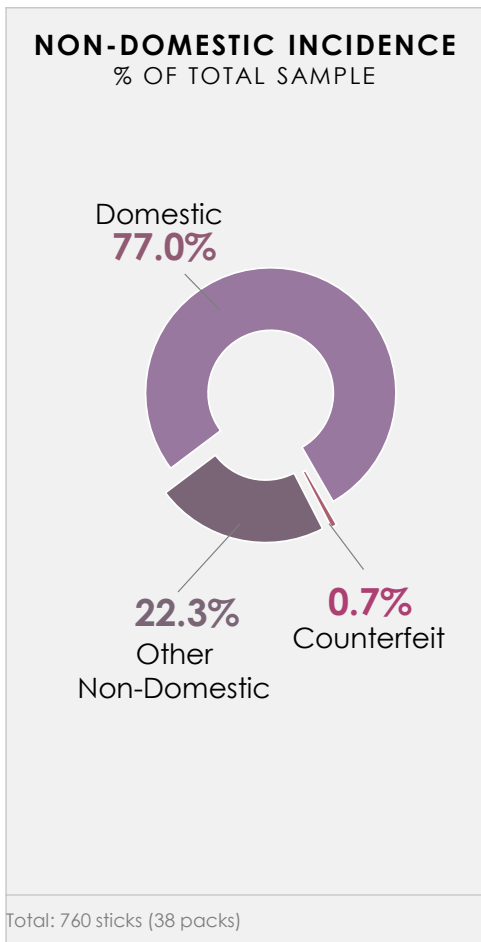
— Total: 102,292 sticks (5,000 packs)

NON-DOMESTIC

	MARLBORO (PMI)	PRINCE (BAT)	WINSTON (JTI)	L&M (PMI)	OTHERS	TOTAL	2019 Q2	2018 Q4
OSLO	5.4%	1.0%	1.2%	0.7%	2.6%	10.9%	15.9%	21.5%
BERGEN	2.0%	0.4%	0.2%	0.1%	1.2%	3.9%	6.6%	7.7%
TRONDHEIM	1.2%	0.3%	0.2%	0.2%	0.5%	2.4%	4.9%	3.7%
BAERUM	1.0%	0.2%	0.0%	0.0%	0.3%	1.5%	2.5%	2.7%
STAVANGER	0.7%	0.0%	0.1%	0.2%	0.4%	1.5%	2.7%	3.9%
FREDRIKSTAD	0.6%	0.2%	0.1%	0.1%	0.2%	1.2%	1.9%	2.2%
KRISTIANSAND	0.4%	0.1%	0.1%	0.0%	0.3%	0.9%	2.0%	2.0%
TROMSO	0.4%	0.0%	0.0%	0.1%	0.2%	0.7%	1.8%	2.0%
TOTAL	11.7%	2.2%	2.0%	1.5%	5.6%	23.0%	38.3%	45.8%
2019 Q2	19.7%	4.9%	2.6%	1.9%	9.1%	38.3%		
2018 Q4	20.2%	4.2%	2.9%	2.4%	16.1%	45.8%		



