

**CONFIDENTIAL**

**MSIntelligence™**  
Diagnostic Market Surveys

# Norway Empty Pack Survey 2015 Q2

Prepared for



October 2015

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# EXECUTIVE SUMMARY

## Industry

- Non-domestic incidence decreased to 46.0% on a stick basis (-1.2pp vs. 2014; -3.2pp vs. 2013).
- Largest non-domestic brands are MARLBORO (PMI) at 21.5% of all packs collected (-5.7pp; -7.3pp), PRINCE (BAT) at 5.5% (-0.3pp; -1.0pp) and WINTON (JTI) at 4.8% (+3.2pp; +3.7)
- Main non-domestic market variants are DUTY FREE at 13.0% (-0.7pp; -1.2pp), SWEDEN at 11.8% (+3.7pp; +4.2pp) and POLAND at 3.8% (-5.4pp; -7.6pp)
- Highest non-domestic incidence registered in TROMSO at 54.5%, BAERUM and STAVANGER (both at 48.1%)
- Total counterfeit incidence for participating companies decreased to 1.7% (-1.1pp; -1.2pp)



- Genuine Non-Domestic incidence of **28.4%**
- Counterfeit incidence of **2.4%**



- Genuine Non-Domestic incidence of **34.1%**
- Counterfeit incidence of **0.6%**



- Genuine Non-Domestic incidence of **68.1%**
- Counterfeit incidence of **0.7%**



- Genuine Non-Domestic incidence of **49.8%**
- Counterfeit incidence of **1.6%**

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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.
- The Participating companies have commissioned the field collection and the reporting stage to MSIntelligence, the Data Entry process have been commissioned to another external company. MSIntelligence has no connection, knowledge or responsibility on the Data Entry part. Therefore, MSIntelligence is assuming limited responsibility for report findings as these are based on analyses done by other entities.

## 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 market variant
- Largest 8 cities
- Total sample: 5,000 packs (99,989 sticks)
- Dates of collection: May 17<sup>th</sup> – June 9<sup>th</sup>, 2015
- Agency (collection and reporting) - MSIntelligence
- Agency (data-entry) - Hi-Tech Outsourcing Services-India



# SAMPLING PLAN

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](http://www.citypopulation.de))

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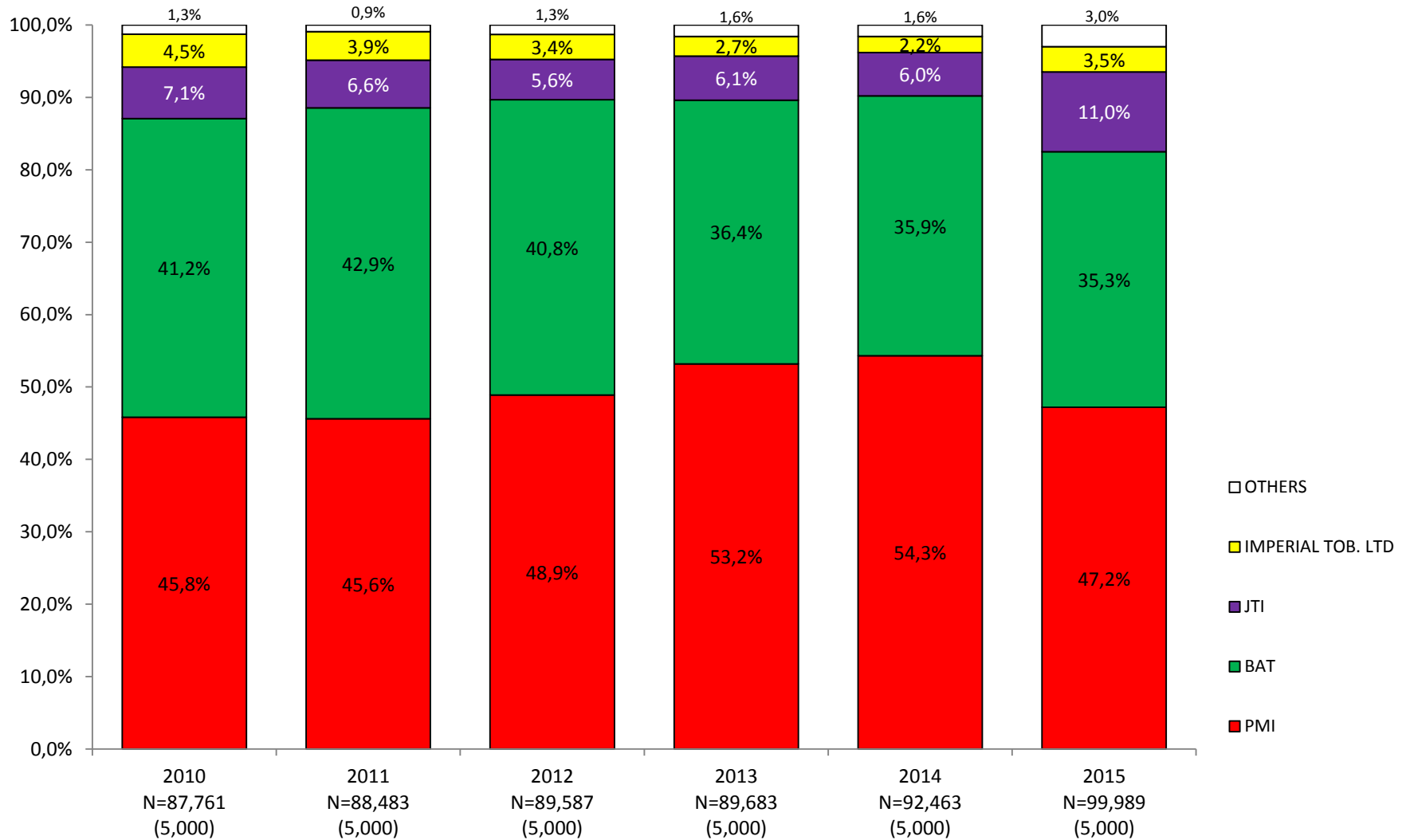
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# Total Sample

