



MSIntelligence[®]
Diagnostic Market Surveys

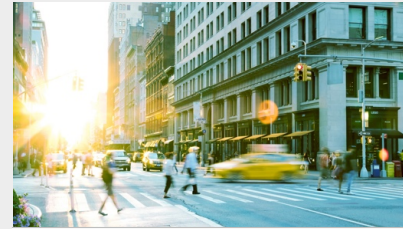
MSIntelligence

EMPTY PACK SURVEY[®] REPORT
NORWAY 2019 Q2

September 2019

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EMPTY PACK SURVEY RESULTS Q2 2019:
NORWAY



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EXECUTIVE SUMMARY



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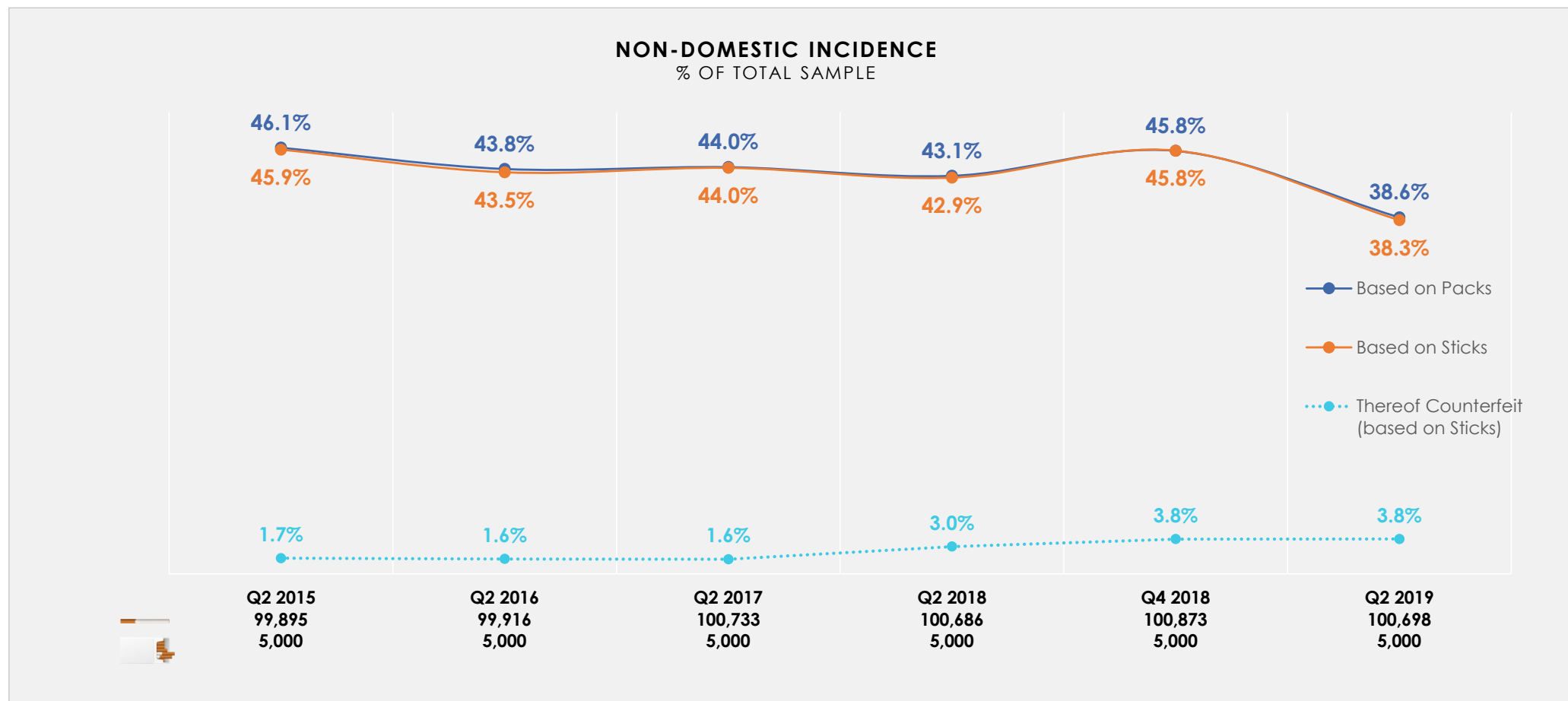


01.

EXECUTIVE SUMMARY

QUARTER 2, 2019

EXECUTIVE SUMMARY: NON-DOMESTIC TREND



TOTAL SAMPLE = DOMESTIC AND NON-DOMESTIC PACKS

EXECUTIVE SUMMARY: KEY MESSAGES

- Non-Domestic incidence at 38.3% (-7.5pp vs. 2018 Q4, -4.6pp vs. 2018 Q2) and counterfeit pack at 3.8% (+0.01pp vs. 2018 Q4, +0.8pp vs. 2018 Q2).

Main Non-Domestic brands (excl. counterfeit) found were:

- MARLBORO (PMI) at 18.7% (+0.5pp vs. 2018 Q4, -1.3pp vs. 2018 Q2) of total sample.
- PRINCE (BAT) at 3.3% (-0.5pp vs. 2018 Q4, -1.1pp vs. 2018 Q2) of total sample.
- L&M (PMI) at 1.8% (-0.5pp vs. 2018 Q4, -0.04pp vs. 2018 Q2) of total sample.

Main Non-Domestic market variants (excl. counterfeit) found were:

- DUTY FREE at 13.1% (-1.2pp vs. 2018 Q4, -2.0pp vs. 2018 Q2) of total sample.
- SWEDEN at 7.3% (-1.8pp vs. 2018 Q4, -1.3pp vs. 2018 Q2) of total sample.
- POLAND at 2.9% (-1.1pp vs. 2018 Q4, -0.1pp vs. 2018 Q2) of total sample.

Highest Non-Domestic incidence (excl. counterfeit) was found in:

- TRONDHEIM at 37.6% (+9.0pp vs. 2018 Q4, +3.5pp vs. 2018 Q2).
- TROMSO at 35.5% (-4.9pp vs. 2018 Q4, -3.6pp vs. 2018 Q2).
- OSLO at 35.2% (-14.2pp vs. 2018 Q4, -7.5pp vs. 2018 Q2).

EXECUTIVE SUMMARY: KEY VARIANCES

% OF TOTAL SAMPLE Based on number of sticks

— N= 100,698 sticks (weighted)

	Q2 2019	VS. Q4 2018	VS. Q2 2018
NON-DOMESTIC INCIDENCE (incl. counterfeit)	38.3%	-7.5pp	-4.6pp
MAIN MARKET VARIANTS (excl. counterfeit)			
DUTY FREE	13.1%	-1.2pp	-2.0pp
SWEDEN	7.3%	-1.8pp	-1.3pp
POLAND	2.9%	-1.1pp	-0.1pp
MAIN BRAND FAMILIES (excl. counterfeit)			
MARLBORO (PMI)	18.7%	+0.5pp	-1.3pp
PRINCE (BAT)	3.3%	-0.5pp	-1.1pp
L&M (PMI)	1.8%	-0.5pp	-0.04pp
MAIN CITIES (excl. counterfeit)			
TRONDHEIM	37.6%	+9.0pp	+3.5pp
TROMSO	35.5%	-4.9pp	-3.6pp
OSLO	35.2%	-14.2pp	-7.5pp
COUNTERFEIT INCIDENCE			
TOTAL COUNTERFEIT INCIDENCE	3.8%	+0.01pp	+0.8pp
BAT	1.7%	+1.4pp	-0.2pp
PMI	1.2%	-0.9pp	+0.5pp
JTI	0.9%	-0.1pp	+0.6pp

EXECUTIVE SUMMARY: INFLOW MATRIX

% OF TOTAL SAMPLE Based on number of sticks

— N= 100,698 sticks (weighted)

	MAIN INFLOWS						VARIANCE VS.	
	COUNTERFEIT	DUTY FREE	SWEDEN	POLAND	OTHERS	TOTAL	Q4 2018	Q2 2018
MARLBORO (PMI)	1.0%	7.6%	4.0%	1.6%	5.5%	19.7%	-0.5pp	-0.8pp
PRINCE (BAT)	1.6%	1.7%	1.4%		0.2%	4.9%	+0.8pp	-1.4pp
WINSTON (JTI)	0.9%	0.3%	0.7%	0.1%	0.5%	2.6%	-0.4pp	+0.3pp
L&M (PMI)	0.1%	1.0%	0.1%	0.4%	0.3%	1.9%	-0.4pp	-0.1pp
CAMEL (JTI)		0.6%	0.4%	0.1%	0.4%	1.6%	-0.4pp	+0.2pp
LUCKY STRIKE (BAT)		0.5%	0.7%	0.1%	0.3%	1.6%	-0.4pp	-0.03pp
OTHERS	0.2%	1.4%		0.6%	4.0%	6.0%	-6.2pp	-2.8pp
TOTAL	3.8%	13.1%	7.3%	2.9%	11.2%	38.3%	-7.5pp	-4.6pp
VARIANCE VS. Q4 2018	+0.01pp	-1.2pp	-1.8pp	-1.1pp	-3.4pp	-7.5pp		
VARIANCE VS. Q2 2018	+0.8pp	-2.0pp	-1.3pp	-0.1pp	-2.0pp	-4.6pp		

02.

