

Norway Empty Pack Survey 2018 Q2

Prepared for



August 2018

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EXECUTIVE SUMMARY

Industry

- **Non-domestic incidence decreased at 42.9% (-1.1pp vs 2017-Q2, -0.6pp vs 2016-Q2).**
- **Counterfeit incidence increased to 3.0% (+1.4pp vs 2017-Q2, +1.4pp vs 2016-Q2).**
- **Main non-domestic brands found were:**
 - MARLBORO (PMI) with 20.5% of all packs collected (-2.8pp vs 2017-Q2, -3.2pp vs 2016-Q2).
 - PRINCE (BAT) with 6.4% (+1.3pp vs 2017-Q2, +3.5pp vs 2016-Q2).
 - WINSTON (JTI) with 2.3% (+0.1pp vs 2017-Q2, -0.3pp vs 2016-Q2).
- **Main non-domestic market variants found were:**
 - DUTY FREE with 15.7% of all packs collected (+1.2pp vs 2017-Q2, +1.2pp vs 2016-Q2).
 - SWEDEN with 8.6% (-2.2pp vs 2017-Q2, -1.5pp vs 2016-Q2).
 - POLAND with 3.0% (stable, +0.6pp vs 2016-Q2).
- **Highest non-domestic incidence was found in cities KRISTIANSAND at 47.7% (-1.4pp, +8.3pp), in OSLO at 45.6% (+2.2pp, +0.8pp) and in BAERUM at 44.0% (+0.9pp, +1.8pp).**



- Genuine non-domestic incidence of 29.2%
- Counterfeit incidence of 5.5%



- Genuine non-domestic incidence of 17.0%
- No counterfeit packs were found.



- Genuine non-domestic incidence of 49.7%
- Counterfeit incidence of 3.8%



- Genuine non-domestic incidence of 46.7%
- Counterfeit incidence of 1.4%

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SURVEY SPECIFICATIONS

Objectives

- **Provide an indication on the incidence of non-domestic or illicit cigarettes**
 - ✓ Tax paid and non tax paid cigarettes from other countries
 - ✓ Counterfeit cigarettes
- **Gain information related to non-domestic or illicit cigarettes by**
 - ✓ Company
 - ✓ Brand family
 - ✓ Market variant
 - ✓ City/Region

General Provisions

- British American Tobacco (BAT), Imperial Tobacco (ITL), Japan Tobacco International (JTI), and Philip Morris International (PMI) (“the participating companies”) provided financial support for this empty pack collection. MSIntelligence 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.
- MSIntelligence 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.

Limitations and Caution

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

Empty pack collection

- Random collection from streets and easy access bins
- Any brand and any market variant
- 8 cities
- Total sample 5,000 packs (100,686 sticks)
- Dates of collection: May 28th – June 12st 2018
- Agency: MSIntelligence

SAMPLING PLAN

MSIntelligence
Diagnostic Market Surveys

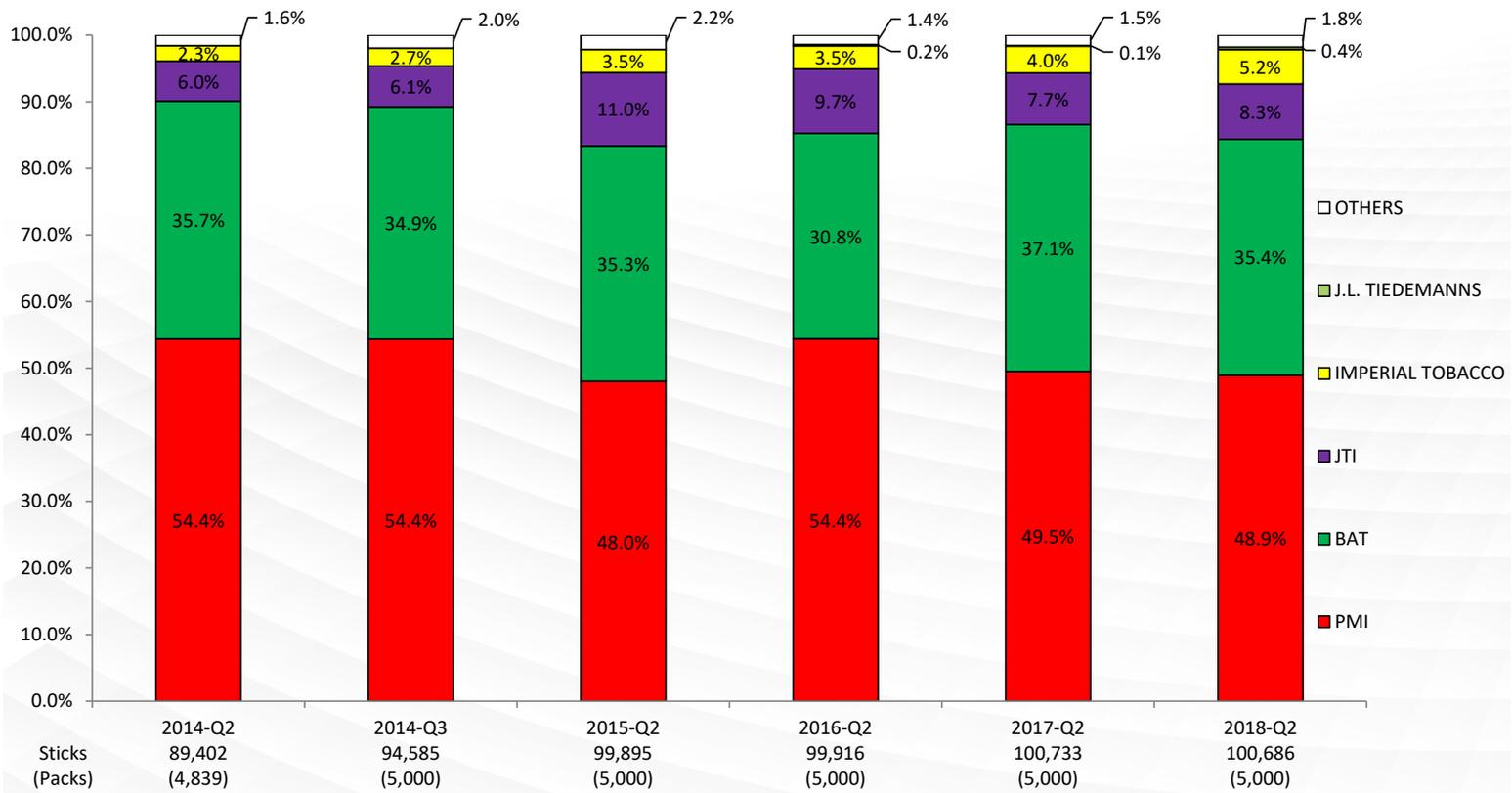
City	Administrative region	Population figures*	Packs collected
OSLO	OSLO	634,463	2,012
BERGEN	HORDALAND	271,949	866
TRONDHEIM	SOR-TRONDELAG	182,035	579
STAVANGER	ROGALAND	130,754	419
BAERUM	AKERSHUS	118,588	376
KRISTIANSAND	VEST-ADGER	85,983	273
FREDRIKSTAD	OSTFOLD	77,591	248
TROMSO	TROMS	71,590	227
Total selected cities		1,572,953	5,000
Country population		5,109,056	
Coverage of population		30.8%	