COUNTERFEIT: BREAKDOWN



EMPTY PACK SURVEY Q4 2020: NORWAY

COUNTERFEIT: BY MAIN BRAND FAMILY & CITY



% OF TOTAL SAMPLE Based on number of sticks

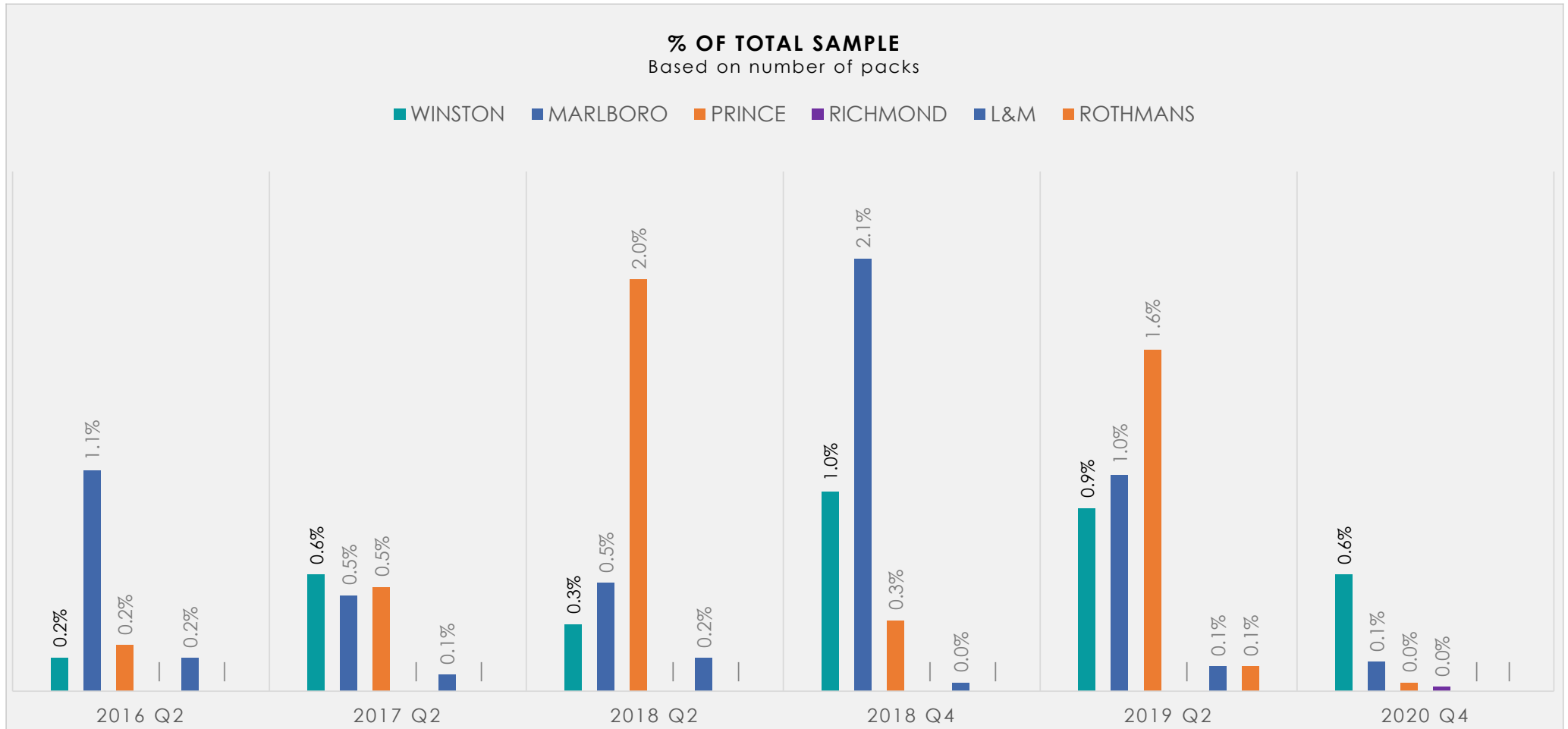
— Total: 102,292 sticks (5,000 packs)

COUNTERFEIT

	WINSTON (JTI)	MARLBORO (PMI)	PRINCE (BAT)	RICHMOND (ITL)	OTHERS	TOTAL	2019 Q2	2018 Q4
OSLO	0.4%	0.1%	0.0%	—	—	0.5%	1.8%	1.5%
BERGEN	0.1%	0.0%	—	—	—	0.1%	0.6%	0.6%
TRONDHEIM	0.0%	0.0%	—	—	—	0.1%	0.5%	0.4%
BAERUM	—	—	—	0.0%	—	0.0%	0.1%	0.2%
FREDRIKSTAD	0.0%	—	—	—	—	0.0%	0.2%	0.1%
KRISTIANSAND	0.0%	—	—	—	—	0.0%	0.0%	0.2%
STAVANGER	0.0%	—	—	—	—	0.0%	0.3%	0.6%
TROMSO	—	—	—	—	—	—	0.2%	0.2%
TOTAL	0.5%	0.1%	0.0%	0.0%	—	0.7%	3.8%	3.8%
2019 Q2	0.9%	1.0%	1.6%	—	0.2%	3.8%		
2018 Q4	1.0%	2.1%	0.3%	—	0.4%	3.8%		