## SHARE BY MANUFACTURER - TRENDS



# Total Sample SHARE BY BRAND FAMILY - TRENDS



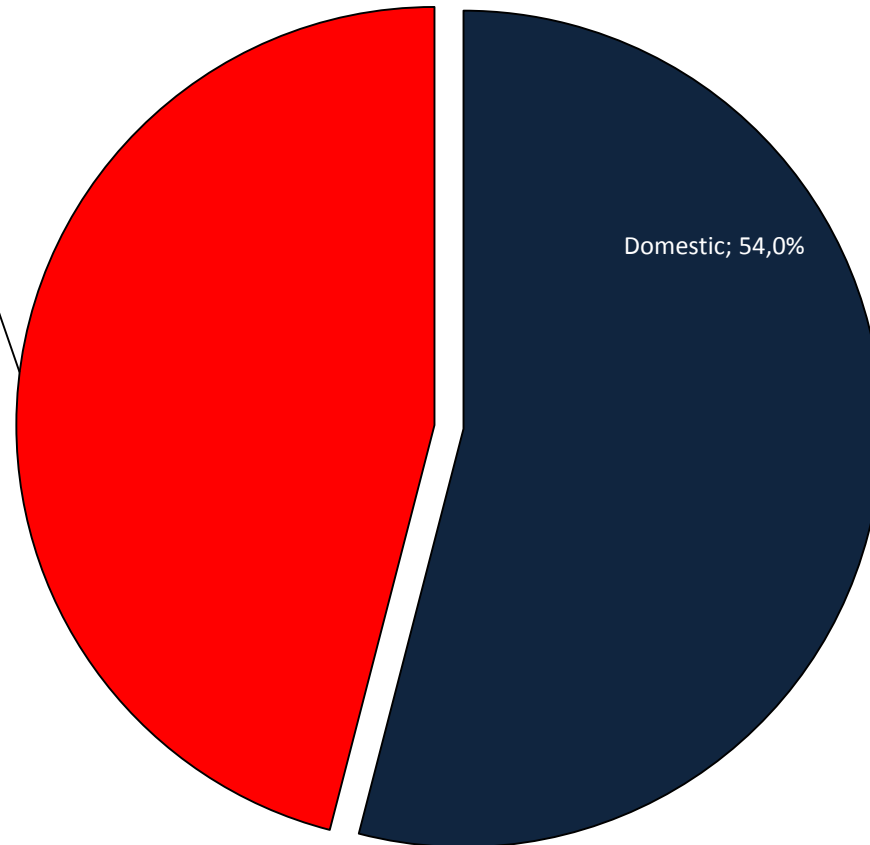
# Total Sample

## NON DOMESTIC INCIDENCE

Non-Domestic; 46,0%

Includes all counterfeit packs of participating companies:

- Counterfeit Non-domestic packs: 1.7%

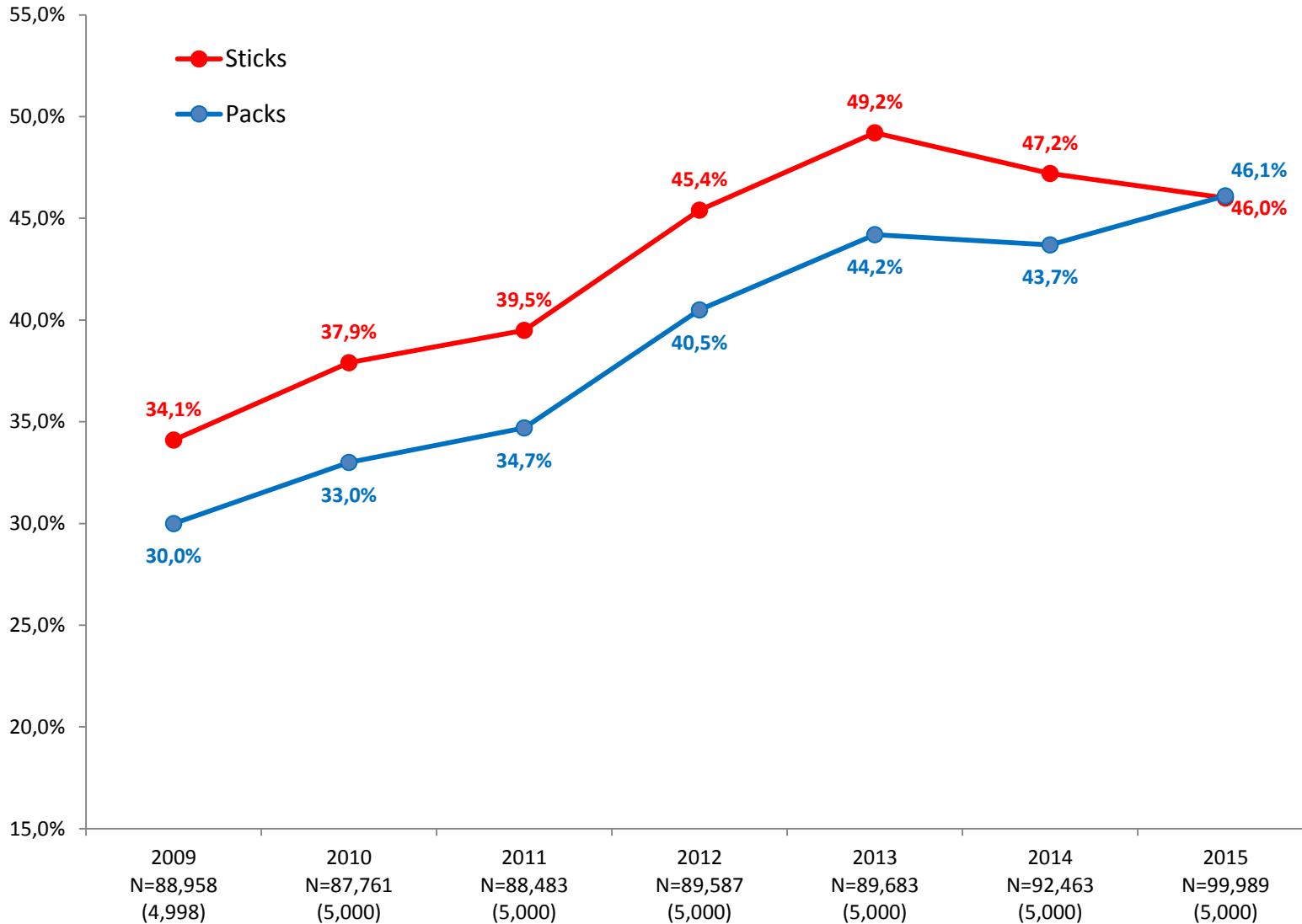


N= 99,989 sticks (5,000 packs).