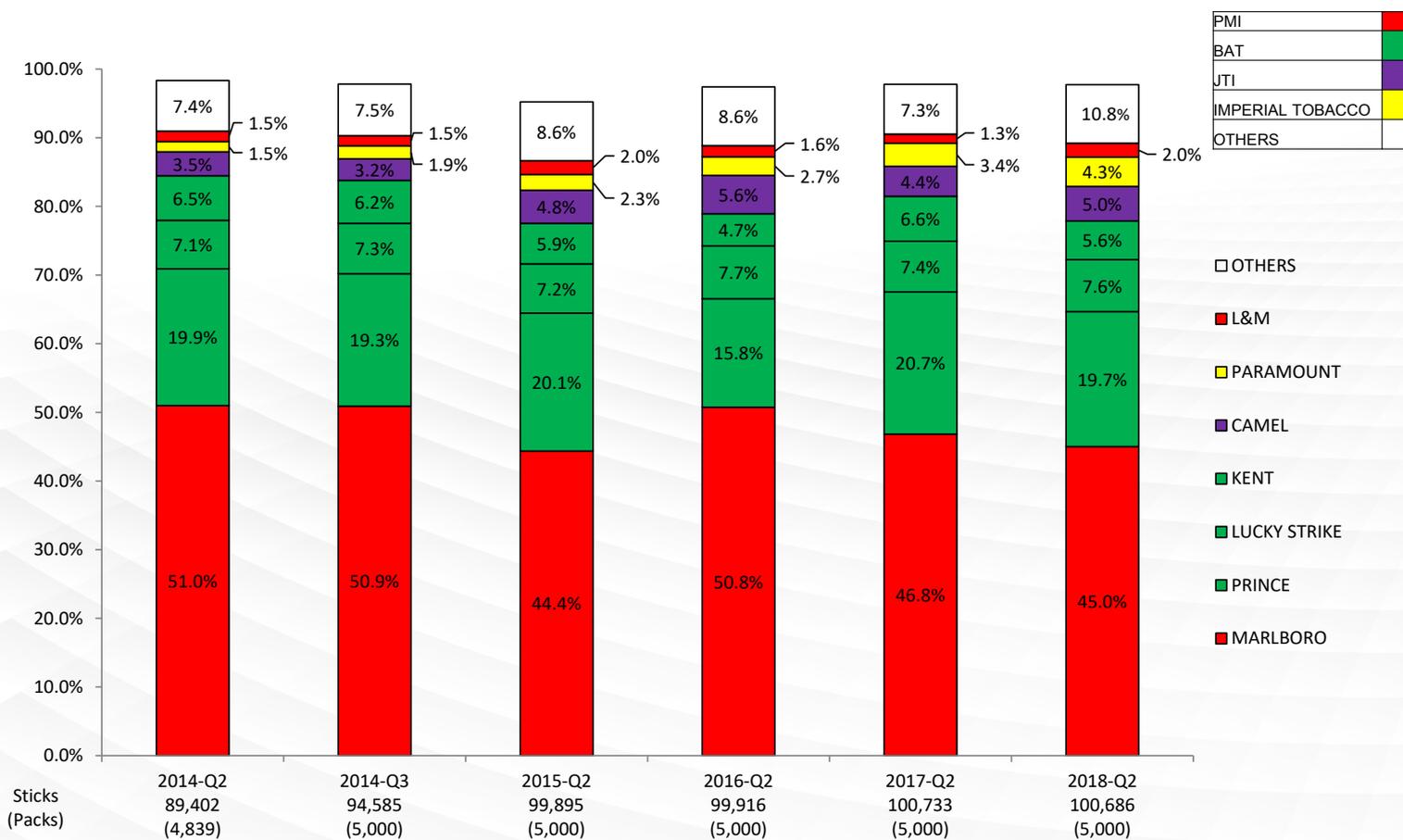
*Source: M E 2014-01-01, Statistics Norway (in www.citypopulation.de)
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Total Sample Share by Manufacturer - Trends



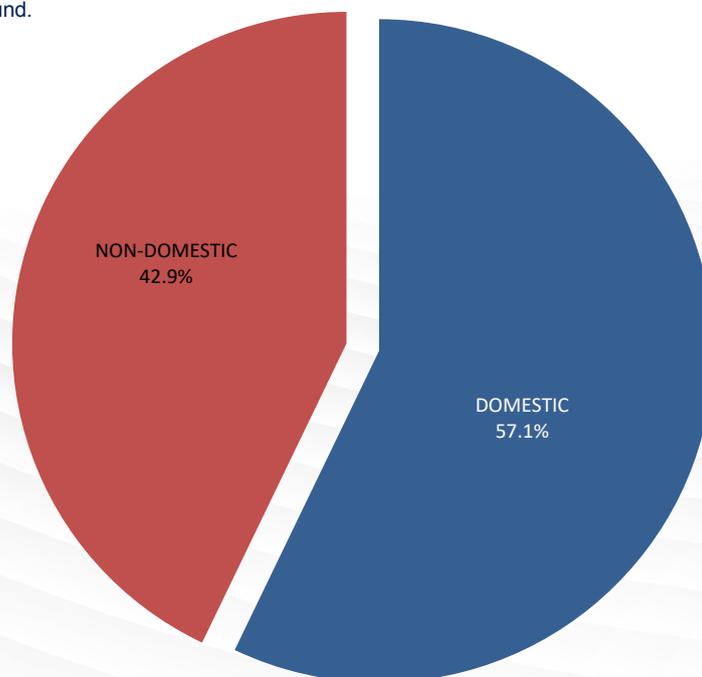
Total Sample Share by Brand Family - Trends



Total Sample Non-Domestic Incidence

Includes all counterfeit packs:

- Counterfeit non domestic 3.0%.
- No counterfeit domestic packs were found.