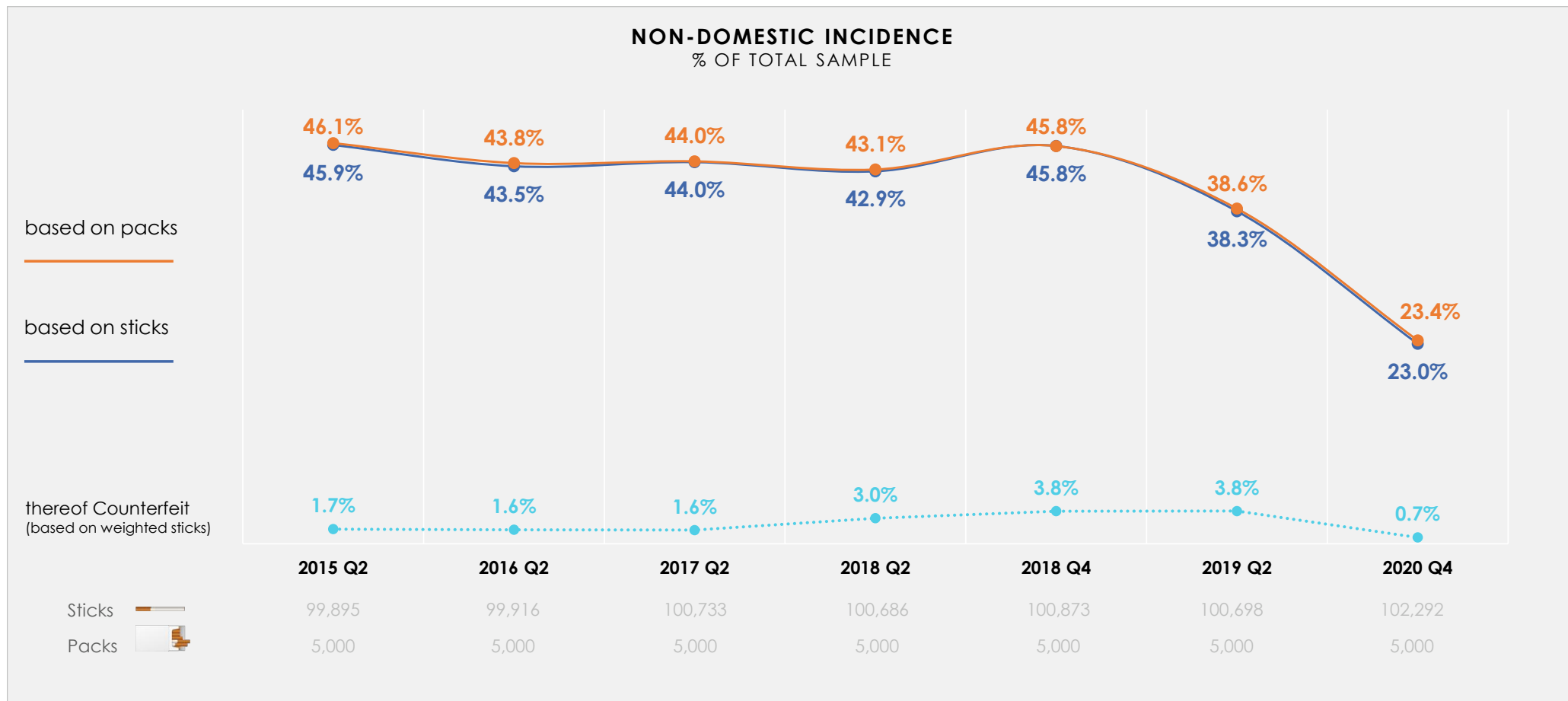


COUNTERFEIT: BRAND FAMILY TREND





NON-DOMESTIC: INCIDENCE TREND

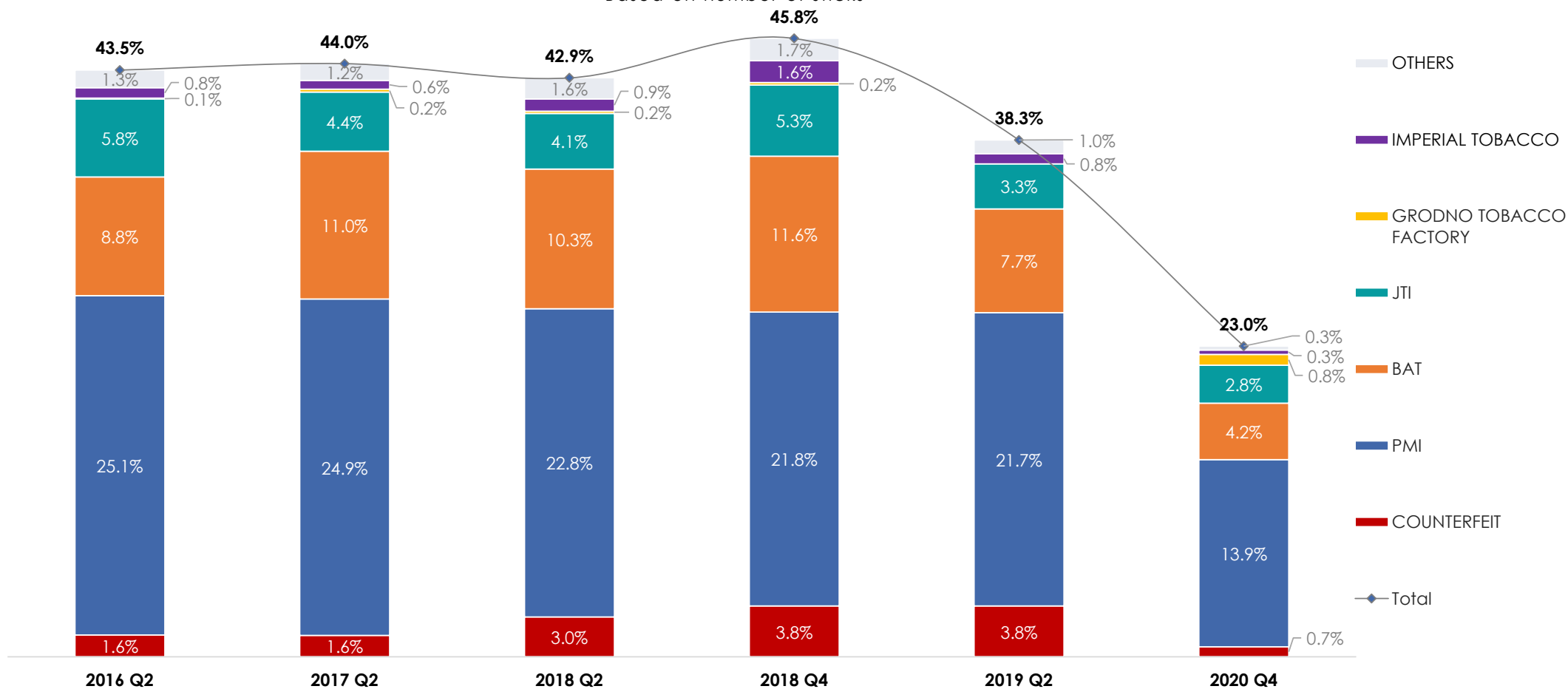