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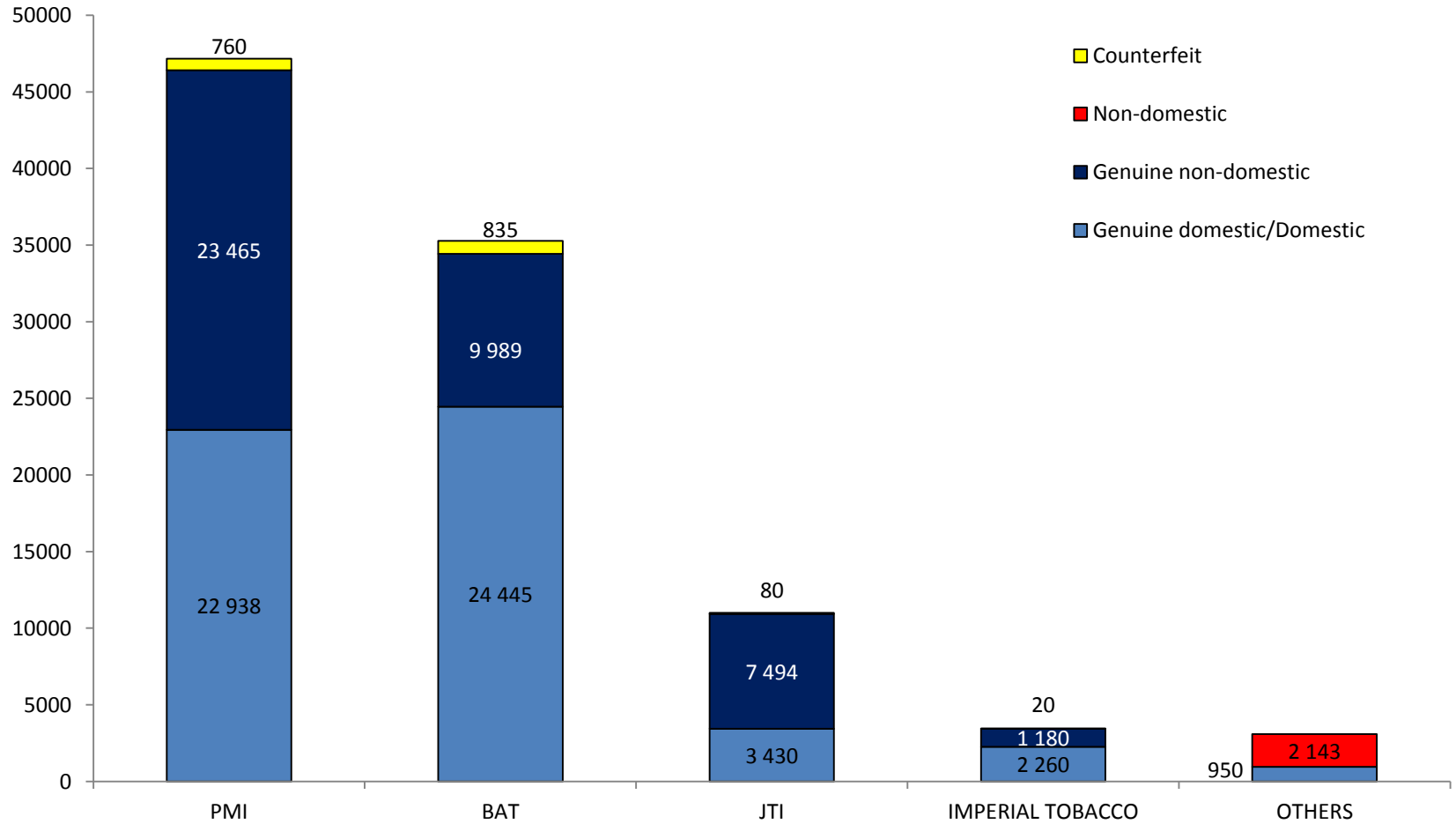
# Total Sample

## NON DOMESTIC INCIDENCE - TREND



# Total Sample

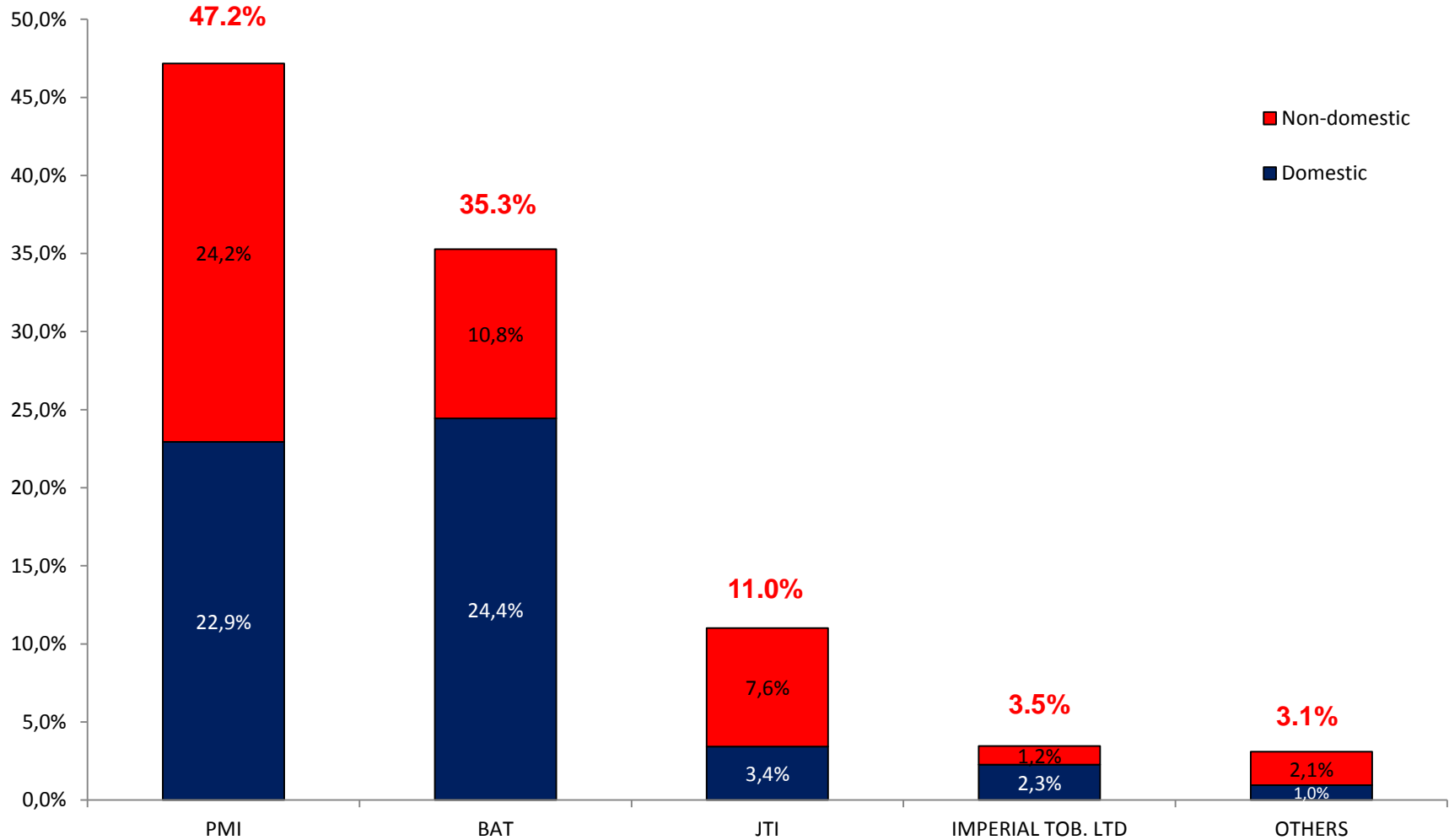
## NON-DOMESTIC INCIDENCE BY COMPANY – ABSOLUTE and PERCENTAGES



Genuine domestic/Domestic	48.6%	69.3%	31.2%	65.3%	30.7%
Genuine non-domestic	49.8%	28.4%	68.1%	34.1%	
Non-domestic					69.3%
Counterfeit	1.6%	2.4%	0.7%	0.6%	