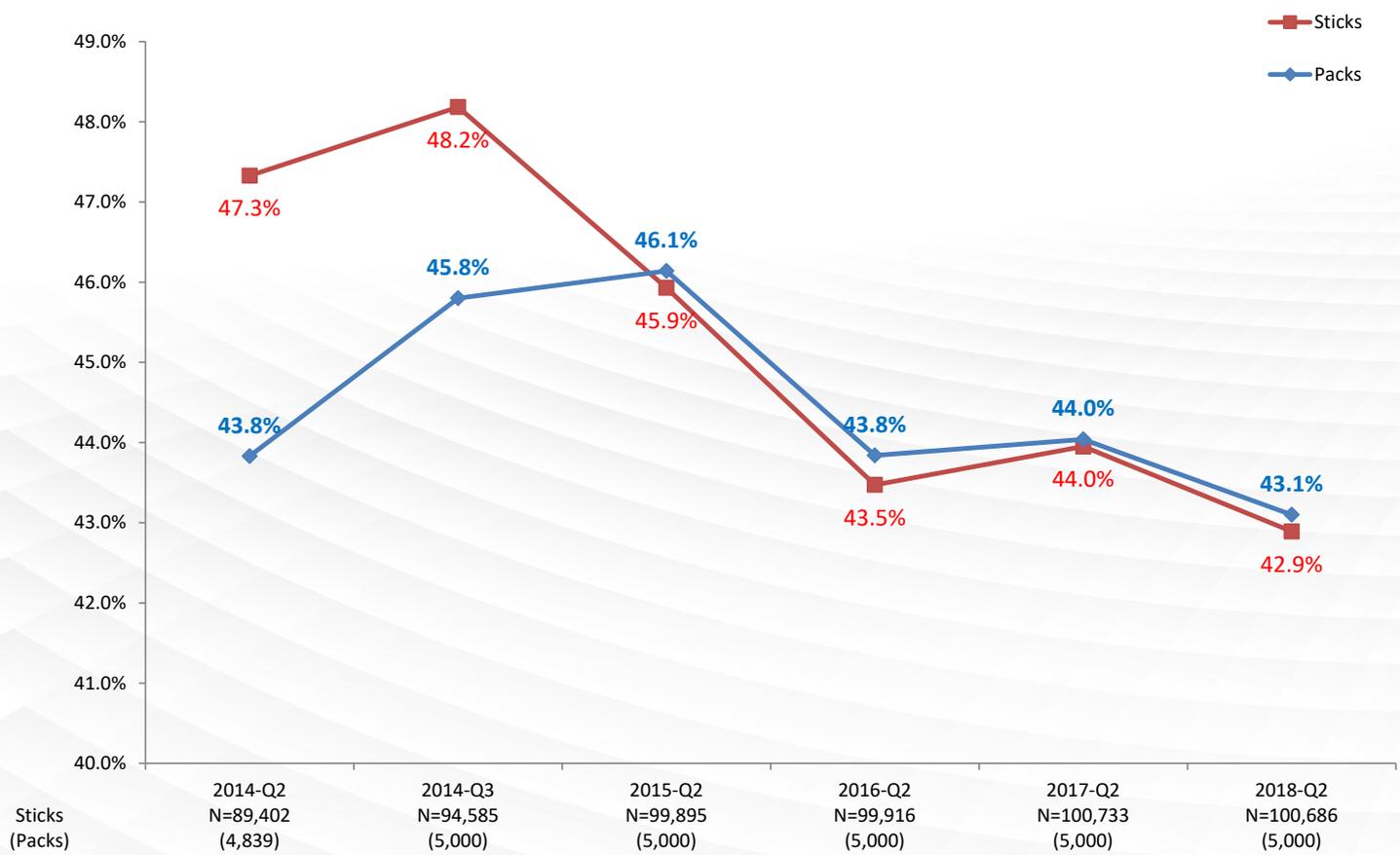


N= 100,686 sticks (5,000 packs)

NB: Non-Domestic incidence includes non-domestic packs of all companies, counterfeit non-domestic packs and counterfeit domestic packs of participating companies.

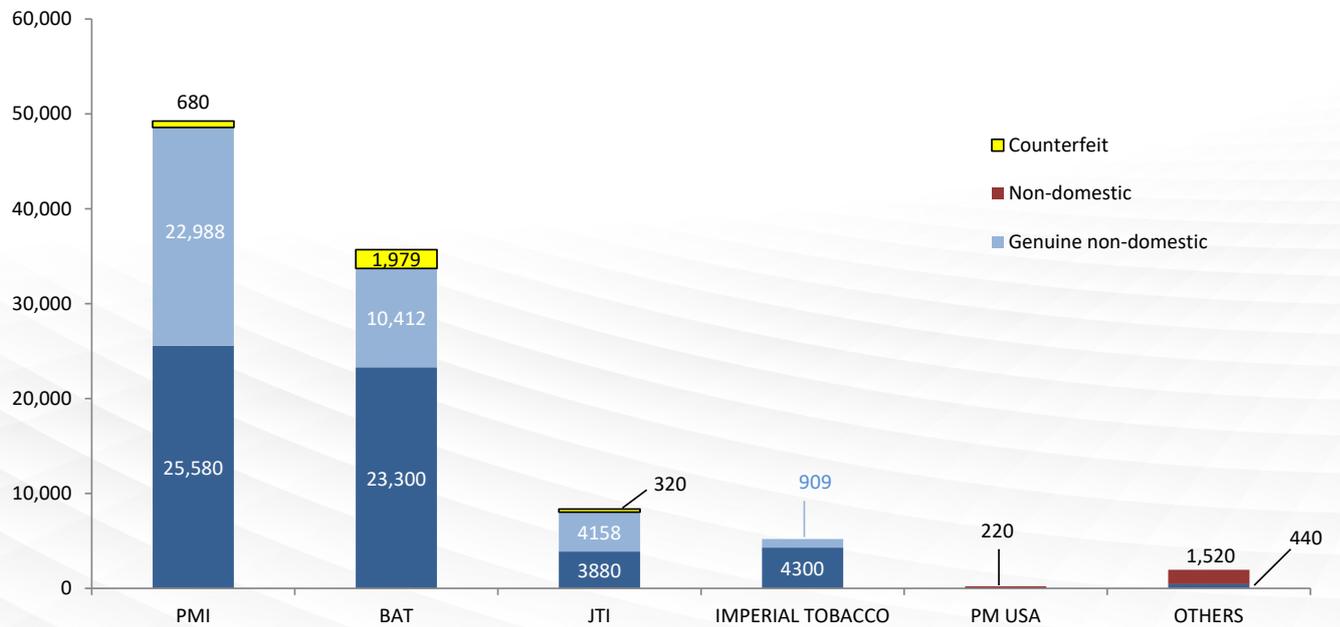
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Total Sample Non-Domestic Incidence - Trends