METHODOLOGY

QUARTER 2, 2019

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. 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.
- Non-domestic includes legal transportation

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

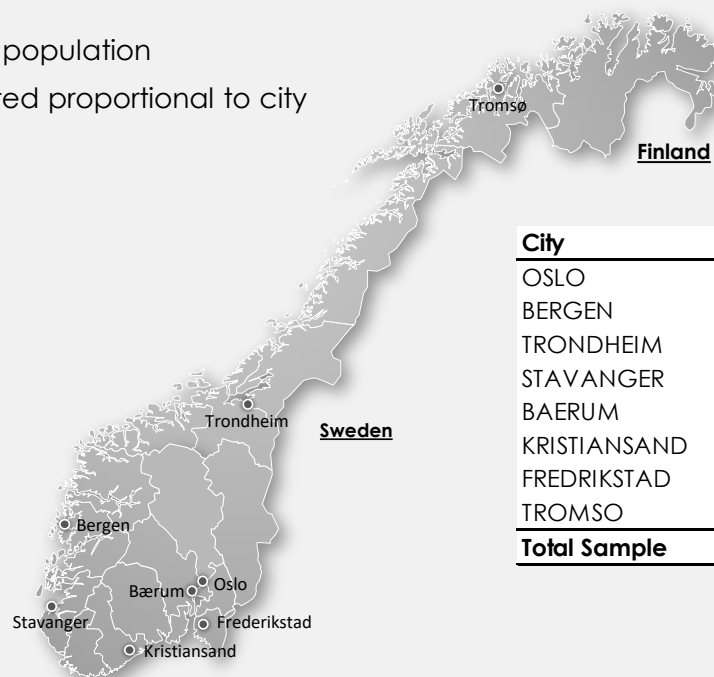
Fieldwork:
28th May – 10th June 2019

REPORTING

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

GEOGRAPHY

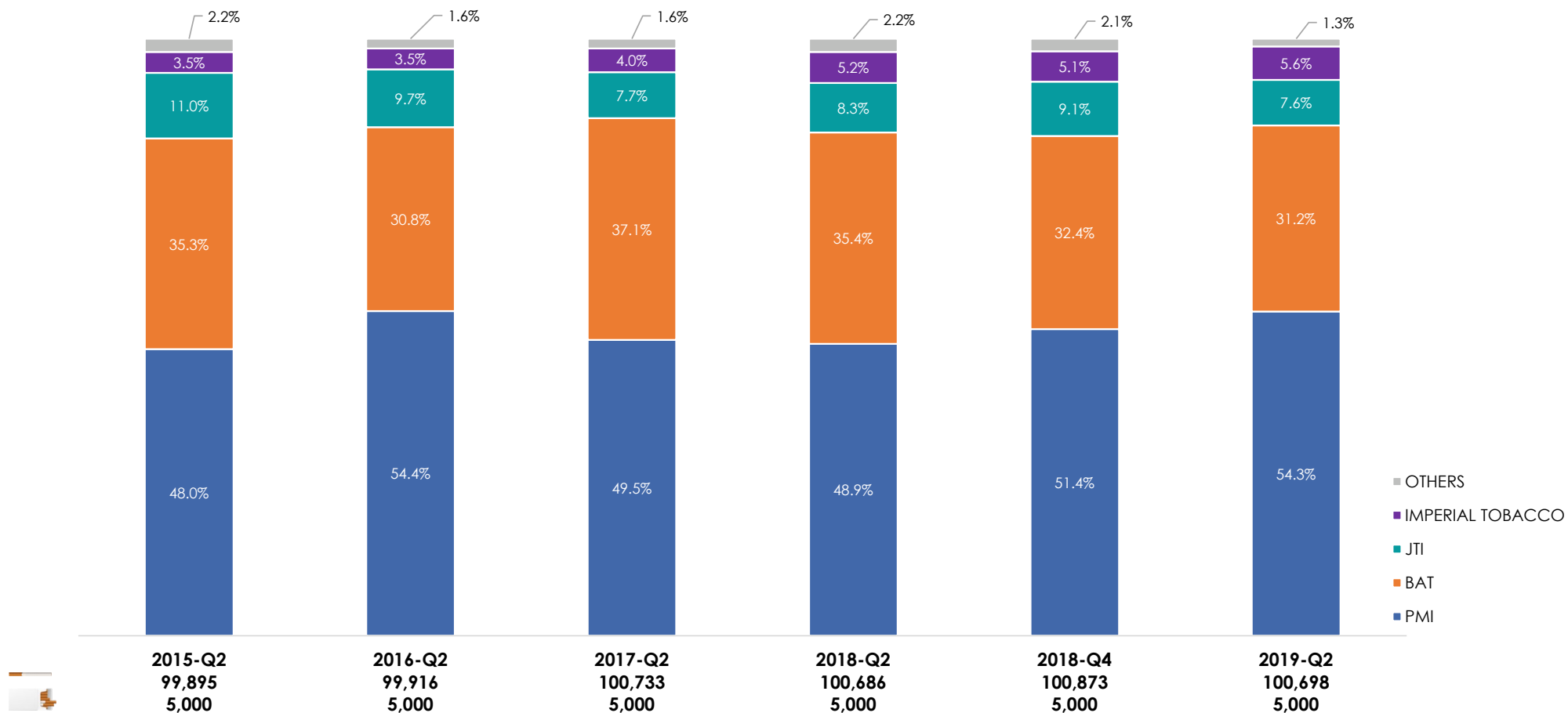
- The largest 8 cities
- 30.8% coverage of population
- Final data is weighted proportional to city population



City	Population	Sample
OSLO	634,463	2,012
BERGEN	271,949	866
TRONDHEIM	182,035	579
STAVANGER	130,754	419
BAERUM	118,588	376
KRISTIANSAND	85,983	273
FREDRIKSTAD	77,591	248
TROMSO	71,590	227
Total Sample	1,572,953	5,000