# Total Sample

## SAMPLE BREAKDOWN BY COMPANY AND DOMESTIC/NON-DOMESTIC SHARES

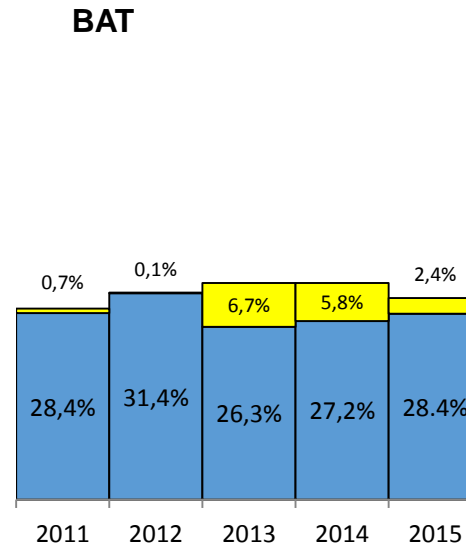
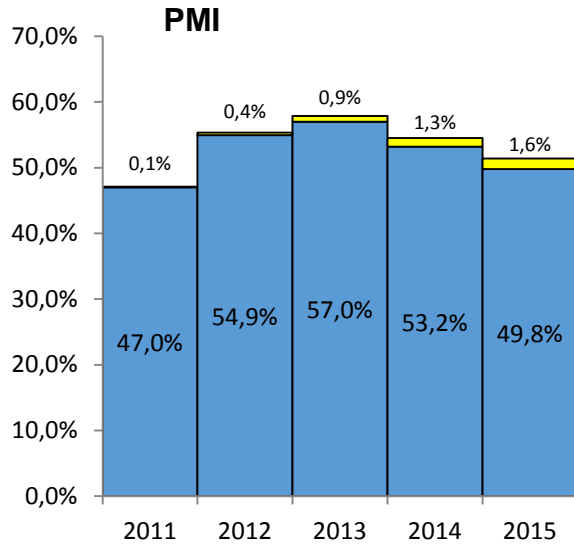


N= 99,989 sticks (5,000 packs).

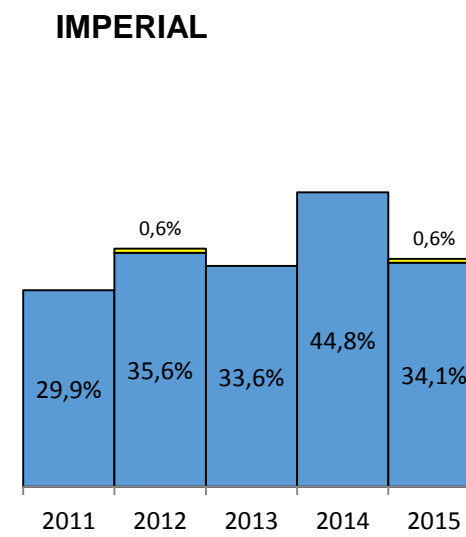
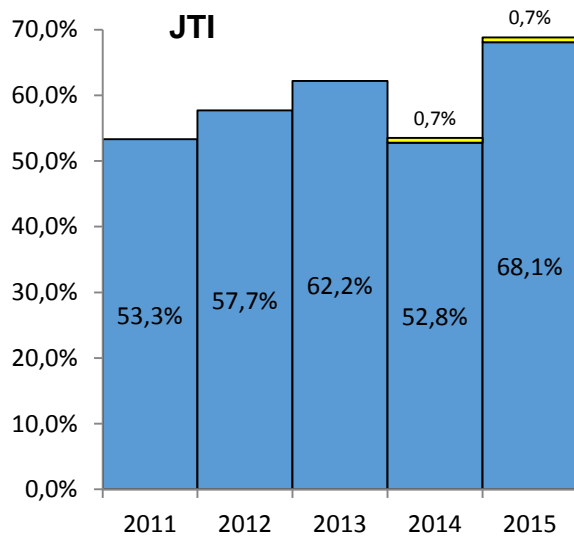
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# Total Sample