Total Sample

Non-domestic Incidence By Company – Absolute And Percentages

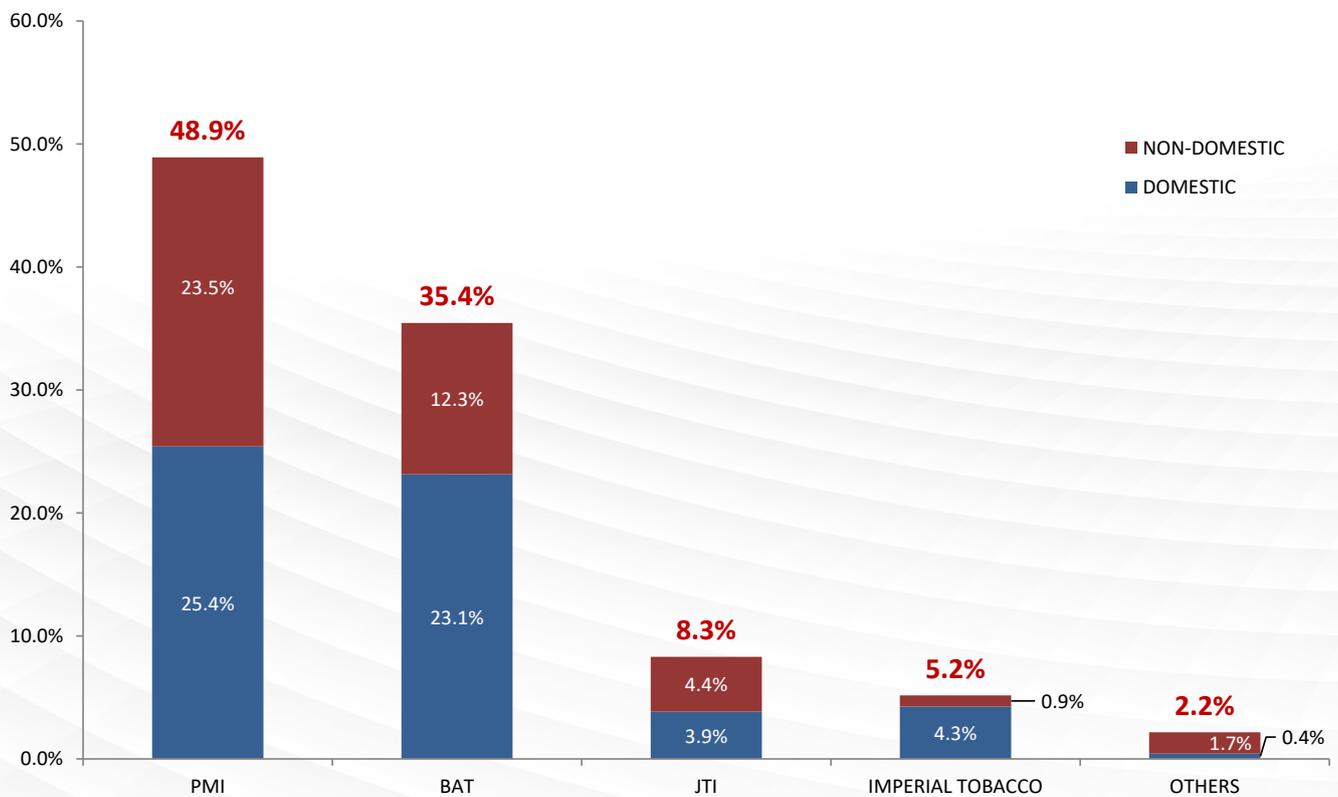


	PMI	BAT	JTI	IMPERIAL TOBACCO	PM USA	OTHERS
Genuine domestic/Domestic	51.9%	65.3%	46.4%	82.5%	0.0%	22.4%
Genuine non-domestic	46.7%	29.2%	49.7%	17.5%		
Non-domestic					100.0%	77.6%
Counterfeit	1.4%	5.5%	3.8%	0.0%		
Sticks (Packs)	49,248 (2,461)	35,691 (1,781)	8,358 (417)	5,209 (231)	220 (11)	1,960 (100)

NB: Non-Domestic incidence includes non-domestic packs of all companies, counterfeit non-domestic packs and counterfeit domestic packs of participating companies.

Total Sample

Sample Breakdown By Company And Domestic/Non-domestic Shares



N= 100,686 sticks (5,000 packs).

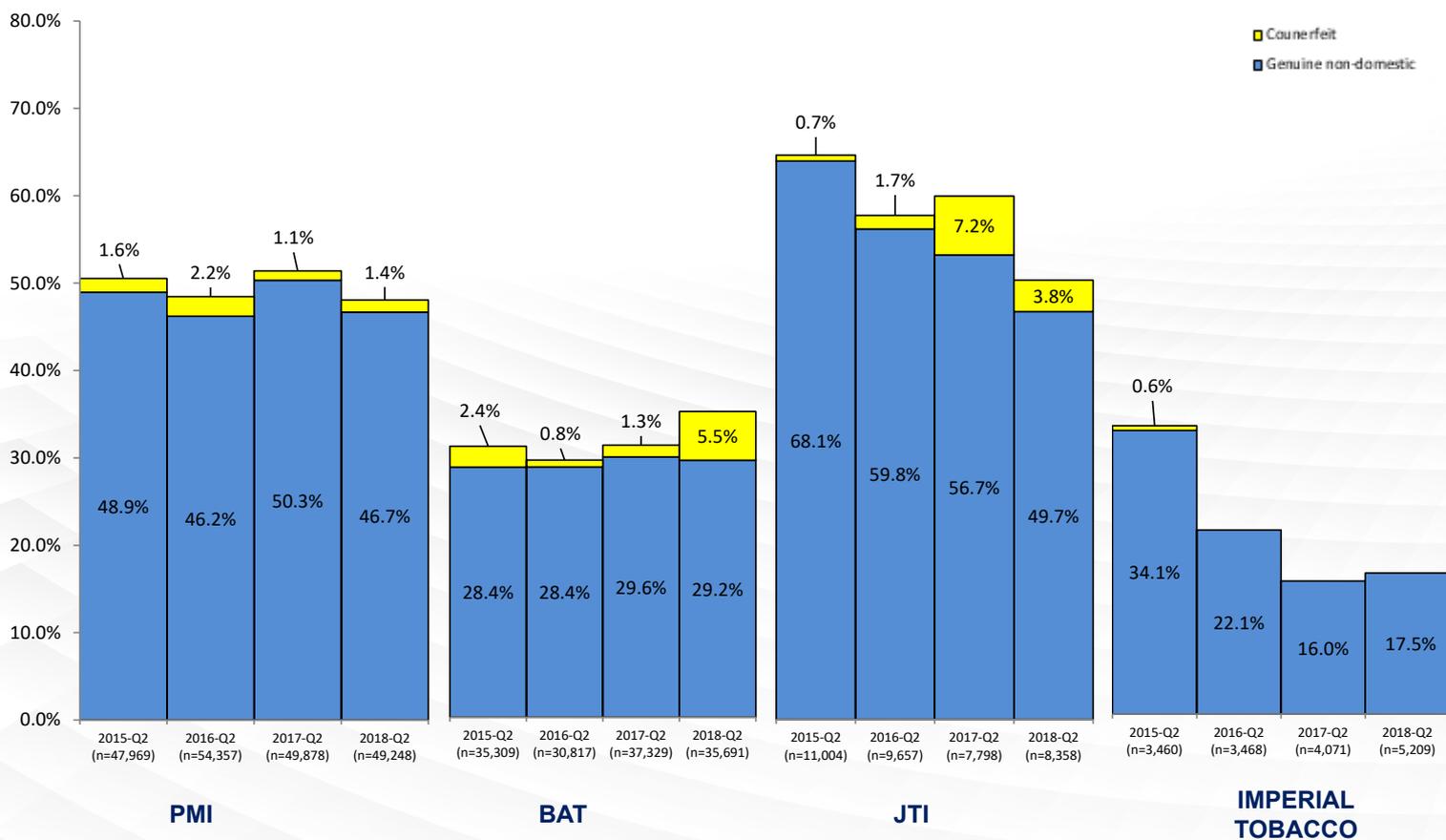
OTHERS are all packs with less than 19 packs.

This chart represent the Companies breakdown of all packs, by Non-domestic & Domestic; adding up to 100%.