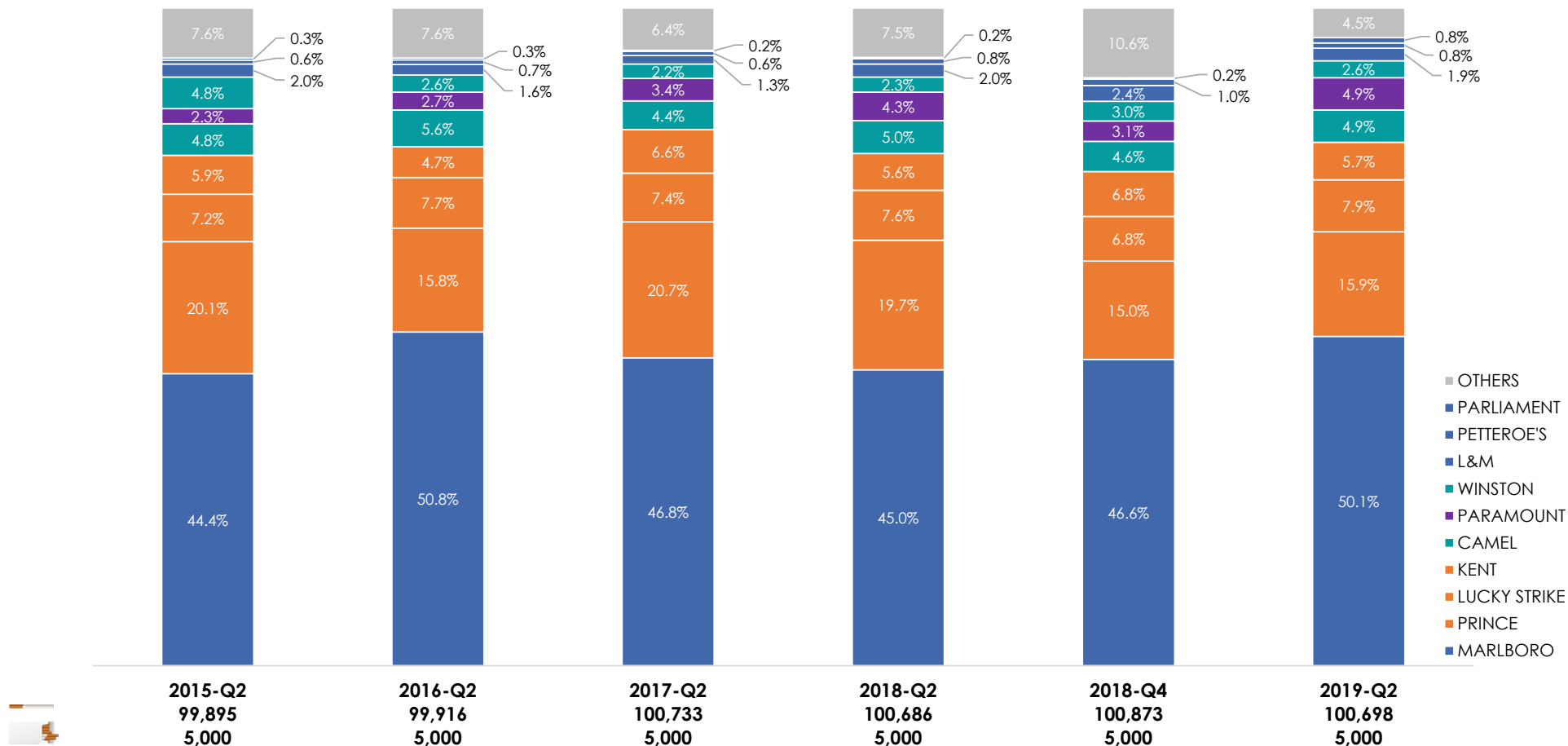
SAMPLE COMPOSITION: SHARE BY COMPANY

% OF TOTAL SAMPLE Based on number of sticks



SAMPLE COMPOSITION: SHARE BY BRAND

% OF TOTAL SAMPLE Based on number of sticks





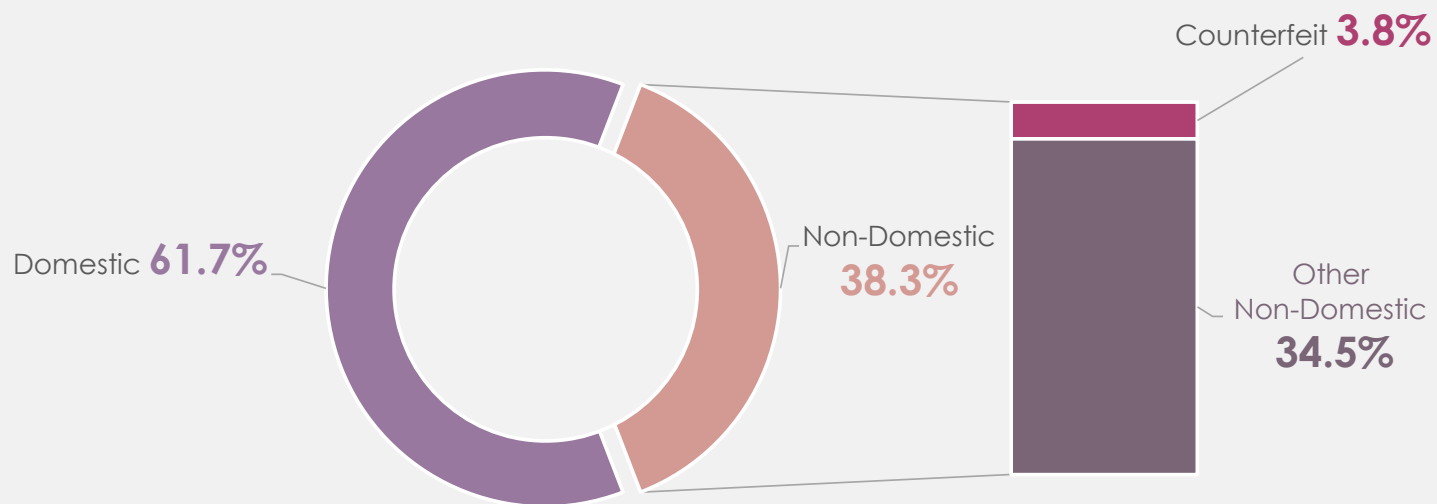
03.

KEY RESULTS

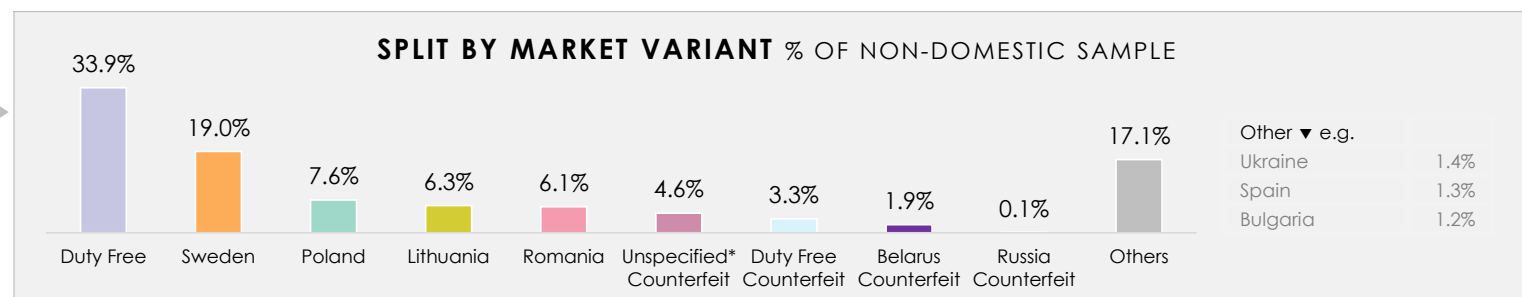
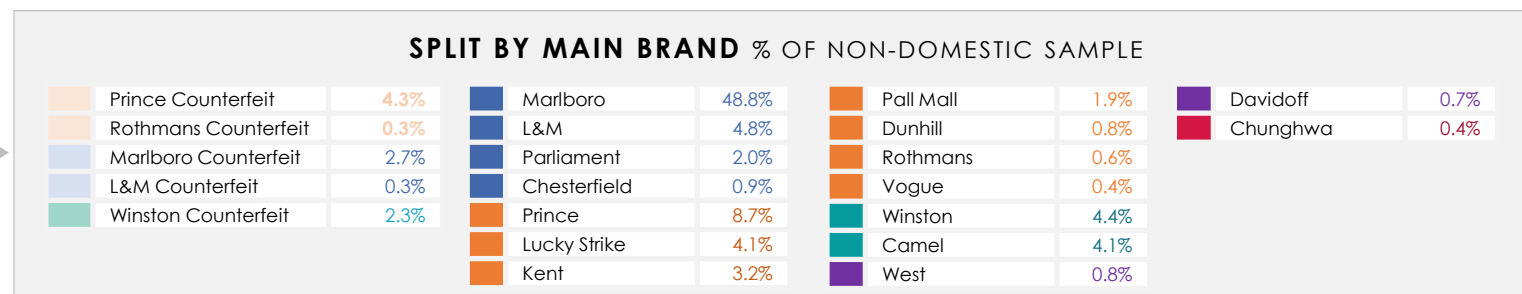
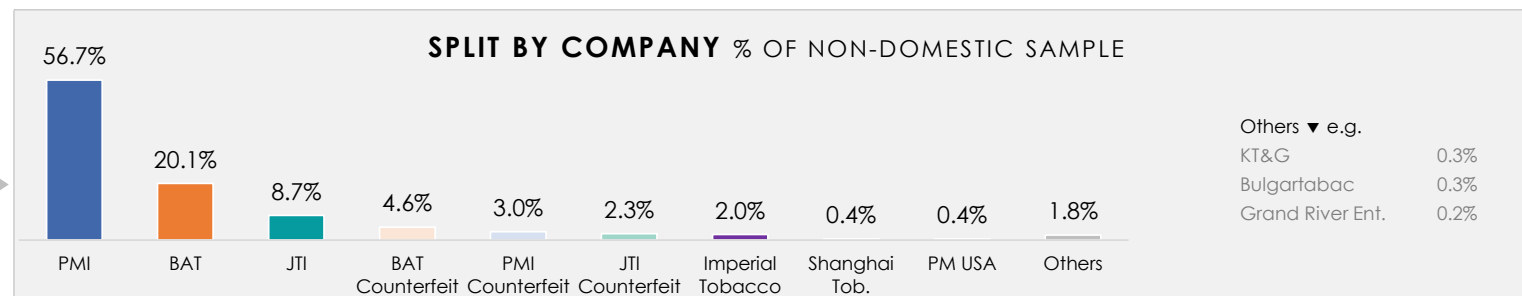
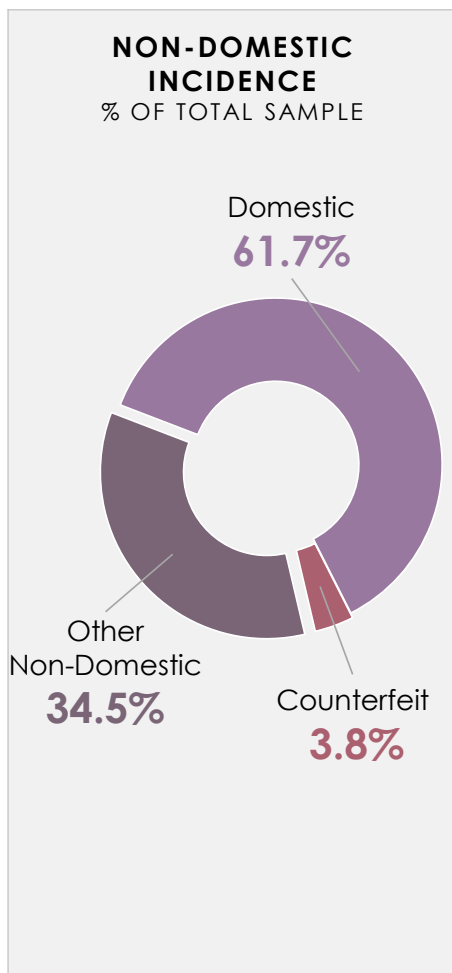
QUARTER 2, 2019