## NON-DOMESTIC INCIDENCE BY COMPANY – TRENDS

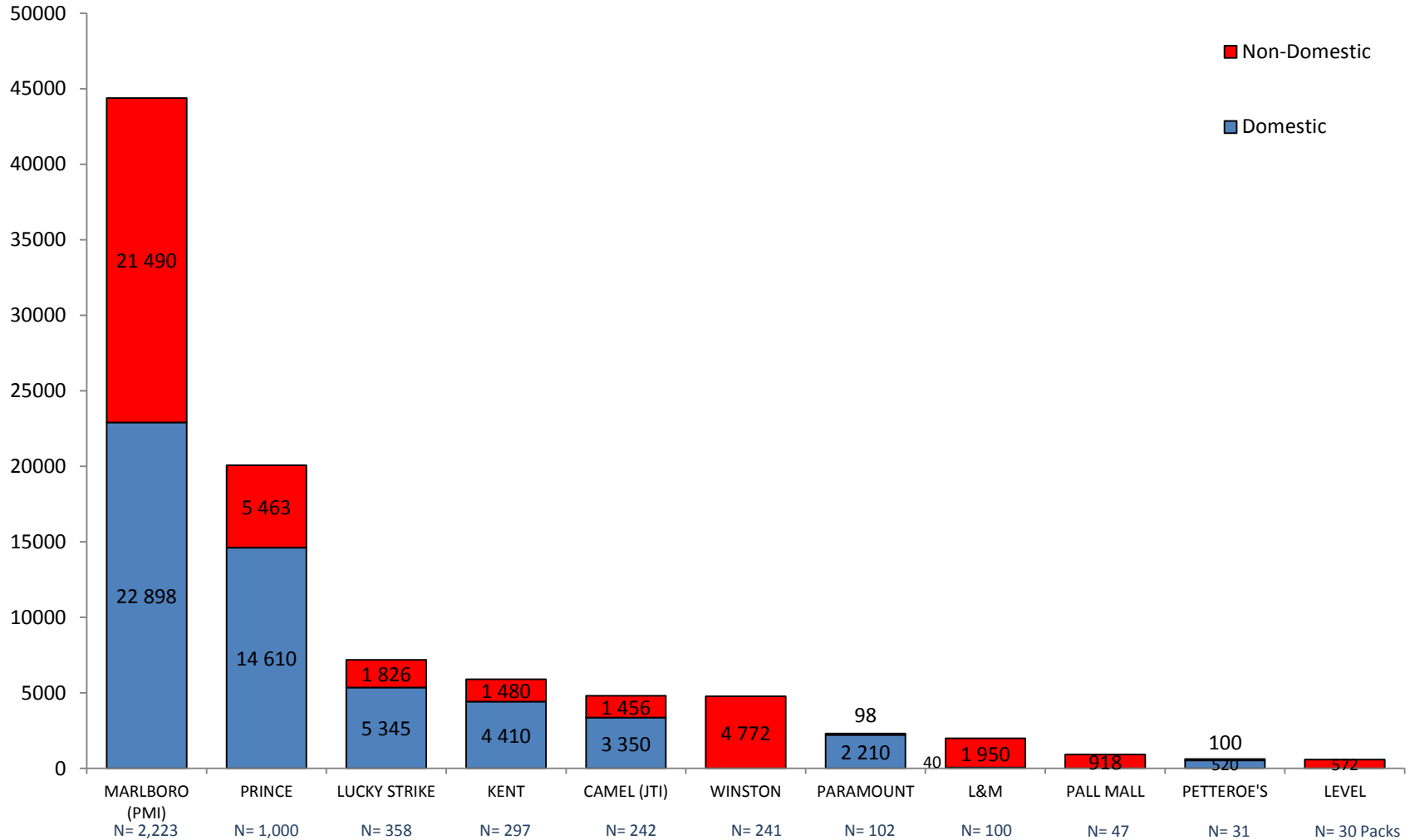


■ COUNTERFEIT  
 ■ GENUINE NON DOMESTIC



# Total Sample

## NON-DOMESTIC INCIDENCE BY BRAND

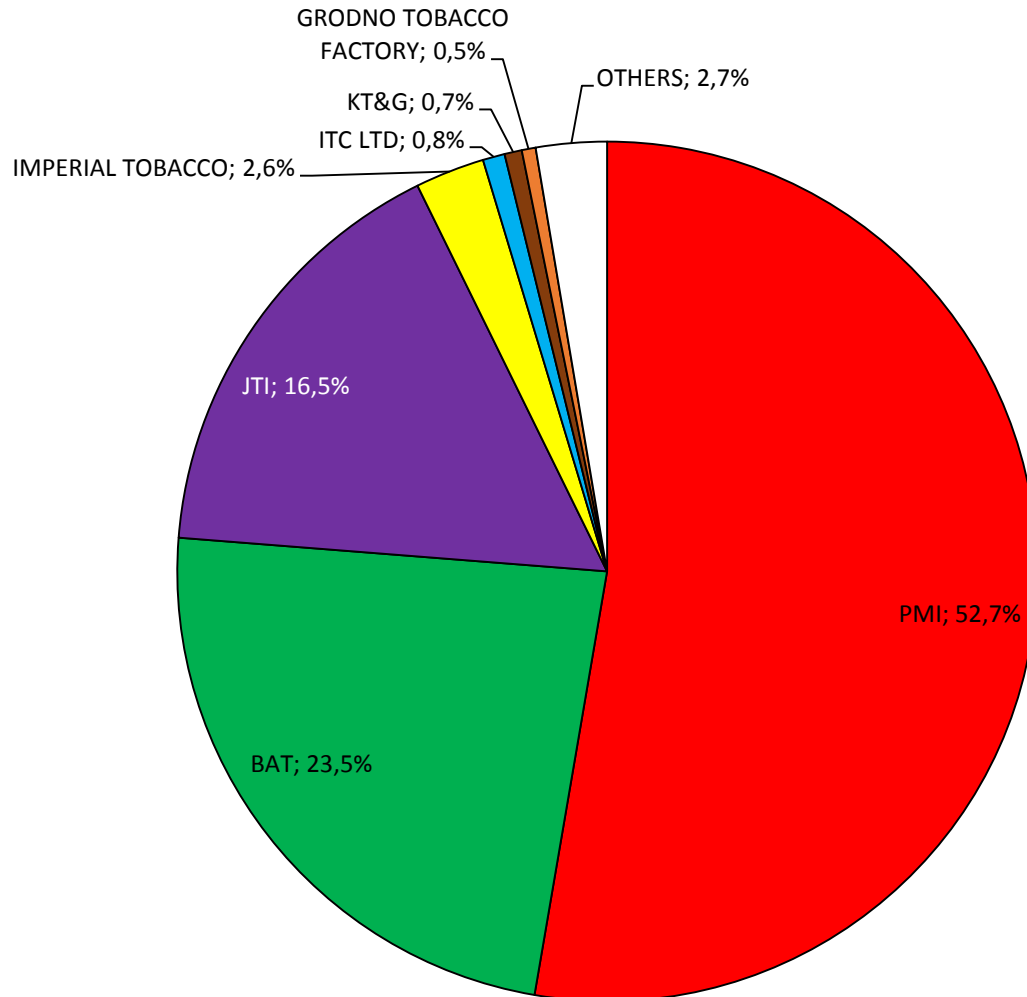


DOMESTIC	51.6%	72.8%	74.5%	74.9%	69.7%		95.8%	2.0%		83.9%	
NON-DOMESTIC	48.4%	27.2%	25.5%	25.1%	30.3%	100.0%	4.2%	98.0%	100.0%	16.1%	100.0%

Only brands with more than 30 packs are shown.



# Non Domestic Sample SPLIT BY COMPANY



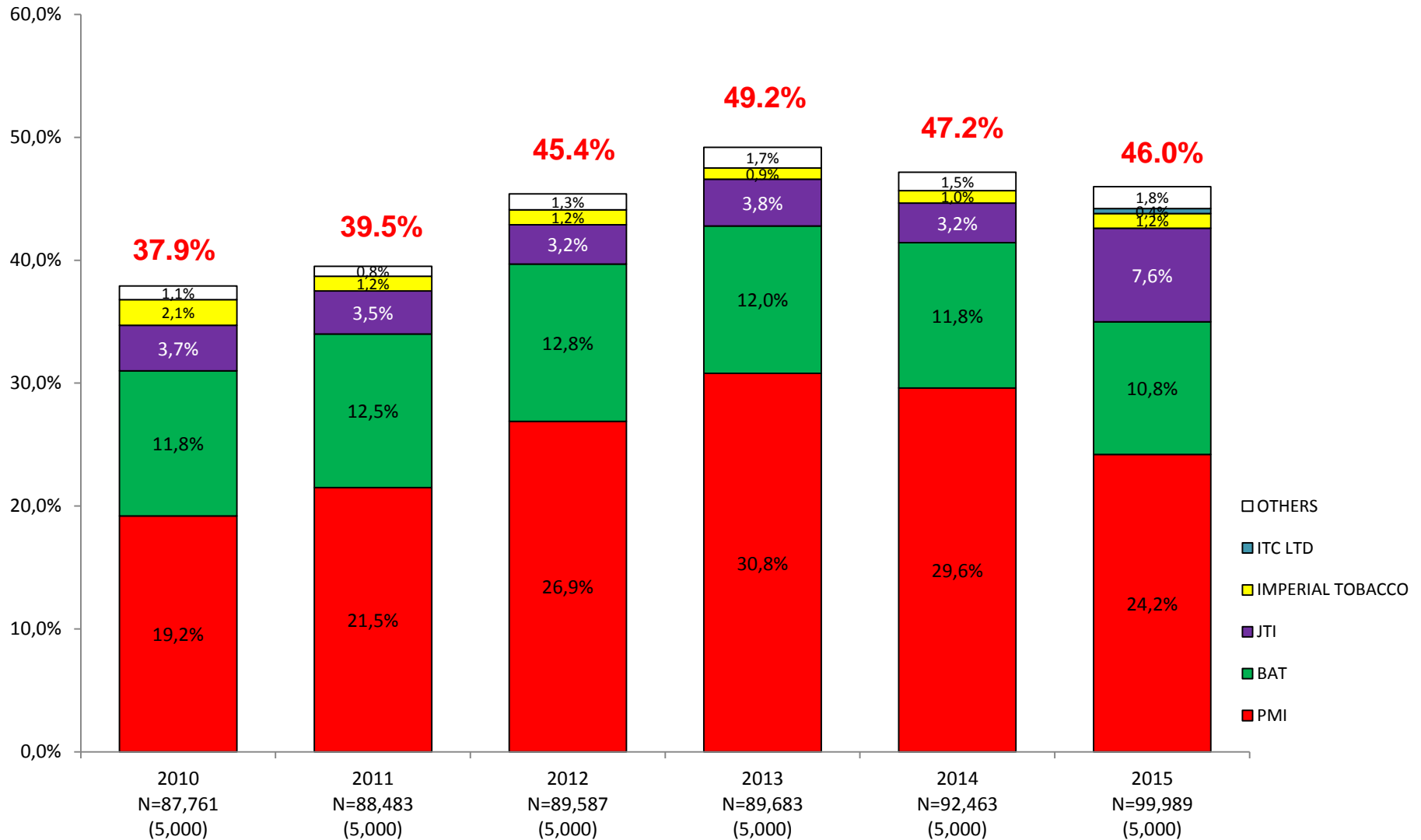
N= 45,966 sticks (2,307 packs).