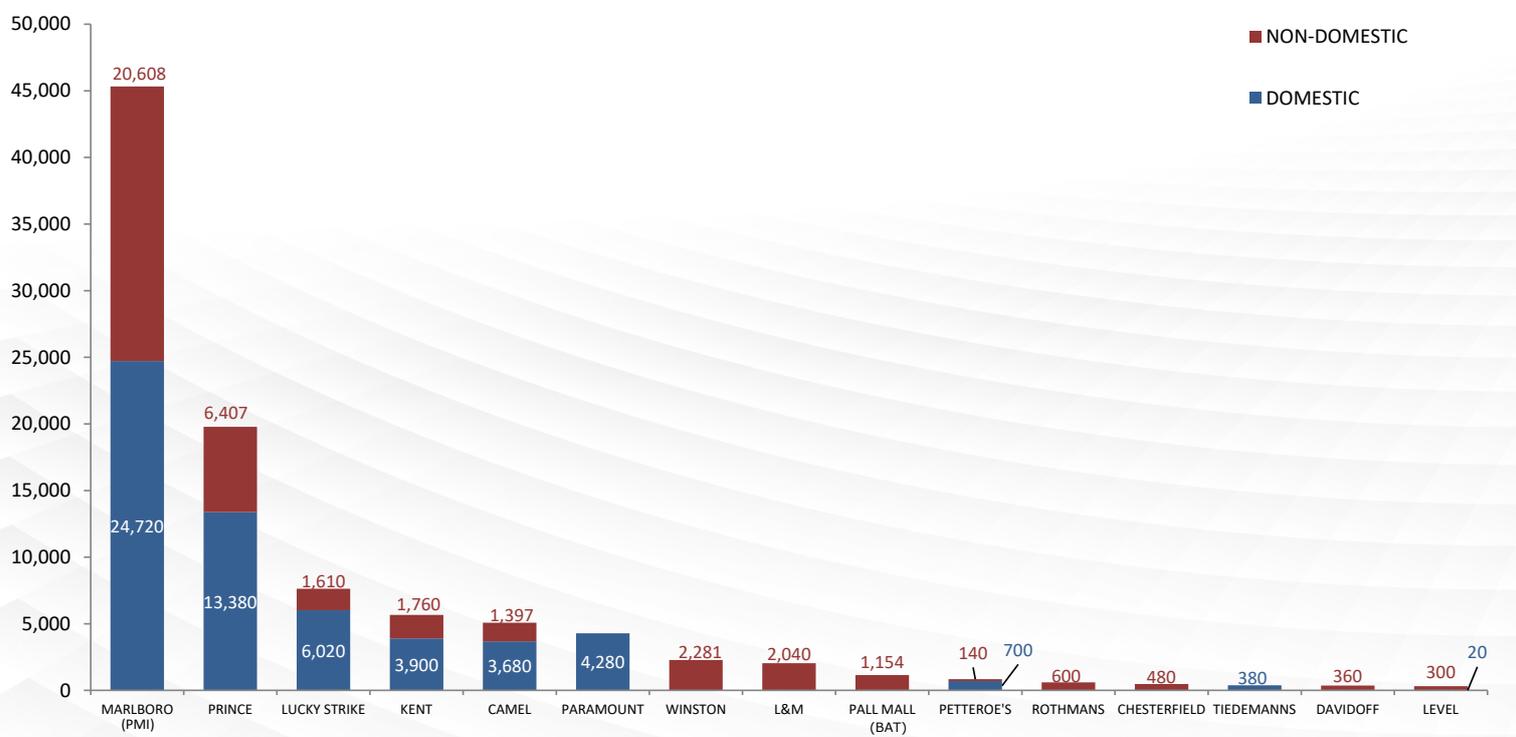
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Total Sample

Non-domestic Incidence By Company – Trends

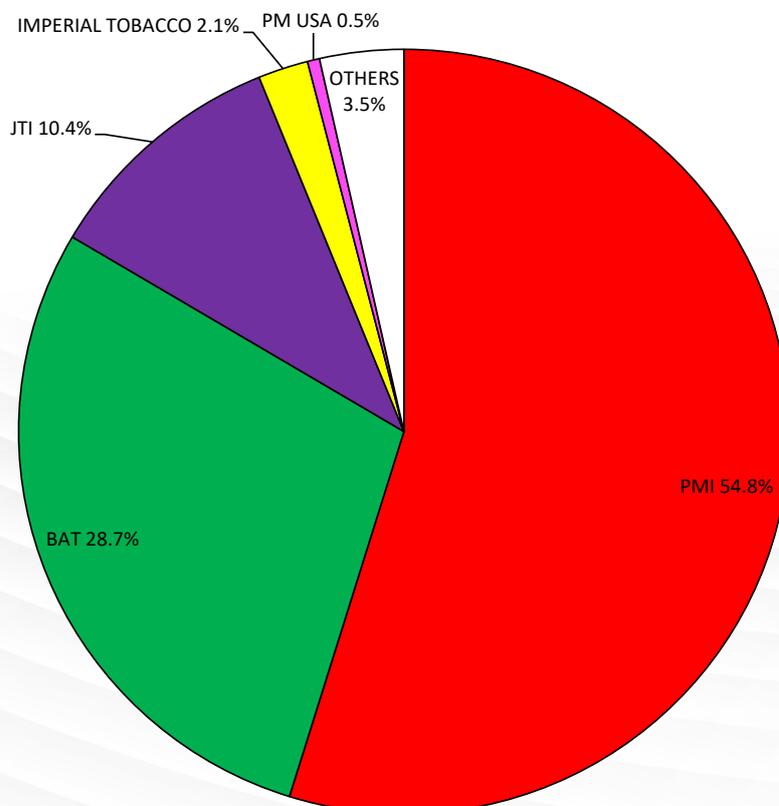


Total Sample Non-domestic Incidence By Brand



DOMESTIC	54.5%	67.6%	78.9%	68.9%	72.5%	100.0%	0.0%	0.0%	0.0%	83.3%	0.0%	0.0%	100.0%	0.0%	6.3%
NON-DOMESTIC	45.5%	32.4%	21.1%	31.1%	27.5%	0.0%	100.0%	100.0%	100.0%	16.7%	100.0%	100.0%	0.0%	100.0%	93.8%
STICKS (PACKS)	45,328 (2,265)	19,787 (988)	7,630 (381)	5,660 (283)	5,077 (253)	4,280 (184)	2,281 (114)	2,040 (102)	1,154 (57)	840 (42)	600 (29)	480 (24)	380 (19)	360 (18)	320 (16)