NON-DOMESTIC: CATEGORIES

NON-DOMESTIC INCIDENCE CATEGORIES
% OF TOTAL SAMPLE

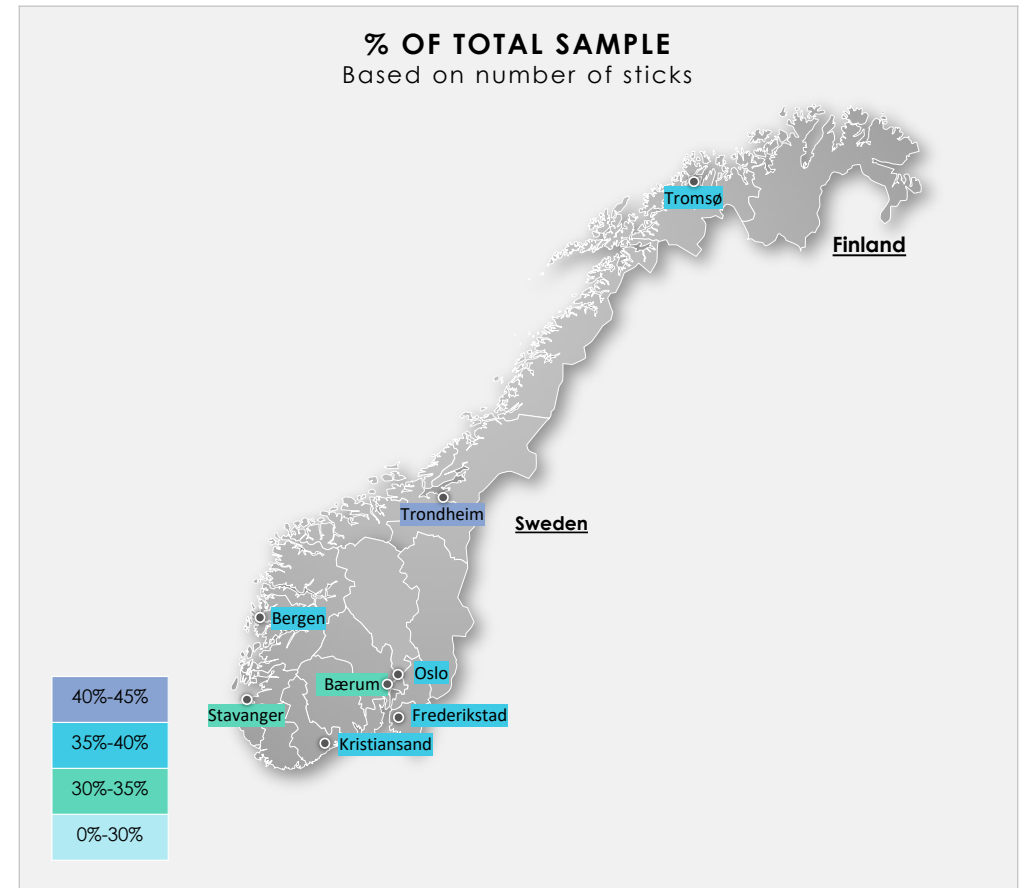
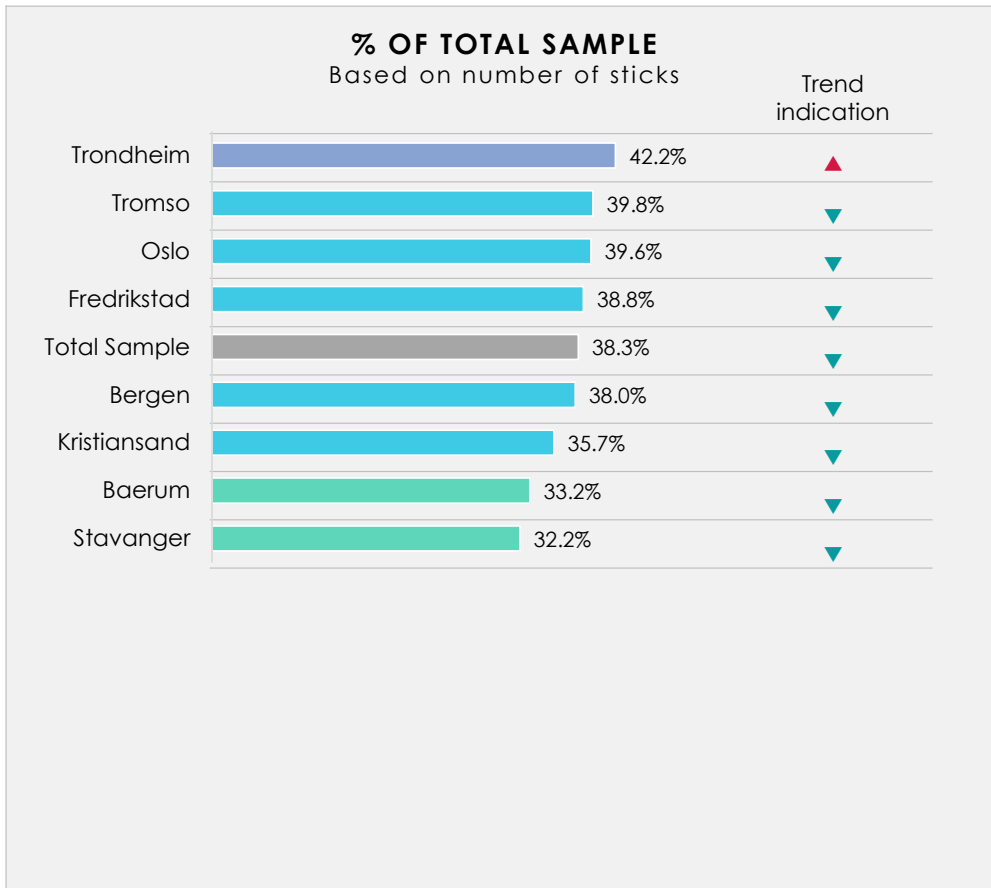