OTHERS are all companies with less than 10 packs collected.

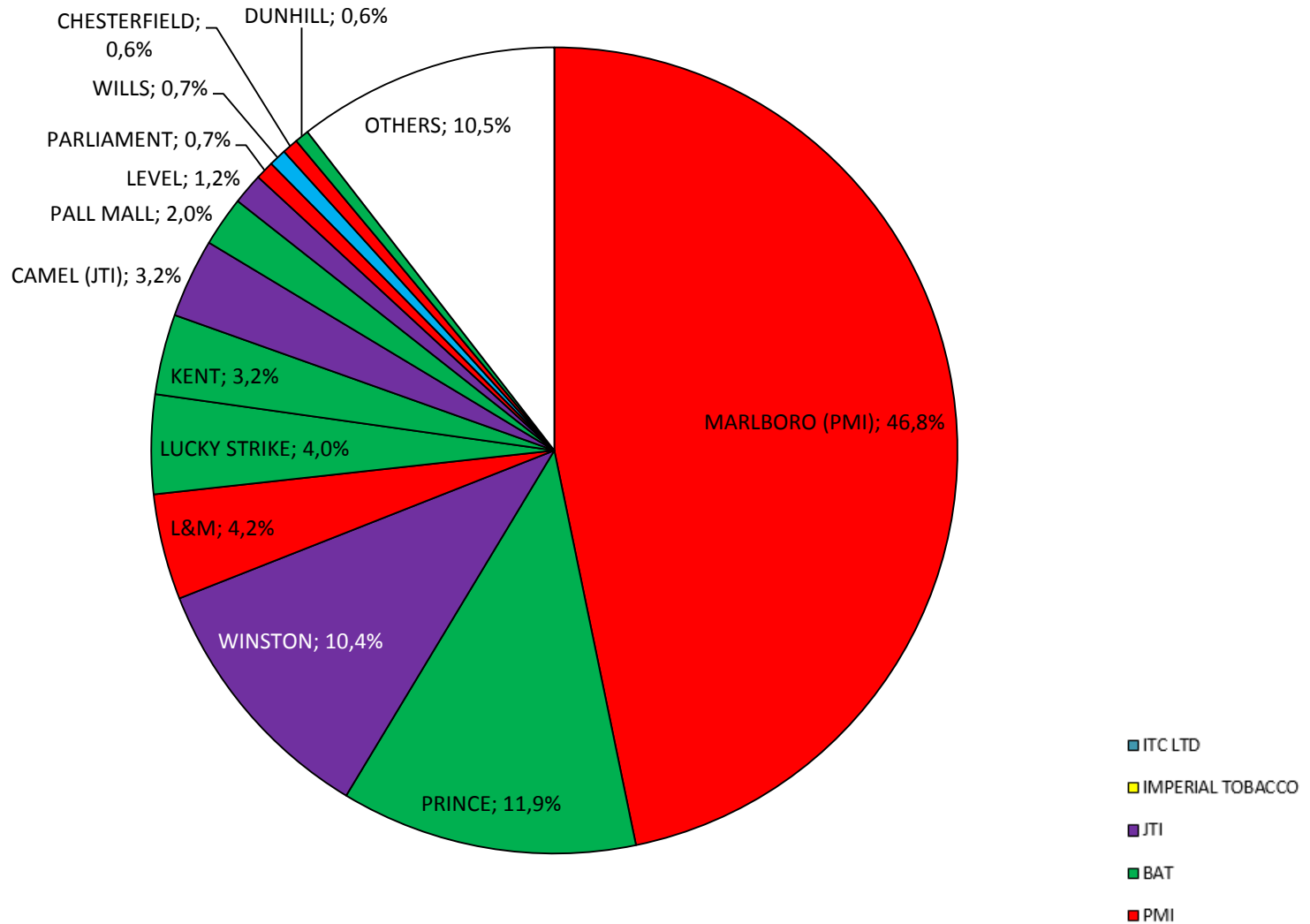
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# Total Sample