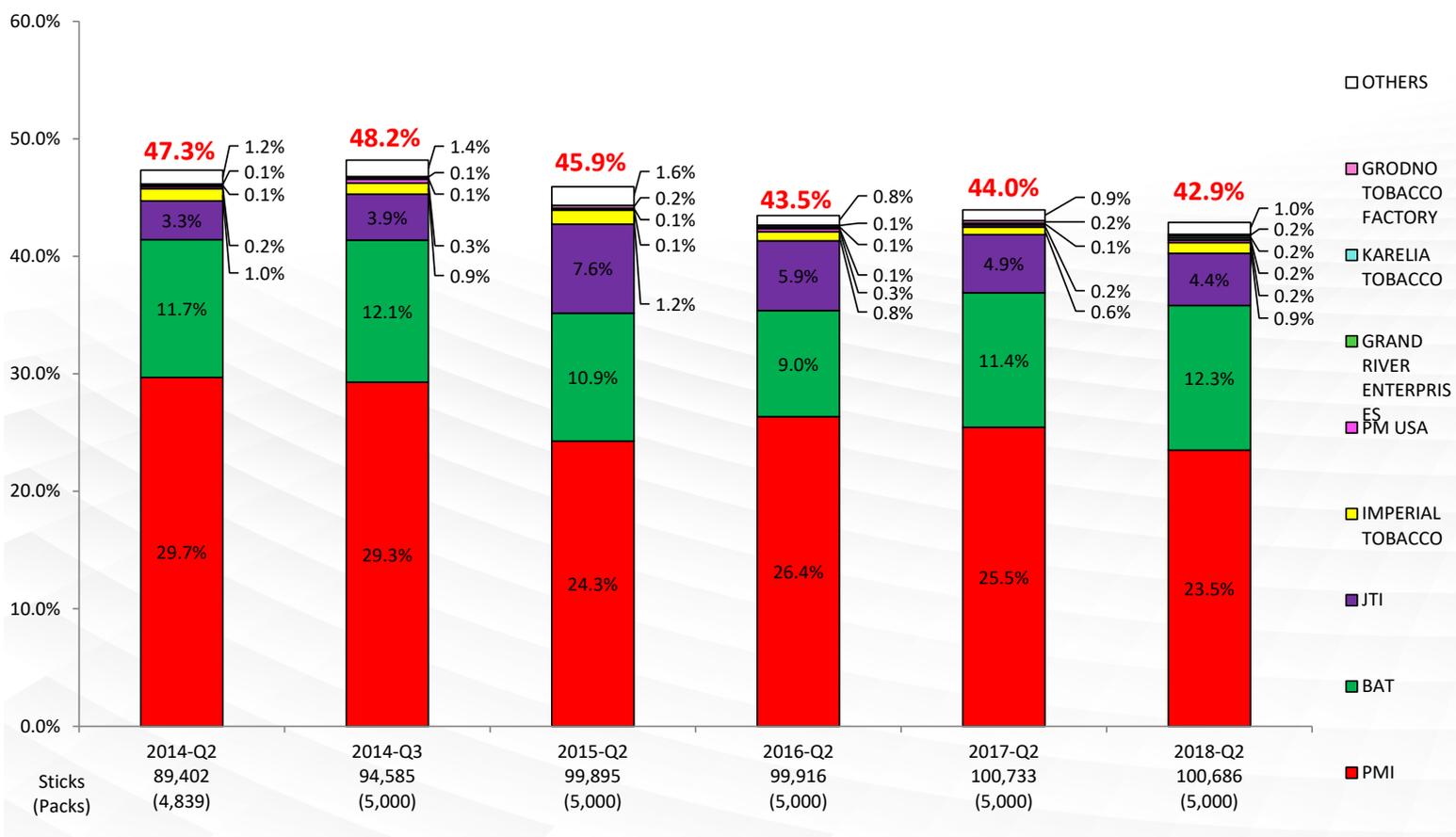
Non-Domestic Sample Split by Company



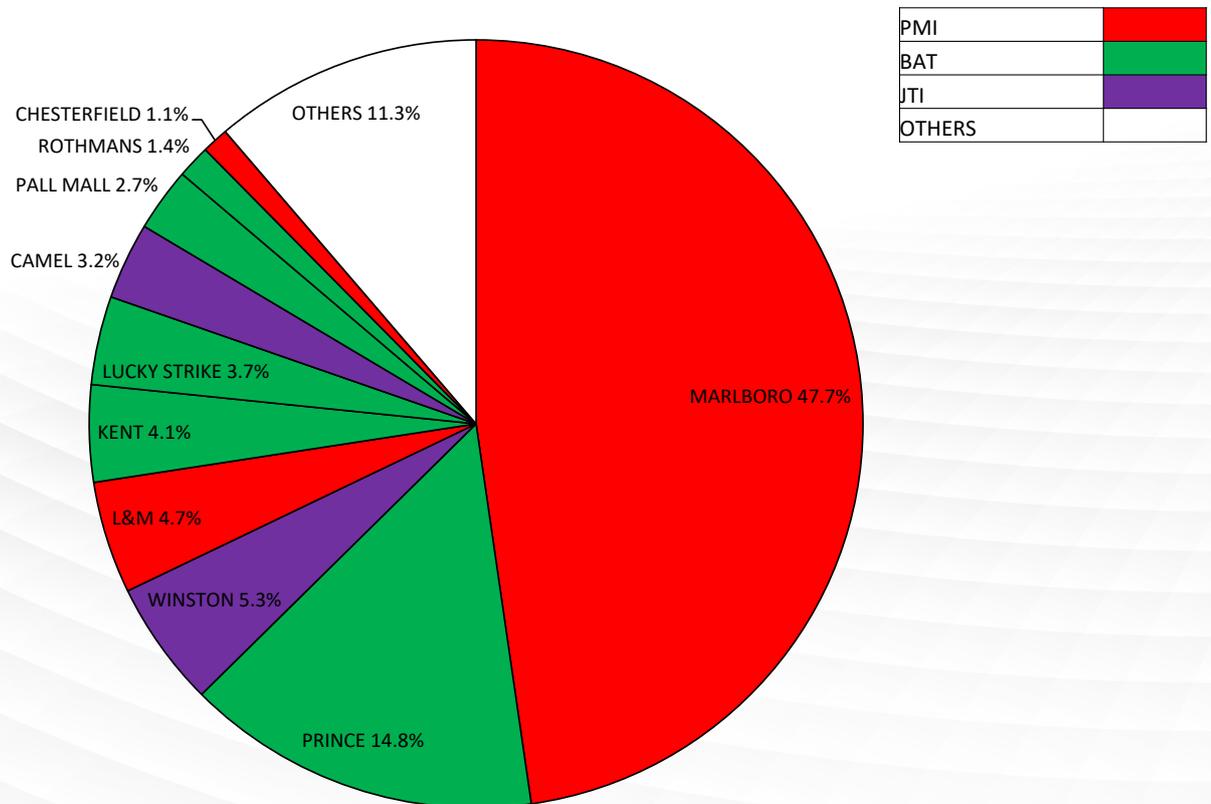
OTHERS are all packs with less than 11 packs.
N= 43,186 sticks (2,155 packs).