TOTAL SAMPLE = DOMESTIC AND NON-DOMESTIC PACKS
EPS NORWAY – 2020 Q4



NON-DOMESTIC: COMPANY TREND

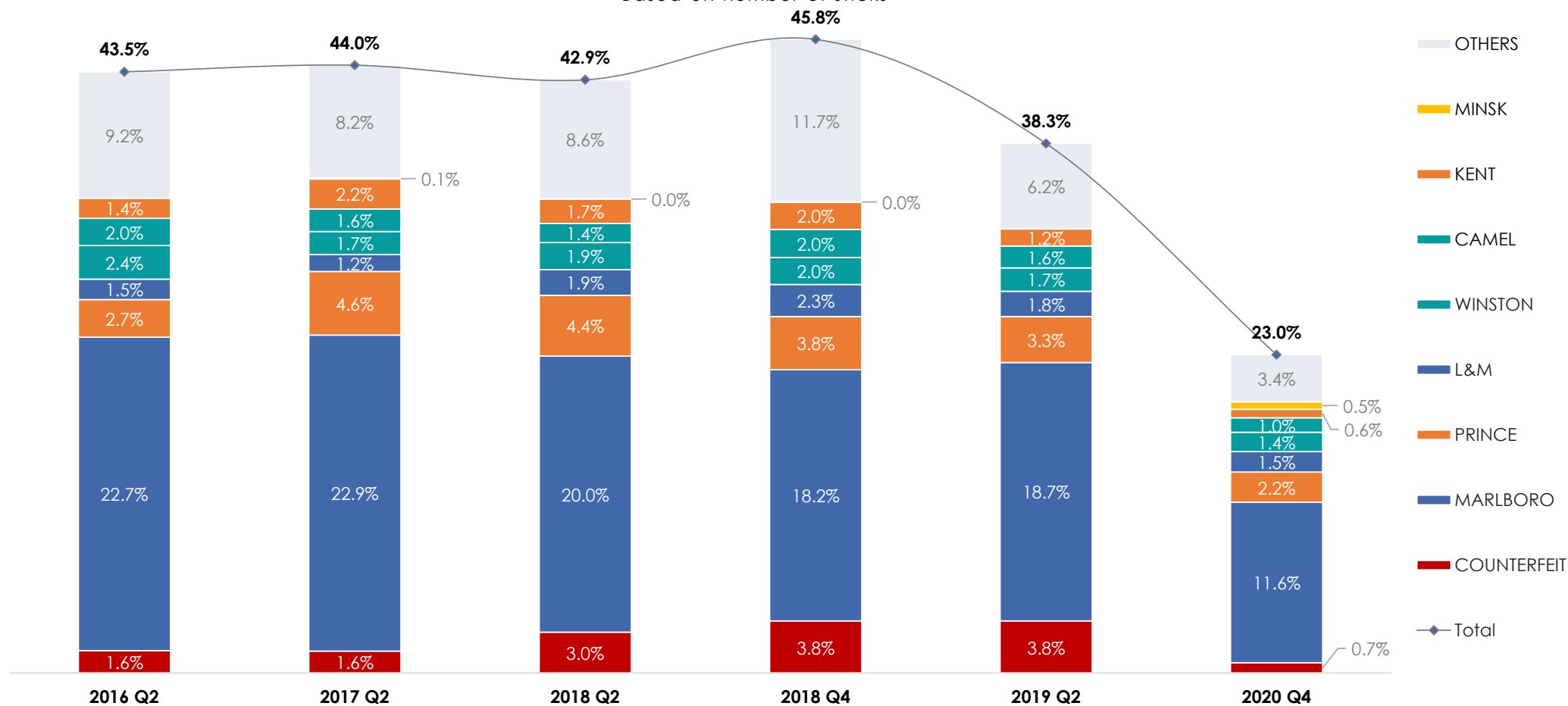
% OF TOTAL SAMPLE