## NON-DOMESTIC BREAKDOWN BY COMPANY – TRENDS



# Non Domestic Sample SPLIT BY BRAND FAMILY

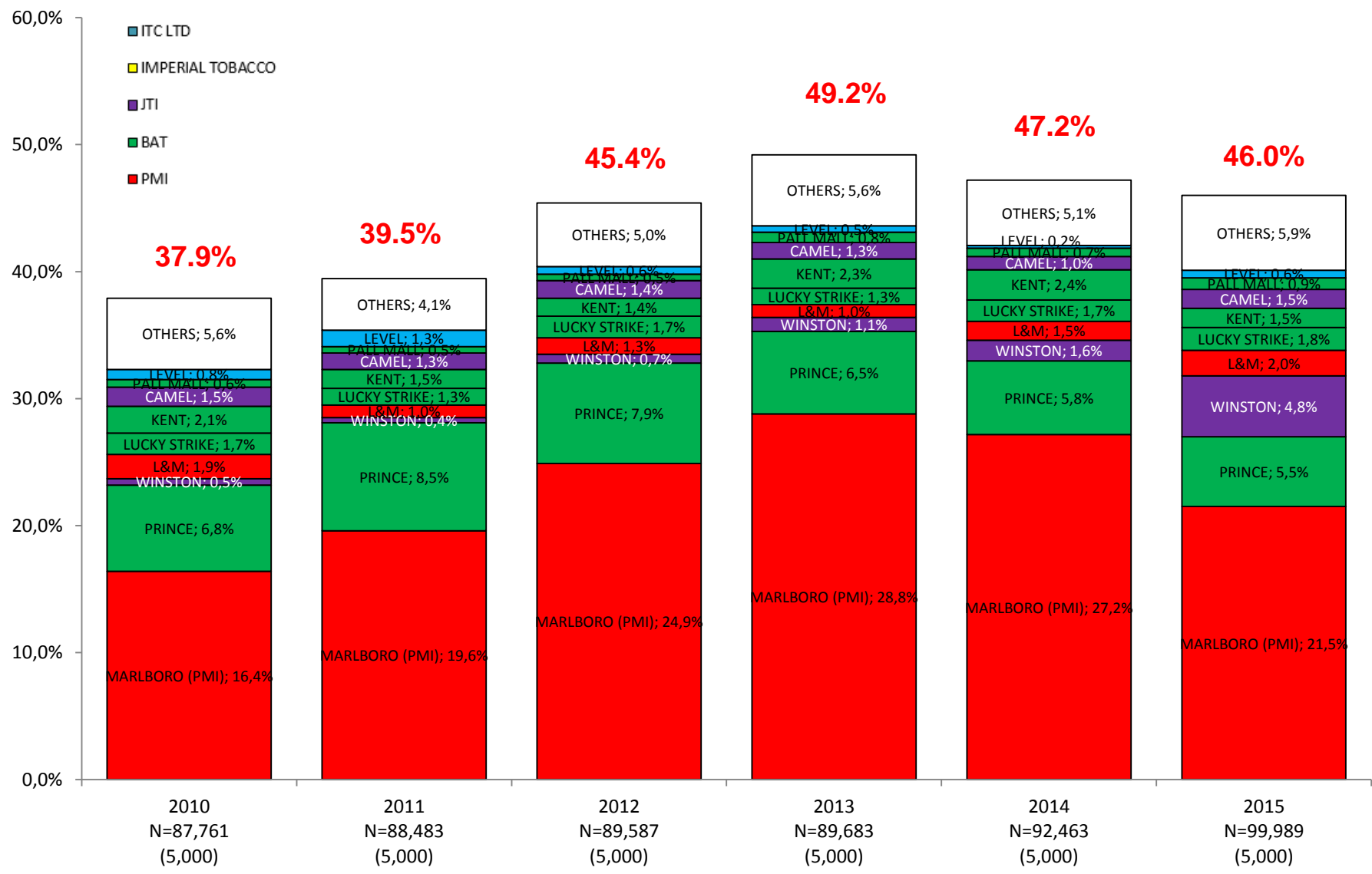


N= 45,966 sticks (2,307 packs).

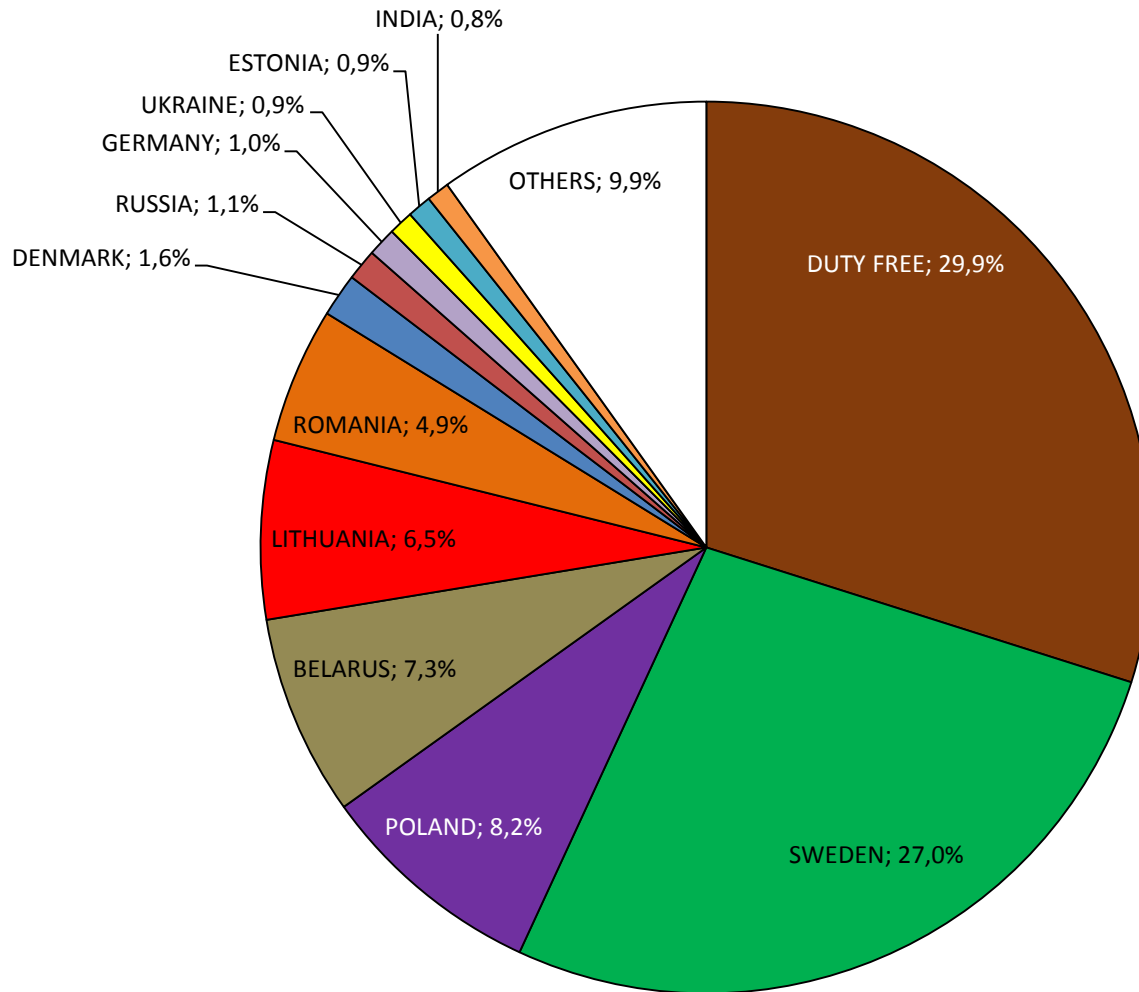
OTHERS are all brands with less than 13 packs collected.

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# Total Sample NON-DOMESTIC BREAKDOWN BY BRAND FAMILY – TRENDS