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Total Sample Non-Domestic Split by Company - Trends

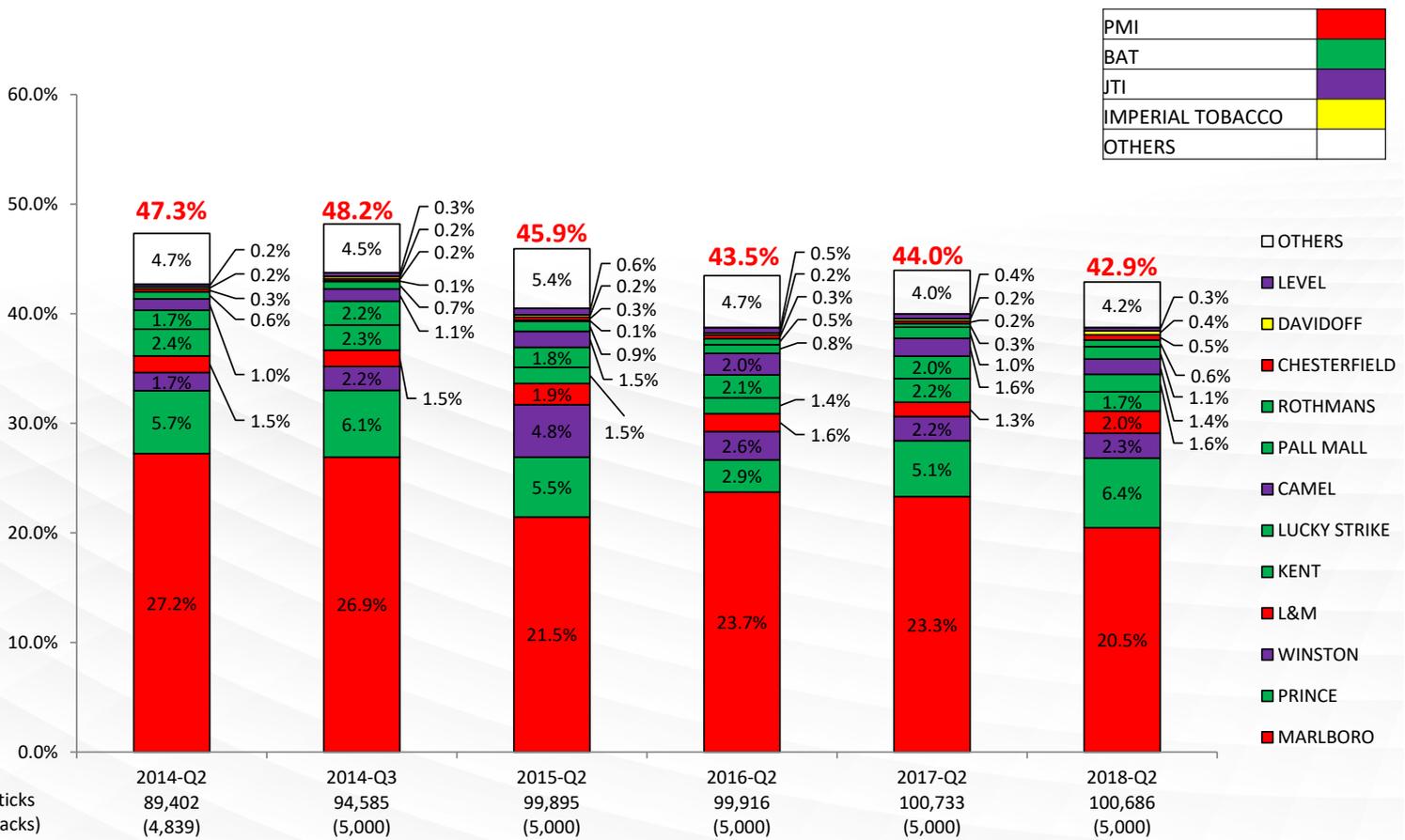


Non-Domestic Sample Split by Brand family

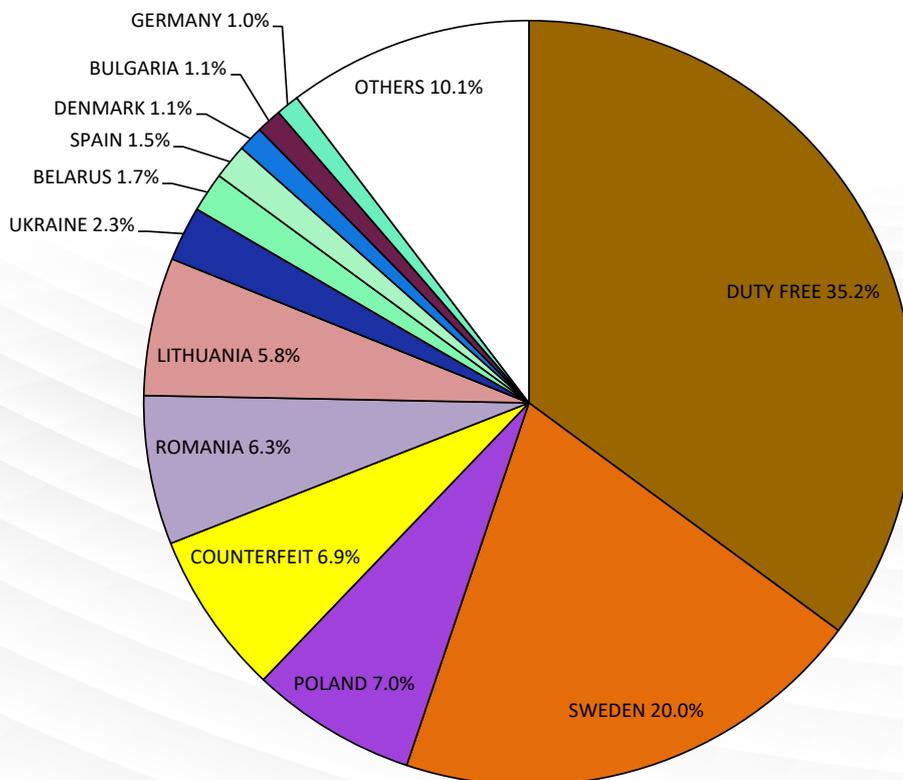


N= 100,686 sticks (5,000 packs).
OTHERS are all packs with less than 24 packs.
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Total Sample Non-Domestic Split by Brand family - Trends