NON-DOMESTIC: BREAKDOWN



* Unspecified: packs with no country specific or Duty-Free labelling

NON-DOMESTIC: BY MARKET & CITY



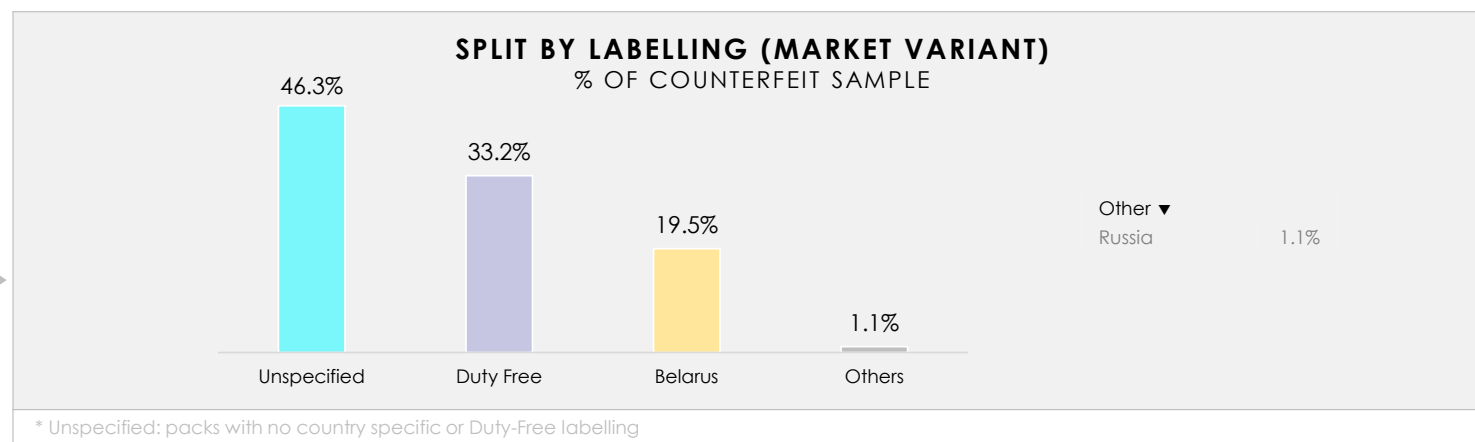
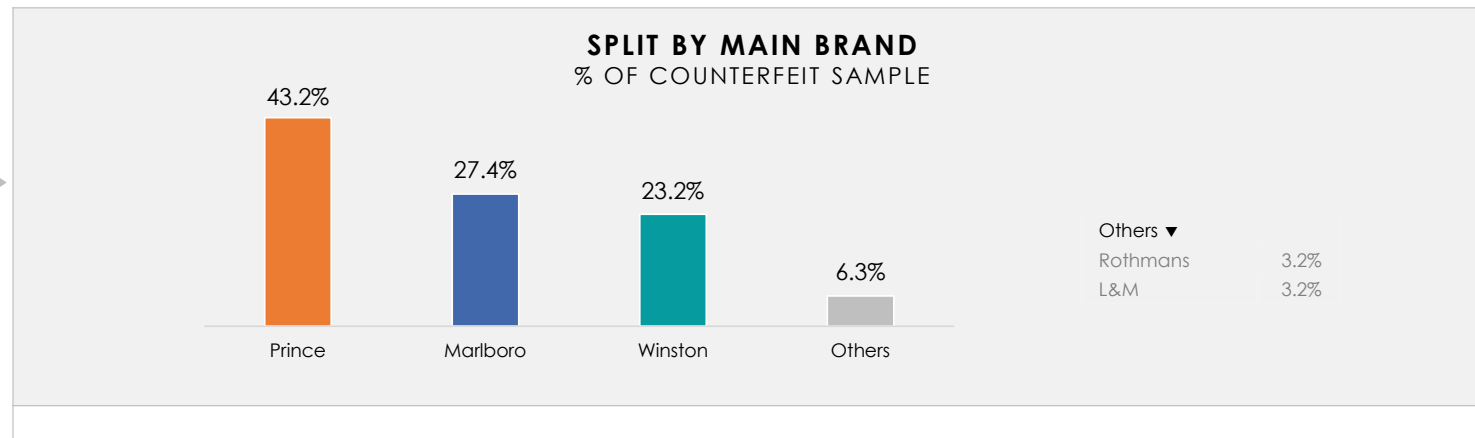
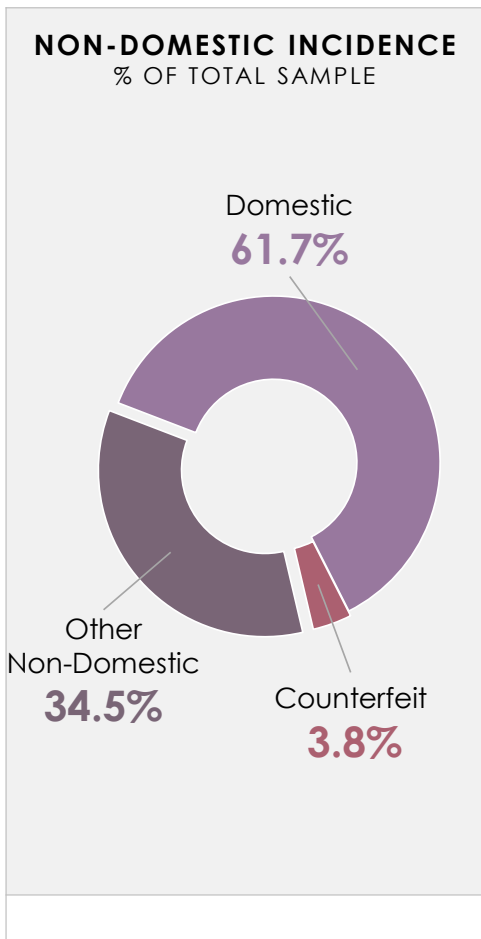
NON-DOMESTIC: BY BRAND FAMILY & CITY

% OF TOTAL SAMPLE Based on number of sticks

N= 100,698 sticks (weighted)


	NON-DOMESTIC						VARIANCE VS.	
	MARLBORO	PRINCE	WINSTON	L&M	OTHERS	TOTAL	Q4 2018	Q2 2018
OSLO	7.9%	2.1%	1.1%	0.8%	4.0%	15.9%	-5.6pp	-2.4pp
BERGEN	3.7%	0.8%	0.4%	0.4%	1.3%	6.6%	-1.2pp	-0.6pp
TRONDHEIM	2.5%	0.7%	0.3%	0.2%	1.1%	4.9%	+1.2pp	+0.8pp
STAVANGER	1.4%	0.3%	0.2%	0.1%	0.7%	2.7%	-1.2pp	-0.7pp
BAERUM	1.4%	0.2%	0.3%	0.1%	0.5%	2.5%	-0.2pp	-0.8pp
KRISTIANSAND	1.1%	0.1%	0.1%	0.1%	0.5%	2.0%	-0.1pp	-0.7pp
FREDRIKSTAD	0.9%	0.4%	0.1%	0.1%	0.5%	1.9%	-0.3pp	-0.2pp
TROMSO	0.9%	0.3%	0.1%	0.1%	0.5%	1.8%	-0.2pp	-0.1pp
TOTAL	19.7%	4.9%	2.6%	1.9%	9.2%	38.3%	-7.5pp	-4.6pp
VARIANCE VS. Q4 2018	-0.5pp	+0.8pp	-0.4pp	-0.4pp	-7.0pp	-7.5pp		
VARIANCE VS. Q2 2018	-0.8pp	-1.4pp	+0.3pp	-0.1pp	-2.6pp	-4.6pp		