Based on number of sticks





NON-DOMESTIC: BRAND FAMILY TREND

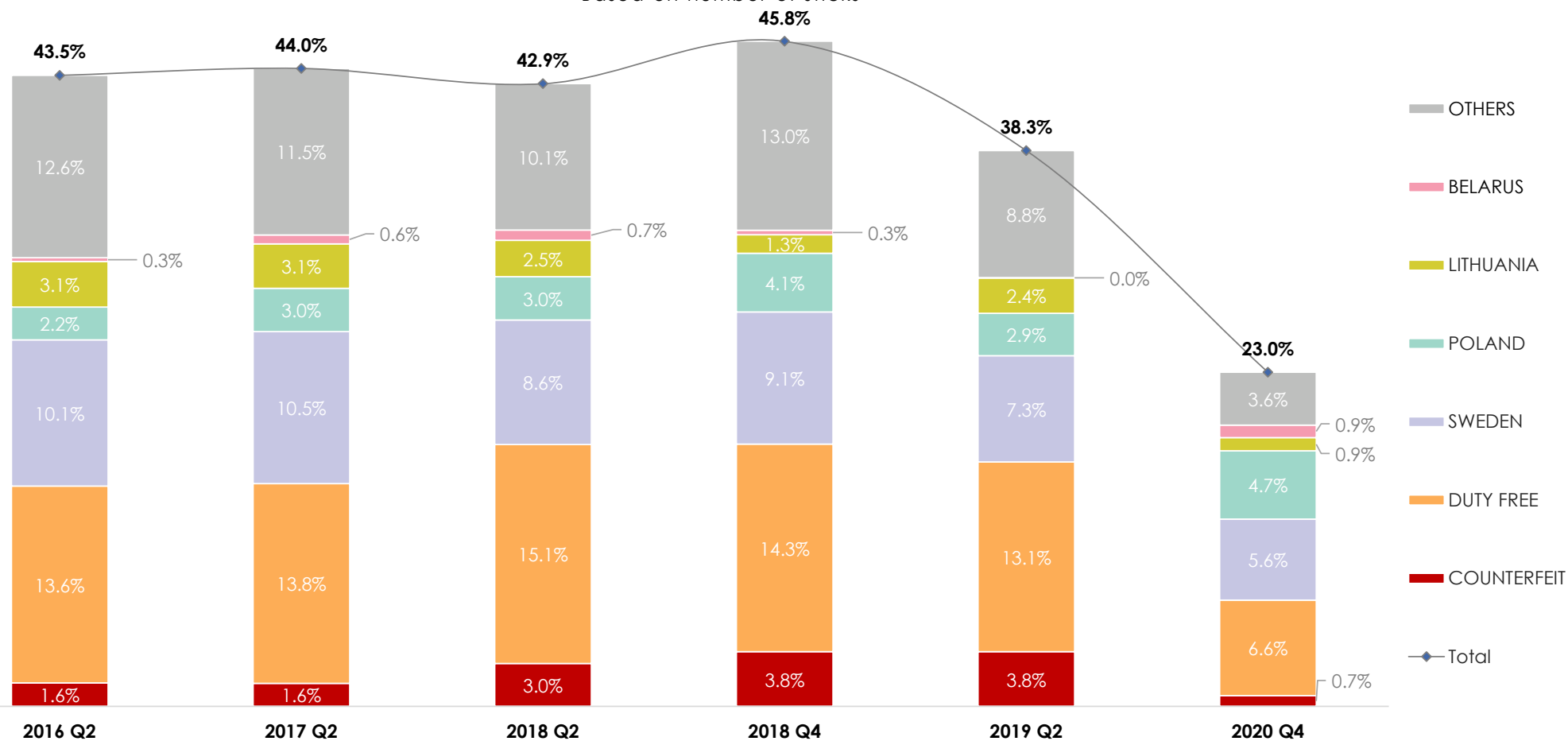
% OF TOTAL SAMPLE
Based on number of sticks