# Non Domestic Sample SPLIT BY MARKET VARIANT



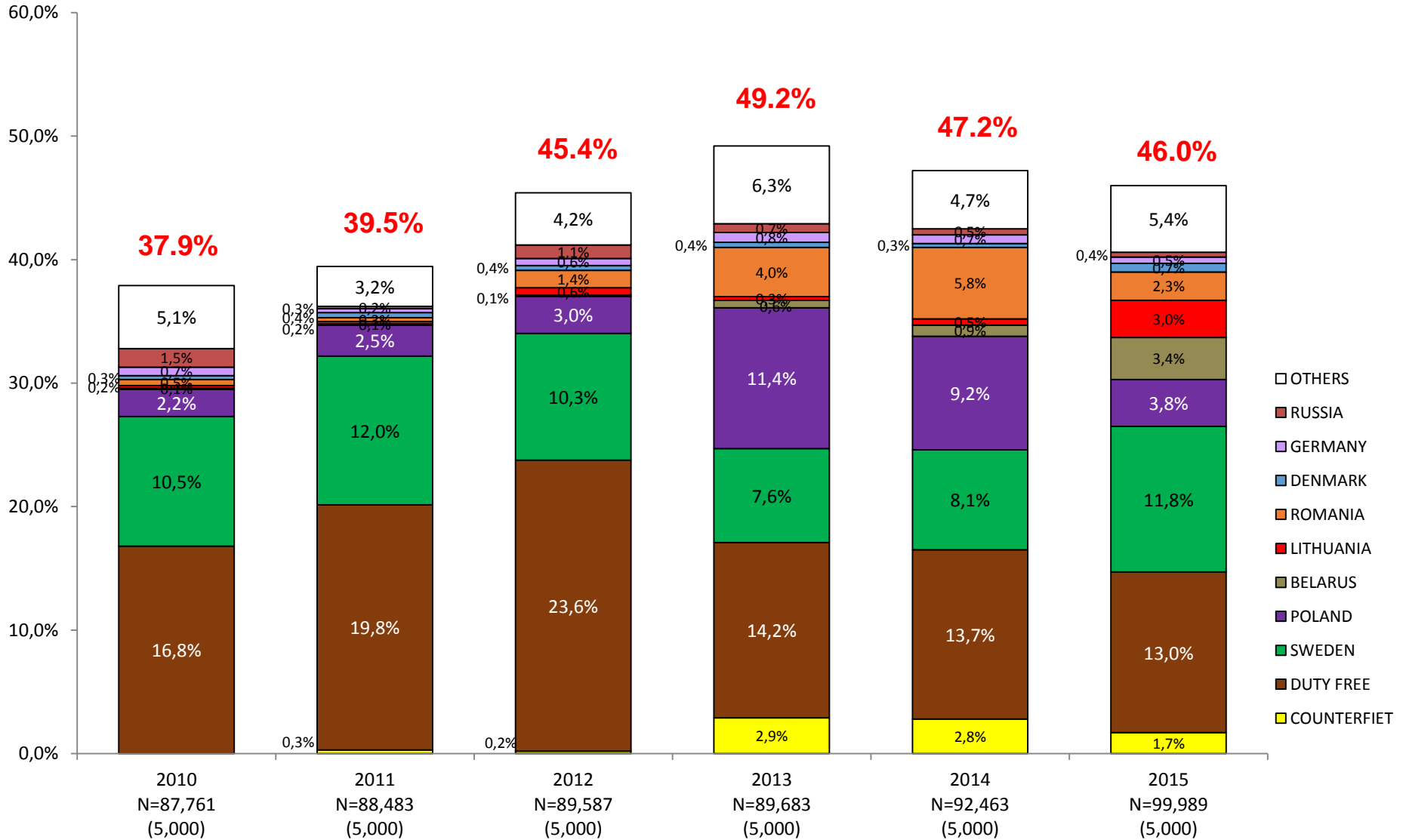
N= 45,966 sticks (2,307 packs).

OTHERS are all market variants with less than 20 packs collected.

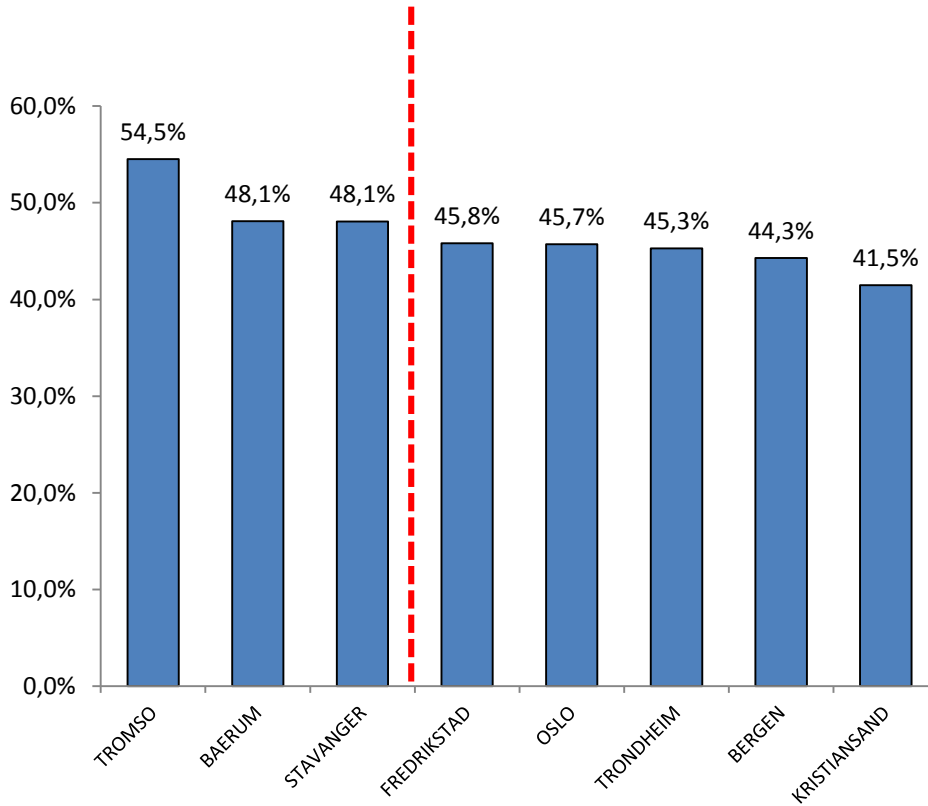
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# Total Sample

## NON-DOMESTIC BREAKDOWN BY MARKET VARIANT – TRENDS



# Total Sample NON DOMESTIC INCIDENCE BY CITY



The red line indicates the national ND rate (46.0%).

Cities in red are above the national ND rate of 46.0%.

# Total Sample

## NON DOMESTIC INCIDENCE BY CITY - TRENDS

	2009	2010	2011	2012	2013	2014	2015
<b>TROMSO</b>	34.2%	37.6%	40.1%	32.5%	45.4%	40.2%	<b>54.5%</b>
<b>BAERUM</b>	36.0%	40.8%	33.1%	51.5%	47.6%	52.9%	<b>48.1%</b>
<b>STAVANGER</b>	34.0%	42.6%	35.8%	47.6%	44.0%	42.4%	<b>48.1%</b>
<b>FREDRIKSTAD</b>	34.9%	38.2%	32.6%	46.6%	49.5%	45.9%	45.8%
<b>OSLO</b>	33.2%	38.6%	43.4%	43.4%	48.5%	45.4%	45.7%
<b>TRONDHEIM</b>	33.4%	32.1%	36.1%	44.8%	46.3%	53.6%	45.3%
<b>BERGEN</b>	36.2%	36.3%	37.4%	50.0%	54.9%	49.5%	44.3%
<b>KRISTIANSAND</b>	31.4%	39.5%	45.0%	44.0%	54.7%	45.1%	41.5%

Cities in red are above the national ND rate of 46.0%.



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# EXAMPLES OF NON-PARTICIPANTS NON-DOMESTIC PACKS

WILLS, ITC LTD,  
 INDIA market variant,  
 16 packs



ESSE, KT&G,  
 DUTY FREE market variant,  
 8 packs



FEST, GRODNO TOBACCO,  
 BELARUS market variant,  
 7 packs



GOLD FLAKE, ITC LTD,  
 INDIA market variant,  
 5 packs