COUNTERFEIT: BREAKDOWN



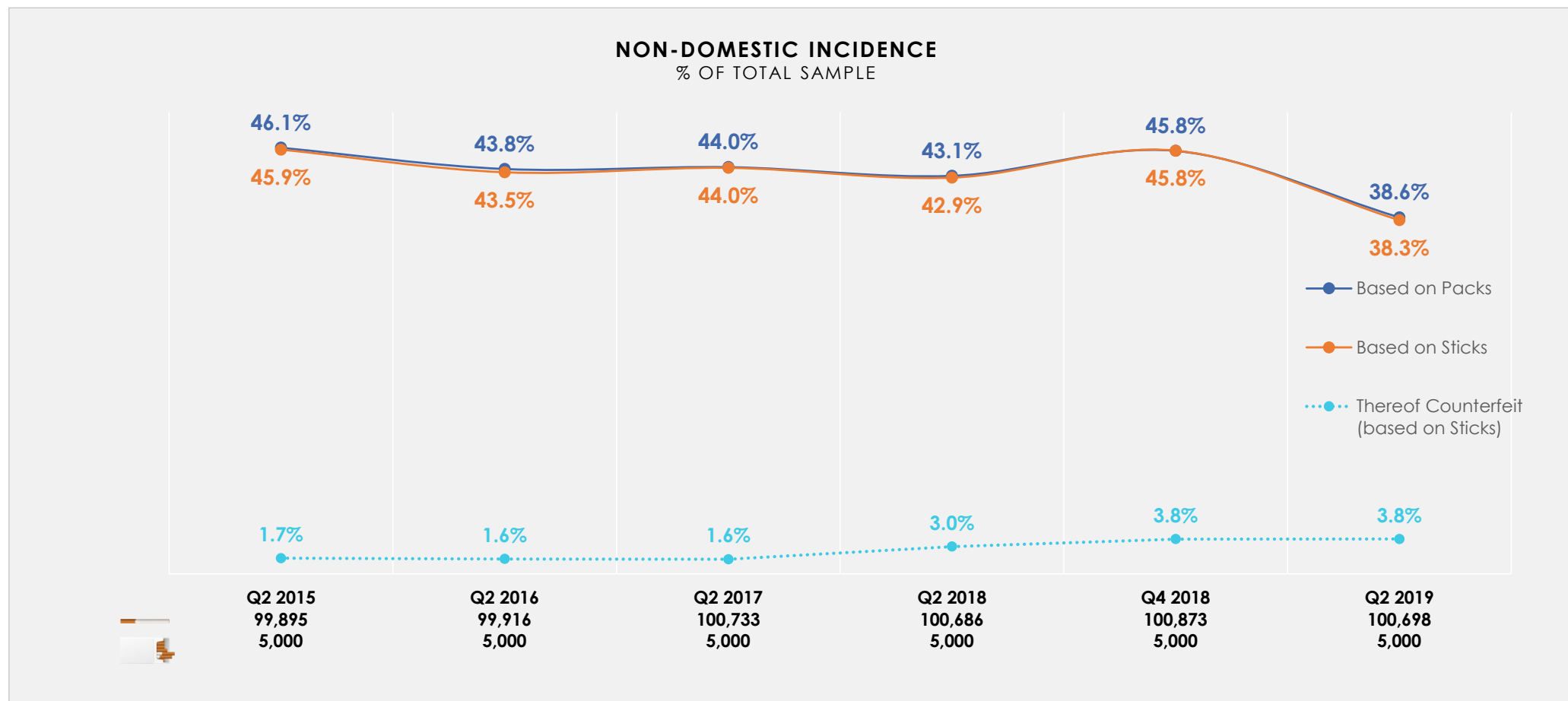
COUNTERFEIT: BY MAIN BRAND FAMILY & CITY

% OF TOTAL SAMPLE Based on number of sticks

 N= 100,698 sticks (weighted)

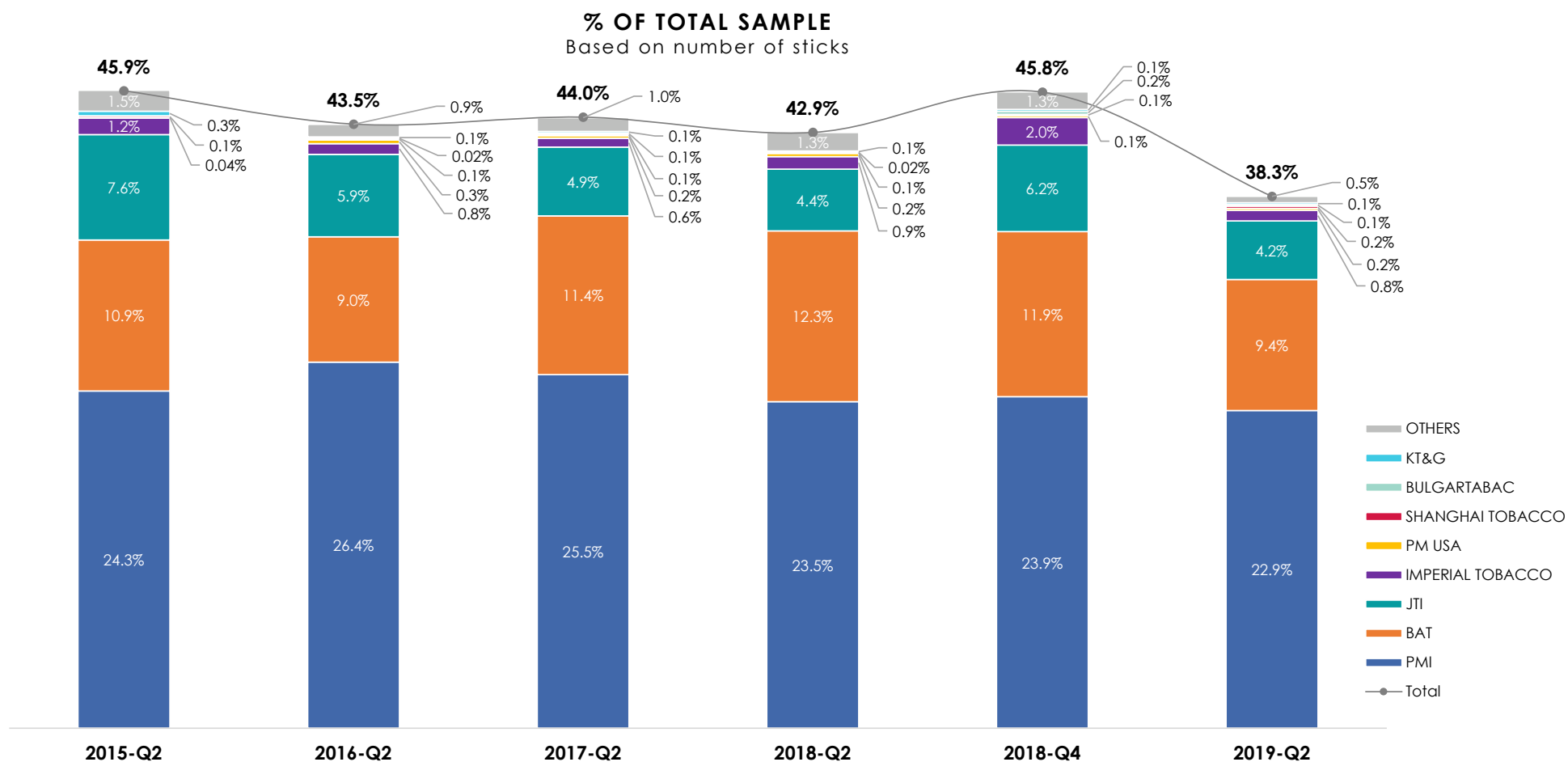
	NON-DOMESTIC						VARIANCE VS.	
	PRINCE	MARLBORO	WINSTON	L&M	OTHERS	TOTAL	Q4 2018	Q2 2018
OSLO	0.7%	0.5%	0.4%	0.1%	0.02%	1.8%	+0.2pp	+0.6pp
BERGEN	0.3%	0.2%	0.1%	0.02%	0.04%	0.6%	+0.1pp	-0.1pp
TRONDHEIM	0.2%	0.2%	0.1%		0.02%	0.5%	+0.1pp	+0.4pp
STAVANGER	0.1%	0.1%	0.1%			0.3%	-0.2pp	-0.02pp
FREDRIKSTAD	0.1%	0.04%	0.04%			0.2%	+0.1pp	+0.1pp
TROMSO	0.1%		0.1%		0.04%	0.2%	+0.02pp	+0.04pp
BAERUM	0.02%		0.1%			0.1%	-0.1pp	-0.1pp
KRISTIANSAND	0.04%					0.04%	-0.1pp	-0.1pp
TOTAL	1.6%	1.0%	0.9%	0.1%	0.1%	3.8%	+0.01pp	+0.8pp
VARIANCE VS. Q4 2018	+1.3pp	-1.0pp	-0.1pp	+0.1pp	-0.3pp	+0.01pp		
VARIANCE VS. Q2 2018	-0.3pp	+0.5pp	+0.6pp	-0.04pp	+0.1pp	+0.8pp		