NON-DOMESTIC: MARKET VARIANT TREND

% OF TOTAL SAMPLE
Based on number of sticks



NON-DOMESTIC: CITY TREND



SAMPLE			NON-DOMESTIC INCIDENCE PER CITY						
CITY	PACKS	STICKS	2015 Q2	2016 Q2	2017 Q2	2018 Q2	2018 Q4	2019 Q2	2020 Q4
OSLO	2,012	41,120	46.2%	44.8%	43.4%	45.6%	53.3%	39.6%	27.2%
FREDRIKSTAD	248	5,040	42.9%	44.1%	48.3%	43.5%	44.6%	38.8%	23.8%
BERGEN	866	17,632	44.5%	43.2%	43.3%	41.2%	44.9%	38.0%	22.9%
TRONDHEIM	579	11,894	45.3%	43.2%	43.0%	34.9%	32.1%	42.2%	20.5%
BAERUM	376	7,770	48.0%	42.2%	43.1%	44.0%	36.1%	33.2%	20.1%
STAVANGER	419	8,620	47.9%	42.4%	42.9%	40.2%	46.4%	32.2%	17.4%
KRISTIANSAND	273	5,594	40.1%	39.4%	49.1%	47.7%	36.9%	35.7%	16.2%
TROMSO	227	4,622	54.4%	41.9%	46.2%	42.6%	44.3%	39.8%	15.6%
TOTAL SAMPLE	5,000	102,292	45.9%	43.5%	44.0%	42.9%	45.8%	38.3%	23.0%



04.

APPENDIX





QUARTER 4, 2020



TOTAL SAMPLE: DETAILS PER COMPANY

NUMBER OF STICKS PER CATEGORY AND COMPANY

IN % OF COMPANY TOTAL

	NUMBER OF STICKS PER CATEGORY AND COMPANY			IN % OF COMPANY TOTAL			
	Domestic	Counterfeit	Total	Domestic	Genuine Non-Domestic	Non-Domestic	Counterfeit
 PHILIP MORRIS INTERNATIONAL	36,580	14,174	50,894	71.9%	27.9%	—	0.3%
 BRITISH AMERICAN TOBACCO	23,880	4,292	28,212	84.6%	15.2%	—	0.1%
 Imperial Tobacco	13,150	340	13,510	97.3%	2.5%	—	0.1%
 JTI	4,990	2,866	8,416	59.3%	34.1%	—	6.7%
GRODNQ TOBACCO FACTORY	820	—	820	—	—	100.0%	—
OTHERS	140	300	440	31.8%	—	68.2%	—