Non-Domestic Sample Split by Market Variant

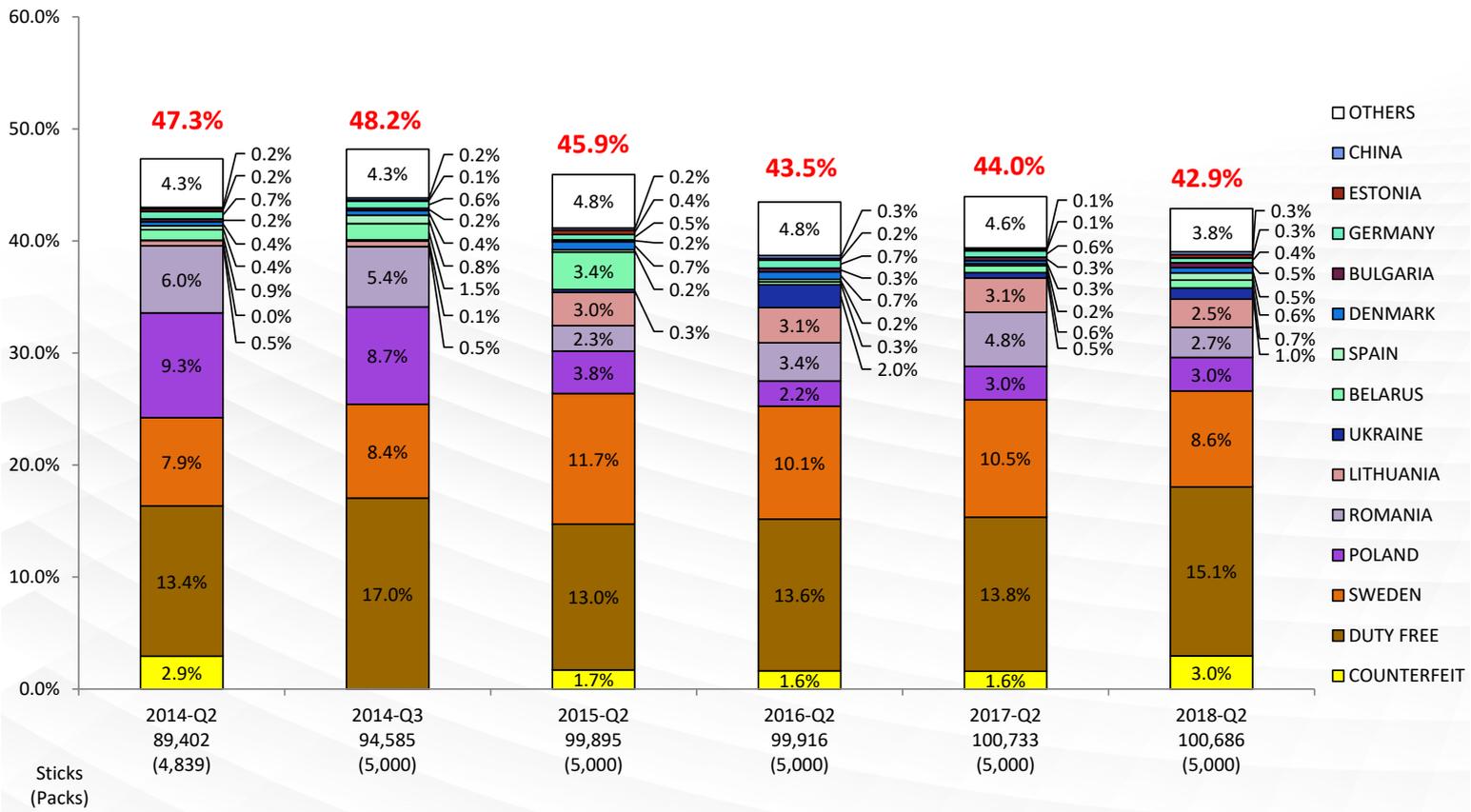


N= 43,186 sticks (2,155 packs).

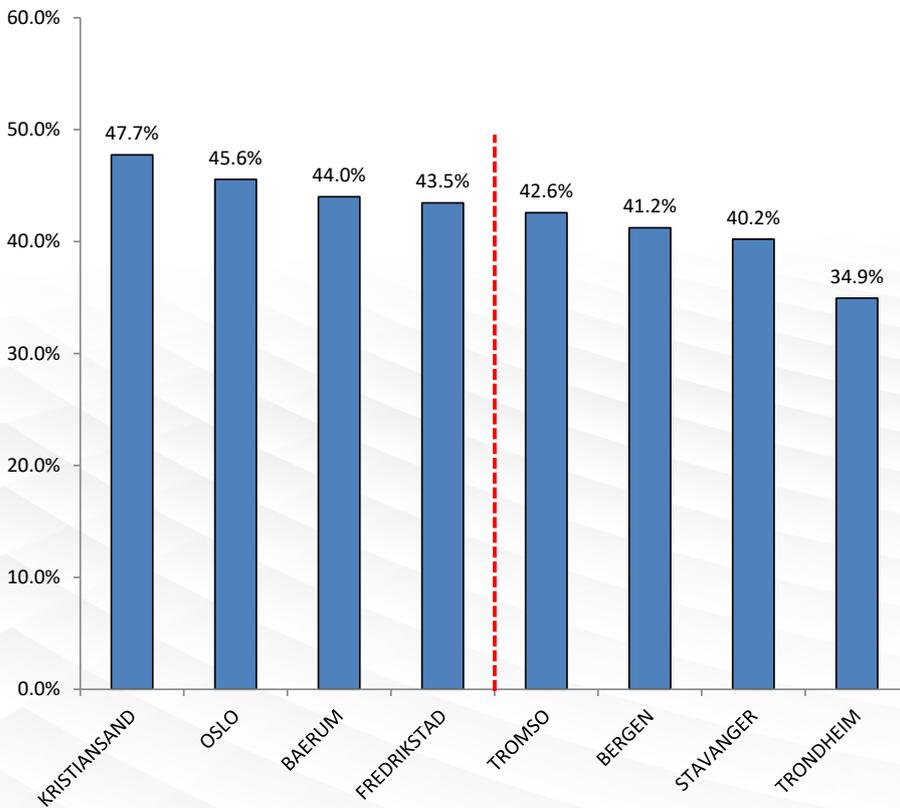
OTHERS are all market variants with less than 19 packs.

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Total Sample Non-Domestic Split by Market Variant - Trends



Total Sample Non-Domestic Incidence by City



The red line indicates the average ND rate of 42.9%.

Total Sample Non-Domestic Incidence by City – Trend

City	2014-Q2	2014-Q3	2015-Q2	2016-Q2	2017-Q2	2018-Q2
KRISTIANSAND	45.1%	50.0%	40.1%	39.4%	49.1%	47.7%
OSLO	45.4%	45.7%	46.2%	44.8%	43.4%	45.6%
BAERUM	52.9%	50.9%	48.0%	42.2%	43.1%	44.0%
FREDRIKSTAD	45.9%	51.4%	42.9%	44.1%	48.3%	43.5%
TROMSO	40.2%	46.7%	54.4%	41.9%	46.2%	42.6%
BERGEN	49.5%	48.7%	44.5%	43.2%	43.3%	41.2%
STAVANGER	42.4%	46.4%	47.9%	42.4%	42.9%	40.2%
TRONDHEIM	57.6%	54.0%	45.3%	43.2%	43.0%	34.9%

Cities above the national ND rate of 42.9% are in red color.

CONTENT

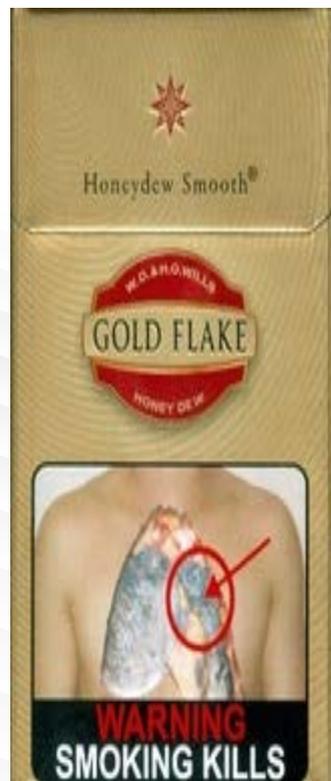
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Examples of Non participants Non Domestic Packs

KARELIA, KARELIA TOBACCO
BULGARIA main market variant,
7 packs



GOLD FLAKE, ITC LTD
UNSPECIFIED* main market variant,
5 packs



ASHIMA, HONGTA
LUXURU SIZE market variant,
5 packs



NAN JING, CHINA TOBACO JIANGSU
INDUSTRIAL
YUHUASHI main market variant,
4 packs



*Unspecified are cigarettes packs which are not bearing any specific market or Duty Free labelling.
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