NON-DOMESTIC: INCIDENCE TREND

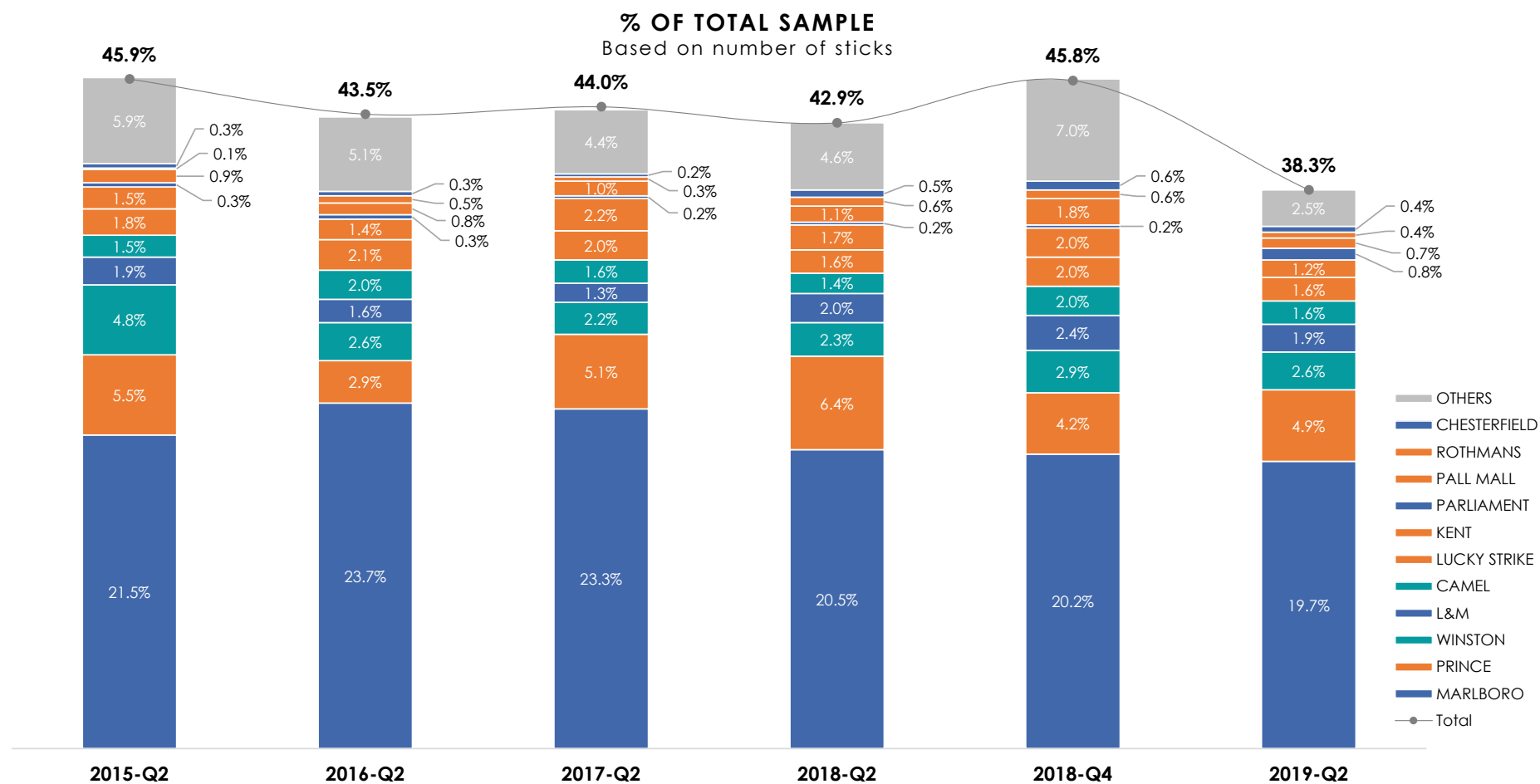


TOTAL SAMPLE = DOMESTIC AND NON-DOMESTIC PACKS

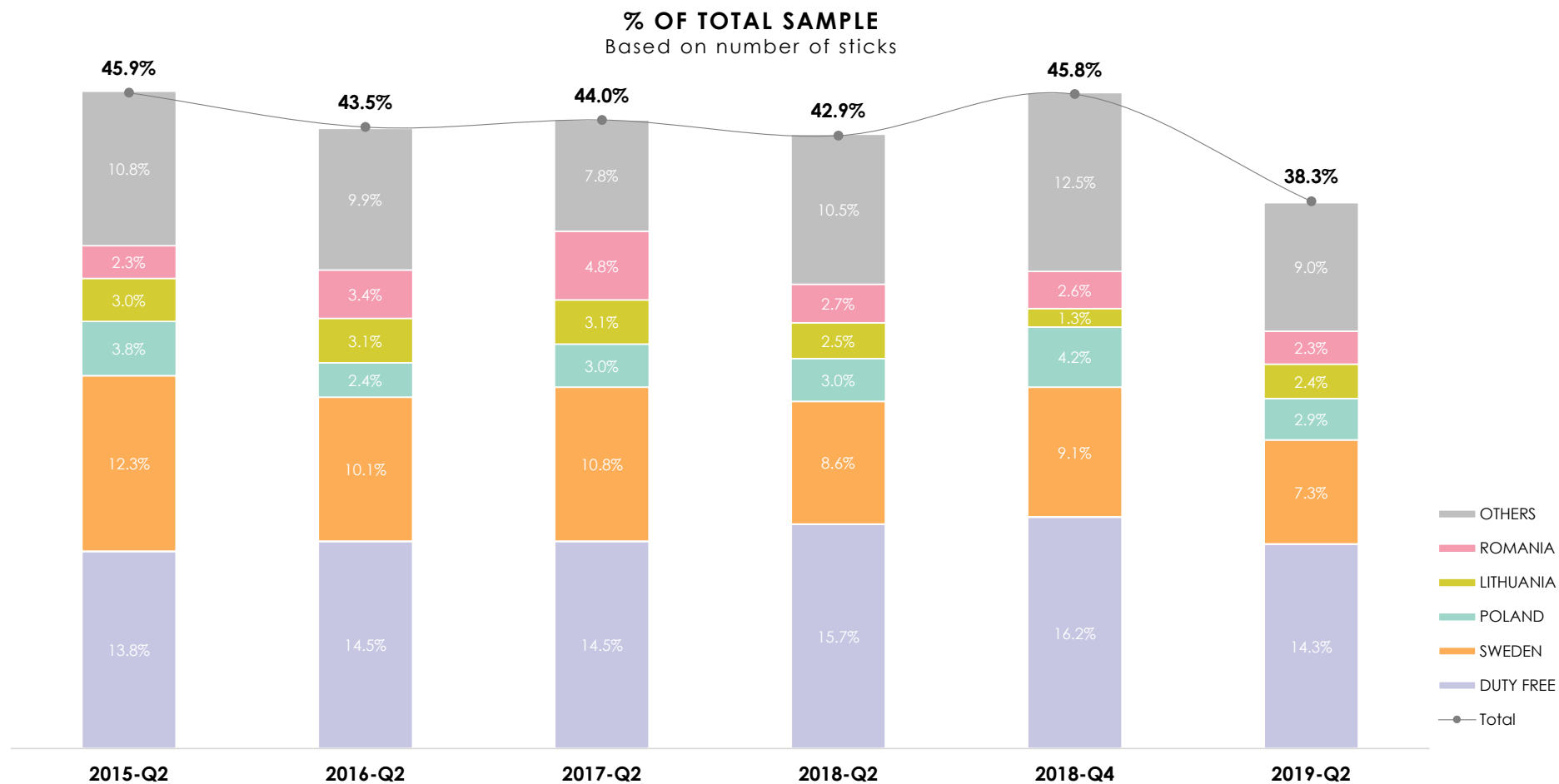
NON-DOMESTIC: COMPANY TREND



NON-DOMESTIC: BRAND FAMILY TREND



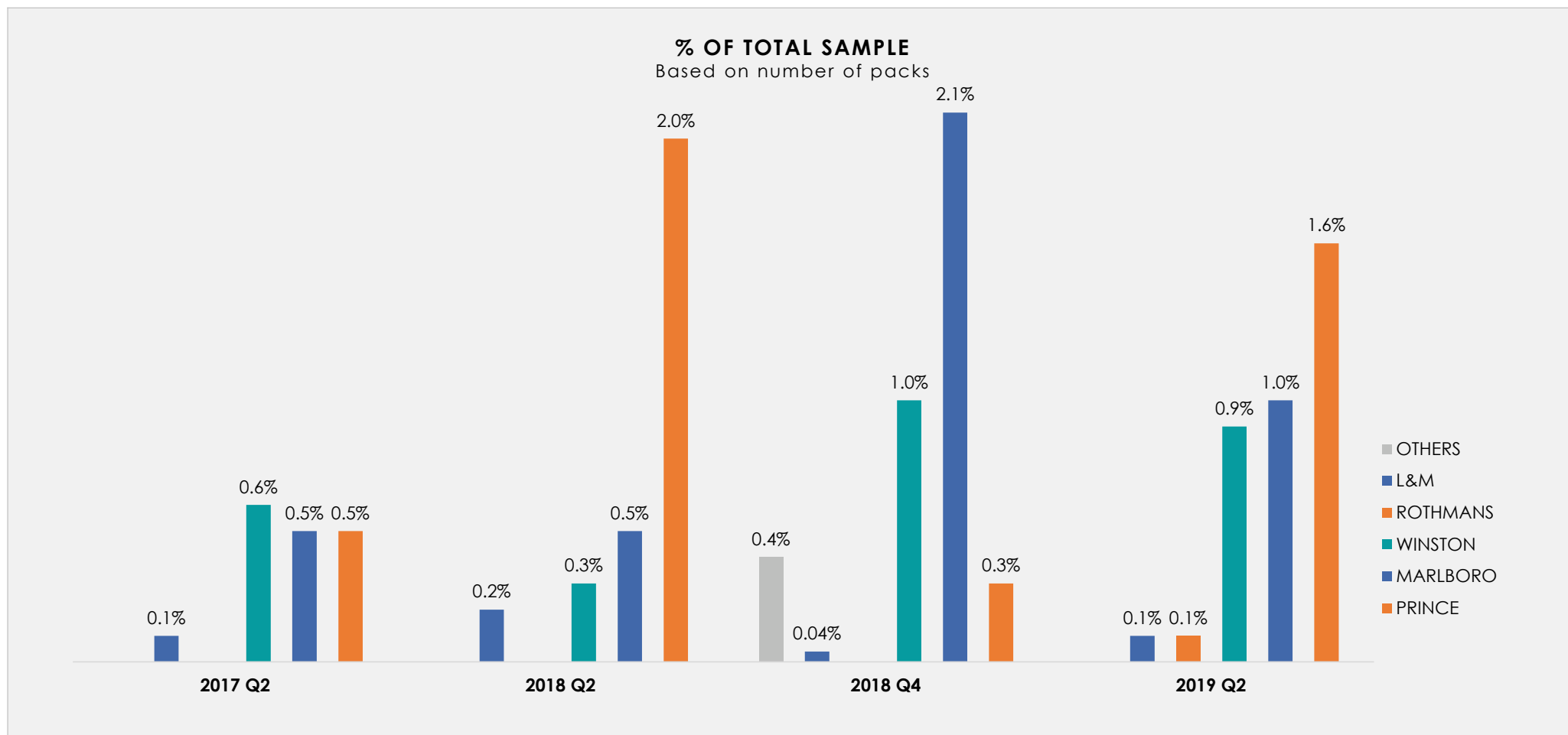
NON-DOMESTIC: MARKET VARIANT TREND



NON-DOMESTIC: CITY TREND

SAMPLE			NON-DOMESTIC INCIDENCE					
CITY	PACKS	STICKS	2015 Q2	2016 Q2	2017 Q2	2018 Q2	2018 Q4	2019 Q2
OSLO	2,012	40,447	46.2%	44.8%	43.4%	45.6%	53.3%	39.6%
BERGEN	866	17,447	44.5%	43.2%	43.3%	41.2%	44.9%	38.0%
TRONDHEIM	579	11,674	45.3%	43.2%	43.0%	34.9%	32.1%	42.2%
STAVANGER	419	8,451	47.9%	42.4%	42.9%	40.2%	46.4%	32.2%
BAERUM	376	7,580	48.0%	42.2%	43.1%	44.0%	36.1%	33.2%
KRISTIANSAND	273	5,494	40.1%	39.4%	49.1%	47.7%	36.9%	35.7%
FREDRIKSTAD	248	4,985	42.9%	44.1%	48.3%	43.5%	44.6%	38.8%
TROMSO	227	4,620	54.4%	41.9%	46.2%	42.6%	44.3%	39.8%
TOTAL SAMPLE	5,000	100,698	45.9%	43.5%	44.0%	42.9%	45.8%	38.3%

COUNTERFEIT: BRAND FAMILY TREND





04.





APPENDIX

QUARTER 2, 2019

NON-DOMESTIC: STICKS PER COMPANY

NUMBER OF STICKS PER CATEGORY AND COMPANY

IN % OF COMPANY TOTAL

				Domestic	Genuine Non-Domestic	Non-Domestic	Counterfeit	
	31,680	21,873	1,160	54,713	57.9%	40.0%	-	2.1%
	21,940	7,746	1,760	31,446	69.8%	24.6%	-	5.6%
	3,380	3,360	880	7,620	44.4%	44.1%	-	11.5%
	4,900	759		5,659	86.6%	13.4%	-	-
OTHERS	240	1,020		1,260	19.0%	-	81.0%	-

NON-DOMESTIC: STICKS PER BRAND FAMILY

NUMBER OF STICKS PER CATEGORY AND BRAND FAMILY



IN % OF COMPANY TOTAL

				Domestic	Genuine Non-Domestic	Non-Domestic	Counterfeit		
MARLBORO		30,620	18,812	1,040	50,472	60.7%	37.3%	-	2.1%