TOTAL SAMPLE: DETAILS PER BRAND FAMILY

NUMBER OF STICKS PER CATEGORY AND BRAND FAMILY

IN % OF BRAND FAMILY TOTAL



				Domestic	Genuine Non-Domestic	Non-Domestic	Counterfeit	
MARLBORO (PMI)	35,760	11,864	140	47,764	74.9%	24.8%	—	0.3%
PRINCE (BAT)	13,640	2,240	40	15,920	85.7%	14.1%	—	0.3%
PARAMOUNT (ITL)	13,150			13,150	100.0%	—	—	—
LUCKY STRIKE (BAT)	6,300		334	6,634	95.0%	5.0%	—	—
CAMEL (JTI)	4,720		1,062	5,782	81.6%	18.4%	—	—
KENT (BAT)	3,900		640	4,540	85.9%	14.1%	—	—
WINSTON (JTI)	20	1,440	560	2,020	1.0%	71.3%	—	27.7%
L&M (PMI)			1,504	1,504	—	100.0%	—	—
PETTEROE'S (PMI)	620		20	640	96.9%	3.1%	—	—
OTHERS	630	2,568	1,120	4,338	14.5%	59.2%	25.8%	0.5%

NON-DOMESTIC: TREND TOTAL COMPANY SAMPLE



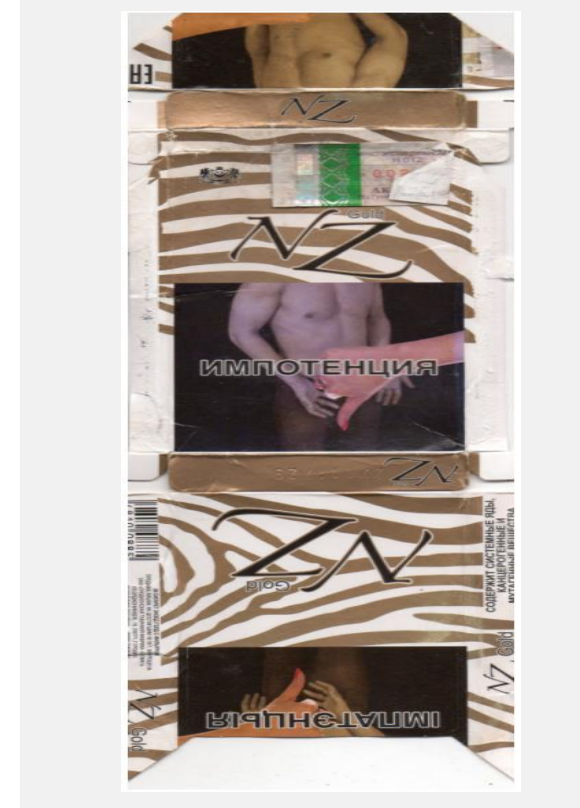
NON-DOMESTIC INCIDENCE BY COMPANY – TREND

% OF TOTAL COMPANY SAMPLE

		PMI	BAT	IMPERIAL TOBACCO	JTI	OTHERS
N (Sticks) 		50,894	28,212	13,510	8,416	1,260
Packs 		2,542	1,408	568	419	63
2020 Q4	Non-Domestic	—	—	—	—	88.9%
	Counterfeit	0.3%	0.1%	0.1%	6.7%	—
	Genuine Non-Domestic	27.9%	15.2%	2.5%	34.1%	—
2019 Q2	Non-Domestic	—	—	—	—	81.0%
	Counterfeit	2.1%	5.6%	—	11.5%	—
	Genuine Non-Domestic	40.0%	24.6%	13.4%	44.1%	—
2018 Q4	Non-Domestic	—	—	—	—	88.5%
	Counterfeit	4.1%	1.0%	7.4%	10.4%	—
	Genuine Non-Domestic	42.4%	35.7%	31.8%	57.7%	—

OTHER NON-DOMESTIC: PACK EXAMPLES

Brand	MINSK	FEST	NZ
Company	GRODNO TOBACCO FACTORY	GRODNO TOBACCO FACTORY	GRODNO TOBACCO FACTORY
Market variant	BELARUS	BELARUS	BELARUS



AGENCY CONTACTS



Head of BI

Tomer Touati

Tomer.Touati@wspm.org

+1-917-250-3056



Survey Project Manager

Yaki Hepstein

Yaki.Hepstein@wspm.org

+357-22-030-084



COO

Tami Vansower

Tami.Vansower@wspm.org

+357-22-030-084



CEO

Daniel Touati

Daniel.Touati@wspm.org

+972-54-433-9200



WSPM GROUP

THANK YOU