PRINCE		11,040	3,340	1,640	16,020	68.9%	20.8%	-	10.2%
LUCKY STRIKE		6,420	1,582		8,002	80.2%	19.8%	-	-
KENT		4,480	1,240		5,720	78.3%	21.7%	-	-
CAMEL		3,360	1,600		4,960	67.7%	32.3%	-	-
PARAMOUNT		4,900			4,900	100%	-	-	-
WINSTON		1,700	880		2,580	-	65.9%	-	34.1%
L&M		1,841	120		1,961	-	93.9%	-	6.1%
PETTEROE'S		800			800	100%	-	-	-
PARLIAMENT		780			780	-	100%	-	-
OTHERS		2843	1020	120	4,503	11.5%	63.1%	22.7%	2.7%



NON-DOMESTIC: TREND TOTAL COMPANY SAMPLE

NON-DOMESTIC INCIDENCE BY COMPANY – TREND

% OF TOTAL COMPANY SAMPLE

		PMI	BAT	JTI	IMPERIAL TOBACCO	OTHERS
N (Sticks) 		54,713	31,446	7,620	5,659	1,260
Packs 		2,737	1,572	381	246	64
2019 Q2	Non-Domestic	-	-	-	-	81.0%
	Counterfeit	2.1%	5.6%	11.5%	-	-
	Genuine Non-Domestic	40.0%	24.6%	44.1%	13.4%	-
2018 Q4	Non-Domestic	-	-	-	-	88.5%
	Counterfeit	4.1%	1.0%	10.4%	7.4%	-
	Genuine Non-Domestic	42.4%	35.7%	57.7%	31.8%	-
2018 Q2	Non-Domestic	-	-	-	-	79.8%
	Counterfeit	1.4%	5.5%	3.8%	-	-
	Genuine Non-Domestic	46.7%	29.2%	49.7%	17.5%	-

OTHER NON-DOMESTIC: PACK EXAMPLES

Brand	CHUNGHWA	VICTORY	FURONGWANG
Company	Shanghai Tobacco	Bulgartabac	China Tobacco Hunan Ind.
Market variant	China	Bulgaria	China
			

'Unspecified' are cigarettes packs that do not bear any market specific or Duty Free labeling

AGENCY CONTACTS



KEY POINT OF CONTACT

Regis Derhy

Chief Operating Officer

regis.derhy@msintelligence.com

Tel (direct) +41-22-508-7703



REPORTING SUPPORT

Philippe Landi

Analyst Manager

philippe.landi@msintelligence.com

Tel (direct) +41-22-508-7704

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THANK YOU